

**IAM**



***The Union  
The Future***

**Presentation on the  
Growing Trend and Threat  
of Contract-Flipping at  
Canadian Airports**

# Who we are

The International Association of Machinists and Aerospace Workers (IAM) is the largest union in the air transport sector in Canada and in North America. The IAM represents over 30,000 members across Canada, of which 22,000 work in the aviation, aerospace and air transportation sector.

In the airport service industry, we represent the majority of the pre-board screeners in Canada providing safety and security screening to the travelling public on behalf of the Canadian Air Transport Security Authority (CATSA) and Transport Canada as well as many security services within and along the perimeter of airports in Canada. We also represent many workers at Air Canada, Air Transat, Landmark Aviation, Swissport, Air Transat, TBH, Toronto Ground Airport Services (TGAS), Airport Operations Support Services (AOSS), Smarte Carte, and Aircrafts Services International Group (ASIG).

This presentation presents the views of IAM members. Airport authority contract-flipping is a growing trend and there is an urgent need for reforming the Labour Code in order to protect workers facing it. The IAM welcomes a dialogue with the Minister of Labour on this issue.

## **Contract-Flipping: Growing Trend and Threat to Workers**

The practice of contract-flipping (« roulement abusif de contrats » in French) is a major concern to the IAM and our members working at airports. The process starts when the airport authority puts out a request for proposal (RFP) for certain work to be performed. Once the contract is awarded by the airport authority, although the contract may be of a certain duration, usually covering a three-year period, the airport authority can decide to "flip" the contract by ending it early or not allowing it to be extended notwithstanding the quality of service provided by the operator. This is always at the expense of and uncertainty for workers.

# Case Study #1

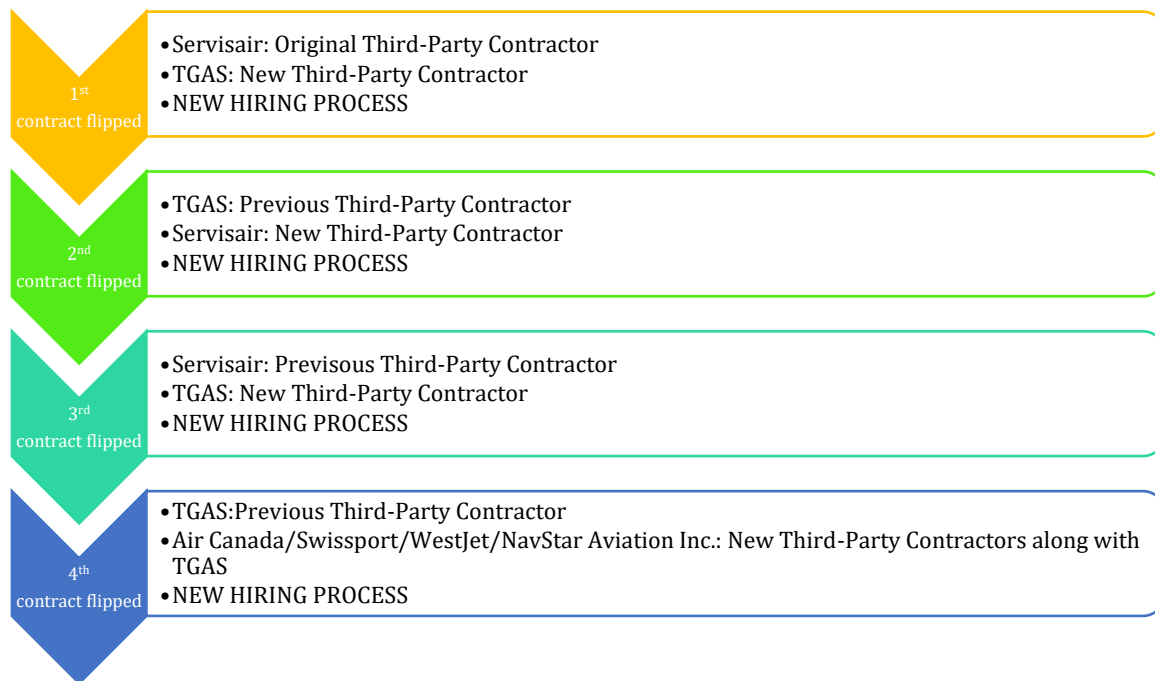
## Contract Flipping involving Wheelchair Agents at the Toronto Pearson International Airport

We have 400 IAM members, working as wheelchair agents at the Toronto Pearson International Airport and having changed employers 4 times, illustrates the growing trend of contract-flipping by the Greater Toronto Airport Authority (GTAA). These IAM members provide service to passengers requiring wheelchair assistance.

These members have been through four different contracts or "flips" within a period of nine years. They started working for Servisair, then switched to Toronto Ground Airport Services (TGAS), before switching back to Servisair. Finally, their contract was divided up between Swissport, WestJet and Navstar.

The consequences for these workers were dramatic: they started back at or near minimum standards, meaning losing their seniority as well as all of their medical benefits, vacation and sick days at each and every 'flip'.

### Contract-Flipping involving Wheelchair Agents – A Brief Summary



### WORKERS AFFECTED BY FOUR SUCCESSIVE "FLIPS"

## **Case Study #2**

### **Contract-Flipping involving AOSS Agents at the Toronto Pearson International Airport**

The last GTAA contract-flipping was Airport Operations Support Services (AOSS). They started the service in 2009 and lost the RFP in 2016 to ASP Security. Once again, the initial workers went through this flip, but with new management and a new employer.

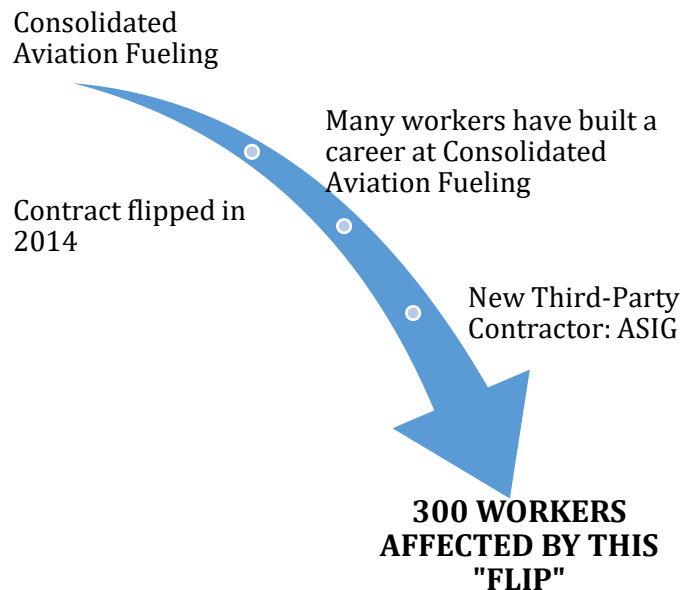
## **Case Study #3**

### **Contract-Flipping involving Aircraft Fueling Agents at the Toronto Pearson International Airport (Airlines flipped this contract)**

After more than 50 years of servicing the Toronto International Airport, the consortium of airlines led by Air Canada, WestJet and Air Transat exercised their plan to “flip the contract” in 2014 and replace the fueling operator, Consolidated Aviation Fueling, with another company, ASIG. Once again, this process had damaging consequences for workers losing their wages, group insurance benefits, pension obligations, vacation entitlement and sick days.

ASIG officially replaced Consolidated Aviation Fueling and took over the fueling operation on October 1st 2015. Consolidated Aviation who employed approximately 300 workers was forced to lay off basically its entire workforce. A small percentage of Consolidated Aviation workers were hired by the new third-party contractor ASIG. As for the majority of the workers, they had to apply for Employment Insurance benefits (EI).

## Contract-Flipping involving Aircraft Fueling Agents – A Brief Summary



## Recommendation

Based on these different case studies, the IAM urges this government to address this pressing issue while working in close collaboration with the labour movement. Job security is simply nonexistent when you work in such a precarious work environment.

When workers achieve enough seniority to access benefits and a decent wage rate to gain a better standard of living, airport authorities force companies to “rebid” the contract. The process then forces changes on the employees they choose to hire by making them start at zero after going through a new hiring process. In other words, the seniority principle is willfully ignored. This calculated hiring process is often discriminatory. The employer may deliberately ignore specific categories of workers: workers of an older age, workers with disabilities, and/or workers with a workplace-injury history. Workers who had accrued seniority rights now have their lives thrown in disarray due to this predatory hiring practice.

This impacts directly consequence on workers losing wages, benefits and seniority is a steady decline in productivity and quality of their work.

Finally, and most importantly, the safety of the travelling public is at a greater risk due to this decline.

The IAM recommends that section 47.3 of the Canada Labour Code be applied to any permanent airport authority third-party service contractor and to the airline companies.

## Canada Labour Code

### Successive Contracts for Services

#### Definition of previous contractor

- **47.3 (1)** In this section, previous contractor means an employer who, under the terms of a contract or other arrangement that is no longer in force,
  - **(a)** provided pre-board security screening services to another employer, or to a person acting on behalf of that other employer, in an industry referred to in paragraph (e) of the definition federal work, undertaking or business in section 2; or
  - **(b)** provided any other service that may be designated by regulation of the Governor in Council, on the recommendation of the Minister, to another employer or a person acting on behalf of that other employer in any industry that may be designated by regulation of the Governor in Council on the recommendation of the Minister.
- **Marginal note: Equal remuneration**

**(2)** An employer who succeeds a previous contractor as the provider of services, in accordance with a contract or other arrangement, must pay to the employees providing the services under that contract or arrangement remuneration not less than that which the employees of the previous contractor who provided the same or substantially similar services were entitled to receive under the terms of a collective agreement to which this Part applied.
- 1996, c. 18, s. 9;
- 1998, c. 26, s. 24.