

VIA EMAIL

March 30, 2020

Mr. Thomas Hesse, President
Ms. Richelle Stewart, Secretary-Treasurer
UFCW Local 401
#100, 46 Hopewell Way
Calgary, AB
T3J 5H7

Re: COVID-19

Dear Mr. Hesse and Ms. Stewart:

I write in response to your letter dated March 23, 2020 regarding the Company's response to COVID-19 in our workplace. In these uncertain and unprecedented times we continue to do all we can to protect our employees, our customers and our 70+ year-old business. I want to reassure you that we are taking the situation very seriously and we continue to monitor and follow the advice of the Centers for Disease Control and Prevention (CDC), the World Health Organization (WHO) and Federal, Provincial and local governments in our response to COVID-19.

Your letter raises numerous questions that I will generally address in three broad categories below: Our Employees, Our Operation and Labour Relations.

Our Employees

The health and safety of our employees is paramount and remains our top priority. If an employee is unable to report to work at this time, the Company is more than willing to accommodate employees in this time of need. In response to COVID-19, we will relax attendance control policies and not require employees to provide a doctor's note, as we are well aware of the employee's inability to schedule a routine doctor's appointment unless it is an emergency.

We would prefer employees to provide some consistency in scheduling, since we are operating a skeleton staff as a result of the severe decline in our business. We would prefer employees do not sporadically call out and use their accrued, unused paid time off benefits for issues related to COVID-19, but rather apply for a leave of absence and utilize the many benefits offered by the Federal and Provincial governments, such as Employment Insurance or the Emergency Fund. If an employee is unable or unwilling to report to work because they suspect they may have been exposed to COVID-19 and are self-isolating; they have child care or family care related needs; they are quarantined; or they feel anxiety about being in the workplace at this time, then employees should apply for a short term leave of absence and take the necessary time to deal with these issues.

Employees will not be judged or penalized, in any way. We have informed our employees regarding these various programs.

The Company also offers its eligible employees Short Term Disability benefits and a comprehensive health and welfare plan that employees can continue to utilize while on a leave of absence. Employees also have access to the Employee Assistance Program. While we appreciate the need for health and welfare benefits, we are unwilling at this time to waive and/or change the eligibility requirements or other terms of our current plans. The Company believes the benefits it currently provides is sufficient to meet the needs of our employee population.

Further, as I am sure you can appreciate, our business has suffered a severe downturn since the World Health Organization's pandemic declaration on March 11 and resultant travel bans, social distancing, shelter-in-place and other related governmental orders and pronouncements. Our global rental car business, which overwhelmingly relies on travel, has experienced a sudden and dramatic downturn which is significantly worse than the decline in travel after 9/11, the SARS epidemic in 2003 and the global financial crisis starting in 2008. We have been forced to cut costs across our entire organization, which includes having to make the difficult decision to layoff numerous employees. These decisions were not made lightly but were taken with a mind towards the success and sustainability of our business as a going-concern. While we appreciate the hard work of all our employees, we are unwilling to amend the Collective Agreement to provide for a Public Health Crisis Relief or increase the pay of our employees above and beyond what is required in our closed Collective Agreement, which we will continue to comply.

Our Operations

Avis Budget Group has a long and proud history of being relied upon to provide vehicles in times of emergencies and crises. We will continue to remain open and operate throughout this crisis as an "essential business," because we provide affected communities with critical transportation services. It is therefore paramount that we continue to fulfill our responsibilities to our communities by doing our utmost to serve the needs of our customers to the best of our abilities.

The Company has an established Business Continuity Plan in place, which it follows in times of crisis. The Company is continuing to align this Plan and its actions as new developments arise relating to COVID-19, following the recommendations provided by Federal, Provincial and Local regulatory agencies to reduce the risk of exposure in the workplace.

The Company has established Health and Safety teams who are trained on the Company's standard operating procedures and Healthy Workplace protocols, which are in place to maintain a safe and healthy working environment that prioritizes the wellbeing of our most valuable asset, our people. The Company has advised all of its employees regarding these protocols at various health and safety meetings or through postings throughout the workplace.

With respect to specific health and safety measures, we have:

- Increased sanitization of surfaces and enhanced protocols for the cleaning of our vehicles;
- Implemented safe social distancing in the lunch room by removing chairs and spacing tables;
- Provided personal protective equipment, such as gloves, disinfectant and other cleaning supplies and hand sanitizers. While employees may wear masks, including in customer facing positions, we are not providing masks or other face shields as we have been advised by the WHO that commonly available masks do not protect from an infection.

With respect to our customers, we are instructing them to practice safe social distancing at the rental counter or in the return area and limit direct contact to the extent possible in order to transact business. There is no need to limit the number of customers or the hours of operation to certain immune deficient members of the community as certain grocery stores and other related businesses have implemented. There are a myriad of safety measures that we constantly review to ensure the safety of employees and customers alike and we will continue with this process.

We will continue to follow our policies regarding abusive customer behavior. While we understand the difficult and stressful times we all face, our employees have been trained to handle difficult situations. As always, we will continue to evaluate employee behavior vis a vis a customer on a case by case basis, taking all of the relevant facts and circumstances into consideration. We have a manager on duty at all times who is readily available to deal with any customer issues which may arise. If an employee feels they are unable to effectively resolve an issue brought forth by a customer, they should immediately contact a manager, who will speak with the customer directly. We are not willing to place any signage above our rental counters.

Labour Relations

We are maintaining clear lines of communication with all of our labour unions regarding the impact COVID-19 is having on our business and our employees while we work through this difficult and challenging time together.

We object to the outright waiver of all timeliness requirements in the Collective Agreement, especially the requirement that the initial grievance be filed within 14 days of the happening of the event which gave rise to the grievance. We adamantly believe that complying with this initial time limit will preserve any dispute and allow the parties to preserve all relevant information related to a dispute. We do not oppose some easing of timeliness in the further steps of the grievance process, which would obviously apply equally to the Union and the Company, however we think there should be a level of reasonableness and any significant delays should be discussed and evaluated on a case by case basis. We are certainly open to discussing an expedited dispute resolution process.

With respect to Union visitations, we will not stop you from visiting employees and continuing to conduct your work as their representative. However, we ask that you respect our business and advise the manager on duty of your visit, especially if a new business agent has been assigned to our Company.

The Company has its own Government Affairs department which is actively lobbying Federal and Provincial agencies for relief from the severe effects on our business and, consequently, our employees, because of COVID-19. These lobbying efforts should benefit both the Company and, ultimately, our employees.

If you need any further information, please do not hesitate to contact me.

Very truly yours,



Aiko Bunn,
Vice President, Labor Relations

CC: Sam Wallis, City Manager