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## **Service Agents End Strike at Air Canada**

By **IAN AUSTEN**

OTTAWA — Air Canada and the Canadian Auto Workers union said on Thursday that they had reached a tentative agreement to end a strike by 3,800 customer service agents.

While the union said that its members would all be back at work by Friday, the settlement put off resolution of the most contentious issue in the negotiations. Binding arbitration will now determine the fate of Air Canada's plan to give new employees a different pension plan without defined retirement benefits. Current Air Canada workers have a defined-benefit plan that is underfinanced by 2.1 billion Canadian dollars.

"We could not settle that issue in collective bargaining," Ken Lewenza, the union's president, told a news conference after apologizing to future Air Canada employees.

Mr. Lewenza said that the airline had agreed to significantly reduce and delay changes it sought to the pension plan covering current employees.

The union asked its members, who went on strike early Tuesday morning, to return to work rather than wait for the results of a ratification vote, a process that will take several days.

"It is business as usual at Air Canada," Duncan Dee, the airline's executive vice president and chief

operating officer, said in a statement.

But Air Canada's labor situation is far from resolved. In addition to the uncertainty surrounding the arbitration process, the airline is in contract talks with other unions representing flight attendants, baggage handlers and mechanics.

Last month, Air Canada's 3,000 pilots rejected a tentative agreement. That appeared to be mainly the result of a plan by Air Canada to start a low-cost carrier using employees who receive lower pay and benefits.

The move came two hours after Parliament began debating legislation that would have forced members to return to work.

Lisa Raitt, the Canadian labor minister, welcomed the settlement.

"The best deal you can have is one they worked out themselves," she told reporters in Ottawa.



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