

In October 2007, the Association's Executive Board, by resolution, directed ALPA's president to appoint a Merger Policy Review Committee (MPRC) to review, evaluate, and make recommendations on existing ALPA merger policy. In May 2009, after 18 months of work, ALPA's Executive Board unanimously approved a significantly changed merger policy. This article summarizes both the process and resulting changes to our merger policy.

The MPRC consisted of Capts. Monty Allan (Air Canada Jazz); Jim Brucia (Continental); Bill Couette, ALPA's vice-president-administration/secretary; Mike Lazarowicz (Northwest); Dave

Short (Delta) and then Rich Harwood (Delta); Dave Smith (United); Tom Wychor (Mesaba); and me. Jonathan Cohen, director of the Legal Department; Maggie Erzen of ALPA Governing Bodies Support; Bruce York, director of the Representation Department; Seth Rosen, who retired as director of ALPA's Representation Department and now serves as director of ALPA's International Pilot Services Corporation; and Bob Savelson of Cohen, Weiss and Simon LLP assisted the Committee.

The Committee agreed early on that its goal was to develop a policy that would be fair, equitable, and durable. We made a commitment to leave our

respective airline uniforms at the door and focus on creating a policy that would serve the interests of all members.

We began by researching ALPA's archives and reaching out to at least one member of prior ALPA merger review committees. We sought input from every master executive council. We interviewed members who had served as ALPA pilot neutrals, merger representatives, and merger attorneys. We also spoke with Capts. Duane Woerth and Randy Babbitt, former ALPA presidents, and with Don Skiados, retired director of ALPA's Communications Department.

We compiled our input, identified issues that needed to be addressed in each section, and crafted language for suggested improvements. Our guiding principle was to establish a policy that would set the stage for mergers to be a positive force in a pilot's career to the maximum extent possible. We

placed new emphasis on obtaining contract value through joint MEC and membership efforts to establish a unified pilot group as early as possible in the merger process.

Below are the highlights of the revised policy. The full policy can be found on the ALPA members-only website, Crewroom.alpa.org, under e-library, *Administrative Manual* Section 45.

Statement of purpose and preamble

This section is designed to be a "user's guide" and an overview of the policy. If you read only this section, you will

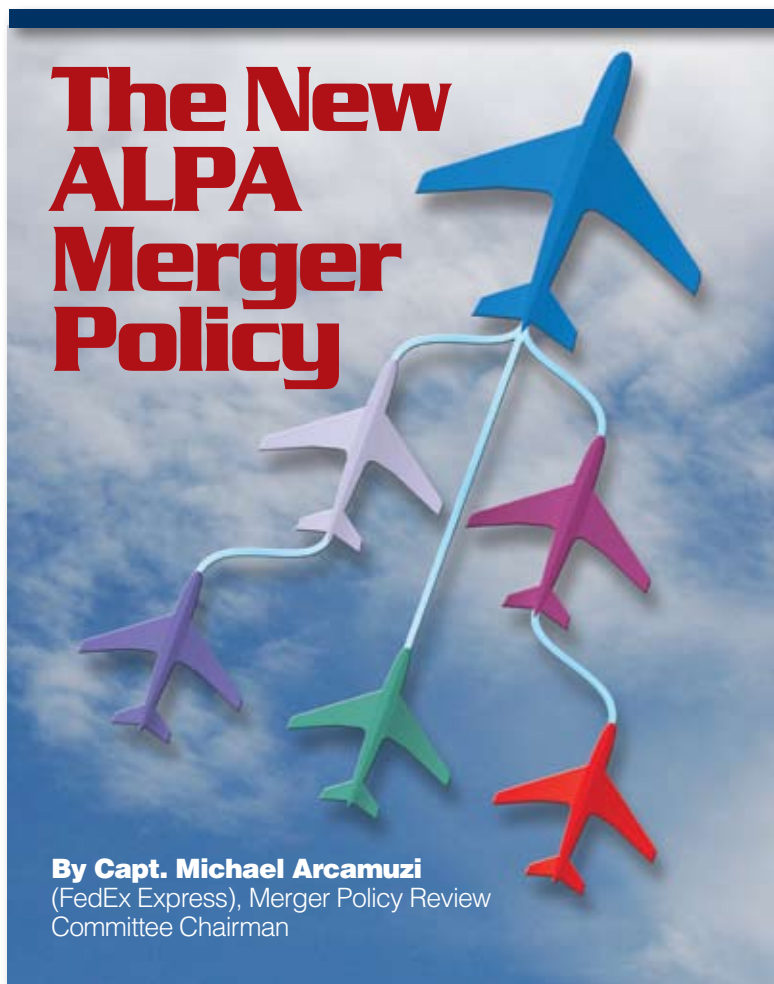
understand the fundamentals of ALPA merger policy.

The new policy emphasizes the three major components needed to fully complete a merger:

- a joint collective bargaining agreement (JCBA) and a possible transition agreement,
- an integrated seniority list, and
- a merged MEC, representing a unified pilot group.

Foundational premises

The new policy states that a successful merger requires the full support of ALPA MEC and local council leaders for its implementation and mandates that ALPA members be kept informed and up-to-date through responsible com-



munications. Unity of purpose based on close cooperation among Joint Negotiating Committee members and between the participating MECs is deemed essential.

The integration of seniority lists is now viewed as one step in the more comprehensive merger process. The merger is a transaction consisting of the seniority integration *process*, the contract negotiation *process*, the ratification *process*, and the transition *process* (*both as to the carriers and ALPA governance*), all leading to a single pilot group and one MEC.

Broad authority is provided to MECs to design and agree on alternative procedures that meet their own needs. The basic policy serves as a "governing" process in the event that the MECs do not desire to or cannot reach agreements. The new policy encourages MECs to consider flexible arrangements tailored to the needs of their particular pilot groups

and transaction, with recognition that “one size fits all” is not the best approach.

Definition of a merger and additional flexibility

The new policy defines a merger as “a situation where there is a reasonable probability of sufficient operational integration between or among two or more ALPA airlines and that there is or will be a need for an integrated seniority list, a JCBA, and a merged MEC to adequately protect the employment interests of the flightdeck crewmembers.” In addition, it enables MECs to enter agreements with other MECs unconstrained by corporate time lines.

Two ways to implement policy

There are two ways to implement ALPA merger policy. Under one method, the involved MECs may determine “at any time” that it is in the best interests of their members to enter into agreements that provide a process by which the MECs will negotiate a new joint contract and decide on procedures to integrate their seniority lists.

Under the second method, if there is a “merger” as defined by policy and the MECs are unable or unwilling to enter into process agreements addressing both seniority integration and negotiating a JCBA, the policy is implemented by establishing a “process implementation date” (PID). This date is established on the earlier of the date on which the Executive Council, in its judgment, determines a merger has taken place or the date on which ALPA’s president agrees with the determination of all involved MECs that there is a merger.

Flexibility for MECs to work as a team

This policy also provides MECs with the opportunity to make two additional types of agreements dealing with their merger.

MECs may voluntarily enter into an agreement to establish an Interim Joint Governing Council (IJGC), which will function as a single MEC to make joint decisions on agreed-upon subjects relating to the merger *other than* seniority integration. The second type of agreement would address the process for merging the MECs.

The Committee hopes these types of discussions and subsequent agreements will help to build trust and foster better working relationships between the respective members and the respective MECs.

Seniority list integration principles

ALPA merger policy calls for the fair and equitable integration of seniority lists. Under the new policy, merger representatives are encouraged to consider themselves primarily as negotiators who should make a strong and focused effort to resolve seniority integration issues, with mediation and final and binding arbitration mandated on unresolved issues.

As the Committee evaluated the old policy, it became clear the factors for seniority list integration (SLI) had

become a source of controversy. The new policy states that the factors that must be considered in constructing a fair and equitable integrated seniority list, in no particular order and with no particular weight, now include but are not limited to career expectations, longevity, and status and category.

The new merger policy mandates that merger representatives, mediators, and arbitrators must consider these factors when constructing a seniority list; however, they are also free to consider other factors as they deem appropriate.

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Changes in SLI arbitration process

After analyzing the Delta/Northwest merger, the Committee decided to incorporate the use of a panel of three arbitrators as the standard for the policy. If the merging MECs agree, they can use one arbitrator and two pilots. The pilots they select to serve on the board are called non-voting pilot board members in the revised policy. Their primary role is to provide assistance to the arbitrator in achieving a fair and equitable integrated seniority list. The non-voting pilot board members will receive formal training on merger policy and their respective roles.

In an attempt to make the process more efficient, arbitrations are limited to 15 nine-hour days of hearings. In the interest of fostering open communications between MECs, new policy language discourages arbitrators from admitting MEC communications as evidence.

Conclusion

This new merger policy reflects the ideas of veteran and current merger committee personnel as well as individuals who have varying perspectives and experience in airline mergers.

The Committee’s goal was to create an ALPA merger policy that would serve the members well into the 21st century. We are also hopeful that the combination of flexibility and structure will encourage MECs to make agreements that will suit the needs of their particular transaction and build unity.

This experience has been extremely rewarding, and I was honored to have worked with this team. I hope that the new policy will strengthen our union and open the door for other pilot groups to consider joining the Association as we work to unite all pilots and become the exclusive voice of the airline piloting profession. 🌐

