



O'Leary's Dangerous Game

By Capt. Dennis Dolan, ALPA First Vice-President



The perfidy of Michael O'Leary, CEO of Ireland's low-cost, cross-border airline, Ryanair, has been noted in this space before. He flagrantly dismisses all the conventions of proprietorship, taking on anyone who gets in his way—passengers, handicapped people, crewmembers, staff, the environment—with a philosophy of “If you don't like it, sue me.”

O'Leary wastes no energy defending or justifying his actions. Toward his airline and his pilots, who must pay for their own uniforms and training, his attitude is strictly business: “I am not a cloud bunny, I am not an arosexual. I don't like aeroplanes. I never wanted to be a pilot like those other platoons of goons who populate the airline industry.” And O'Leary's business philosophy? “Our strategy is like Wal-Mart: We pile it high and sell it cheap.”

Ryanair is also an early master of the multinational shell game that is facilitated by loose ownership and control rules. With an operating license in European Union member Ireland, Ryanair can hop from country to country throughout Europe and seek to cherry pick the laws it will follow. This may be a mere foretaste of what could balloon into an international nightmare if the U.S. Department of Transportation's proposed notice of proposed rulemaking on foreign control of U.S. airlines is put in place.

The NPRM is the sweetener that the United States is offering to open the way for the comprehensive Open Skies agreement with the EU. If the rule is promulgated, foreign interests will be able to exercise full control over U.S. air carriers' economic decisions. We're talking bread-and-butter matters, such as choice of markets,

type of equipment, and rate setting. Additionally, although the NPRM specifies that U.S. citizens would retain control of policies with respect to FAA-specified, minimum safety requirements, it does nothing to prevent foreign investors from controlling all other safety-related decisions, such as outsourcing aircraft maintenance, selecting the maintenance provider, and

terests of increasing the free flow of capital, the United States' current government will turn the U.S. airline industry into a latter-day version of our faded maritime industry. The fight starts in Europe, which has no common European labor law and thus no common standards. An airline can run to the cheapest and easiest place to incorporate and then open bases

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establishing contractual flight-time and duty-time policies. If a U.S. airline came under the control of a foreign airline, employee protections and rights provided by the Railway Labor Act could be in jeopardy.

And what would the Open Skies agreement bring?

- It would allow any European airline to fly from any point in Europe to any point in the United States.
- It would make it easier for European airlines to consolidate and gain competitive advantages over U.S. and Canadian carriers.
- European Union airlines would have the right to provide aircraft and crew to U.S. airlines on international routes (wet leasing).

Under the DOT's proposed control rule and the Open Skies agreement, foreign airlines (mostly nationalized brands) could seek to exercise their control of U.S. airlines to create a domestic feeder network for their own international operations, threatening to starve the lucrative and desirable international operations of U.S. airlines.

ALPA's concern is that, in the in-

all over Europe. In these circumstances, it will obviously be very difficult for labor to organize.

That's why ALPA is supporting the efforts of IFALPA and the Irish Air Line Pilots Association to organize the Ryanair pilots. Unfortunately, those beleaguered pilots have a real fear of retaliation and victimization by their management. This is the same company that forbids its employees from charging their cell phones at work—and enforces it.

For now, Ryanair appears able to get away with virtually anything it pulls. Even when it is found to have done something that can be nailed down as illegal, O'Leary litigates endlessly until his company finally loses in some court somewhere—and then he stalls as long as he can before paying a pittance for another's pain.

The proposed NPRM could open a Pandora's Box of freewheeling “standards” that cannot be put back. And what is the United States getting in return for this change in rules? A nice thank-you note from Michael O'Leary, Richard Branson, and their ilk. 🚀