Small-jet pilots reject management demands to choose between jobs and concessions.

By Gavin Francis, Staff Writer

Until recently, small-jet operators and their pilots have been protected to some degree from the financial devastation that the legacy airlines have suffered over the past several years. Fee-for-departure agreements and "cost plus" contracts with mainline carriers provided a buffer against the staggering losses that the larger airlines were forced to absorb. Various provisions of their code-share agreements insulated express carriers from cutthroat competition among themselves. But observers predicted that, sooner or later, legacy carriers would seek to pass some of their losses down the line to their affiliated small-jet operators.

That prediction now has become reality. In what some are calling "Pay to Play," mainline airline managements are trying to drive down the cost of passenger feed from their express carrier partners to mitigate in part the disastrous consequences of their own failed business plans. Mainline carriers have invoked, or threatened to invoke, bankruptcy provisions to acquire enormous bargaining leverage in their dealings with their affiliated small-jet operators. Facing such pressure from their mainline partners, and with excess capacity in the 50-seat jet market, express carriers, including those which feed the same mainline "brand," are now being forced to bid against each other for less flying. Managements at the small-jet operators in turn are demanding that their pilots make up for declining profit margins by accepting cuts in pay and benefits and work rule concessions. This new dynamic is an alarming trend and is already a current reality for pilot groups at carriers such as Air Wisconsin, Atlantic Southeast, Comair, Mesaba, and Pinnacle, where either the airline itself or its mainline partner is in bankruptcy.

"'Pay to Play' is extremely dangerous," says ALPA's president, Capt. Duane Woerth. "If things get bad enough, you'll see a lot of pilots begin to leave the profession because the pay will be so low that working as an airline pilot will no longer be a worthwhile career choice. Airline pilots have already made tremendous sacrifices, but enough is enough. It's just not our responsibility to fund the profitability of airlines."

As part of an ongoing effort to resist the "Pay to Play" assault on ALPA bargaining agreements, union leaders from various ALPA express carriers and staff met at ALPA's offices in Herndon, Va., in October 2005 to discuss this phenomenon, coordinate specific responses to management demands, and develop longer range plans to combat it.

Capt. Woerth addressed the group and acknowledged both the difficulty of the current circumstances and the need to work with each other to hold the line. "As soon as pilot groups start giving back money to secure flying, everyone loses because the competitive pressures only get stronger," says Capt. Woerth. "We need to maintain unity and stay committed to maintaining standards in our express carrier contracts. I know that's not easy for a pilot group that is at risk, but it is critically important for our union and our profession."

ALPA's policies concerning concessionary bargaining and the careful coordination that pilot groups have maintained in the wake of 9/11 are equally relevant and necessary as ALPA pilots at the small-jet operators confront extreme "Pay to Play" pressures from their managements. When a carrier demands concessions, these policies and practices require thorough analysis of the airline's financial condition by ALPA experts, discussion and direction by master executive councils, carefully planned negotiations instead of knee-jerk responses to management demands, and coordination among all pilot groups that are part of the same brand.

"'Pay-to-Play' works only if airline pilots fall for it," says Capt. Wake Gordon, chairman of the Pinnacle pilots' MEC. "When all pilots serving the same mainline carrier identify themselves as being part of a single network, recognize their common interests, and adopt a coordinated plan for dealing with their respective managements, we will have set the stage for successfully defeating managements' divide-and--conquer tactics."

Bill Roberts, left, assistant director in ALPA's Representation Department, and Capt. Tom Wychor, Mesaba MEC chairman and ALPA executive vice-president, discuss airline managements' "Pay to Play" tactics at an October 2005 meeting in Herndon, Va.

"Airline managements need to understand that we're not here to fund their investments," says Capt. Woerth. "They're going to have to find other ways to recoup the losses created by their poor corporate decision-making. It may be difficult to stand up to the pressure when your future is at stake, but only by acting together can we put the brakes on this rush to the bottom of the wage scale."