

## ExpressJet Pilots Take Advantage of Opportunity

By Jim Moody, Senior Communications Specialist

In November 2006, ExpressJet pilots approved a letter of agreement that extended their contract by two years, until Nov. 30, 2010. Along with an entirely new charter section, the LOA contained pay increases and scheduling improvements that ensured that the pilots will remain at the top of their segment of the U.S. airline industry.

This extension solidified the gains ExpressJet pilots had made in November 2004 when, after 27 months of difficult negotiations, the pilots approved their last collective bargaining agreement. Despite the turmoil following the events of Sept. 11, 2001, and the subsequent economic decline of the U.S. airline industry, the contract placed the ExpressJet pilots at the forefront of express airlines in compensation, work rules,

**What do you call it when management plans creatively and pilots respond with preparation and cooperation? ExpressJet Airlines.**

benefits, and scope. That success was achieved by a unified pilot group, strong leadership from the MEC, Negotiating, Contract Compliance, and other pilot group committees, and the invaluable support of ALPA's Economic and Financial Analysis, Communications, Retirement and Insurance, and Representation Departments.

### History

Today's ExpressJet is a far cry from the turboprop carrier that Continental Airlines cobbled together from several commuter airlines in the early 1990s to create its feeder line, Continental Express. At that time, Continental and Continental Express pilots operated as a single union, the Independent Association of Continental Pilots. In June 2001, IACP voted to merge with ALPA, and the two Continental



**F/O Ernie Adkins (ExpressJet) performs a preflight check of his EMB-145LR.**

groups initially functioned as a single pilot group with one MEC.

During the next year, 2002, Continental spun off Continental Express through an initial public offering, with the resulting company becoming ExpressJet Airlines.

Then, in August 2004, shortly before the ExpressJet pilots approved their last contract, the Continental and ExpressJet pilot groups separated into two groups.

During this time of turmoil, the ExpressJet MEC leadership went through the expected transitions—terms ended and new officers and reps were elected, officers and reps left to

2-year extension to the current collective bargaining agreement.

On July 20, the MEC authorized the Negotiating Committee to explore the positive and negative effects of an extension and report back to the MEC on August 11. After due deliberation and consideration, the MEC agreed with the Committee's recommendation to pursue discussions with management about an extension, with the reservation that either party could, at any time in the discussions, simply withdraw; the current contract would then continue in force.

The decision to discuss an extension focused on two potential benefits to the pilots: (1) locking down reasonable compensation increases and a few important scheduling improvements at a time of transition for ExpressJet and for express airlines; and (2) improving the pilots' position in the airline industry for full Section 6 negotiations by extending the amendable date until Nov. 30, 2010.

A little more than 2 months later, on Oct. 18, 2006, the Negotiating Committee presented the MEC with Tentative Agreement LOA 8 and recommended approval. The MEC

unanimously approved and sent the LOA to the membership for ratification.

The LOA not only extended the current contract, but added a completely new section dealing with charter flying, which would be the first of the new opportunities being developed to bear fruit.

"This was a short time line," says Capt. Ron Stevens, chairman of the ExpressJet Negotiating Committee. "We refused to agree to the specific deadlines set by management, but realized that pilots would obtain the most in return for any extension if an agreement was reached before the first of the aircraft was released from the capacity purchase agreement with Continental. As a result, we worked as hard and fast as we could to achieve our goals and, in the end, are confident we achieved a win-win situation for both parties."



GAZTON WAMPLER/PHOTOGRAPHY

**Bearing the new ExpressJet colors and logo, this is one of the EMB-145XRs that will be used for ExpressJet Charter Operations and for the point-to-point flying the airline will begin under its own name between 24 cities in April.**

accept positions at Continental, and replacements were elected. Nonetheless, the pilot group and its leaders remained unified and constant.

"This is an incredibly unified pilot group, which has resulted in equally cohesive leadership at the MEC and committee levels," says Capt. Phil Lomness, ExpressJet MEC chairman in 2005–2006. "When I took over the reins from Capt. Mark Leneski, we all knew exactly where we were going, and when I resigned to go to training at Continental, I had no qualms about turning everything over to Bill [Dressler, the current MEC chairman]."

### Contract extension

Early in 2006, Continental decided to look at airlines other than ExpressJet to provide jet feed. After extensive review, Continental decided to remove 69 airliners from the capacity purchase agreement with ExpressJet and give the flying to another carrier, effective at the end of December 2006.

Contrary to general expectations, rather than return those airliners to Continental, ExpressJet management decided to keep the 69 airliners and find ways to use them to move the airline in other directions, such as charter flying, self-branding, and flying for other legacy airlines. However, to do so, ExpressJet management felt it needed to lock in, as much as possible, expenses past 2008, when the pilots' contract would become amendable. Doing so would provide a case for the airline's labor and cost stability while management sought new opportunities and financing.

Therefore, on July 11, 2006, ExpressJet management approached the ExpressJet MEC about the possibility of a

## ExpressJet Pilot Group At a Glance

**Number of pilots**—almost 2,900

**Operations**—flies more than 50,000 passengers per day to 152 destinations in the United States, Canada, Mexico, Central America, and the Caribbean

**Bases**—Houston, Tex.; Newark, N.J.; and Cleveland, Ohio

**Fleet**—274 EMBs (EMB-135s and -145 LRs and XRs)

**Headquarters**—Houston, Tex.

Pilot surveys and feedback helped the Negotiating Committee and MEC focus on the pilots' priorities in pay and scheduling. Negotiations were held several days each week—including weekends—for more than 2 months. Continuous input was sought from and provided by ALPA legal and financial advisors, and contract administrator Dan Orfield of ALPA's Representation Department was at the table to support the negotiating team every step of the way.

Meanwhile, the pilot communications and education effort moved into high gear. Regular negotiation updates were

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**—Capt. Bill Dressler, ExpressJet MEC chairman**

provided, and several all-pilot conference calls were held. As the TA took form, details were passed to the pilots; phone and e-mail lines remained open for questions and comments. A series of electronic newsletters detailing various sections of the TA were blast-e-mailed to the pilots and posted on the MEC website, as was the TA itself when ready.

A 2-week road show, with pilot representatives from all the bases at each base's road show, wrapped up the extensive education program and demonstrated the leaders' unified support. A video of the presentation was posted on the MEC website.

The resulting LOA was overwhelmingly approved by 87 percent of the voting pilots. It provides significant improvements to Contract 2004 in several primary areas, particularly compensation, scheduling, and flight instructor flexibility:

- Compensation—LOA 8 provides greater yearly pay increases during the extension period than currently provided in Contract 2004 and the same longevity increases. Per diem increases also will continue to increase by the same amount, but will be provided each year rather than after 24 months.
- Scheduling—LOA 8 requires that lineholders be provided at least 12 days off each month, regardless of bid period adjustments. The total time a pilot on a reserve-availability day can be scheduled for duty is reduced from 15.5 hours to 13.5 hours, including phone availability. A floating reserve line provides eligible reserve pilots with a minimum of 14 days off. Reserve pilots are also provided an aggressive pickup window and the ability to pick up days with bad reserve coverage in exchange for days with worse coverage.

### Charter operations and other initiatives

LOA 8 also adds a new section to the contract covering charter flying. ExpressJet Charter Operations will focus on scheduled corporate, team, and other shuttle-chartered service rather than on-demand charters.

Pilots flying charter are expected to have more sit time and

less flight time than regular line pilots. They can expect more customer and operational duties and flying to smaller, more remote airports. As a result, charter pilots (first officers and captains) receive a substantial override above their applicable hourly line pilot rate and have a higher minimum monthly guarantee. Charter pilots receive a minimum of 14 days off per bid period. On April 1, a home-base airport system will be implemented, in which charter pilots can be “based” at any airport that meets certain airline service qualifications.

Because Charter Operations is a completely new program for ExpressJet, it will be evaluated at least quarterly, and either party—management or the ExpressJet MEC—can open its provisions and seek changes and binding arbitration at the end of a year.

“ExpressJet management is basically reinventing the airline,” says Capt. Bill Dressler, ExpressJet MEC chairman. “As it evolves, both sides expect the need to arise for changes. This allows us the flexibility to meet unexpected new challenges.”

Currently, 15 airliners are planned for ExpressJet Charter Operations. They will be flown by about 150 charter pilots.

Charter Operations is only the first of the initiatives that ExpressJet management is taking as the airline changes to meet the challenges and opportunities it faces. The second is self-branded, point-to-point flying, initially serving 24 cities, in which 44 airliners will be used. Tickets are already being sold, with service scheduled to begin in April. The company is also looking at the possibility of additional capacity agreements, similar to that with Continental, with other airlines.

### ALPA/ExpressJet management relationship

Following the contentious period under two former top ExpressJet managers and after the spinoff-from-Continental period, the management and the pilot group have developed a good working relationship, according to both Dressler and ExpressJet Vice-President of Flight Operations and Maintenance Jim Nides.

“Our philosophy of management comes down from Jim Ream (ExpressJet president and CEO),” Nides says. “We try to provide honesty and fairness and think others respond in kind. Our pilots have done a bang-up job flying for Continental, and with our new initiatives, they are going to be more important than ever. Good customer relations will be essential, and our pilots are on the front line in customer relations.”

“We face a lot of battles in this business, and the best use of our energy is not fighting with our pilots.”

Dressler agrees. “Of course, we have our differences, but we have always striven to resolve them at the earliest opportunity and lowest level. As a result, we have nearly the fewest grievances among any ALPA pilot group, and our pilots are unified and productive. Thanks in no small part to the efforts of the entire ExpressJet management team, we believe this company and pilot group are poised for an exciting future together.”

That future has been brightened by the contract extension. “We think the flexibility in our extended contract provides management with what it needs to succeed,” says Dressler. “At the same time, it ensures that this pilot group will receive its share of the resulting success. Of course, it also provides a baseline for other express pilots as their airlines recover and they seek new and improved contracts.”