

# ALPA's Plan for Positive C

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**S**ay you're flying a B-757 to Madrid above some lousy weather, and an engine flames out over the Atlantic. Along with experiencing a spike in your blood pressure, you start thinking about diverting—probably to the Azores. After landing, everyone faces the question of how to get to their destination.

It's a situation not unlike the recent 6-year bankruptcy era during which (mis)management—aided by bankruptcy-court limits on bargaining and pilots' right to strike—worked to shred pilots' collective bargaining agreements at airlines large and small. Pilots weren't the cause of the problem, but they sure suffered the most severe consequences. The question now is: how do ALPA pilots get to their destination—contracts that recognize their contributions to the airlines they work for? Especially, as fuel spikes higher and the economy slows.

Bruce York, director of ALPA's Representation Department, believes firmly that this bargaining cycle is different, and he sees reasons to remain optimistic. York knows the fundamentals behind the headlines: it's a new cycle of bargaining in a changed environment in which capacity continues to be constrained, and the agreements coming up for renegotiation support the likelihood that the pilot groups heading for the table will make progress.

Rather than financially weaker airlines leading the bargaining cycle as they did during the 2001-to-2006 period, stronger airlines, like Alaska, Continental, and Hawaiian, are now at the front end of the bargaining cycle and will help continue positive contract patterns.

## A little history

From 1985 to 2001, ALPA pilot groups made very substantial gains in collective bargaining, including during the weeks just before 9/11. The catch was that 9/11's interruption of the bargaining cycle left a \$100-an-hour disparity between pilots flying the same equipment at different companies, so the pattern of bargaining and ALPA's efforts to achieve similar contract terms for pilots across the industry was left incomplete.

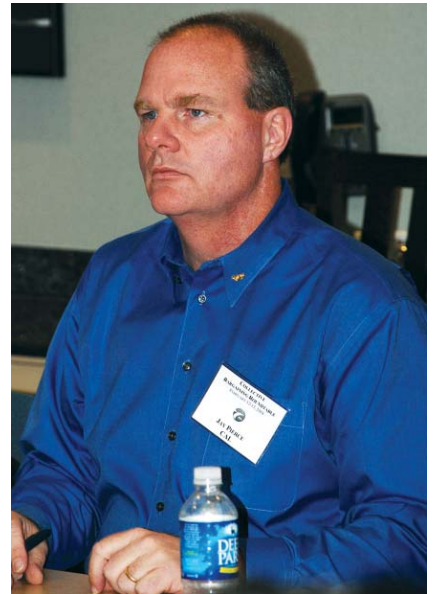
After 9/11, the disparity between rates closed to \$40 an hour, though it happened in the worst way. Instead of leading the pattern with traditionally strong airlines, ALPA was forced into bargaining with the financially weakest ones first when US Airways and United were the first to file bankruptcy. Other airline managements then sought the same rates and terms regardless of their financial situation.

"ALPA wasn't allowed to bargain the way it always had. Instead, bankruptcy judges put a 51-day stopwatch on the bargaining parties and took away our right to strike," York reflects.

By the era's end, more airline managements took advantage of bankruptcy protection—Comair, Delta, Mesaba, Northwest, US Airways for a second time—tearing down the progressive pre-9/11 standards. But the tide has turned.

"Contract repair is already taking place," York says. The evidence surfaced at the cycle's beginning with "a great contract at FedEx," he says, followed by big contract improvements at UPS, ASTAR, and Ryan. All these pilot groups obtained major pay increases, scheduling improvements, job security enhancements, and in some cases, health and retirement benefit gains.

"Improvements were not limited to cargo contracts," York says. "Pilot bargaining at passenger airlines has also been positive."



**Capt. Jay Pierce, Continental's MEC chairman: "It's essential to coordinate with fellow pilots over goals and strategy. We're all in this together."**

After 5 years of negotiating, Atlantic Southwest Airlines in November 2007 ratified a contract that improves wages, work rules, job protections, and scheduling. Letters of agreement at United include improvements in long call/short call and days off for reserves, along with work-rule enhancements on the narrow-body fleet. Northwest pilots increased deadhead pay from 50 percent to 100 percent and negotiated premium pay for hours over 80. Delta pilots made miscellaneous improvements in letters of agreement. And tentatively agreed single-contract provisions for pilots of US Airways and America West, though stalled by internal pilot division, already had achieved \$100 million in improvements, including 10 more days of vacation per year, more days off, duty rig increases, and premium pay.

Brighter prospects are attributable to several factors. First, "despite questions about fuel prices and the econ-

# Collective Bargaining

omy generally, capacity is constrained, and revenue has remained high,” York says. “Second, the bargaining time line is under our control, not the bankruptcy judge’s control. We can decide whether and when contracts meet our members’ expectations. Third, a more labor-friendly White House, if that happens later this year, could provide an environment in which employee issues and interests are taken more seriously.

“But maybe most important,” says York, “is that the bargaining cycle is being sequenced with financially strong airlines up front setting the new pattern—not bankrupt and weak airlines establishing patterns of pay, benefits, and work rules.”

## Good teams win

Along with these obvious differences, consolidation events and airline needs may provide opportunities to bargain and improve contracts even before their current amendable dates. Given these different dynamics, ALPA’s team approach to negotiations—for individual pilot groups and through a coor-

inated, industrywide approach—increases the leverage that can be applied in the new bargaining cycle.

In February of this year, pilots union officials from 40 airlines in the United States and Canada met at a 3-day ALPA-sponsored gathering at ALPA’s Herndon, Va., offices to discuss bargaining goals and strategy for determining and implementing favorable contract patterns and to coordinate members’ support of each other’s negotiating efforts. Besides ALPA-represented pilot groups, participants included representatives from independent unions for pilots of Air Canada, AirTran, American, Frontier, Southwest, and World Airways and Horizon.

“We’re one of the first legacy airlines to begin negotiations in the new bargaining cycle,” said Capt. Jay Pierce, Continental’s MEC chairman. “It’s essential to coordinate with fellow pilots over goals and strategy. We’re all in this together.”

In August 2007, the leaders of five ALPA pilot groups—Atlantic Southeast, Comair, ExpressJet, Mesa Air Group,



**Bruce York, director of ALPA’s Representation Department, believes, “A positive bargaining cycle has returned, and contract repair is taking place.”**

and Mesaba—met in Cincinnati to develop a common strategy for contract negotiations with their respective managements.

“What happens at one airline is going to affect pilots at other airlines,” Capt. Tom Wychor, then Mesaba MEC chairman, said at the time. “If we watch out for one another, we protect ourselves at the same time.”

And in March, leaders of these five groups and others met in St. Louis to talk about strategies for protecting jobs and building careers at fee-for-departure airlines (see “ALPA at Work,” page 26).

“We will be patient, but persistent,” said Capt. Dave Nieuwenhuis, ASA MEC chair, in the wake of his group’s recent contract success. “We proved what pilots can do when we commit to win—and are willing to work together.”

ALPA’s reinvigorated Collective Bargaining Committee and the Strategic Preparedness and Strike Committee are the centerpieces of the initiative of



**Members of ALPA’s Representation Department are out in force to answer questions and make forecasts during the Association’s Collective Bargaining Roundtable Discussion, held in February in Herndon, Va.**

ALPA's president, Capt. John Prater, to restore wages, working conditions, and benefits by establishing advantageous contract patterns and enabling close coordination among pilot groups.

### Boots on the ground

A prime example of what pilot members, with the assistance of their leaders and the SPSC, can accomplish in support of negotiations is the Continental pilots' Unification Rally on March 12 in New York's financial district. More than 500 pilots from Continental and at least five other pilot groups marched through the streets with one message: Management must deal with pilots if it wants successful airlines. It was one of many multi-group rallies that have been held in the last year.

Six days later, Prater was the only labor leader to address the 2008 JPMorgan Aviation and Transportation Conference in New York. He told the leading U.S. financial analysts that in light of the tremendous concessions by ALPA's members in the last 6 years, they are standing firm on restoring their contracts.

"When you add it all up," York says, "a different environment, a vision and plan, control of the time line, consolidation events, and the members involved showing support—500 pilots who are apathetic about their contract do not show up—are all providing bargaining opportunities and leverage that wasn't present in the period we've just been through just after 9/11.

"ALPA pilots know how to achieve great gains, because they had done it for many, many years before 9/11, and they're doing it again now. They pull together, work across pilot group lines, take advantage of opportunities, and make use of the resources that the Association provides.

"That approach results in the air-speed and altitude that has us heading on to our original destination." 🌪

# All Together Now

## Pilots of Groups of All Sizes Were at ALPA's Annual Collective Bargaining Roundtable to Compare Notes on Negotiating Strategies and Tactics

Let's take a vote: Who wants more pay in their paycheck? Better work rules? Improved quality of life? A better pension? Stronger scope language in their contract? Thought so.

Here's one part of the formula for success: Send your MEC reps to ALPA's Collective Bargaining Roundtable Discussion, an event that brings together MEC officers and negotiating committee members, ALPA national officers, and senior ALPA staff, plus pilot reps from several independent pilot unions. The aim of the Roundtable is to discuss bargaining goals and strategy as part of joint efforts to set and attain favorable contract patterns for pay, benefits, and work rules, and to coordinate member activities in support of negotiating efforts.

The first joint ALPA-sponsored conference of pilot union leaders was held in mid-2006, and two meetings were held in 2007.

Attending this year's Roundtable, held February 12–14 in the Association's Herndon, Va., Conference Center, were 52 pilots from 43 ALPA pilot groups. Also participating were pilot reps from several independent pilot groups.

The 3-day gathering featured a packed agenda. As the chairman of ALPA's Collective Bargaining Committee, Capt. Donn Butkovic (US Airways), said, the reports on recent

and ongoing negotiations by the pilot reps are "the heart and soul of our Roundtable." Punctuating those reports were presentations on several topics of vital interest to the reps and the line pilots they represent, such as Age 65 bargaining issues, labor integration legislation, and merger-related negotiations.

### Pattern bargaining opportunities

David Krieger, manager in ALPA's Economic & Financial Analysis Department, reported on the current and predicted state of the airline industry. Noting the "four-way interplay of the economy, fuel prices, capacity, and pricing," Krieger said that external indicators are mixed. "However, even with a weakened economic backdrop, we still expect the mainline passenger industry to be profitable in 2008, with a current net income estimate of \$1.7 billion, down from about \$3 billion in 2007. The cargo and fee-for-departure industries continue to be solidly profitable, although there are some airline-specific issues in both industries."

Against that backdrop, Bruce York, director of ALPA's Representation Department, talked about current and near-term opportunities for pilots to negotiate improvements in key contract areas—pay, benefits, work rules, pensions, and scope/job security. The economic picture, the order of contract negotiations, and possible changes at the National Mediation Board after the U.S. presidential election are contribut-



**Capt. Donn Butkovic (US Airways) chairs ALPA's Collective Bargaining Committee.**

ing to a much different bargaining environment than in the recent past.

York discussed pilot pay rate charts for the same airplane type at different airlines. One result of the last several years of bankruptcy-driven pilot contracts, he pointed out, was a decrease in the spread between the lowest and highest pay rates. In the pre-bankruptcy era, there was a whopping \$100-per-hour difference for some aircraft types.

ALPA's Collective Bargaining Committee, said York, believes that "the only way we're going to raise pay rates in pattern bargaining is to stair-step it—and to do that we have to keep narrowing the range between lowest and highest pay rates for specific aircraft types."

Butkovic commented on those pay ranges and said, "We're looking out three years, so that by early 2011, we can deliver."

### **Pilot reports**

ALPA's president, Capt. John Prater, said while welcoming participants to the opening of the Roundtable, "No questions are out of bounds; no question or comment should be held back."

The discussion was frank and

mutually supportive and covered the breadth and depth of pilot collective bargaining issues. Some snapshots:

The president of one independent union said that, not long after entering bankruptcy protection, his airline started spinning off major parts of the operation—maintenance, the frequent-flyer program, the regional feeder. He said that the airline's "public numbers look very good—but we don't want all the valuable parts of the company spun off. We want to cash in on the company's success." He complained that many of his group's members "are more concerned about bidding next weekend off" and that they "don't see the next wave coming." He confided, "The only hope we have is to stop worrying about our affiliation with the company and start affiliating with the rest of the profession—other pilots unions."

Capt. Dave Nieuwenhuis, the Atlantic Southeast (ASA) MEC chairman, said, "Two hundred and ninety face-to-face sessions with management" is what it took to negotiate the latest ASA pilot contract. He talked to the group about 5 years of bargaining with no release from the National Mediation Board.

Capt. Chris Mankamy, an ASA pilot negotiator, described management's "carrot-and-stick" approach, offering promises of growth for quick deals. However, the ASA pilots' patience paid off. Mankamy cited a \$13.5 million signing bonus (paid out in cash), improved pay rates, better scope, a new commuter policy, and new duty rigs with most of the lines getting more credit than block time. "We used other contracts as building blocks to improve our own," he said.

Said a pilot from another independent union, "We've had a problem with getting our pilots to stand up for themselves and enforce their contract. Lack of unity has hurt us in the past, and it's hurting us now. We're open to anyone's ideas on how to improve that."

The MEC chairman of a small ALPA pilot group in duress declared, "Our brothers and sisters throughout ALPA have come to our rescue."

Mesaba's MEC vice-chairman, Capt. Jeril Metzger, and former MEC chair-

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man, Capt. Tom Wychor, revisited the Northwest Airlin pilot group's battles in bankruptcy and the siphoning of Mesaba resources into then-parent-company MAIR Holdings.

"It's all about finding leverage when you really don't have any," said Wychor, who described the creation of the Mesaba Labor Coalition, which enabled pilots, flight attendants, and mechanics to present a united front. This joint effort turned the tide at Mesaba. Wychor recalled marching on federal court with more than 200 picketers, including pilots from more than 20 ALPA pilot groups, to oppose management's efforts to use the Bankruptcy Code's Section 1113 to terminate Mesaba labor contracts.

Metzger reported that the pilots

took a 5 percent wage cut, but that the situation has since stabilized, and the pilots have actually benefited from some of the terms negotiated. Mesaba emerged from bankruptcy, and Northwest bought the airline last year. The number of pilot grievances is on the rise, and there are problems with the pilots' ASAP—the self-disclosure safety program. However, the airline is hiring, and senior pilots are flowing up to fill

The ALPA rep detailed the “huge benefits” his pilot group gained—including improved health care for active and retired pilots—by setting up such a protocol during its negotiations for its current contract.

Another ALPA rep warned that, when his pilot group was independent, the negotiators sent pilots “plain language” summaries of contract sections to which the negotiators and the airline

A highlight of the conference was a very well received report from Capt. Don Wykoff and First Officer Ken Rogers (both Delta) on merger negotiations. They provided valuable information to participants on the difference between traditional approaches to negotiation of transition agreements, seniority integration, and a single collective bargaining agreement versus an expedited approach that adds value and achieves larger and quicker gains for pilots.

**“Our pilot group has benefited from pilot unity, which led to our collective bargaining success. Now we want to share our experience and resources with other pilot groups who want assistance.”**  
—Capt. Bill Dressler, ExpressJet MEC Chairman

vacant positions at Northwest Airlines.

Several ALPA pilot groups are currently in the midst of collective bargaining. Spirit pilots joined the Roundtable discussion to report that they have been in contract negotiations for 18 months. Their negotiating chairman, First Officer Bill Russo, said that open issues include wages, insurance, and contract duration.

“To complicate matters,” Russo said, “Spirit management wants to transform the airline into an ‘ultra-low-cost carrier’ following the model set by Ryanair, EasyJet, Tiger Air, and Wizz Air.”

Responding to a comment from a pilot from an independent union that “it’s hard to get our management to talk about stuff they don’t want to talk about,” another Roundtable participant, an ALPA rep, asked if the pilots had established a protocol for negotiations with management before the negotiations began.

“No,” said the rep.

had agreed. “But that repeatedly bit us during grievance arbitrations,” the pilot reported. “We’d slide the contract across the table, and management would shove our ‘plain language’ version back at us.”

A rep from another independent union lamented, “Our negotiations have been chaos over the last three years. It’s a very difficult process. Our hats are off to ALPA—they let us work with Seth Rosen [director of ALPA’s International Pilot Services Corporation and retired director of ALPA’s Representation Department]. We hope to have a contract by the end of the summer.”

One ALPA group is “dealing with three separate [airline operating] certificates operating under [one holding company], with the possibility of adding two more,” the group’s rep at the Roundtable reported. “Our number one issue is scope. It becomes very complicated when we have to deal with all the players.”

### **Critiquing the Roundtable**

In a press release that ALPA issued after the Roundtable meeting ended, Prater said, “As we enter the new post-bankruptcy bargaining cycle, pilot groups are improving their collective bargaining agreements, but many more substantial gains are needed, and possible. This week, we renewed our mutual commitment to our profession and reaffirmed that our contributions were essential to the survival and success of our companies.”

Capt. Bill Dressler, ExpressJet MEC chairman, added, “Our pilot group has benefited from pilot unity, which led to our collective bargaining success. Now we want to share our experience and resources with other pilot groups who want assistance.”

Capt. Herb Mark, American Eagle MEC chairman, said, “As always, it’s extremely helpful for American Eagle pilots to meet with our industry brothers and sisters to talk about and get support for our 2008 contract amendment round.” 