

# How Far Can a Dog Run into the Woods?

By Capt. Duane Woerth, ALPA President



The U.S. airline industry is in the midst of the greatest fundamental restructuring in its history. In response to a host of factors we have been discussing for more than four years now—terrorism, oil prices, federal policies, overcapacity, loss of pricing power, etc.—airlines have been forced to change how they do business. Some are even describing this

period as the final, long-delayed reaction to the deregulation of U.S. airlines, which occurred nearly 30 years ago.

While most airline managements tried to bury their heads as deep in the sand as they could, ALPA predicted many of these problems and began to take action. For instance, after 9/11, while airline managements focused exclusively on slashing labor costs, ALPA strongly advocated that they improve revenue management and pass rising fuel costs and federal taxes on to consumers. Not until 2005 did they begin to listen. But for many employees, this course change came far too late.

ALPA also began warning Wall Street, airline managements, and the U.S. government about a looming pension crisis in 2002. We said that the time to act was at hand, long before the interest rate assumptions and unfunded deficit payments came due. We were met with a mix of polite smiles, unimpressed yawns, and outright contempt. ALPA took action anyway and got a bill to the Senate floor. But by the time Congress put a bandage on the wound, it was too late for many, including the pilots of United and US Airways. Still we wait for final reform—and a potential Bush veto—and thousands more may pay the price.

And today it is ALPA that is calling on Congress to put the brakes on the administration's ploy to alter foreign control rules. We know what can happen to our jobs, national security, and the economy if the existing regulatory framework is altered. Hopefully, Congress will heed our warnings.

At some point, this painful chapter in history will end. While we are nowhere near that point right now, there is reason to believe that we're closer to the final lines than to the first words of that chapter. Wall Street responded positively to the US Airways/America West merger, and now with United Airlines' emergence from bankruptcy, two of the major brands in the industry are moving ahead as recast competitors.

One way or another, the long slog to reform pensions will end soon. What that will mean for pilots at Delta and Northwest remains unclear, but with that factor settled,



those two airlines will be able to make the key decisions they must to prepare for their futures.

Recently, ALPA has warned about pay-to-play schemes, and express pilots are resisting management

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claims that they must slash pay rates to bid for flying. The new Fee-for-Departure Task Force I have appointed (see "Front Lines," page 6) will seek segment-wide consensus on how to hold the line on pay and work rules. Every ALPA member has a stake in that fight.

As we prepare for the future, we see increasing signs that gains—modest but real—are in the offing. One of the key reasons for this is that once a bankruptcy ends, management loses the best friend it ever had. The stick the courts wield to beat down our contracts goes away, and arm's-length bargaining can take place again. And when managements want something, they'll come to realize that we are ready to help them—at a price.

There are no quick fixes out there. The recovery of this industry is a slow process. But pilots kept their heads these past few years, consistently making the best of the worst. As a result, we have preserved as much as possible, our union is in a healthy financial position, and cooperation among pilot groups is strong (some would have predicted major battles within our ranks). We are ready to lead this industry forward into the light, just as we led it through the darkest hours.

How far can a dog run into the woods? Halfway—then he's running out.