

# Winds of Change

## What will it take for you, my fellow ALPA members, to engage?

Because, I have to tell you, we are in the fight of our lives. And if we don't engage now, we run the risk of losing our



careers and ultimately our industry.

How can this be?

Since deregulation of the U.S. airline industry in 1978, we've seen that a cyclical change (e.g., such as that resulting from the 2002 SARS outbreak) can break an airline just as easily as a long-term, fundamental change (e.g., the lasting shift to high fuel prices). Learning from these experiences will help us overcome other changes that will continue to challenge us.

Mergers have reduced the number of airlines and competition in most segments of the industry. The trend has spread to fee-for-departure, supplemental, and cargo airlines. I think consolidation will continue in North America and globally, and we must continue to engage efficiently and creatively in that environment. I believe that airline mergers create more profitable companies, making contract gains possible.

Success on the international level is now key to a healthy airline industry, regardless of the type of flying we do. That's why we pay so much attention to Chinese and Persian Gulf airlines. We can't change the way they do business, so we must change the way we do business.

We have proved that constructive, stable, and mutually beneficial relationships with management are possible. But managements must respect our union and share our interest in developing and maintaining that kind of relationship. They must deal with our issues, reach equitable agreements, and resolve disputes efficiently.

Our companies will succeed only when they realize that we are the linchpins of their success. Our countries and our economies will flourish only if we have a healthy industry. Don't look at your fellow union member as your competitor. Look outside North America to see how others are trying to take our jobs.

The Persian Gulf airlines are based in countries where labor unions are illegal; therefore, strikes can never happen. They do not have financial transparency or pay income or corporate taxes, and they fly from government-owned airports and facilities.

The Persian Gulf airlines purchased their fleets with help from the U.S. Export-Import Bank and European credit agen-

cies. Expanding rapidly, they are steadily adding U.S. destinations and have pro-aviation policies backing them.

As I mentioned in last month's column, these airlines will gain access to our flying through code-sharing and Open Skies agreements. Given the long-term vision of the Persian Gulf airlines, it's only a matter of time before they become big competitors.

Last month, the European Union stated that it will again attack our laws on foreign ownership and control to enable foreign investors from around the world—corporations, airlines, and even countries—to buy and take control of our airlines.

A change like this could be catastrophic for our carriers and our careers—just when some of our airlines are finally recovering from the misery of the last decade.

Once they have control, foreign investors, including state-owned airlines in the EU, China, and the Gulf, can take over our foreign flying, merely by reversing the destination and origination points of a flight, so that what was once ORD – SIN – ORD will become SIN – ORD – SIN. The crews will be foreign-based and operating under a totally different set of safety and security rules.

The domino effect will inevitably lead to this: Aviation in this country will go the way of the maritime industry, and we'll be finished.

We have been gearing up for this fight, but we have much to do, and we must do it together.

If we are united, we'll overcome this challenge, again. If we are divided, we will fail, and our jobs will be taken from us, permanently.

Our lack of a comprehensive aviation policy hinders our ability to achieve economic and competitive viability. We need aviation policy. We need our governments to help us compete in the global marketplace.

We need investments in air transportation infrastructure. NextGen promises increased efficiency and capacity, but the FAA has mandated aircraft equipage for government benefit at airlines' expense. If the government will benefit, it should share the cost. And while we fight over who'll pay for NextGen, Asian and Persian Gulf countries are investing billions of dollars in aviation infrastructure and equipment.

ALPA won't stand by while the U.S. government ignores foreign airlines' unfair competitive advantage. We won't stand by while our airlines are burdened with unfair taxes and fees. Labor, management, and government must work together to develop solutions and advance them vigorously.

We must engage. And do so now.

Capt. Lee Moak, ALPA President