

# Everything Matters: Negotiations

**W**e continue to be concerned by the number of challenges facing our industry in the short and long term. To be honest, though, resolving them is essential to the success of our profession.

It's startling how rules, regulations, and court decisions have undercut a once-prosperous industry and rewarding profession. Whether it's the shortsighted decision not to include cargo pilots in the new fatigue regulations, the flawed belief that U.S. tax dollars should subsidize the financing of airplanes of foreign airlines that compete with our own employers, or inconsistent bankruptcy laws, we continue to have big problems to solve. And we *will* solve them.



That's why it's critical for ALPA to continually play both offense and defense. Offensively, we must use our professional expertise and situational awareness to develop reasoned positions; we must set aggressive but realistic goals; we must seek the support of those who share our views on each issue; and we must create and wisely use opportunities to voice our message. At the same time, we must be prepared defensively by anticipating challenges, having well-thought-out contingency plans, engaging quickly when action is needed, and deploying the resources to handle crisis—all without losing focus on our offense agenda.

Our offensive and defensive weapons are used to influence decisions in Washington and Ottawa. We have launched unprecedented efforts on Capitol Hill to cement our role as the leading authority on professional pilot issues and to build our advocacy more broadly on a wide range of aviation, health, retirement, and economic issues that matter to us. In Canada, ALPA's Government Affairs Department closely monitors government bodies that may have an effect on ALPA members' interests. In this issue of *Air Line Pilot*, you can read all about our aggressive campaign and what you can do to help. We also outline current airline-pilot-related regulations on Parliament Hill and other regulatory agencies in Canada. (See "The Pilot Partisan Agenda" beginning on page 17.)

We employ the same strategy in negotiations, too, because government advocacy isn't our only means to an end. In fact, our advocacy work and our negotiations are symbiotic. Just one example is the relationship between new flight-time/duty-time rules and the negotiations that go on every day on work rules. So the number one initiative for the Association along with advocacy, as I wrote in my January column, is dedicating the resources to support all

pilot groups preparing for or in the midst of contract negotiations. Now more than ever it is a strategic imperative to stop the decline, stabilize, and improve the pay, working conditions, retirement, and benefits of our members.

Of the 37 ALPA-represented groups, 3 of them, representing 3,600 members, are in bankruptcy; 6 are involved in negotiations related to mergers; and 15 are in "regular" bargaining. Of course, other ALPA pilot groups are also preparing to begin negotiations.

Even though the playing field in bankruptcy is tilted against working men and women, we're going to keep fighting for ALPA members at American Eagle, North American, Ryan, and Pinnacle (if that company files bankruptcy, as it has warned may be necessary) as they defend their contracts. Legal resources, professional negotiators, benefits specialists, and economic and financial analysts are working closely with our fellow pilots at these airlines, and I urge you to reach out to them on a personal level.

Even where bankruptcy isn't an issue, negotiations can prove to be challenging for the Association—sometimes related to the status of affiliates or mainline partners—and uncertain. Negotiations continue at Evergreen, Mesa, Piedmont, and PSA without satisfactorily resolving key issues that would stem pilot turnover. The story is similar at Comair, where the pilots and management search for cost savings to offset losses that will halve the fleet and

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pilot group by mid-2012. Pilots at Air Transat are facing layoffs and worry about company requests for concessions in upcoming interim negotiations. ASTAR Air Cargo pilots have tackled a shrinking airline with a positive approach by working together with management and investors to seek solutions.

While bankruptcy and uncertain airline futures challenge pilots and require tough decision-making, industry consolidation also offers opportunities. Joint collective bargaining agreements are being negotiated at Continental and United,



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Atlantic Southeast and ExpressJet, and Capital Cargo and Air Transport International. In their respective mergers, Delta and former Northwest pilots and AirTran pilots were provided with similar opportunities and made significant improvements to pay, work rules, and benefits. The contrast with former ALPA members at US Airways is stark and unfortunate. Negotiations there have now been under way for more than five years. ALPA calculates that those pilots have lost close to \$1 billion in contract value—or nearly \$200,000 each on average—based on the state of negotiations in May 2007. The current pay gap between a Delta and a US Airways A330 pilot is \$54,000 a year.

But ALPA isn't content to play defense or *wait* for opportunities to come our way. Offensively, we're making our own opportunities. Take FedEx Express pilots, for example. The contract the pilot group signed a year ago provided a lump-sum payment, pay rate increases, improved foreign duty assignments, and new safety programs, and it gave the pilots the right to extend the agreement and receive another 3 percent increase or elect to return to Section 6 bargaining. They chose to add the second year of the agreement, take the increase, and continue negotiations outside Section 6.

The total improvements were worth close to \$100 million.

Delta pilots, now in talks with management, are starting early negotiations and hope to complete bargaining by the contract's amendable date. Alaska pilots, after robust strategic planning on this and other subjects, are considering similarly creative approaches to continue the progress made in their last round of bargaining. First Air also hopes to reach a deal in 2012.

So it doesn't matter whether we're playing offense or defense—or both simultaneously. ALPA's strategic plan, and my personal commitment as president, is to dedicate the unmatched planning, costing, negotiating, actuarial, and communication resources that only ALPA can offer to every ALPA-represented pilot group to make sure we continue to build favorable patterns of pay, benefits, and work rules for our profession.

And contract compliance is just as important as negotiating a new contract. It's important to make sure that these same resources are being used to help execute new contracts. That's why we're on the job at Air Transport International, Canadian North, Capital Cargo, CommutAir, Pinnacle, Spirit, and Trans States—all in the first year of new agreements. Both Jazz and Kelowna Flightcraft pilots are working with their managements to find new ways to grow. Hawaiian is adding service and new A330s to its fleet, and stretching its legs internationally. Its fellow airline in Hawaii, Island Air, is expanding and hiring. Calm Air and Compass are growing while their pilots are preparing for negotiations later this year, as are pilots at Wasaya. Air Wisconsin continues to make progress in its negotiations, and Bearskin is seeking a new agreement using the problem-solving negotiating technique known as interest-based bargaining. Sun Country pilots are working hard to move low B-737 pay into the industry mainstream after recovering from bankruptcy. Some pilot groups like CanJet just entered negotiations.

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Because everything matters.

Capt. Lee Moak, ALPA President