

Capt. John Prater's Remarks at the 100th Regular Executive Board Meeting
October 23-24, 2007

It has been one year since the Board of Directors elected me to serve as your president. Boy, do I miss flying.

As we gather this morning for the 100th meeting of the ALPA Executive Board, I want to take stock of our union, our profession, and our work together over the past nine months. I want to discuss how far we have come since January—and how far we have to go. I want to start by reading to you the Vision Statement that was developed by the national officers and the Executive Council in early January.

The Air Line Pilots Association, International, will spare no effort to aggressively fight for the rights and needs of airline pilots. We will work together—across all segments and corporate brands—to restore our proud profession. We are committed to the principle that our profession is best served by unifying all pilots within our union and organizing all pilots within our profession. ALPA pilots must embody the values of solidarity, integrity and tenacity as we work to accomplish the goals of the union.

Leaders commit to identifying and aggressively addressing the concerns, aspirations, and ideas of our members, and leaders will act decisively to move the pilots' agenda forward. When one ALPA pilot has a problem, all ALPA pilots have a problem.

This statement captured our collective commitment to restore the airline piloting profession to its rightful status. It has guided me in every decision of this administration and continues to shape the work of all ALPA leaders and staff on a daily basis. Since Day One, ALPA has in fact spared no effort to aggressively begin "Takin' It Back."

We have worked together—across all segments and corporate brands—to restore our proud profession by addressing the concerns, aspirations, and ideas of our members. During *the Pilot Road Shows 4*, I and many of you personally met with hundreds of our members who came out to talk about the many problems they face on a daily basis and what their union can do about them. We held those Road Shows in Atlanta, Charlotte, Vancouver, Seattle, Ft. Lauderdale, Anchorage, Houston, Phoenix, Chicago, St. Louis, Denver, Dallas, Memphis, Newark and Philadelphia.

One of the first steps we took was to launch the ALPA Strategic Preparedness and Strike Committee, under the leadership of Captain Mike Donatelli, who has recruited dozens of union activists to drive our ground war. The SPSC, with the support of line pilots and pilot representatives, has demonstrated true solidarity within ALPA by organizing and dispatching groups of pilots when and where they are needed.

Our members answer this call by continuing to support each other at rallies, informational picketing lines, and family awareness events. ALPA members are sending the message that we will no longer tolerate bankruptcy-era contracts.

Just two weeks ago, pilots from Champion and Pinnacle conducted a *joint rally* on the steps of Minnesota's State Capitol---and they were not there alone.

The SPSC is active with coordination teams and MECs at Air Canada Jazz, Alaska, ASA, ASTAR, Continental, CanJet, Champion, Kelowna Flightcraft, Mesa Air Group, Northwest, Pinnacle, Ryan, Spirit, Trans States, and United. SPSC Go Team Leaders have participated in numerous demonstrations from Fort Lauderdale to Anchorage and many points between.

The SPSC stands ready to build and use the collective support of 60,000 union pilots acting in unity and solidarity for each and every ALPA pilot group.

I firmly believe that all pilots should belong to one union – and that union is ALPA. To fulfill that goal, we are working tirelessly to organize all pilots within our profession. Since January, two pilot groups have added their voice and strength to ALPA. The pilots from Capitol Cargo and Evergreen voted to become active members in ALPA because they recognize the enduring value of collective action to support our entire profession.

The SkyWest Organizing Committee, with support from everyone in this room, is out in airports and crewrooms across the U.S., actively demonstrating to the Skywest pilots the importance of joining our Union. Their votes will be tallied on November 6.

After every union campaign, it is important that we draw upon our pilot training to self critique, analyze and debrief – whether the last flight was smooth or rocky. That is just what we did following the Colgan campaign.

I can attest to the heartbreak that the Colgan Organizing Committee felt when we failed by just four votes to get 50 percent participation. I will tell you what I told them: ALPA members will be with you over the next 12 months, and we will be with you until you join us as ALPA members.

In Canada, ALPA is gaining ground at Sky Service and several other airlines. In November, we'll hit the road to visit four pilot domiciles at First Air; two of them are way up in Yellow Knife, and Iqualiut (E-CAL-U-IT), while the other two are in Edmonton and Ottawa.

ALPA has shown its solidarity with our fellow trade union brothers and sisters by participating in events like the AFL-CIO-sponsored presidential debate in Chicago, the Transportation Day Rally in Washington, D.C., and the Bankruptcy Reform press conference in the Capitol last month. We've put together a short video that highlights

many of the events where ALPA pilots have displayed their solidarity. I think you'll see many familiar faces and hear many familiar voices as we criss-crossed the continent to take our union out of Washington to our members.

VIDEO

The unity of purpose highlighted in the video has made it possible for our union to begin to deliver significant victories on several fronts. We have made significant strides at the bargaining table, but we are just warming up.

We have had success on Capitol and Parliament Hills, yet we have much more to accomplish on the legislative front. Brendan Kenny, our Government Affairs Director, will cover much of that in his presentation. We have engaged with the regulators to move them in our direction regardless of the political climate we confront. Our Security and Safety Chairs, Bob Hesselbein and Terry McVenes, will brief you on these efforts as well.

We have beaten managements in court case after court case, and I know our legal team is excited to take these fights on. Just a couple of examples there: We won an injunction against the anti-union SkyWest management that stopped it from interfering with SkyWest pilots' legal rights to learn about the advantages of joining ALPA. And we got a decision from a federal judge, ordering Trans States' anti-union management to abide by system board awards reinstating terminated pilots, including one union leader.

But everyone in this room knows that collective bargaining is our lifeblood. After six years of concessionary pain, we are now in a strong bargaining position and are beginning to see the improvements that are available. Freed from bankruptcy court and ATSB handcuffs, ALPA pilots are doing what they always did before being shackled: They are sending the message of a commitment to band together and bargain improvements to contracts that provide hope for themselves and for their fellow union pilots whose contracts are about to reopen in the near future.

As we pass each test, confidence and expectations grow to ensure that more victories are on the way. Let me give you a few examples:

United pilots have bargained for and implemented a new long-call/short-call reserve system along with other reserve system improvements and increased days off for pilots working on narrow-body aircraft.

Since emerging from bankruptcy just earlier this year, **Northwest pilots** demanded and are now getting paid on a leg-by-leg basis for scheduled or actual time, deadhead pay at 100% instead of 50%, and premium pay for all credit hours over 80. They've also convinced management to pull down scheduling maximums from 88 or 90 hours to 84 hours per month, while reinstating pre-bankruptcy PBS provisions.

Delta pilots maintained their work rules in the bankruptcy contract and have begun to make improvements in the wake of their recent exit from bankruptcy. These include crew meals on flights over 5:30 block and turns to the Caribbean; a one-landing limit to ocean crossings with a 2-pilot crew; FAA physical reimbursements; formal input into flight operations decisions when new international destinations are developed; shorter training freezes; and more flexible brokerage links for their defined-contribution benefit plans. And ALPA and the Delta MEC have engineered two recent grievance settlements in pilots' favor.

The most dramatic changes can be found in tentative agreements reached before summer in the new single **US Airways** negotiations.

Take a look at the long list of quality of life, work rule and pay improvements that will exist when a new contract becomes effective. And we haven't even broached the improvements that can be contained in any final agreement.

For pilots of US Airways East, the tentative agreement contains

- 10 more days of vacation *every* year for pilots at the max accrual
- 12 days off in a 30-day month and 13 days off in a 31-day month, instead of the current 11 days off each month
- 10 immovable days off for reserves each month, instead of the existing 4. And they can be placed next to a vacation
- lineholder guarantee increases from 71 to 76 hours, reserve guarantee increases from 72 to 77 hours, and minimum pay increases from 5:00 to 5:15 per duty period
- 100% deadhead pay instead of 50%

And for pilots from US Airways West, the TA includes

- a vacation crediting system that permits pilots to maximize either pay or days off
- a trip rig that pays pilots 1 hour for every 3.25 hours away
- international rules that include duty limitations and a pay override that applies to Hawaii flying

These improvements are long overdue. Let's remember that US Airways and United pilots were the first large ALPA groups to accept contract changes before and during Chapter 11 proceedings. The cuts were deep and have lasted a long time – too long in fact.

These pilots and their families deserve to be the first to wake up from their bankruptcy contract nightmare, and as our brothers and sisters, we have to find even more ways to help them wake up their managements to the new reality. I will address the obstacles that stand between a new agreement for our US Airways brothers and sisters in a moment, but for now I want to stress the contract gains that are out there.

With a healthy economy, capacity and pricing under control, and revenue increasing, pilots at airlines with strong balance sheets like US Airways, Alaska, Hawaiian, and Continental are leading the bargaining cycle. Instead of a bankruptcy judge using an anti-labor code, we will decide our contract negotiations and together fight to restore each others' retirement security, quality of life, safety-based work rules, and wages so that ALPA families receive what they need and deserve.

For those ALPA members who suffer at mismanaged companies, we will work hard to confront their managements when they threaten pilot jobs.

ASA may be the clearest example of our progress. Remember, this negotiation started one year after 9/11. ASA pilots had to survive the looming bankruptcy of their parent company, a spin off to new ownership that already owned a nonunion airline, obstructionist management negotiators and advisors, and endless company claims that the airline couldn't survive competition in the new environment without a no-cost contract. And I need not remind anyone in here of the painstaking process that played out under RLA mediation.

Well, what happened? ASA pilots never lost sight of their purpose or lost their solidarity. Led by a focused MEC, joined and supported by fellow ALPA pilots, ASA pilots fought management to conclude negotiations that have moved the bar higher. Highlights include raises for every ASA pilot, retro pay in the form of a \$13.5 million signing bonus, scope protection that includes no-furlough and fragmentation provisions, as well as a formula for integration in case of a merger with a non-ALPA airline, and new-hire pay raises to \$23/hour.

At our Canadian properties, we've enjoyed success as well. In fact, 100 percent of Calm Air pilots ratified their tentative agreement, which took **just 30 hours** to negotiate. This exceptional process sets the stage for more positive negotiations on the horizon. We're already polling Air Canada Jazz pilots about their upcoming negotiations in 2009. As a result of the Air Canada bankruptcy, every employee group in the Air Canada family is up for negotiations at the same time, presenting us with a golden opportunity to build support with our brothers and sisters on the line to "Take it Back."

With your support, your Union has provided tremendous resources for the pilots at CanJet. Canada Board President Dan Adamus and ALPA First Vice President Paul Rice, along with Mike Donatelli, helped the CanJet pilot group develop a plan to gain ground in their contract and deal with a troublesome owner, who acts like Frank Lorenzo with an accent. It hasn't gotten to the informational picketing stage yet, but we will continue to support these pilots and fight for a fair contract.

The concessions are over, we're hitting the ball hard again, moving runners along like the Red Sox, and there's more to come.

One of the key weapons in our arsenal is the expanded Collective Bargaining Committee. They have outlined their work plan and started discussing favorable industry-wide contract patterns for pay, benefits, work rules, and job security. The CBC will provide experienced negotiators and resources to MECs that request bargaining assistance. You will receive a copy of their interim report. I encourage each of you to use this valuable resource as you begin your collective bargaining efforts. Coordination in collective pattern bargaining helps all of us.

I now want to address another significant issue. This Union – The Air Line Pilots Association, International – is under attack by a group of pilots who want to decertify our Union at US Airways to get out from under their arbitrated seniority list. Remember, the America West and US Airways pilot groups followed the provisions of our Merger Policy and used outside merger counsel, but failed to negotiate a single seniority list.

At that point, they chose to turn their fate over to the arbitrator to create the single list. George Nicolau was chosen by the Merger Committees as the neutral arbitrator for the seniority list.

On May 3, Nicolau presented the seniority list along with his rationale for his decisions. Many pilots learned – or relearned – a hard lesson: It is often better to control your own landing than turn your fate over to an outsider.

Today, we must face the results of those decisions. This problem lies in the homes of our members from both groups, and it affects each and every one of our members. There is so much more to this story. US Airways pilots from the “east” went through multiple mergers, endured two terrible bankruptcies, turned over their defined-benefit pensions to the PBGC, lost almost half of their members to downsizing. It was so bad that captains with 16 to 20 years of longevity lost the left seat.

“West” pilots experienced their own bankruptcy followed by a contract negotiated under the constraints of an ATSB loan guarantee. They never had a defined-benefit retirement plan to lose. They agreed to bypass their right to open under Section Six to concentrate on negotiating a single joint contract. In fact, before the award came out, both groups were doing a tremendous job building their unity and solidarity.

Five months ago they were well on the path to a new contract scheduled to be completed by this past summer to replace the two contracts they still fly and suffer under today.

My fellow National Officers, the Executive Council and I have now received thousands of emails, letters, and phone calls from the members of both groups. Some demand we do things that we do not have the power or authority to do. Others plead with us to learn from this and to not let it happen to others. I and the Executive Council took the

time to listen to all of the issues, and we have tried to provide support and guidance while ruling on the MEC requests under our Constitution and Policies.

Each of the men up here cares deeply about the individual pilots and have listened and offered their support. And as leaders of our Union and our profession, we have offered a resolution to examine and consider future modifications to policy. I fully support examining our policies because as fiduciaries and Union leaders, we must never stop trying to find a better, less-divisive method to reach consensus.

My message to this Board is that we cannot permit one issue -- even when it is the most difficult internal career issue that pilots face -- to destroy contract negotiations and our Union's representation rights. We can provide a better path and process for these groups to follow. And we can provide the stability in future airline mergers to ensure that we fight management, not each other.

Whether from the East side with its bankruptcies, or the West with bankruptcy and ATSB constraints that suppressed raises in their last contract, this pilot group deserves both the economic improvements *and* career advancement that the new bargaining cycle and a healthy, expanding company can support.

But will US Airways pilots achieve that? I remain optimistic. If we follow ALPA policy, we can. Full participation in problem-solving approaches while bargaining to end the bankruptcy nightmare with new rates, benefits and work rules is the one path that offers hope.

I have called the MECs to bring their Joint Negotiating Committee to Washington for intense discussions starting next Monday. The purpose is to develop a comprehensive counterproposal for negotiations of a single contract, including issues related to implementation of the Nicolau Award. I have made it clear that all open issues need to be addressed together.

Both groups are free to send subject matter experts, but the purpose remains the same— to develop proposals on all open issues that we can present to management in November.

Can some US Airways pilots who are intent on rejecting the arbitrator's final and binding seniority list succeed? NO! A new organization, founded on the goal of reordering the seniority list, will face endless litigation over the Nicolau Award with little chance of success.

They will see a large chunk of the pilot group cancelling dues check-off and suing their union, long periods where nothing happens, and a future of years of providing management cheap labor while the new organization tries to organize itself, build resources, and negotiate. And if the seniority list becomes a subject for negotiations,

every time local leadership changes, there will be new efforts to negotiate it again and again and again.

I turn to each of you to publicly commit your support – both fraternal and financial – for the pilots and leaders of the US Airways and America West MECs. I ask each of you to stand with them as they fight to save their careers, fight for a new contract, and fight for their Union.

Our message to these pilots is simple and direct: We will help you fight management for a new contract, but we will not stand idly by and watch you fight each other while others are actively trying to destroy our Union.

Before I move on, I'd like to mention another important item that will come before you this afternoon. You will be considering a recommendation from the Executive Council regarding the Ford-Cooksey litigation, which, as you know, involves negotiation of scope clauses. The recommended settlement will be discussed in closed session.

As I mentioned earlier, you will be hearing comprehensive reports on our safety, security, and legislative work this week.

However, I would like to mention two of those issues: getting airline pilots the ability to get to their airplanes without public screening and a legislative update on the U.S. mandatory pilot retirement age.

When I took office in January, it became clear that expedited airport access for flight crews was a top pilot priority. No, let me re-phrase that, it wasn't one of them; it *was number one*.

At my instruction, ALPA's Government Affairs Department began working immediately on obtaining a legislative solution to this problem. Our security staff drafted language, Government Affairs met with the Senate Commerce staff, and the language was included in the Senate version of legislation implementing recommendations of the 9/11 Commission.

It requires the TSA, after consultation with stakeholders, to report to Congress within 180 days on the status of establishing a process that would give flightdeck and cabincrew members expedited access through screening check points. The TSA is directed to begin full implementation of the system no later than one year after submitting the report.

The legislation passed the Senate, was accepted by the House in conference, passed again by both bodies in July, and was signed into law by the President on August 3. Meanwhile, ALPA was working to develop a practical concept that would provide the TSA with a workable solution. We knew that practical fixes exist to the screening

challenge. For instance, our Canadian pilots were able to work with their government to implement RAIC, the Restricted Access Identification Card, early this year.

The CrewPASS concept was developed by ALPA as a way to leverage the CASS database to positively identify pilot crewmembers at the security checkpoint and allow them to pass through easily – with their dignity intact.

I have met with senior officials at the TSA and Homeland Security and shared the CrewPASS concept. On October 1, ALPA received a favorable response from TSA Administrator Kip Hawley, who said, “While it is premature to offer full support for the CrewPASS concept, initial impressions are encouraging.” And in the margin, Kip wrote a personal note, saying that, “The proposal was very well thought out.”

We have received positive support from the Air Transport Association and a number of major airlines, as well. Several airports have already been identified to serve as good sites for a prototype demonstration of CrewPASS, before it is adopted by the TSA as a formal program.

We’re not there yet, but we are moving the U.S. federal government to treat our members with the dignity and respect they deserve.

Now I’ll move on to our work to affect legislative proposals that would change the U.S. Pilot Retirement Age. We all know how controversial this issue has been for decades among our members. But as you know – ICAO’s action last year, the FAA’s response and decision to change its rule, and Congressional pressure made it clear that momentum was building for a change in this rule.

After taking office, I took this divisive issue to the membership and established the Age 60 Blue Ribbon Panel, chaired by Captain Chris Beebe. The panel presented its results to the Executive Council in April and to you in May.

At that Executive Board meeting, you modified a proposed recommendation by the Executive Council and overwhelmingly agreed that ALPA modify its policy *but only if certain conditions were met that eliminated or minimized any adverse impact on our members.*

I directed Government Affairs to begin working with Chairman Jim Oberstar of the Transportation and Infrastructure Committee to incorporate our needs in his FAA reauthorization bill, because that train was going to leave the station before the July 4 recess. The Senate version had already passed the Committee with unacceptable age 60/65 language just 9 days before our May Executive Board meeting. We needed to get something done and quickly.

On June 26, Chairman Oberstar and Rep. Jerry Costello, the Chairman of the House Aviation Subcommittee, introduced the House version of FAA reauthorization. Included in this measure are nearly all the key elements of ALPA's position. The one element not included is the Akaka bill to raise the PBGC maximums payable to pilots whose defined-benefit plans have been terminated. That is not within the jurisdiction of this committee, so we are lobbying hard to get that desperately needed legislation attached to another bill.

On June 28, the Committee passed the FAA bill, and the House approved it in September. Senate leaders assure us that our language will find its way into their bill. I say this with some sense of security because those same Senators—Inouye and Stevens—included ALPA's language in other transportation-related legislation.

I believe we will see a final product before the end of this legislative session. However, with the 2008 political races already well underway, there are no guarantees that Congress and the President will complete any legislation.

The race to replace the current U.S. President is already in full swing. During this meeting, we are going to begin to discuss what we've tagged Decision 2008; that is, the 2008 presidential election and ALPA's presidential endorsement process.

On Wednesday, you will hear from one of America's preeminent political analysts, Charlie Cook, of *The Cook Political Report* and the *National Journal*. He will discuss the national political landscape in detail. You will also hear from Phil Comstock of the Wilson Center on the results of preliminary polling conducted recently of U.S. ALPA members regarding a variety of governmental issues – both legislative and regulatory – that affect airline pilots. Finally, Brendan Kenny, Director of Government Affairs, will brief you on the status of current Capitol Hill activities as well as provide a timeline of our planned process for deciding whether to endorse a presidential candidate next year.

As I conclude my report, I want to thank each of you all for your tireless work on behalf of your pilots. None of our successes would have been possible without everyone in this room. And our union cannot meet any of the challenges we face or will face without your energy, your loyalty, your leadership, and your discipline.

You – the pilot leaders here today – and your LEC reps and countless committee volunteers are leading the front-line battles over safety, security, mergers, threatened takeovers, threats of imposed contracts, and “normal” negotiations, all of which pose very difficult, controversial, and could divide us.

Those issues might concern me more if I did not know how hard each of you is working to represent your pilots to the best of your ability. Your union is on the move, and it's moving in the right direction.

Between now and the next time we meet, in May, we will continue to press our "Takin' it Back" agenda for every pilot group. We will work across all lines, all brands, and all groups to fix our contracts and take it back. We'll continue to push our legislative agenda to take the issues we have in the Congress and Parliament to bring them home.

We'll work hard to organize the unorganized into ALPA and to build bridges with everyone who affects the piloting profession for the betterment of ALPA members. We will do everything in our power to retain the US Airways pilots as members of ALPA while ensuring the integrity of this great institution and of the policies that 76 years of air line pilots have developed.

With your help and your leadership, together with our superb ALPA staff and the support of our members, we will succeed. I am proud of our Union and am proud of each and every one of you. Together we will fight alongside each pilot group as they face their managements. I am positive that ALPA members will feel the same pride that each of us does. Together, we will continue to commit ourselves to the line pilots and deliver on the promises we have made to each and every one of them and their families. Thank you.