

Capt. John Prater,
President
Executive Board Report

I'd like to begin my report with a thank you to everyone in this room. I will talk a lot about our efforts these first 5 months and I do mean "our."

In January, I asked the Executive Council to establish and prioritize our efforts to take our union to the members. You have been instrumental in launching these initiatives in coordination with your MECs. You've been with us on the road; you've been with us at demonstrations; and you have been with us on picket lines. We have listened to the concerns and suggestions of our members. We have debated and educated ourselves on the issues we confront as a Union of aviators. Together we have flown our Union and our members onto a new course.

The ALPA "Takin It Back" roadshows provided us an opportunity to see our members listening, watching and participating in their union. While we are pushing the limits of our staff, volunteers and financial resources with these events, we are all dedicated to ensuring that our members understand the value of solidarity, integrity and tenacity.

As our roadshows crossed this country and Canada, we met with the leaders and members of ALPA pilot groups who were subjected to concessions, bankruptcies, pension losses, mergers, work rule changes, and stagnation or worse — long term furloughs and downgrades. Council after council, airline after airline and pilot after pilot, our ALPA members have told us they are willing to band together to rebuild our profession. They were bent, but not broken, and now want to demonstrate that they are ready for action.

As we meet today, our pilots at USAirways and America West are experiencing the contentious aftermath of a seniority integration arbitration that threatens to give management an upper hand in their joint negotiations. The Executive Council has received hundreds and maybe thousands of emails and calls from the ALPA members directly affected by this merger.

Yesterday, following my invitation to appear before the Executive Council, the representatives of USAirways and America West pilots made presentations. Nearly 400 pilots from USAirways joined their leadership as they asked for ALPA – their Union – Our Union — to lead and find solutions. Many of these pilots asked not for themselves, but for others and for future pilots.

As history has shown us following seniority mergers, the future successes in collective bargaining are found inside of ALPA and the failed mergers wind up with thousands of pilots looking for new jobs. I know we remember the emotions and lawsuits following the mergers of Delta and Western or NWA Republic, PanAm National or TWA Ozark. At each of those carriers, many pilots felt they were merged unfairly.

I know you will join me in recognizing that many of our members have difficulty in understanding and accepting the arbitration award. Therefore, our union has a problem. After

more than two years since the merger was announced by Parker, WE cannot allow the results of a seniority arbitration to destroy our number one opportunity to build gains for ALL USAirways pilots — especially our members who have suffered 6 long years of furloughs, bankruptcies, a corporate merger, and now are faced with picking up the solidarity flag and charging the corporate hill again.

I must also report to you – as I stated yesterday to the USAirways and America West representatives – I and the Executive Council fully intend to properly discharge our responsibilities under Merger Policy in this difficult situation. The Executive Council will deliberate and consider the issues, and make decisions this week.

In the past 5 months, hundreds of pilots from most ALPA carriers have picketed and demonstrated side-by-side with thousands of East and West USAirways pilots to show support for their joint contract negotiations because we know this is our first opportunity to take back the bankruptcy era concessions. Our Union has funded the ongoing joint efforts with dues dollars from the Major Contingency Fund because our members know we must win a new era contract at USAirways.

During the past months, the East and West pilot leaders and their members have worked diligently to keep the seniority integration from affecting their joint negotiations. Our Union has backed their joint negotiations because ALPA pilots understand the depth of their sacrifices and will support them against their management. We are not talking about taking it back from other pilots or from each other. Our efforts must and will focus on taking it back from management so that we can restore pensions, wages and work rules for the merged and combined USAirways pilots. We will consider solutions created by pilots working with pilots in joint negotiations, and joint MEC meetings as to how ALL of the ALPA pilots in the USAirways family can gain a better future.

I believe being a member of a union means that we must take care of each other. We have to fight for each other, and we must stand together as ALPA's brothers and sisters in the aviation profession. Pilots helping pilots would be easiest if all pilots were together. I have, and always will be, a strong proponent of all pilots within one union. Then, our collective strength and unity of purpose will promote and protect our profession.

So along those lines, I am pleased to announce that our first order of business following recess will be the vote on the merger of Capital Cargo Crewmembers Association and ALPA. We are in active campaigns with the SkyWest and Colgan pilots, and are involved in a merger campaign with the Evergreen pilots. We have signed a service agreement with National Pilots Association at Air Tran, who we congratulate on reaching a tentative agreement on a new contract this past Saturday.

ALPA staff from International Pilots Services, Representation, Communications and Economic & Financial Analysis assisted in the negotiations at AirTran. I also want to recognize the collective efforts of Jay Schnedorf and his MEC, while facing a potential transaction with AirTran, assisted the NPA officers and pilots. These coordinated efforts display the type of cross airline, cross union that shows pilots can win by working with pilots.

We have had meetings with the Frontier Pilots Association leaders, and with the JetBlue Organizing Committee. We continue our open dialogue and bargaining and solidarity efforts with APA and SWAPA with the second Collective Bargaining Roundtable of this year set for Dallas in June. I met with James Hoffa the IBT President to discuss issues of mutual concern especially at companies where we have common ownership like TSA and GoJet, and ATA, World and North American, Alaska and Horizon, and the ever-changing world of ACMI cargo carriers.

When I added an extra day in the Executive Council meeting in January to engage in a strategic planning session to craft our vision statement, the purpose was to create the vision statement for your union. For ALPA to move forward, to change, to lead in this industry, we need to constantly plan and prepare and execute. As chairman of our Strategic Planning Committee, I will chair sessions with members of this Board, our National Officers, and our National Committees to create a vision for our future.

We want everyone to read our vision statement – our members, our governing bodies, our employees, our government, and our passengers – and know that we mean it.

The first goal of our vision statement was to immediately change the survival mentality of our membership to one of an aggressive, collective union fighting to restore ALPA's strength as an advocate for the piloting profession.

Across the board, every ALPA MEC has worked to change its position and relationship with management. The FIN (or Fix it Now) program at UAL is but one example of pro-active efforts to take back our contracts. We have marched jointly, side by side on picket lines and in face-to-face meetings with airline managements demanding a return on our investments in these companies. From Spirit to Northwest, from East to West at USAirways, from ASA to TSA, I am convinced our members are ready to support industry wide initiatives across company and Union lines to make our vision a reality.

We committed to apply our political experience and expertise, to ensure our members have the ability to operate safely and protect the flying public. With a new found strength of purpose and ability to confidently face managements knowing that a strong and committed 60,000 member Air Line Pilots Association stands behind them, our members have reasserted their pilot-in-command authority and we must and will do more. Pilot fatigue is a silent killer that our Union and our members stand ready to meet head on with management, government and the traveling public.

At roadshows and local council meetings, our members told us to tell the traveling public and Congress of their long hours, longer days, and more work days per month. The media is following our issue on increasing pilot fatigue. We told Wall Street our story, and several analysts have adopted our views and told airline investors that the companies who develop good labor relations will do better than those that do not. Good pilot labor relations begin and end with solid enforceable contracts that provide a fair wage and benefits for our profession.

On the representation and communications side, we have reinvigorated our Collective Bargaining Committee. ALPA's history is full of bargaining table success. It came from motivated pilot groups, informal coordination across pilot groups and whipsawing employers into favorable wage, benefit and work rule patterns during good economic times. But 9/11 and the unfair help that courts and agencies gave management, we were whipsawed downward. The patterns moved in the wrong direction. Setting targets collectively – for this and the next bargaining cycle – and coordinating our efforts so each pilot group achieves those targets -- are essential for the resumption of ALPA's bargaining table success.

That's why I've asked you to authorize a larger Collective Bargaining Committee. Rather than a small group that looks academically at ALPA policies, I want a larger and more diverse group that thinks collectively and practically about how to achieve patterns like these and makes resources available to pilot groups to achieve ALPA's goals

To support the Collective Bargaining Committee, I've established the new Strategic Preparedness and Strike Committee. This committee is already working with several MECs that are first up in negotiations. ALPA must actively look to create opportunities to accomplish our goals and move the profession forward. What's going to be different under this new aggressive vision is that we will move forward across all brands, across all pilot groups to support each other.

This committee will be responsible for ensuring all managements are aware of the most powerful weapon an international union has — collective action by its entire membership. Our managements will soon learn – if you take one of us on, you take on all of us.

And we made that clear on May 17 at the IAM Transportation Day of Action on the National Mall. As you watch the following video clip, think about how we can put all of your words into actions.

STOP FOR VIDEO

While some said it would be impossible to move quickly with legislation in retirement and airport access and other arenas -- they were wrong. The agenda we put forth in January for the 110th Congress is solid and we are making real progress. Of course things will get added, things will get subtracted, fluidity and flexibility are the cornerstones of a good legislative program, but let me report on where we are on our members' key issues.

Airport Access

This issue was at the top of our list. It's been every pilot and every flight attendant's nightmare before and especially since 9/11. ALPA drafted language, met with staff, and thanks to our friends on the Senate Commerce Committee, the recently passed Senate version (S4), of the legislation implementing recommendations of the 9/11 commission contains a provision that requires the TSA, after consultation with airlines, airports, and flight crew unions, to report to Congress within 180 days of enactment on the status of establishing a process that would give flight deck and cabin crew members expedited access through screening check points. The TSA is further directed to begin full implementation of the system no later than one year after

submitting the report. The bill now goes to conference with the House and we have had some very positive conversation with them about this provision being in the final product. However, keep in mind that the President has threatened to veto this bill if it contains a provision, which is in both bills, to grant collective bargaining right to TSA employees.

That's right – President Bush is willing to veto a homeland security bill over collective bargaining rights! But ALPA did not stop at getting language in a bill. Your Security Team, led by Captain Hesselbein with support from Engineering & Air Safety staff, has created a solution called CrewPass. Last week, I met with TSA Administrator Kip Hawley and briefed him on the need to adopt a CASS-based system to ease crewmember access and increase security and permit airline pilots to be part of the security solution instead of being treated as the threat. I have directed our team to proceed and create a prototype in cooperation with ARINC and Continental Airlines.

In the two-day period prior to the meeting with Administrator Hawley, the MECs from Continental, ExpressJet, Delta, United, and Alaska all secured support from their managements for this solution. I'll repeat my request for each of you to see if your managers will support us with the TSA to get this program implemented. Please speak with Captain Hesselbein for more details.

During the Hawley meeting, I also took the opportunity to press our Security agenda on FFDO, cargo security, and secondary barrier issues.

Akaka Amendment

If Airport Access is item 1, this is item 1A. We came very close last year when Senator Akaka's bill to allow pilots whose defined benefit plan had been terminated to have the ability to receive the PBGC maximum guarantee at age 60 rather than at 65. It was added to the Senate pension reform by a vote of 58-41.

A similar bill had been introduced in the House by Rep. George Miller (D-CA) and the House of Representatives subsequently voted three times to instruct its conferees to accept the Senate language.

Unfortunately, House Republican Conferees chose to ignore the wishes of the body and opposed every attempt by the Senate to include it in the conference report. It was ultimately dropped. The results of the last election have improved our chances. For one thing, Rep. Miller is now the Chairman of the House Education and Labor Committee.

Earlier this session, I met with Senator Akaka and Chairman Miller, and they both personally provided their full support and commitment to this legislation. In fact, both men introduced their respective bills, S. 1270 and H.R. 2103 on May 2.

On May 3, I testified on behalf of ALPA before the House Education and Labor Committee's Subcommittee on Health, Employment, Labor and Pensions on modifications to the Pension Protection Act of 2006. My testimony focused solely on these two bills, and was well received by both Republicans and Democrats alike.

Introductions aside, the bill will have to move as part of another vehicle. What it is going to be, I don't know yet. We are also going to have some other pension issues, which are more on the tax side as it relates to being allowed to rollover into an IRA certain monies that are distributed to pilots outside of a qualified plan. Also we are working with the flight attendants to get FMLA extended to flight crews.

Our Government Affairs Department hosted a successful meeting with 13 of our MEC Legislative Committees. At our reception, we spoke with more than 35 Congressmen and Senators. Your Union is as active as ever on Capitol Hill.

Do I need to ask you to expand your efforts to convince more of our members to support our PAC? Probably not, but I won't miss a chance to thank you for your hearty PAC contributions and strongly encourage you to go forth and multiply.

Security

There are several other security issues we are going to be working on such as the FFDO program, and aircraft secondary barriers. On the FFDO program, there are a number of issues that ALPA is addressing such as carriage, badging, time off for training and reimbursement of training costs.

I have written a letter to Congressman Bennie Thompson, Chairman of the House Homeland Security Committee, asking him to hold a hearing on the program so that we can air our concerns and address some of the problems with an otherwise successful program. I am hopeful that this hearing will take place this summer.

FAA Reauthorization

Both the Senate Commerce Committee and the House Transportation and Infrastructure Committee have begun in earnest the process of reauthorizing the FAA. In fact, Captain Terry McVenes, the Executive Air Safety Chairman, testified in March before the House Aviation Subcommittee outlining what safety items need to be addressed in this process.

The Senate Committee bill has already accepted a number of ALPA's recommendations dealing with ADS-B infrastructure, pilot fatigue, wake turbulence, volcanic ash, and icing research. The Congress will also have to address the tax/fee system used to fund the ATC and AIP programs. Reducing industry taxes, sharing the cost of the ATC system with Business Aviation – not to be confused with General Aviation – keeping the ATC system as a government priority and increasing funds to move into the NexGen are issues our Union is addressing.

The reauthorization bill is also a magnet for other issues, such as age 60 and, possibly, the foreign control issues. ALPA will be further addressing these and other safety and retirement issues at Congressional hearings in the next three weeks, and will continue to play a role in shaping and molding this critically important legislation.

Bankruptcy Reform

We have worked very closely with the AFL-CIO and other affiliates to draft a bill to make needed changes to the Bankruptcy Code. Although we can't unscramble the egg, we need to re-establish the original intent of the 1113 process, and allow unions to take self help when companies use the bankruptcy code to reject their contracts with the blessing of judges who have no clue about labor law.

In light of the recent decision against the AFA in the 2nd Circuit, the lawyers are re-drafting those provisions to reflect a fix to that ruling. We have had several meetings with the House and Senate Judiciary Committee staffs and we look forward to introduction of a bill in the very near future with hearings to follow. Given the slight Democratic majority in the Senate, this bill will not move. Sixty votes will be needed, and we don't have them. However, we can put the argument out there and hope to move it further in a new Administration.

Age 60

Later today you will receive a report from the ALPA Age 60 Blue Ribbon Panel and senior ALPA staff. As you know, I formed the panel — and asked Chris Beebe to chair it — in an effort to study the potential effects of a change to the FAA Age 60 rule. We've heard from Marion Blakey twice now — first at the National Press Club in January and then in a taped interview with panel member Neal Schwartz — that she intends to propose a rule change later this year. The FAA Federal Air Surgeon, Dr. Fred Tilton, repeated the announcement just five weeks ago at our Pilot Assistance Conference in Denver. He even gave us a date — Sept. 13 — for when they will have a working draft of the rule.

However, as you will hear during the presentation by the Blue Ribbon Panel and ALPA staff this afternoon, the regulatory efforts to change the Age 60 Rule are being overtaken by legislative efforts. S.65 — the Freedom to Fly Act — has already been incorporated into the 2007 FAA Reauthorization Bill.

Floor action is currently set for mid-June. Some ALPA supporters in Congress have expressed private concerns about ALPA's policy and others have co-sponsored the legislation. In April, after receiving a similar briefing as you will receive this afternoon, the Executive Council concluded there is a high degree of likelihood the Rule will change as early as this Summer, and recommend to this Executive Board that our Policy on Age 60 should be changed in order that ALPA may have maximum influence on the legislation in order to push our priorities.

I remain convinced that changes are coming and that ALPA must be prepared to deal with them. What you will hear from the panel is a report on the economic, safety, and aeromedical issues raised by a potential rule change — and some indications on how we can mitigate the negative effects and take advantage of the positive effects of any change. You'll also hear a preliminary report on what phone polling and our web survey are telling us about pilot views on the rule, and our efforts to deal with this matter. What you won't hear from the Panel are any comments on ALPA's official policy.

Once the panel makes its report, the Executive Board must determine how we can move forward together to make sure that this issue does not distract or divide us from any of the other important work we are doing together.

IFALPA

I will defer my remarks on our efforts at the recent IFALPA meeting but would ask you to join me in recognizing Captain Paul Rice, the new Deputy President of IFALPA, and Captain Dan Adamus, our new North American Vice President.

The world of international aviation is poised to change rapidly and dramatically. Our Union must be the leader in protecting our members' job opportunities. Paul will lead a restructured International Committee designed to ensure we are fully engaged as the world turns.

AFL-CIO

I wanted to say it publicly here that Captain Woerth was instrumental in holding ALPA's seat on the AFL-CIO Executive Council. By virtue of my election as President of ALPA, I automatically became a Vice President of the Transportation Department of the AFL-CIO but only the Executive Council could vote to seat me as a member of the Council.

Captain Woerth and ALPA staff met with AFL-CIO President John Sweeney and many of the key General Presidents in advance asking for their support of my nomination. Captain Woerth recommended me and President Sweeney nominated me. There were dozens of International Union President attending the meeting, who are not on the Executive Council but want a seat on the Council.

I am proud that our union is one of the leaders of the labor movement. With it comes the responsibility for us to be an integral and public advocate for all of labor. We all owe Duane our thanks for his efforts on the transition.

Work In Progress

So while we have had a busy and positive 5 months, there is still much to be done – as a matter of fact, we have just begun.

From the first day I arrived in Herndon after the election, the ALPA staff has worked tirelessly, day and night, to accomplish your agenda. They have treated me, and all of us for that matter, with respect and dignity, while at the same time, with a quiet voice from the jumpseat, keeping me above the hard deck.

OK, maybe once or twice, I've been down in the dirt, but their dedication to seeing our Union survive and our members thrive are unparalleled. Their job is far from over, however.

While our first 5 months focused on the line pilots and reengaging them with their Union, the next few months will focus on improving our internal structure and running an international union. We will cut back to one roadshow per month, and I plan to redouble my efforts to provide guidance and coordination with my fellow officers, national committees, and staff.

Another huge resource this Association has at its fingertips is our National Committee Chairmen. I'd like to take this opportunity to recognize them for their service:

Donn Butkovic
Collective Bargaining Committee

Mike Donatelli
SPSC

David Farmer
Leadership Conference

Bob Fischer
Education

Dan Gradwohl
Jumpseat

Bob Hesselbein
National Security

Jeff Kilmer
Human Performance

Terry McVenes
EASC

Ken Rogers
R&I

John Sluys
Membership

Brian Townsend
NASMOD

Don Wykoff
FT/DT

Rick Dominguez
International Affairs Committee

I am holding a National Committee Chairmen's meeting immediately following this Executive Board meeting. We are going to coordinate and work together to meet the objectives of this union.

As I mentioned before, organizing initiatives are crucial to the heart and soul and future of a union. What I need from you right now is a pledge – a promise that when you are called to help out in an organizing event, you answer the call.

We are all busy, but this union will only prosper if we are all in the game. The pilots in this country and in Canada who are not represented by this union want to hear from those of us who are – about the good and bad, the past and the present, and most importantly, our future together as professional airline pilots.

Organizing campaigns succeed by pilots talking to pilots. Please be as active as you can be and encourage your pilots to do the same.

Captain Beebe has continued his efforts to lead many of our most important committees from Safety and Security to Pensions and the Blue Ribbon Panel, all the while taking care of our union's finances. I'd like to thank him for his efforts and his advice as I completed my IOE.

Launching all these projects and getting them well on their way is one thing, but bringing them to completion is another. The honeymoon is rightfully over.

In the first five months we have met, talked, listened and picketed with many of our members. With your help, debate, decision making, and solidarity, we will make our shared vision for our profession and our Union into a reality.