



[ALPAWatch Newsletter](#)

[August 8, 2008](#)

An Independent Information Source You Can Trust!

If you are having difficulty viewing this message
in HTML or plain text format,

OR

to read previous Newsletters

[please click here](#)

Not getting the *ALPAWatch Newsletter* sent directly to you?

[Subscribe](#) for your own copy

In this Issue...

The Joint Collective Bargaining Agreement (JCBA) Tentative Agreement (TA) and Seniority List Integration (SLI)

Once again we find ourselves in a tough position. We now have to vote on a contract, but not just any contract. This one is unique because it is tied to a much larger issue, a merger. As such it involves many unknowns, mainly a seniority list.

This is not to say that you should not vote or how you should vote. ALPAWatch encourages every pilot to vote. You need to thoroughly study all the information available to you and vote. This ALPAWatch Newsletter is not going to make a recommendation as to how you should vote. It will give you some greater understanding of where we are, how we got here and what the possible scenarios are going forward. If you have already voted, good for you. If you choose to change your vote before the deadline, you may, but again how you vote is strictly up to you.

As everyone knows, the situation we are in today is not of our making. Two corporations have made decisions that will greatly affect the careers of 12,000 plus airline pilots. They did not ask us if we wanted to go down this path. At this point, it seems very unlikely that we can prevent this merger from taking place. Our analysis of the situation works under that premise.

Why is this contract so different than past contracts?

The short answer is that it does not contain a seniority list. What matters most to pilots is their contract and their seniority number. Ordinarily a new contract does not affect seniority. This one will. You are being asked to make a decision on a contract that is missing a very important section. While this situation rises to the level of unconscionable, it is nevertheless a decision you must make.

How did we get here?

The precursors of this merger probably predate September 11, 2001. But not for that event and the airline meltdowns that ensued, this merger would have been attempted years ago. It is now being urgently perused because of the need for capital and the closing window of opportunity at the federal government level. More than a year ago, the winds of a DAL/NWA merger began to swirl again. Our union realized this and began to make preparations. They sought legal representation and wrestled with a way to fund a Merger Committee. Adding to the equation was the lessons learned from the USAirways merger. Those lessons set the template for this merger. Everyone realized that there could be some big advantages for all parties, the airlines and the pilots, if a pilot contract and seniority list could be decided before the merger. With that goal in mind and under strict confidentiality rules, DAL ALPA and NWA ALPA began negotiating a merger at the beginning of 2008.

At that time, they were able to negotiate a joint contract (DAL's contract with some minor changes, very similar to the TA we have today). Negotiations broke down over seniority. No surprise there. With both sides deadlocked over seniority our union reps assumed that if the merger was still a go, future negotiations would take place. DAL ALPA took a different approach and negotiated their own deal with DAL management, the now infamous Letter 19. That was the turning point. The two pilot groups were no longer working together and the playing field was no longer level. A merger under those circumstances left NWA pilots at great risk. So we found ourselves in the position of playing catch up.

Realizing the position we were in, NWA ALPA pushed for negotiations that would provide us equal protection to the DAL 19 letter or a joint contract (JCBA) which serves the same purpose and is ultimately necessary. Those efforts produced the current JCBA TA. Those efforts did not produce a single seniority list. Instead it included a process that would produce that list, before or shortly after the DCC (Date of Corporate Closing, i.e. a completed merger). The agreement that will provide the single seniority list was demanded by DAL management as a condition of the TA. DAL management did not want a repeat of what happened at USAirways.

In the USAirways merger, their seniority list was decided by binding arbitration. That list was perceived by most former USAir pilots as being very unfair. They avoided

accepting the arbitrated list by voting against the contract that went with it. That has led to a protracted fight and made integration and synergies almost impossible. Most recently, a majority of those pilots voted ALPA off the property. They formed their own union for the expressed purpose of rejecting the arbitrated single seniority list. There is no end in sight for their situation. It is easy to see why DAL wanted to avoid a repeat of that situation. So much so that early this year, they were willing to greatly increase the pay and benefits of the joint pilot group if we could successfully agree to JCBA and a single seniority list. When that effort failed and DAL had to default to plan B, the price they were willing to pay dropped to what we have in the current TA.

And that is why we find ourselves with a contact first approach, followed by a contained productive SLI (Seniority List Integration) process. The agreed upon SLI process taking place now will produce a single seniority list by late November. There is very little chance it will not. You will not vote on the seniority list. So, this brings us to these scenarios.

First Scenario

The TA passes both pilot groups, and the SLI process produces a single list. Done deal, we move towards DCC and Single Operating Certificate from the FAA.

Problems with this scenario

The problems are:

You have to vote on a contract that will take years to understand, is somewhat better than what we have now, but not that much better. If you compare this contract to where we once were, it is sad. If, compare it to what we have till 2011, it offers some quality of life improvements, but is nearly revenue neutral for most NWA pilots. If you regularly fly over 80 hours a month, then your pay check may even decrease slightly. You will have more days off.

The big unknown is the seniority list. Remember, the best any fair minded pilot can hope to get from this SLI process is break even to where you are now. The dice are being rolled on your seniority number and there is nothing you can do about it. You get to vote on the contract, but not the seniority number. If the results of SLI seems really unfair to you or any other pilot, there will be no recourse. Live with it.

Another downside of this TA is that it offers far less money than what was on the table just a few months ago. Agreeing to this TA will cutoff your access to that money for many years if not for the rest of your career.

Second Scenario

If either pilot group votes down the TA, then we all fall back to where we are now. Assuming the DCC occurs anyway and another TA is not negotiated and voted in, we would be working under our current contract and DAL under theirs which includes LOA 19. The two seniority lists would remain separate.

In our last Newsletter, we added our support to reaching a TA before July 1st. We believed that the pilots at NWA were at great risk if the merger did occur (DCC) and we did not have a Joint Contact or a DAL LOA 19 type of agreement. Our thinking is this.

You can call it worse case scenario or not, but the probability of a post merger DAL needing to downsize seems inevitable. So the question becomes which pilots will be displaced out of seat, base, equipment or furloughed. What if the first targets of that downsizing are all former NWA fleets, piloted by former NWA pilots, such as the DC-9 and the B747-200. Former NWA pilots would bear the brunt of those displacements and furloughs. They would have no access to the DAL side of the house. DAL could even be hiring pilots off the street while former NWA pilots were being furloughed. Under those circumstances what kind of JCBA would we be willing to accept? How many years of "B" scale would we accept? What leverage would we have to negotiate a fair single seniority list? Would that seniority list give credit for your seniority at DCC or the new downsized seniority list?

Third Scenario

One or both pilot groups vote the TA down, the SLI process produces a single seniority list and another TA is negotiated (before or after the DCC, it does not matter). We would all be in a USAirways type of situation.

It has often been said that the perfect single seniority list is hated by all. As big a proponent as ALPAWatch is of Membership Ratification, the fact is a perfect single seniority list would never pass a membership vote. Only an unfair list that clearly advantages a majority over a minority of pilots could pass a membership vote. The reverse was perceived to be true at USAirways. The majority felt it was unfair. The rules did not allow a membership vote on the seniority list, but they did vote on the contract that went with it. So by voting down the contract, by proxy they voted down the arbitrated single seniority list.

If single seniority list was deemed unfair by a majority of DAL pilots, they could repeatedly vote down any TA, thus avoiding the list. On the contrary, if the single seniority list seemed unfair to a majority of NWA pilots, there might be enough votes to carry the connected TA and implement the list. That would greatly disadvantage

the former NWA pilots. While they would have no recourse, the discontent it would cause would negatively impact airline.

The resolutions to these situations would not come soon or easily. In the meantime, the airline would not realize the synergies that all the experts say they need to survive.

Should you vote Yes or No?

It is your decision. Our recommendation is that you make an informed decision and be able to give a logical reason for your decision. Don't sit on the sidelines. Make a decision and vote.

On a side note, ALPAWatch's primary activities involve monitoring the activities of our union and providing you with an independent account of those activities so you can hold our leadership accountable. We are very aware of several recent instances of personalities and politics taking precedent over the needs of this pilot group. The damage done to our pilot group can never be quantified. We have chosen to delay reporting on those instances because we don't want to undermine the efforts being made in respect to this merger. That does not mean that all is forgotten or that some may have to defend their actions in the future. We would all be much better off if all members of our union leadership would take a more altruistic approach to their responsibilities, especially during these critical times. Unfortunately, we have no real expectations of such altruism taking place as it has been sadly absent in the past. We will continue to watch this situation closely and will keep you informed when the time is right or if the situation gets out of hand.

Thank you again for participating in ALPAWatch. With the participation of pilots such as you, ALPAWatch will be successful in obtaining the Union Leadership that the Pilot Group deserves, and in doing so regain our fair compensation, our quality of life, our future, and our dignity.

ALPAWatch.org