

**NWA LEC 20 DTW
Air Line Pilots Association
December 10, 2007
Detroit, MI**

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1 **RESOLUTION**

2 *BE IT RESOLVED* the pilots of Council 20 support the following resolution, and

3
4 *BE IT FURTHER RESOLVED* the pilots of Council 20 direct our LEC Officers to present the
5 following resolution to the NWA MEC at the 4th Quarter (December) 2007 MEC Meeting.

6
7 **SOURCE**

Moved/Second

8 ALPAWatch

9
10 **SUBJECT**

11 NWA Management Opportunity to Begin the Process of Repairing the Relationship with the
12 NWA Pilot Group

13
14 **BACKGROUND**

15 Both parties, the company and the pilots have expressed a desire to improve moral and make
16 improvement to our CBA.

17 The 3 Letters of Agreement (LOAs) negotiated and ratified this summer improved the duty rigs
18 and made some initial steps to improve quality of life issues for the pilot group. All involved in
19 producing the LOAs deserve the credit. These efforts opened the door for other contract
20 improvements. The number one item on that list is cash – improved pay rates.

21
22 This resolution is designed to bring the company back to the table. However, due to the damage
23 they have done to this pilot group, the disrespect they have shown for the most valuable human
24 asset this company has, and the distrust they have created between the pilots and management,
25 they must *buy* their way back to the table.

26
27 We should not be asking. We should be telling them, “You Have a Problem!”, and that the pilots
28 are not going to keep going forward as if everything is OK. It’s not OK and we need things
29 changed now!

30
31 NWA pilots are never going to be happy, productive employees under this draconian contract.
32 The problems this contract has created and is creating are as devastating for NWA as they are for
33 the pilots. The only difference is the timeline. The pilots are experiencing that devastation now.
34 If left unchecked the company will experience it next. If the company does not realize this, then
35 they are short sighted, naïve or both. The problems created by this contract threaten the future
36 financial health of NWA, which is damaging to all its employees, its customers, and its
37 shareholders.

38
39 The company will address these problems sooner or later, but it is in everyone’s best interest to
40 do it now. The company needs to show that they recognize the morale and contract problems, are
41 serious in their desire to address them, and that they want to more than just acknowledge them.

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1 They must realize that they are going to have to make a goodwill gesture and buy back some
2 goodwill before we can take them seriously. A 5% raise would be a significant gesture.

3
4 There should be no misunderstanding about the statement that this resolution intends to make;
5 this is a take it or leave it offer; a line in the sand. The 5% should not be a negotiation or
6 regarded as “contract repair”; it is a gesture of good will. The company is either serious about
7 repairing the relationship with the pilots or they are not. If they are serious, they will accept this
8 offer, make an immediate 5% adjustment to the pay rates and schedule talks with the union to
9 address other necessary changes. If they choose poorly, and reject this offer, then the pilots will
10 be certain where management really stands. The pilots don’t need to waste another day to find
11 out if management’s past statements about taking too much or wanting to repair the relationship
12 are serious or just a ruse to keep us doing our above excellent work for draconian wages.

13
14 Also, the 5% is not intended to offset what we gave up. It does not make everything OK. It
15 simply allows the process for large, real, meaningful, and permanent contract repair to begin.

16
17 Failure to accept this offer will only exacerbate the problems this contract is causing. Those
18 problems will then come to a head, and in the long run cost the company dearly. If these
19 problems are not dealt with until the next Section 6 negotiations, there could be a colossal
20 confrontation that will threaten the very existence of NWA.

21
22 There are 4 possible outcomes to this resolution.

- 23
24 1. **Company accepts our offer. Pay rates increase 5%.** The schedule is set to negotiate
25 real contract repair. In this case we continue with a nominal wage increase while real
26 contract repair takes place.
- 27 2. **The LEC fails to pass this resolution.** The pilots that voted NO need to work with
28 ALPAWatch, expressing their reasoning so a passable version of this resolution or other
29 strategy can be developed.
- 30 3. **The MEC fails to pass this resolution.** The reasons individual MEC Members were
31 unable to support this Resolution will be noted. We may find that some union leaders are
32 not serious about contract repair. Whatever the reasoning, those opinions will be
33 forwarded to the membership so they can judge for themselves whether or not their
34 elected representatives are acting in their best interest.
- 35 4. **The company fails to accept this offer.** We know where we stand. The company will
36 have exposed their true position on pilot morale / contract repair. The pilots can accept
37 this fate, plan our careers and attitudes toward this job accordingly –OR— the gloves
38 come off. The pilots exercise all their legal rights and contractual provisions. They stop
39 performing the above and beyond level of dedication and service that has been holding
40 this operation together. Simply put, the pilots give all these problems back to the source
41 of those problems, management.

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PROPOSED RESOLUTION

WHEREAS the pilots, prior to bankruptcy, voluntarily gave up 15% of their pay to help save NWA from bankruptcy, and

WHEREAS the pilots were not given any credit in the subsequent bankruptcy negotiations for the voluntary 15% pay reduction, and

WHEREAS according to arguments presented during bankruptcy, NWA was threatening liquidation if the pilots did not give up additional billions of dollars in future compensation, and

WHEREAS the pilots did give up billions of dollars in future compensation and helped NWA profitably emerge from C11, thus locking the group into a draconian contract that is causing untold hardship on the pilots and their families, and

WHEREAS despite the degraded careers that NWA pilots now realize, they have continued to not only perform their jobs as the superb professionals they are, but have also filled the gaps created by crippling personal turnover that was created in nearly every flight-operations support-department, particularly maintenance, and

WHEREAS the pilots have filled the gaps created by an understaffed pilot corps by flying countless thousands of unwanted overtime hours, all at additional personal sacrifice to their families, and

WHEREAS pilot morale is at an unacceptably low level and as a core asset of the airline, this condition left unchecked, is a threat to the future success of NWA, its employees, and its shareholders, and

WHEREAS NWA posted record 3Q 2007 profits that wildly exceeded Wall Street expectations (USA Today) and that NWA CEO Doug Steenland publicly credited the employees of NWA for these record profits, and

WHEREAS members of NWA management have admitted that the company might have ‘overreached’ in regard to the pilots’ contract and the bankruptcy process, and

WHEREAS pilots are now encountering additional costs (yet to be fully determined) associated with potential / anticipated airline mergers.

THEREFORE BE IT RESOLVED that NWA ALPA will request that NWA management provide the pilot group a “good will” compensation improvement signaling the company’s desire to treat

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1 its most valuable assets with respect and appreciation, thus creating a hospitable atmosphere for
2 real contract repair discussions. This raise would also be considered a ‘Thank You’ for the pilot
3 group’s performance and accomplishments, as well as for enduring the abovementioned
4 challenges, conditions, and circumstances.
5

6 *BE IT FURTHER RESOLVED* that this pay raise amount be at least 5 %, (which is less than 1/3
7 of the amount the pilots voluntarily gave the company in their genuine effort to save NWA from
8 bankruptcy), that the raise take place without delay, that it be a permanent, across the board
9 increase of all pay rates for all NWA pilots, and that it not affect other scheduled pay rate
10 increases.
11

12 *BE IT FURTHER RESOLVED* that this 5% raise be combined with a statement from the
13 company acknowledging that contract repair is in the best interest of all parties, it is necessary,
14 and it will be addressed with negotiations to begin no later than one month after the
15 implementation of the 5% raise.
16

17 *BE IT FINALLY RESOLVED* that:

- 18 • These two items, (the 5% raise and the statement of contract repair) are a package deal,
19 offered on a take-it-or-leave-it basis.
- 20 • The 5% is not to be negotiated down.
- 21 • A rejection of this offer will be viewed negatively by the pilots and taken as an
22 unmistakable signal that NWA has no intention of addressing the issues that threaten the
23 safety and security of NWA, its employees, its shareholders and its customers.
- 24 • Acceptance of this offer will be taken as a signal that NWA is open to repairing the
25 relationship between the company and its pilots, thus opening the door for the other
26 necessary changes that will strengthen and secure the interests of all parties.
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