

Addressing Our Job Security Needs



*Chris Beebe
MEC Chairman*

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US Airways’ highly publicized “Plan B” has landed with a thud, right in our laps. As usual, the Company is trying to ignore its accountability for its own decisions. Instead, it wants to make US Airways’ success contingent upon the employees’, and especially the pilots’, willingness to give the Company what it wants without the necessary negotiations process.

ALPA’s reaction to Plan B was swift and severe. The Company’s detour from the five-point plan that would make us the world-class carrier of choice, to Plan B, is a concession in and of itself. To counteract the real and potential harm to our careers, the MEC and I have developed goals that will be used to gain job security and mainline growth.

We are willing to work to meet US Airways’ competitive needs, of course. The Company is our employer. If their balance sheet is in the black, it’s better for us. But first things first. *Management must meet our job security needs.* You don’t have to be an airline analyst to recognize the wisdom of this stance: US Airways wants to restructure and their first step is to replace mainline jet flying with mainline SJ flying. Incredibly, they have indicated they need additional employee concessions. When Mr. Gangwal announced that our labor costs are high, every employee knew what was coming next. We have already made concessions, and we have yet to see the full results of them. In fact, the only consistent results we’ve seen are

understaffing, an unfocused management while the merger approval process dragged on, and attacks on our contract.

Since management announced three days after the merger termination that they were desperate to have SJs on the property, we believed that the time was right for both management and ALPA to begin negotiations. When the MEC passed the small jet resolution at its August DCA special meeting, we hoped that this would mark the beginning of a productive negotiating process. The small jet resolution, passed unanimously, commits the MEC to pursuing SJ negotiations if appropriate job protections and career enhancements are given in return. The Negotiating Committee was directed to pursue the goals of job protections and mainline growth requirements. The proposal that they handed to management was a well-researched, comprehensive document that met the MEC’s stated goals for SJ negotiations. Protections addressed in the proposal include furlough protection and furlougee longevity for all purposes, and an increase in Minimum Captain positions, the Minimum Growth Commitment, and successorship and fragmentation. (Since we do not have a seat on our board of directors, the successorship and fragmentation protections would provide a crucial extra degree of security.)

On August 20, the Negotiating Committee passed an SJ proposal to the Company. Our legal, financial, and investment advisors were

included in the document planning process not only because of their experience in fashioning solid contract language, but also for their experience and knowledge of the airline industry.

Management replied a few days later by saying that they are looking for a proposal that addressed "limited job protections." We will not limit our job protections. We want to *expand* them, and we have good reason for wanting these protections. To start with, our management pursued a merger that was abandoned by the other partner. This merger proposal taught us that although the current protections within our contract are solid, improvements can and should be made to the language to make our job security stronger in case management attempts to sell off US Airways as a whole carrier or in pieces.

Another reason why solid protections are important is because management keeps changing their minds about US Airways' viability, structure, and competitors. While the United/US Airways merger approval process was sputtering along, Mr. Wolf told congressional committees that US Airways would fail without a merger partner if it remained at its present size. To add insult to injury, he compared us to defunct carriers like Eastern. Now, the Company has announced Plan B, and we see that they've suddenly changed their view of who our composite competitors should be, in terms of pay. We've slid down from the first tier to the third tier; however, we are far from a third-tier employee group. Of course, our parity review composite competitor will remain the same through the life of our 1998

contract, but you can be sure that management will want to change that in our next contract. Although management's string of operational failures may have disrupted the lives of their employees, the US Airways Board of Directors has still agreed to pay Mr. Wolf and Mr. Gangwal outrageous sums of money for their time. This is unacceptable because management has no system of checks and balances in place. The Board of Directors must live up to their responsibilities and recognize their role in what has transpired, and is transpiring, as well.

Since this management team came to the US Airways property, they've insisted that labor give them what they want or face a dismal future. You would expect that any management who believes that we must shoulder the burden for their mistakes would at least be willing to help us financially, but they have made no effort to do so. Let me explain. Management told us two years ago that they desperately needed more SJs on the property. We agreed to consider more SJs, starting a process that required the MEC to meet numerous times, causing our MEC meeting costs to skyrocket. When the MEC told management that we expected them to pay these costs because we were meeting to consider *their* request, management refused. It's another example of management's not being receptive to our needs.

We have experienced management's unyielding approach to our needs for far too long. It's time for them to compromise, or SJ negotiations will never get off the ground. To run a business, you must know what your options are and how

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to turn your options into opportunities for your business to flourish. Management has the option, and the opportunity, to cooperate with labor to make US Airways a more viable standalone carrier.

We will work to meet the Company’s needs if the Company is willing to meet ours. However, if management is not willing, they will receive no degree of support from us. And I wouldn’t be surprised to see them blame our job security needs as the reason why yet another one of their plans has failed.

This pilot group is facing another long process. We hope to soon be starting negotiations on the Small Jet Proposal that we passed to management in August, and we will also be

negotiating pay and work rules for the mainline small jets that management plans to deploy next year. Full Section 6 contract negotiations will follow, with our contract becoming amendable in just over a year. This full schedule of negotiations will bring us to several forks in the road, and we will have to deal with several important decisions that will likely have a profound impact on our careers. To that end, we must prepare for every possibility and remain a united group.

