



**August 14, 2015**

## **The TA from 10,000 Feet**

*By Captain Bob Burgess  
ARW Negotiating Committee Member*

For the last five years our Negotiating Committee has been attempting to update, modernize and improve our Collective Bargaining Agreement (Pilot Contract). Where we started and where we ended up may be two different things, but the entire process was guided by many factors. The negotiators used many sources of information along the way, including pilot opinion through surveys and direct contact, reviewing past and present grievances, and seeking input from ALPA officers and committee members. We also researched other FFDC contracts, took the “pulse” of the industry and evaluated our company’s particular situation, relying heavily on the legal and economic analysis resources provided to us by ALPA.

The negotiating expectations were derived from a sense of all of the above elements and were fluid; that is to say we continuously evaluated and re-evaluated our position given the change in our environment and input from the Pilots.

As our many Pilot surveys have told us, Quality Of Life is just as important as Compensation, and for many of us, more so. We currently enjoy the highest pay rates for 50-seat aircraft among our regional competitors. We have the richest 401(k) plan by far, and arguably the best medical plan selection in the airline industry. So what do we fix? How do we set expectations?

We started with where we fell short, with the grievances; and with what was broken, the “rock in our shoes” of the contract. We also sought to keep the parts that we liked and were proud of. Remember, all things are negotiable under Section 6 of the Railway Labor Act, and we sought to improve whatever we could, given a limited amount of resources available from the company, and protect what we already had.

We have been guided throughout the process by the ARW MEC and the Negotiating Committee Mission Statements:

*ARW MEC Mission Statement: Defend and advance the careers, working conditions, compensation, retirement, and benefits of Air Wisconsin and fellow ALPA pilots while working to reestablish Air Wisconsin Airlines Corporation as an industry-leading airline.*

*ARW Negotiating Committee Mission Statement: To enter into a new*

*agreement that promotes pilot job satisfaction by recognizing our current operating environment, challenges and history. Further, to achieve an agreement that will improve work rules, benefits, compensation, and job security while providing clarity to eliminate interpretive disputes.*

The company had goals as well, but those goals were for the company, not the pilots. The company sought to erode or eliminate many of the elements of our contract that we hold dear: our pay, work rules, retirement, and health care. Just about everything that is economic in the contract was under assault. Our negotiators had strong resolve and the support of our Pilot group, the support from ALPA, a long history of "holding the bar" for the regional industry, and a sense of what is right.

Ultimately we got a Tentative Agreement with the company after five years. I would argue that we got a better deal in the more recent regional environment than we would have gotten just a few years ago. Factors in our favor included that we were near the end of our contract with US Airways, all major carriers are realizing record profits, and are hiring pilots in large numbers. Additionally, pilot hiring has become a challenge for Air Wisconsin and the regional industry, resulting in an inability to complete an adequate level of flying for some carriers.

We were successful in fighting off the company's attacks on Compensation, Retirement and Insurance Benefits, and realized gains in many more contract sections including Scheduling, Travel Expenses, Deadheading, Uniforms, Training and Testing, and Sick Leave to name a few. We have achieved what we originally set out to do, but it has taken a long time to bring the company around. We have maintained Air Wisconsin as a desirable place to work for Pilots and helped to guarantee a future for the company.

## **How We Got Here, Part II**

Last October, after four years of bargaining and at a time when the number of issues had been reduced to twenty or so, the Negotiating Committee (NC) decided to push for an agreement using the vehicle of a "Close-Out Term Sheet." The NC presented a proposal which would resolve all issues on October 31, 2014. The company was interested but a week later it appeared that a dozen issues still remained.

Flash forward to the next mediated session in March 2015 which was held in Arlington, TX. We made good progress and reduced the number of issues, but the company was still seeking a major concession in the area of 401(k) contributions: "major," as in well north of \$1 million in requested cuts.

In April the Mediator let the parties know that he was scheduling a full week of bargaining at the end of June (most sessions are 2-3 days) in an attempt to reach a complete agreement. The parties understood that they were to come to Chicago prepared to resolve the remaining issues.

The NC was in a good position for this because all of the open sections were on the company side of the table, so it would be the company's move in June. Even so, the NC met for several days at the end of May to prepare further. We were skeptical that an agreement could be reached because the company had given no sign that it was

ready to drop its concessionary demands.

The week of June 22 in Chicago started slowly, but by Thursday the company had committed to continue our 1.5 percent annual wage rates increases and completely dropped its absurd retirement proposals. The NC now realized that an overall agreement was within reach. Bargaining continued, but by Friday morning there was still not sufficient value on the table to make a deal and there were a small handful of remaining issues. The NC made the last proposal and had rejected a company offer that was inadequate. So we left Chicago with the NC term sheet unanswered by the company.

There were no substantive discussions for the next month. Finally, on July 24 the company responded to the NC's last term sheet and moved our way once again. Still there were issues and both sides agreed to keep working. Eleven days later, after daily discussions which the mediator monitored closely, the parties came to an agreement on August 4.

That's how it happened: good progress in October and March, a breakthrough in June, and a final push from July through early August that resulted in a tentative agreement. No sudden rush to conclude a deal, and no real mystery.

## **Errata**

During the last week at some of the coffee and conversations we believe that discussions surrounding the assignment of RSV times may have been inadvertently misstated. Please carefully review this language when it is released to ensure you accurately understand this section. We apologize if there was any miscommunication.