



# THE X-RAY

A LOOK INSIDE YOUR ALPA ARW NEGOTIATIONS

August 24, 2015

## More TA FAQs

Here are more questions submitted by pilots to the [ARWCBA@alpa.org](mailto:ARWCBA@alpa.org) email address. We will add these to the continually updated FAQ list at [www.ARWContract.org](http://www.ARWContract.org). Thanks for all the good questions!

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***Q: Is our MEC planning on having a financial review of our current contract and our TA by an outside professional financial audit company to present the pilot group with a better insight to the gain or loss? Show me the money!***

**A:** Just like every other ALPA pilot group, ARW has as part of our staff team professional airline analysts from ALPA's Economic and Financial Analysis Department. The primary area where money has been moved around is the move to 27% premium share with the cost (savings from the Company's perspective) going in to per diem.

Before getting in to the analysis of that move, it is worth mentioning that the Company wanted to move money all over the agreement and we fought off most of those efforts. They wanted to move money from your retirement in to a one-time bonus, we said that won't fly. They wanted to drop the minimum guaranteed days off to 10, with money getting moved somewhere, we said that won't fly. They also wanted to move your premium share to 33%, we also told them that won't fly.

In the end the Company was unwilling to make a deal at less than a 27% premium share but was willing to move the money to per diem where it enjoys the same tax advantaged status. The move to the 27% premium share was one of the last moves to get a deal and still leaves us with the 2<sup>nd</sup>-best premium share on the best health insurance plan at a regional carrier.

For the average pilot using an average Time Away From Base the increase in per diem nets \$30 tax-free per month. The average pilot's cost for health insurance will increase (pre-tax dollars) \$16.75. The average pilot will net \$13.25 per month with these two changes. If you want to do the math to see how you personally will fare, simply take your monthly health insurance contribution and multiply it by 8%. That will give you the cost increase of your health insurance. Then take your TAFB from your paycheck and multiply that by .15. That is the increase in your per diem. Take your per diem increase and subtract your health insurance increase and viola you have your gain or loss from the change.

Health Insurance Cost x .08 = Increase cost of health insurance.

TAFB x .15 = Increase in per diem.

Increase in per diem - Increase cost of health insurance = Gain (Loss)

**Q: *Why were none of the hourly rates increased?***

A: We are at the top in terms of hourly rates for operators of 50-seat jets. The Company showed no appetite to enter into an agreement with new pay raises. It should be noted though that our rates will continue to increase at 1.5% every year in addition to the 3% pilots get on their anniversary. Under this new TA you will get (assuming you are not at the top of the pay scale) a 4.55% (3% times 1.5%) raise every year. We do hope that the regional industry pay rates will go up in the next two years, which is why we are proposing a two-year duration contract. That allows us in two short years to get another bite at the apple if our competitors' rates increase.

**Q: *Regarding your response to this TA and it not being concessionary, how could you say "negotiations always have some give and some take" when it is very well known that there is a pilot shortage in the regional industry and staffing an airline with qualified pilots is a struggle across the board at the express carriers. Typically in a scenario where someone else has something someone wants the person has the bargaining chip in their corner. I feel like majority of everyone at our company also has this feeling that there should have been no give and all take in the current conditions.***

A: Thanks for the question -- it's a good one. You are correct that we are moving into a period of a pilot shortage in our segment of the industry. However, that does not change the normal process of negotiations. It takes two parties to reach a deal, so there has to be something in it for everyone. The leverage is on our side, which is why we were able to improve on our contract that is at the absolute top of the industry in virtually every category.

**Q: *The bullet point summary says "A pilot in his grace month may request to not be scheduled for a validation or evaluation sooner than seven days after a vacation period." Why is the burden of this request being placed on the pilot? I have no idea when my due month and grace month are because my training month seems to never be the same month from year to year.***

A: The company does not know your wishes regarding scheduling training after a vacation in your grace month. This provision allows you to have the flexibility to determine your schedule.

**Q: *As a commuter, protection for missed commutes is very important. Currently, after two flights, we can go home and not be penalized, then split in to the trip the next day if we try. What protections are there in the new contract and why does it say you can only get in to your trip once every 6 months? Currently, if my understanding is correct, there is no limit on the usage of the commuter clause. How will it work under the new agreement?***

A: For the first "Commuting" event in a rolling six-month period the Pilot will be guaranteed to split into his trip, will be given positive space, will be given a hotel in his domicile if his trip will not return that day. For the second and subsequent "Commuting" event in a rolling six-month period the pilot will not be guaranteed to get back into his trip, may not be positive spaced, will not be afforded a hotel room. If his trip is not available he will be assigned open time on a priority basis within the footprint of his original trip. If there is no open time the pilot may at his option continue to his

domicile and sit short-call reserve for the footprint of his original trip, or the pilot may elect to stay at home without pay.

There is no defined minimum number of "Commuting" events prior to inquiry or discipline, but the overwhelming number of pilots commute responsibly and would not get close to any discipline under this provision. This policy recognizes that most pilots get to work as it works for them and the Company wants a policy that they don't have to administer. This policy also helps to mitigate fatigue.

Under the current policy you are not guaranteed to split into your trip, positive-spacing is at the discretion of Crew Scheduling, you probably won't receive a hotel and at some point you will be under scrutiny given too many missed trips (as is the case with the proposed Commuter Policy).

*Q: Will the language for the commuter policy include travel from outside of the contiguous 48 states? It would be very nice to have commuter protection while traveling back from international locations for vacation, etc. since international destinations often times have less flights available per day.*

A: The proposed Commuter Policy does not specify where a pilot may or may not commute from in order to be covered.

*Q: Under the new agreement it simply says we won't be scheduled more than 14 hours, our current book has a scale depending on time on, and can be from 12-14 hours. Did we lose the lower time limits?*

A: The contractual scheduled duty limits of 12-14 hours were changed under the TA to enable the pilot to maintain the ability to make money under FAR 117. The new regulation is very restrictive when compared to FAR 121 regarding flight and duty times. The current contractual limitation of 12-14 hours scheduled duty is from a time of "good to start, good to finish," and under FAR 117 strict limits are in place to mitigate fatigue.

*Q: Why weren't there any attempts to add more protection in the event a pilot needs to call in fatigued? What if you are on a high credit month and are above guarantee? With that fatigue question in mind, why was the time in domicile required between trips reduced to 10 hours? I need to give myself 2 hours to get to domicile...if it happened to be 10 hours between trips, this would be an automatic fatigue call unless I were to get a hotel room out of pocket or sleep in the crew room. This reduction is unacceptable for people living in base that have a considerable drive home.*

A: Fatigue pay was one of the last remaining items to fall in the final round of bargaining. The Company was not willing to bite, so like in many other places we had to weigh our options. We opted to drop the fatigue pay proposal in order to reach an agreement. A tentative agreement that overall brings more value to the pilots. The 12 hours versus 10 hours question was answered previously.

