



# THE X-RAY

A LOOK INSIDE YOUR ALPA ARW NEGOTIATIONS

**September 11, 2015**

*NOTE: This article was written before the MEC meeting Wednesday that postponed the ratification voting. The Negotiating Committee will continue the regular X-Ray schedule as the TA situation is clarified.*

## **Disappointment is Not a Strategy**

The MEC has heard from many of you over the past month that there is disappointment in the proposed Tentative Agreement and guess what, the MEC is disappointed also. The MEC is disappointed that Air Wisconsin, a company that has made millions of dollars in the past decade, could not put more into a TA that values the pilots that saved this company on at least two occasions (1994 and 2003), and gives them an appropriate return on the investment that they have made to the company.

Unfortunately the art of Negotiations is much more complex than just demanding something, sitting back and waiting for the company to say yes. Timing is everything and this TA represents the best deal that we can get NOW. The next iteration of Air Wisconsin pilots and MECs will no doubt work hard in the following bargaining cycle to negotiate 10 percent pay raises, cash payouts, retention and signing bonuses - just as the current group did. For this round, with the current economics, we believe that ALPA did not leave a single nickel unclaimed.

Numerous current and former MECs and negotiators, as well as many other union volunteers, have tirelessly pursued a non-concessionary contract for nearly five years. The negotiations were guided by pilot input and multiple surveys, as well as direction from your elected leaders and the pilot group at large. The new TA has clear gains in quality of life and work rules, as well as protecting the cornerstones of our contract - wages, work rules, scope, and retirement. It also extends furlough protection to the entire pilot group rather than just the most senior pilots on the list.

A frequently asked question has been: "Why did our health insurance premium increase 2%? That's a concession!" Two points, one everything is negotiable, and two, contract modifications are not concessions in and of themselves; they are part of a whole picture. It is true that if you decide to ratify the TA, the pilot health care premium share will go up slightly, but that "give" by ALPA was taken back in multiple other areas. Our insurance premium share will still be amongst the lowest of the Fee for Departure Carriers, second only to legacy ExpressJet. What we found out was that while some items, including healthcare premiums, will be more expensive for the pilot group, there are many more items that will be more expensive for the company to pay out to us. Thus, when calculated over the entire pilot group this TA represents is a net gain for the group.

Keep in mind that there is no such thing as a “personal contract” negotiated to meet any single pilot’s specific situation. It is impossible to bargain 800 individual contracts at Air Wisconsin. We negotiate for ALL Air Wisconsin pilots. When negotiating a contract, your negotiating team, in consultation with the MEC, attempts to negotiate a contract and all its various provisions in a way that will benefit the pilot group overall.

The latest buzz in the regional airline industry has been the “Last Best Offer” made by Republic Airlines Management - a management that has also stated that they are on the verge of bankruptcy. Although Republic’s Teamster leadership will not be sending the deal to the pilots for ratification here are a couple of points to consider:

Number one: the Republic pilots have been in negotiations for nearly 10 years and have worked under wages, work rules, and retirement that are far below even our current Air Wisconsin pilot Collective Bargaining Agreement -- benefits we have enjoyed for years and that most of us take for granted. The bonuses proposed in “the last best offer” would scarcely have made up for a decade of mistreatment and underpayments.

Number two: Never in the history of aviation has an airline spent its way out of financial troubles and bad investments, and Bankruptcy remains an increasingly likely outcome for Republic Management. History has shown that most pilot groups are lucky if they can get out of bankruptcy preserving even their substandard contracts, and most wind up having deep concessions imposed on them by the courts.

With all their faults (and they have many), Air Wisconsin management has usually made good financial decisions over the years. But let’s not be naïve - in our current environment our airline’s future is uncertain beyond February of 2018. The question before us is whether we want to use this short-term contract to cement our status at or near the top of our FFD sector, or whether we want to spend another many months (or years?) trying to get more while uncertainty swirls around us and the future of this Company.

We all wanted to get more out of this contract, and we are all disappointed. But disappointment is not a strategy. Our strategy is to preserve everything we had to keep us at the top of the industry, get as much more as we could, and get back to the bargaining table as quickly as possible.

**Please stay informed during our contract ratification period and when voting opens, cast your informed vote on the TA for what is best for your situation.**