12-02 January 24, 2012

Section 6 Negotiations: The Strategic Plan

As we begin the New Year, we want to provide you with an update on the roadmap for our continuing preparations for Section 6 negotiations. Following a significant response to the *Contract Survey*, the Negotiating Committee provided the MEC with a broad overview of the survey results at the regular MEC meeting in November, 2011. Since then, the committee has been sifting through the data in order to present it to the MEC in a more detailed fashion and to provide a tool for the MEC to direct the committee on the construction of the contract opener.

The Negotiating Process:

-Receive > Analyze > Recommend > Direct-

It has been over a decade since the Delta pilots last went through the Railway Labor Act's Section 6 process, and a number of pilots on our seniority list have *never* experienced Section 6 negotiations. With that in mind, the following is provided as an overview of the negotiating process. While this *Touch & Gos* deals specifically with upcoming Section 6 negotiations, the process is similar for any negotiation.

The first step in the negotiating process is to receive input. In some cases, the company desires to change the contract and they initiate the process. In other cases, for example our recent agreement with the company to eliminate or improve recovery obligations (*LOA #31*), input is received from line pilots. The Negotiating Committee *receives* this input and *analyzes* the information in order to make

recommendations to the MEC. After this part of the process is complete and depending on the issues involved, the MEC chairman may wait for the next regular meeting or may call a special meeting. At the meeting, the MEC will receive a detailed briefing from the Negotiating Committee and decide whether or not they would like to direct the committee. Any direction is consensus-based. It is not necessary or possible to reach unanimity in all situations; that is simply part of the democratic process.

The *direction* portion process is an iterative one where each MEC member is given multiple opportunities to ask questions and provide input, and the group considers all opinions to form a consensus position.

-Receive

Through the *Contract Survey*, the Negotiating Committee received a tremendous amount of line pilot input. A broad overview of the results was presented to the MEC at the last regular meeting in November. The committee has since continued to process the data, including thousands of comments from the free text boxes, in order to provide more detail and clarity to the MEC. The committee will provide a presentation to the MEC at the upcoming meeting in Washington on January 25-26.

Additionally, Linda Puchala, Chairman of National Mediation Board, will provide the perspective of the NMB on negotiations. The NMB can play a vital role in the timing and

progress of negotiations and is sometimes referred to as the "third party" to negotiations.

Delta's senior executives will also come to Washington to discuss their view of the pilots' role in Delta's long-term plans, and the MEC will have the opportunity to ask questions and provide input.

-Analyze

The Negotiating Committee continues to analyze input, both in terms of prioritization and costs. The company typically places a value on each portion of the contract that either party wishes to address, but the committee will do its own analysis of the contract costing, calling on the expertise of ALPA's Economic and Financial Analysis Department. (See Touch & Gos 11-11 - Contract Costing for a more indepth review of this topic.) Developing this accurate costing information will help the committee and the MEC develop priorities and goals for our contract based on your input. The committee will present the results of their initial analysis at a special MEC meeting in February.

-Recommend and Direct

The MEC currently has two meetings scheduled in March, a regular meeting early in the month and another tentatively scheduled for later in the month dedicated solely to contract negotiations. At these two meetings, the Negotiating Committee will present their recommendations to the MEC, and then the MEC will provide initial direction for the contract opener. It is important to note that this is *initial* direction only. At all times, the MEC is in control of our end of the negotiating process, and this four-step "feedback loop" process (Receive > Analyze > Recommend > Direct) will repeat itself often as additional information is received, negotiations progress and in the event any as of yet unforeseen external events unfold.

Conclusion

Early last year, we began the important process of preparing the Delta pilot group for our rapidly approaching contract negotiations. The intent was to provide you with substantive information and background about the industry, airline finances, and the negotiating process in general. We continued with a comprehensive *Contract History* and *Contract Comparison* to assist you in crafting your input for the *Contract Survey*.

The goal was to provide you with as much information as possible in order to encourage you to become an active stakeholder in the Section 6 process. While the *Contract Survey* is now complete, opportunities to provide additional input to your elected representatives are ongoing.

The best chance for a successful conclusion to Section 6 negotiations lies with an informed and involved pilot group. We will continue to provide you with additional information at each step of the process and ask that you remain informed and engaged as we proceed through the Section 6 process.