



Delta Awarded London Heathrow (LHR) Operating Slots

Executive Summary

- American Airlines (AA) and British Airways (BA) were required to divest flights out of LHR due to their joint venture.
- Delta desired operating slots to LHR.
- Your MEC determined that these slots would be beneficial to Delta pilots.
- The Delta MEC Government Affairs Committee worked in conjunction with Delta to lobby for these slots.
- Delta was awarded three slots.
- Delta will allocate 767-300ER aircraft to operate these slots and will require additional ER pilots.
- Delta will bring two additional 767-300ER aircraft from desert storage to enable this flying.

Background

In July of this year, the U.S. Department of Transportation (DOT) and the European Commission (EC) approved AA and BA's request for antitrust immunity related to their joint venture. As part of their order, the DOT and the EC directed that AA and BA divest themselves of two slots from Boston, and one slot each from Dallas/Ft. Worth and Miami to London's Heathrow airport. This decision was intended to help ensure effective competition in the LHR-U.S. market. Heathrow is a valuable business market, and for many years Delta was shut out of this market primarily by AA and BA's dominance of the Heathrow slots and gates.

In recent years, Delta obtained some Heathrow slots, through the SkyTeam Alliance, to operate flights from ATL, DTW, and JFK. Additionally, Delta recently inaugurated additional flights from ATL and DTW to LHR. Delta has continued to seek additional slots into LHR, and when the DOT/EC announced

these openings, Delta was very interested in obtaining additional frequencies.

Delta's senior executives informed the MEC of their plans to request two Boston slots and one Miami slot. The MEC determined that this flying would benefit the Delta pilots, and the MEC Government Affairs Committee began to supplement Delta's efforts on Capitol Hill to lobby for this award. In less than two weeks, the committee contacted and met with Senate offices from the New England states, the Massachusetts House delegation, and the House and Senate congressional offices representing Southeast Florida. As a result of these visits, a Senate letter signed by eight New England senators and a letter signed by the 10-member Massachusetts House delegation, in support of Delta's application for LHR service, were sent to the DOT and EC leadership.

On November 10, the DOT and the EC awarded *all three requested frequencies* to

Delta. Delta will begin service to these markets in late March 2011 using 767-300ER aircraft. It takes the equivalent of roughly 3.5 aircraft to support this increased service. Delta plans to increase fleet usage to fill two of those slots, and will pull an *additional* two 767-300ER aircraft from desert storage to fill the remaining need. We estimate these slots will require *dozens* of additional 767-300ER pilots. Given the timeline involved, we expect these positions to be posted on the next Advanced Entitlement as a direct result of this slot award. *Jolly good show.*

The "take away" is this: In many cases, the interests of Delta management and Delta pilots are aligned. In these cases, your MEC may make strategic decisions to assist the company. We can all appreciate the value of additional pilot jobs, and the increased revenue will improve profit sharing and also enhance our leverage in upcoming contract negotiations.

American Pilots Hire Professional Negotiators, *Why Don't We?*

From time to time, the question arises, "*Why don't we use professional negotiators?*" That's a trick question, though, because the answer is, "*We already do!*" Read on.

The historic merger between Delta and Northwest provides one example of the professional expertise available through ALPA. Throughout the merger process, our dues provided these important ALPA resources:

- ALPA attorneys/negotiators from the Representation Department
- Analysts from the ALPA's Economic & Financial Analysis Department
- Legal support from ALPA's general counsel in NYC
- Numerous support staff

With the help of these dedicated ALPA professionals and staff, and their many decades of experience, we actively participated in a successful merger which closed in a relatively short time. Now, after nearly four years in negotiations, the American pilots are looking

for professional help—and where did they turn for support? They turned to ALPA.

In a letter to the American Airlines pilots last month, Allied Pilots Association (APA) President Dave Bates explained that for years, the APA Board of Directors has long debated the merits of using professional negotiators. He went on to announce that he was *“able to retain the services of the International Pilot Services Corporation (IPSC), which provides representation services to pilot groups around the world. IPSC is headed by Mr. Seth Rosen, one of the most experienced RLA pilot negotiators in the country . . . Mr. Rosen was a high-level negotiator, strategist, and attorney for the Air Line Pilots Association (ALPA) for decades and is currently the director of IPSC, a subsidiary of ALPA.”*

Seth Rosen is no stranger to the Delta pilots. He was one of our professional negotiators during C2K. In addition, he was instrumental in crafting joint venture pilot protocols for the Air France and KLM pilots, as well as for the Air France and Delta pilots.

ALPA has also agreed to provide APA access to its Economic and Financial Analysis (E&FA) Department. ALPA’s E&FA Department is unique among labor unions. With a staff of 13 professionals, this department has well over 100 combined years of hands-on experience in evaluating pilot collective bargaining agreements and analyzing airline business plans, strategies, and financial data. The National Mediation Board and airline managements across the board can vouch for the expertise of ALPA’s E&FA. In fact, management and the NMB have often agreed to depend *solely* on E&FA calculations during negotiations.

No other union provides this level of economic expertise!

“These developments signal a level of cooperation between ALPA and APA that has not been seen for nearly 50 years,” Captain Bates concluded. We couldn’t agree more!

As this agreement highlights, ALPA does use professional negotiators—both in-house professionals and, when necessary, outside professionals. Local pilot leaders chart the course of negotiations and make the decisions, but our MEC and Negotiating Committee call on teams of ALPA experts and advisors to assist them through the negotiations process. That team currently includes, but is not limited to:

- 42 professional negotiators in ALPA’s Representation Department
- 13 financial analysts in ALPA’s Economic & Financial Analysis Department
- 13 attorneys in ALPA’s Legal Department and others in general counsel’s law firm
- 17 Retirement and Insurance benefit specialists, including three benefit attorneys, two pension investment advisors, and one pension actuary
- 18 communications specialists from ALPA’s Communications Department

We wish our American pilot colleagues and the APA all the best in their continuing quest for a new contract. We will *always* exert greater control over our profession and our future when we work together.

Touch & Gos is a product of the Delta MEC Communications Committee. It is intended to provide you with short updates on items of recent interest and newsworthy items that may not lend themselves to separate, stand-alone coverage. We also intend to provide you with additional information about your union and its resources.

ALPA to Circulate Representation Cards to JetBlue Pilots

ALPA has received hundreds of calls and e-mails from JetBlue pilots enquiring about the advantages of ALPA membership. These pilots have formed the JetBlue ALPA Organizing Committee (JAOC) with more than 250 pilots, the *largest organizing committee in ALPA history.*

Last month, ALPA’s Executive Council unanimously decided to distribute *“Authorization for Representation”* election cards to the pilots of JetBlue Airways.

In a letter to JetBlue pilots, the JAOC wrote *“JetBlue pilots—fiercely loyal to and supportive of our company—believe we need the legal standing to participate more fully in the decisions that affect our future . . . we believe that ALPA’s structure and resources give us the power to shape the relationship we want with our*

company and the tools to be successful . . . We believe that legal representation through the Air Line Pilots Association gives us the greatest chance to address those issues successfully.”

“You’ve taken great first steps to make your voice heard and to secure your future,” ALPA President John Prater wrote to the JetBlue pilots. *“The members of the world’s largest pilot union support your efforts to secure ALPA representation. Along with the Executive Council, I look forward to welcoming JetBlue pilots as members of the Air Line Pilots Association, Int’l.”*

When you see JetBlue pilots, introduce yourself and tell them you hope they will support the ALPA organizing campaign. Again, we will *always* exert greater control over our profession and our future when we work together.