



What Happens in a Typical Negotiating Session?

Background

In the previous *Touch & Gos* in this series, we discussed the central roles the term sheet and contract costing play in contract negotiations. An expanded team of ALPA professionals and pilot subject matter experts assist the Negotiating Committee in carefully drafting each negotiating position. The ALPA Economic and Financial Analysis department assists the committee in providing costing data for each proposed change.

In this issue, the final in the series, we will describe in very broad terms what takes place during an actual negotiating session.

Negotiations

The *process* of negotiation is fairly straight forward. Negotiating sessions usually take place in Atlanta, either in the office of the Delta MEC or at Delta's corporate headquarters. Your Negotiating Committee is assisted by members of their expanded team, which includes at least one professional negotiator/attorney along with any support staff the committee may require. For instance, if the session focuses on retirement and insurance matters, members of the Retirement and Insurance Committee will attend the meeting along with professional actuaries and/or ALPA attorneys who specialize in retirement and insurance related matters.

Typically, as the back-and-forth of negotiations proceed, the PWA section or subsection under discussion (as tracked by the most current written proposal) is in the hands of either the Company or the union at any given time.

When the two parties meet, the party whose turn it is to respond to the last position presented, provides as its first order of business an overview of their response. That same side then proceeds

with its written counter-proposal, detailing the new or revised position(s). Supporting documents, data or other relevant information may also be provided. This proposal/counter-proposal exchange is presented in a hard-copy format with "track changes," which permits changes to be easily visible to both parties. After the face-to-face exchange using the hard-copy, an electronic version is provided as well. These proposals/counter-proposals are often, though not always, presented in specific contract language. Each electronic exchange of proposals and any supporting documentation provides a comprehensive record of the course of negotiations.

As the changes within the proposals are presented, the reasons for the changes are detailed. Opportunity for the other side to ask questions regarding the proposed changes is part of the process as well.

There may be times when one party or the other feels it necessary to "caucus," or temporarily remove themselves from the face-to-face portion of the negotiating session to have a discussion with their own team. A caucus allows, for example, the receiving party a chance to immediately review the new material presented for any number of reasons (e.g. to assure themselves they understand the other party's presentation). The caucusing party might return with further questions, with a request for a more specific explanation of some issue, or with a position of acceptance, suggested change, or rejection of the presented position of the other party when reengaging at that same meeting. Alternatively, the parties may break without any immediate action to prepare for future meetings. It is not uncommon for multiple sections of the

PWA to be in play in this manner simultaneously.

Early on in the process, face-to-face meetings can be relatively short. While these initial sessions may be short in duration, the preparations leading up to them take many hours of work, so there are often several days or even weeks between formal negotiating sessions. Internal meetings are likely to occur within both parties, and in the case of the MEC's Negotiating Committee, this exchange may involve updating the MEC and, if necessary, receiving additional direction from the MEC.

Narrowing the Focus

The goal of negotiations, of course, is to reach a comprehensive "tentative agreement" (TA) by the amendable date. As Section 6 negotiations proceed, the proposals/counter-proposals can grow to well over a hundred pages. Resolved items will be noted and the time and date of the agreement will be recorded on the documents. At some point it may also become more efficient to remove all of resolved items from the proposals so that the focus can narrow to outstanding issues.

As the number of open items is reduced, the negotiating sessions will often become more frequent. Remaining issues are typically large in value to both parties. In order to move the process forward, remaining issues can be assigned to sub-groups of the committee itself - one member of the Negotiating Committee, sitting with associated subject matter experts, simultaneously working to resolve the remaining issues. For example issues related to Sections 12 (Hours of Service), 22 (Filling of Vacancies), and 23 (Scheduling) might be broken out into subcommittees working exclusively on the proposals/counter-proposals related to those sections. These smaller teams work in parallel to more efficiently work through this often large project. The full negotiating team will review the work done in these smaller groups and, after reaching consensus, prepare their proposals for the next subcommittee negotiating session.

The End Game

As negotiations near an end stage, there will typically be fewer and fewer "open" items. In order to allow each side to focus completely on the negotiations at hand, it is not uncommon for both sides to travel to another location and work away from Atlanta and the normal day-to-day activities in order to facilitate progress.

Often at this stage, the remaining open issues from all sections of the PWA and Letters of Agreement are consolidated into a comprehensive term sheet, and proposals and counter-proposals for settlement are made between the parties using this format. When a comprehensive tentative agreement is eventually reached, both sides will signify this by signing the final term sheet. For Delta pilots, this then marks the beginning of the ratification process that follows. The MEC will meet to discuss the agreement and debate its pros and cons. The MEC then decides whether or not to ratify the tentative agreement. In accordance with the Delta MEC Policy Manual, Section 6 negotiations are subject to membership ratification following ratification by the MEC.

Conclusion

It has been over a decade since the Delta pilots last went through Section 6 negotiations. Section 6 negotiations are a complex and difficult process to manage. ALPA's expanded team of readily-available professional resources provides us with the expertise needed to ensure the MEC's strategy can be properly executed to provide the Delta pilots with the contract we deserve.

Section 6 negotiations and related activities are also expensive. Your MEC has carefully controlled its costs through careful budgeting and judicious spending, which has resulted in a special MEC Reserve Account Balance now approaching \$9 million. Combined with access to ALPA's Major Contingency Fund, sufficient funding is available to provide us with the financial flexibility we need as we proceed through the Section 6 process.

This edition of *Touch & Gos* now brings the series to a close. Next, you can expect a *Negotiators' Notepad*, which will go into the intricacies of the Section 6 process in greater detail. You will also soon receive a *Contract History* document and a comprehensive *Contract Comparison* document.

Later this summer, a web-based contract survey will open, the results of which will be a primary source of information your elected representatives will use as they direct the crafting of our opener. Please continue to provide input to your representatives and participate in the survey when asked to do so.