

# ECONOMIC & FINANCIAL ANALYSIS

## ABOUT E&FA

ALPA's Economic and Financial Analysis (E&FA) Department is unique among labor unions. With a staff of 12 professionals, this department has well over 100 years combined of hands-on experience in evaluating pilot collective bargaining agreements and analyzing airline business plans, strategies, and financial data. ALPA's E&FA staff clearly understands what works for you in a business plan and what doesn't, and it dedicates its services to analyzing financial information from your perspective to protect your interests.

## 12 professionals with expertise in

- Valuing negotiations proposals
- Business plan analyses
- Financial returns
- Airline revenue management
- Contract comparisons
- Benchmarking pilot costs
- Fuel hedging
- Airline industry analyses
- Economic indicators
- Monitoring job security provisions
- Code sharing/alliances/joint ventures
- Antitrust agreements
- Airline taxes
- Profit-sharing plans
- Lump-sum/retroactive pay issues
- Back-pay analyses
- PBS systems
- Work rules

E&FA Department

### CONTRACT NEGOTIATIONS SUPPORT

Supports every ALPA pilot group negotiating committee by providing a **valuation of all economic proposals.**

Often demonstrates that the company's numbers are inaccurate and **prevents any attempts by the company to "overcharge."**

**Employs a former pilot** to ensure full understanding and appreciation for work-rule and scheduling issues, intricacies, and interrelationships.

**Supports the negotiation of job security provisions** and helps to create flying ratios and metrics to ensure compliance.

Supports the **negotiation of financial returns** such as profit-sharing plans, equity, etc.

Maintains and manages the **pilot survey process** to gather information on pilot goals and priorities. Analyzes and produces results in a digestible and usable format.

### COMPANY BUSINESS PLAN ANALYSES

Has **analyzed hundreds of airline financial results, business plans, and projections** for all ALPA pilot groups, as well as for selected non-ALPA pilot groups in North America.

Provides pilots with the proper financial and economic background information so that they can **make informed decisions** and has occasionally dissuaded managements from pursuing a path that would not give value to both the airline and the pilots.

Has **earned the credibility of managements** and received confidential company data and plans from dozens of airlines.

Regularly presents the data to master executive councils (MECs) to consider during **contract negotiations.**

Receives updates on business plans on a regular basis from several airlines in order to **monitor company performance** and presents ongoing analyses to MECs.

### PILOT AND INDUSTRY INFORMATION

Developed and maintains a **database of pay rates and other contract provisions** for all ALPA pilot groups and select non-ALPA pilot groups, which allows pilot leaders and negotiating committee members to easily evaluate their collective bargaining agreement.

Created and maintains a continuously updated full-language contract database, complete with keyword search capability. ALPA currently has **more than 300 current and archived contracts.**

Established and maintains a database with **more than 30 years of airline traffic and financial data.**

Maintains or has ready access to several databases and resources that **track worldwide airlines schedules, fare data, fleet information,** and a variety of other airline-specific information.

Maintains a library with **tens of thousands** of airline-specific industry articles and information.

### AIRLINE INDUSTRY ANALYSES

Tracks and **monitors key economic and industry metrics** to assess economic and airline industry financial performance.

Informs pilot leaders about **current and expected macro and airline industry economic environment** to educate and aid in decision-making.

**Provides regular briefings** at several ALPA meetings regarding economic and industry trends.

### INTERNATIONAL EXPERIENCE

Serves as **industrial advisor to the International Federation of Air Line Pilots' Associations.**

Provides **negotiations instruction to foreign pilots** in order to ensure that pilots around the world are not whipsawed by their managements.

Has provided select **business plan analyses,** negotiations advice, and other analyses to pilot groups in Europe, Africa, Asia, and Latin America.

Developed **worldwide credibility** and expertise as objective pilot advocates.

### EXPERT WITNESS TESTIMONY

Analysts testify as **expert witnesses on airline economics and finance and pilot collective bargaining agreements** at various court hearings, including Section 1113 filings under the U.S. bankruptcy code.

Provides expert **testimony in several broad-based arbitrations on a wide variety of issues,** such as disputes regarding profit sharing and interpretation of contract provisions—protecting ALPA pilots' flying, income, and careers, etc.