



13-01

March 7, 2013

LEC Lounge Visit Report

Chairman Kingsley Roberts and the Delta MEC instituted a program that places your representatives in the lounges for at least three days in every month that we do not have an MEC meeting. This was done in order to give you direct access to your representatives. Emails and phone calls are still good ways to communicate with your representatives, but the most effective form of communication is face to face. Below you'll find some of the more common topics and or rumors we have heard from line pilot input these past few months and a factual discussion on them. As always, we ask that you take the time to be fully informed and if you ever have any concerns or issues or hear a rumor that you want to address, please contact one of your representatives to get the facts and appropriate help.

LEC representatives will be in the lounges on March 11th through the 15th. If you happen to be flying any of those days, take a few moments out of your day to introduce yourself.

Respectfully,

Captain Greg Rizzuto
Chairman, Communications Committee
Delta Master Executive Council

Current Items of Interest:

1. Virgin Atlantic Equity Stake

- a. We do not yet know how Delta intends to operate the JV. Until Delta obtains anti-trust immunity from the DOT, it cannot engage in discussions with Virgin Atlantic as to how the JV operations will be structured.
- b. Most likely, Delta will apply for anti-trust immunity from DOT soon.
- c. This process typically takes 9-12 months, so we would expect approval next September. It could be sooner, however.
- d. Section 1.E. of our PWA (Scope) defines restrictions regarding joint ventures and production balances. The Negotiating Committee, IAAC, and Codeshare Committee intend to monitor the JV as it progresses, in order to ensure compliance and/or engage, when the time comes.

2. Pinnacle

- a. The MEC received an updated brief on 1/24/13.
- b. None of Delta's commitments in the bridge agreement are inconsistent with, nor impinge upon, Delta's obligations to the Delta pilots in the 2012 PWA. The 76-seat aircraft commitment falls within the permitted number of 76-seat aircraft allowed by the PWA.
- c. As part of the comprehensive agreement, the PCL MEC negotiated a new, concessionary collective bargaining agreement. That tentative agreement, subject to membership ratification, made no changes to the scope provisions of the PCL pilots' CBA. The PCL MEC, to our knowledge, complied with all ALPA policies during the course of a long and difficult negotiation for them.
- d. Delta's agreement with PCL and the PCL MEC does not violate the PWA, or any legal obligation it has to the Delta MEC or ALPA. Nothing in the bridge agreement restricts the Delta MEC's right to negotiate the pay, working conditions and benefits of Delta pilots or to represent Delta pilots on issues affecting them.
- e. This is not a flow-through as with Compass and Mesaba. Rather, it provides for enhanced, streamlined interview opportunities with Delta (XJ & CP flow, and 9E still have to interview). Hiring, and how it is conducted, is a management function and not a labor function.
- f. Delta has publicly stated they intend to operate Pinnacle as a separate entity.
- g. Delta cannot enter into agreements with any third party that would alter or supersede our PWA.

3. Abu Dhabi Call to Action

- a. The UAE is pushing to have a CBP (Customs Border Protect) pre-clearance facility at Abu Dhabi. If passed, it would give an unfair advantage to Middle East carriers (mainly Etihad).
- b. This will affect all pilots in the U.S. and it could mean less international passengers on Delta (which is not good for any Delta Pilot).
- c. It takes less than two minutes to send a pre-filled letter to the White House.
www.alpa.org.

4. Age 65

- a. At the ALPA Board of Directors meeting in November 2012, as part of its strategic planning, the delegates passed a resolution directing the Government Affairs Committee to focus on maintaining the retirement age in the U.S. at 65 and opposing any further increase.

5. National Officers Income Tax Gross up Payment

- a. The Department of Labor compensation reporting rules require that a union officer's W2 wages plus expenses be totaled and reported. This totaling increases the taxable income that is reported to the IRS.

Here is a simple example:

An ALPA volunteer buys lunch for \$10.

The ALPA volunteer files an expense claim for lunch, and is reimbursed \$10.

Now he is even.

The government rules require the \$10 expense to be considered income, and the pilot pays \$1 in tax on the “income” he never received.

The ALPA volunteer is left with a loss of \$1 because of his volunteer work.

ALPA reimburses the ALPA volunteer \$1 and now he is even, neither profiting nor losing money, for his volunteer work.

Imagine our national officers, accompanying State Department officials to Japan, trying to influence the outcome of Open Skies or working daily in Washington D.C., and the expenses they accumulate. It is often a significant amount of money. The tax burden, without the current structure of equitable repayment would be unfair. ALPA believes, and it is written in our Administration Manual, Section 60.M. that ALPA work cannot be a financial burden to its volunteers. Our current financial rules provide *equity* at every level, whether it is a sandwich, or the ALPA president paying for a State Department conference of 30 people.

6. KLM/Air France Compliance

Some pilots have said that come March 31, 2013 Delta will be out of compliance with our Air France KLM agreements. What is Delta ALPA going to do about it going forward?

- a. Right now Delta is not out of compliance. We will know if Delta is in or out of compliance March 31, 2014 (reference PWA Section 1.P.4.) If they are out of compliance, Delta will have until March 31, 2015 to fix their problem.

There are factors affecting compliance:

- Delta aircraft are returning from “lie flat” seat modification to international flying during the next 12-18 months.
- Recent financial restructuring at AF/KLM gives them more flexibility to adapt to demand for international flying.

7. 1500 Hour Flight Time Requirement

There is a rumor that ALPA International is fighting the 1500 hr. flight time requirement for Part 121 carriers. Is this really true?

- a. This is absolutely false. We fought to have that provision included and we will fight to make sure it stays in there. It is A4A (Airlines for America, Airline Management Lobby group) that is trying to water down this provision. The proposed regulation, that ALPA supports, allows for some exceptions to the 1500 hour rule such as four year accredited aviation degrees and the military. A4A would like to see even more exceptions and we will continue to fight against those.