

The United Airlines Pilot Seniority List: The Events That Shaped It

*Mike Cleary (BOS)
Todd Cardoza (PHL)
Randy Mowrey (PIT)
Merger Committee*

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The United Airlines pilot seniority list contained 10,172 names as of July 1, 2000. A few were hired as early as 1961, although the youngest of the remaining 1961 hires will reach age 60 in September 2001. The list is the result of mergers and acquisitions, many of them in the distant past, as well as more conventional growth. In addition to reflecting United’s history of corporate transactions and internal growth, the United list bears the marks of a pilot strike and its aftermath, including the hiring of strike replacements and an ensuing seniority battle, fought both in the courts and at the bargaining table.

As we prepare for the possible merger of United and US Airways, we thought it would be useful to describe for the US Airways pilots the historical events and pilot seniority integrations that have helped shape the United Airlines pilot seniority list.

A. Formation of Initial List, 1940. United Air Lines began operations in 1934, taking over from various predecessor carriers that were started beginning in 1926, including Varney Air Transport, National Air Transport, Pacific Air Transport and Boeing Air Transport. As stated in a 1954 ALPA Report of the Seniority Committee under the heading “Seniority integration of major trunk carriers after consolidation of predecessor companies into one major corporate entity,” UAL pilot representatives adopted an integration policy in 1940, in which they agreed on the composition of a single pilot seniority list that included pilots from these four predecessor companies. The list was com-

posed of three sections, with pilots assigned positions as follows: (1) the top section was ordered by date of assignment to flight as a Captain; (2) the next, by date of promotion to Captain; and, (3) all remaining pilots were then added to the bottom of the list, in date-of-hire order.

B. Capital Airlines. On June 1, 1961, United merged with Capital Airlines, a transaction that led to two separate but related arbitral awards:

1. Seniority Integration Arbitration Award, Harry Abrahams, March 28, 1962— This was the first of the two arbitrations and applied to all but United’s flight engineers. At the time of the merger, United was a successful major trunk carrier with extensive transcontinental routes and routes to Honolulu. Capital was a regional trunk carrier in poor financial condition with routes in the Eastern and Central parts of the United States. The Abrahams Award integrated 954 Capital pilots (including flight engineers) and 1549 United pilots (which did not include 695 flight engineers). The list was constructed primarily based on length of service with furlough time deducted. The merged list had significant conditions and restrictions, however, due in large part to fleet differences, with United having 129 jet aircraft on hand or on firm order and Capital having none. Under these conditions and restrictions, which lasted five years, Capital pilots were excluded from DC-8s entirely, restricted to 30 Captain and 30 First Officer bids on B-720 and Caravelle equipment, and 30 percent of bids on jet equipment

then on order or option or to be acquired over the next five years.

2. Seniority Integration Arbitration Opinion and Award, David Cole, August 24, 1962—This arbitration integrated 695 United flight engineers into the list created by the Abrahams Award. A separate proceeding was required because Arbitrator Abrahams ruled that he did not have jurisdiction to determine the seniority placement of the United flight engineers because ALPA Merger Policy had not been exhausted with respect to them. The NMB had recently determined that the United flight engineers were within the same craft or class as other flight deck crew members and had certified ALPA as bargaining representative following a representation election of the entire craft or class.

The Cole Award left the Abrahams list as awarded through No. 2072 and integrated the United flight engineers into the list beginning at No. 2073 by adjusted date of hire and in the sequence their names appeared on the United call up list, which Arbitrator Cole described as “a transitional form of seniority list . . . on the basis of which they are assured the right to fill copilot vacancies.” Capital pilots who had been assigned Nos. 2073 through 2293 by the Abrahams Award and were not serving as copilots received a prior right, until June 1, 1966, to copilot vacancies. The 244 United professional flight engineers, hired before 1954, were given superior rights to third seat positions. Twenty of them, whose names appeared on the call up list, were integrated beginning at No. 2073 in the sequence their names appeared on the United call up list by adjusted date of hire as described above. The rest were placed on the bottom after all other pilots on the Capital or United seniority lists and the United call up list.

C. Pan Am Route Transfers (Pan Am 1-4) In the mid-1980s and early 1990s, United hired a total of approximately 700 former Pan Am pilots in connection with the transfer of international route authority and, in some cases, aircraft and other assets. Pan Am ceased all operations on December 4, 1991.

Pan Am 1: Pacific Routes—In an agreement dated April 22, 1985, United agreed to buy Pan Am’s business operations in the Pacific, which are described as a theater of operation consisting of “the area extending west from the West Coast of the United States across the Pacific Ocean to and including Burma, and

South to and including Australia and New Zealand.”

The agreement resulted in the transfer of 43 routes to Asia, 17 widebody aircraft, and numerous facilities and other assets. A seniority integration agreement dated Nov. 7, 1985, among the Merger Representatives of the Pan Am pilots, the Pan Am flight engineers, and the United pilots, integrated 430 Pan Am airmen based on adjusted length of service—i.e., date of hire adjusted by deduction of economic furlough time—although this adjustment was apparently not made. For a year after the date of the agreement, Pan Am pilots were guaranteed to remain in their status and equipment, but could not bid out of the Pan Am system. The restriction was lifted after one year.

Pan Am 2: British (Heathrow) Routes—After a preliminary arbitration to determine the number of Pan Am airmen to be hired, which was determined by Arbitrator Herbert Fishgold to be 42, a seniority integration arbitration was held before an ALPA Merger Policy Board chaired by Arbitrator Marcia L. Greenbaum. The Award issued on September 23, 1992, followed by an Opinion on January 23, 1993. The following is a summary of the Opinion and Award:

From its beginning in 1927, Pan Am was a ground breaking airline, inaugurating the first transpacific routes to China in 1935, and the first round-the-world flight by an airline in 1942. It was the first commercial airline to order jet airplanes in 1955. In the 1970s Pan Am began to acquire some domestic routes to feed its international flying.

United also had a long history, beginning in 1926, although it developed mainly as a domestic carrier with some overseas flights. As a result of this transaction, it acquired two B-747s along with Heathrow routes and slots. The Joint Application that United and Pan Am filed with the U.S. Department of Transportation on November 1, 1990, described the route transfer as follows:

- (a) the transfer to United of Pan Am’s present certificate authority to serve points in the United Kingdom (except Manchester) from any point in the U.S. except Detroit and Miami, including the right to serve points in third countries beyond the United Kingdom; and (b) the transfer to United of Pan Am’s present certificate authority to operate international

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scheduled services between certain U.S. gateways (Washington-Baltimore, Chicago, Los Angeles, San Francisco-Oakland-San Jose and Seattle), on the [one] hand, and points outside the U.S. (except points in Bermuda, the Bahamas, Central and South America, Mexico, and the Caribbean, and between Washington and Frankfurt), on the other hand.

The 42 Pan Am pilots proposed a strict date-of-hire approach to seniority integration. The United pilots proposed endtailing the Pan Am pilots to their seniority list. Arbitrator Greenbaum rejected both approaches. She explained that several equities must be considered in every pilot seniority integration, including the historical development and performance of the carriers, their financial health, pilot career expectations absent the merger, pay rates and benefits, the types and amount of equipment each group brings to the merger, and the new equipment the carriers had on order. She considered as well the number of new jobs and the importance of the Pan Am routes and Heathrow slots.

Based on the equities discussed above, Arbitrator Greenbaum held:

I cannot accept the PAA proposal because its emphasis on date of hire and the value of the routes brought to the acquisition simply fails to recognize the difference between the conditions of the airlines and the pay and benefits of the pilots as well as their prospects absent this acquisition. On the other hand, I cannot accept the United proposal because it ignores the possibility that the [Pan Am] pilots might have been able to transfer with these routes if they were purchased by another carrier, and it minimizes Pan Am's contribution to the acquisition All of the factors and the interests of both groups must be taken into account to reach a "fair and equitable" result The PAA pilots who came with these jewels [the London-Heathrow and beyond route authority] are entitled to be merged sufficiently senior in the ranks of UAL B-747 captains so as to enable them to hold a line of flying at their respective domiciles and not continue to be placed on reserve status

However, Arbitrator Greenbaum also found, at p.157, that the Pan Am pilots should not be placed "so senior as to deprive senior United pilots of their expectations of premium flying, etc."

Accordingly, Arbitrator Greenbaum integrated the transferring pilots according to the ratio system she felt best reflected the equities. The senior Pan Am captain was placed as close as possible to the junior United B-747 pilot without resulting in a loss of more than five years of service credit. Thus, the first Pan Am pilot, whose start date was in 1958, was integrated with United pilots who started in 1963. Other Pan Am pilots were integrated from that point down, on a 1:49.75 basis.

Pan Am 3: Mexico Route Authority—On November 15, 1991, United and Pan Am entered into a purchase agreement for certain Mexico to Los Angeles routes in which United agreed to hire 15 Pan Am pilots. A 1992 Tentative Agreement provided for the Pan Am airmen to be integrated as new hires, with the exception of Pan Am captains who had less than two years until age-60 retirement, who were to

be assigned to first officer vacancies on equipment comparable to that in which they were last qualified at Pan Am. According to the *Aviation Daily* for Feb. 20, 1992, the Pan Am pilots were to be placed at the bottom of United's seniority list and received salaries that averaged 50 percent of what they were being paid when Pan Am dissolved. Litigation challenging their seniority placement was unsuccessful.

Pan Am 4: Latin American Routes—In December, 1991, United Airlines purchased certain assets of Pan Am, including Latin American route authorities, exemptions and frequency allocations. In a letter to all United pilots dated January 27, 1992, MEC Chairman Roger Hall explained that "the United agreement with Pan Am provides for the transfer of virtually all of Pan Am's remaining Central and South American route authority along with much of their Caribbean authority." As part of this purchase, United agreed to employ 1,000 former Pan Am employees. In a letter to the DOT seeking approval of this agreement, United's Senior Vice President of Human Resources, Paul George, stated:

[U]nlike the Pacific and London acquisitions [from Pan Am], United has been forced . . . to establish a Latin American operation from scratch United has and will continue to treat any former Pan Am employees who are offered employment as a result of the Latin American expansion as new hires subject to the normal policies and procedures for new hires and, more specifically, has not and will not grant them any type of special seniority or longevity credit for their Pan Am Service. This position is justified not only by the start up nature of the United operation in Latin America, but it is also consistent with the treatment accorded to thousands of other United employees who have come to United as new hires from other carriers which have ceased operation due to merger or bankruptcy.

The DOT issued its Final Order approving the route transfer on July 6, 1992, and in it concluded that no labor protective provisions were necessary. A Letter of Agreement dated June 30, 1992, signed by United, the United MEC and the Pan Am MEC, provided for employment offers to approximately 225 Pan Am airmen at new hire seniority. Litigation challenging the end-tail was unsuccessful.

D. The Groups of 570 and 539—The seniority placement of these groups of pilots was the result of a 1985 pilot strike and subsequent litigation and collective bargaining. The pertinent facts are set forth in the decision of the United States Court of Appeals for the Seventh Circuit in *Rakestraw v. United Airlines*, and may be summarized as follows.

United instituted a training program in 1984 in which trainees received tentative seniority dates based on the date they began training, with actual hiring delayed until the start of flight duty. ALPA struck United on May 17, 1985. United immediately directed the 570 trainees who had completed the training program (referred to as the Group of 570) to report to work and vowed never to hire those who refused. Only 25 reported to work, later joined by an additional six.

Strike replacements who numbered 539 in the aggregate (referred to as the Group of 539), consisted of 219 fleet qualified pilots, i.e., those already possessing FAA certification on United fleet types, hired at premium salaries, as well as 320 trainees. The Group of 539 received seniority dates in May, June and July of 1985.

The strike ended on June 15, 1985, without a new collective bargaining agreement. ALPA initiated litigation on behalf of the Group of 570 in order to force United to hire them. ALPA succeeded at the district court level and secured seniority dates for the Group of 570 ahead of most of the Group of 539. The decision was overturned on appeal, however, and United threatened to fire those from the Group of 570 it had been forced by injunction to hire. With little leverage, ALPA agreed to United's proposal to retain them, provided their seniority dates were changed to November 9, 1985, behind the Group of 539, and in exchange for ALPA's promise never to challenge the relative seniority standing of the Group of 570 in any forum including future negotiations.

Rancor between pilots reached extremely high levels. Ultimately, in 1991, ALPA and United reached a new collective bargaining agreement. In exchange for concessions of \$200 million, ALPA achieved a reversal of the seniority positions of the Groups of 570 and 539, with all working members of the Group of 570 receiving seniority dates of May 17, 1985, the date the strike began.

In *Rakestraw*, the United States Court of Appeals for the Seventh Circuit held that ALPA

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had not violated its duty of fair representation to the Group of 539 by negotiating to re-integrate them into the seniority list junior to the Group of 570.

E. Mergers Contemplated But Never Completed—United considered purchasing both Frontier Airlines and the Trump Shuttle. Neither transaction was consummated, but in both instances the United pilots agreed, at least in principle, to seniority integrations with the pilots of the other carrier.

1. Frontier Airlines—On July 10, 1986, People Express, Inc., which had purchased Frontier in 1985, entered into an agreement to sell Frontier to United. The sales contract required United and its pilots to reach an agreement on wages and other terms under which United would employ the Frontier pilots. Negotiations between United and its pilots ended unsuccessfully in late August.

In Arbitrator George Nicolau’s 1987 Opinion and Award in the Continental-Frontier seniority integration arbitration, he explained:

The major issue was the pace at which the lower salaries of Frontier’s pilots would achieve parity with those at United, a question exacerbated by two-tier concessions reluctantly made by the UAL MEC during the UAL bargaining and strike the previous year On Sunday, August 24, 1986, with UAL still insisting that there would be no acquisition unless its pilots acceded to lower scales for Frontier, PEX shut Frontier down, parked its planes and furloughed its employees.

Arbitrator Nicolau further noted, at p.39 of his Opinion, that the Frontier pilots had represented that the United MEC had promised them a date of hire integration. The Frontier pilots had made the same claim in the Continental-People Express seniority integration arbitration in which they introduced into evidence a United MEC resolution dated May 17, 1985, directing its retained merger counsel to provide “a summary of available options not inconsistent with the UAL MEC’s position in the United-Pan Am merger proceedings so that the UAL MEC may take appropriate action to protect the pilots of Frontier from any expansion of United Airlines by purchase of Frontier aircraft instead of new aircraft.” The reference to the United-Pan Am Merger relates to the transfer of Pan Am’s Pacific routes.

During the Continental-People Express arbitration, Capt. Robert Williams, the chairman of the Frontier Pilots Merger Committee, testified that the United pilots had promised a date of hire integration. He further recounted:

Captain Pat Austin, chairman of the United negotiating committee, stated that he didn’t feel that he could bring 560 Frontier pilots over on top of the United pilots without getting something out of the negotiations for the United pilots. He further stated, We may dangle you guys over the edge of the cliff, but we won’t drop you. I might add, that the same quote was given to me by Roger Hall also.

In spite of these assurances to the Frontier pilots, the negotiations ultimately were unsuccessful and the transaction did not occur.

2. Trump Shuttle—In anticipation of a possible sale of the Trump Shuttle to United, negotiators for the two pilot groups executed a seniority integration agreement on Oct. 28, 1991. The agreement provided for integration first by breaking up the Trump list into five seniority segments and grouping them with corresponding segments on the United list. The first three groups were constituted as follows:

	Trump Seniority #	United Seniority #
Group I	1 through 114	3705 through 4420
Group II	115 through 136	5344 through 5836
Group III	137 through 166	6987 through 7662

These three groups were integrated using the relative rank ratio method, which first determines a pilot’s relative rank within the premerger group and then integrates the groups on the basis of relative rank.

The pilots in Group IV, consisting of Trump pilots Nos. 167 through 205, were integrated by placing the most junior Trump pilot immediately senior to the group of the 100 most junior United pilots with seniority dates prior to October 4, 1991, and then inserting the remaining Trump pilots on a 1 to 4 ratio, working up the United list. Group V, consisting of Trump pilots Nos. 206 through 226 were given a seniority date of October 4, 1991, and placed in a block on the United list at that point, below any class of United pilots with that same seniority date.

During the US Airways-US Airways Shuttle seniority integration arbitration, the Shuttle’s MEC Chairman, Capt. Les Robinson testified:

United had a very enlightened view of possible transactions. It was held out to me by MEC Chairman Dubinsky that one of the first concerns of United was that there were two pieces to any transaction. One was the capital side and one was the labor side. Since labor issues were often troublesome, it would be beneficial for the pilot groups to work those out as quickly as possible. We met with the United pilots, I think it took four hours to do this agreement It is an agreement with no restrictions: As a matter of fact, I would say that MEC Chairman Dubinsky specifically directed that any agreement we reached would be without restrictions. He didn't want to have people fenced off and build walls between different parts of the pilot groups.

Because United did not purchase the Shuttle, however, the seniority integration agreement was never implemented.

Summary and Conclusion The United pilots' seniority integrations relied on the date of hire/length of service methodology in the Capital merger and the Pan Am Pacific cases. An ALPA Merger Policy Arbitration Board adopted a slotted list for the 42 Pan Am airmen transferring with the London routes, but limited the deviation from date of hire to a five-year loss for the senior Pan Am pilot, which apparently

placed him with B-747 Captain lineholders. Other pilots arriving from Pan Am in connection with the transactions described in Part C. above as Pan Am 3 and 4 were placed on the bottom of the United pilots' seniority list as of the date they joined the workforce at United.

United has not merged with another airline since it absorbed Capital Airlines in 1961. None of the pilots involved in that merger will fly as pilots for a merged United-US Airways because they will all be gone by the time of the operational merger, if one occurs. There have been no pilot seniority integrations effectuated at United since the Pan Am route transfers, discussed in Part C. above, in which only 430 and 42 Pan Am airmen who came with the Pacific and London routes, respectively, were merged into the United list.

It has been nearly nine years since the United pilots concluded their never-to-be-realized prenuptial seniority integration agreement with the 226 Trump Shuttle pilots. United's proposed acquisition of US Airways thus presents its pilots with a new and decidedly different challenge, and one that presents seniority issues of a scope and complexity that have not been encountered by the more than 10,000 pilots now on the United list.



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