

ALPA Merger Policy

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On May 24, 2000, UAL Corp. and US Airways Group entered into a merger agreement. Although there are many uncertainties associated with the issue of whether this announced deal will actually go through, a review of the mechanics of the ALPA Merger Policy process may be of interest.

The declaration of a Policy Initiation Date (PID) is the initial step in the procedures for seniority list integration. The Merger Policy defines the time for a PID as the date on which “a reasonable probability of a merger being consummated exists” If both MEC Chairmen and the ALPA Executive Council can agree on this finding, that is the date. Otherwise, it is when the ALPA Executive Council finds the definitional moment has arrived. At the PID, each MEC must elect a set of two or three Merger Representatives.

Each MEC’s elected Merger Representatives conduct and direct all of the pilot group’s representational activities with regard to seniority integration. The Merger Representatives first compile the latest updated airline employment data for their respective pilot groups. Each pilot’s employment date, date of birth, seniority number, and furlough and leave of absence record are collected, verified and exchanged with the other set of Merger Representatives. The two sets of Merger Representatives then resolve any and all questions regarding the employment data to their satisfaction.

Negotiations on a mutually satisfactory merged list follow. The Merger Policy allows 60 days after the PID to begin this task. The negotiations can continue for up to 40 days.

The Merger Representatives must report to ALPA’s President, and he may unilaterally intervene and invoke arbitration at any time if he is of the opinion that satisfactory progress is not being made.

Under the latest revision of ALPA Merger Policy, direct negotiations are followed immediately by a mediation-arbitration (med-arb) process, which is mandatory if a negotiated list is not achieved within 100 days from the PID. The same person, the Med-Arbitrator, conducts the mediation phase and chairs the ensuing arbitration if mediation fails to resolve all open issues. The Med-Arbitrator is chosen by the two sets of Merger Representatives from a list of professional arbitrators maintained for this purpose by ALPA.

For the arbitration step of the process, when it becomes apparent that a mediated resolution will not be forthcoming, each of the two merging pilot groups chooses a Neutral Pilot to join the Med-Arbitrator as voting members of the three-person Board of Arbitration. The two sets of Merger Representatives choose these two pilots from a list of available ALPA members maintained by the Home Office; they cannot come from either of the merging carriers.

The Arbitration Board conducts an evidentiary hearing, with witnesses, evidence and a stenographic transcript. The Board’s Opinion and Award are to be issued simultaneously, within 150 days following the PID, unless both pilot groups and ALPA’s President agree to an extension. The Merger Policy provides, “The Award of the Arbitration Board shall be final and binding on all parties to the arbitration and shall be defended by ALPA.” No ALPA senior-



ity integration arbitration result has ever been set aside by the courts although some dissatisfied pilots have challenged the award before administrative agencies and the courts.

ALPA presents the carrier with the merged list created pursuant to ALPA Merger Policy, but the Company is not given the right to use the merged list prior to the successful conclusion of the merged collective bargaining agreement. Contractual issues are addressed by a Joint Negotiating Committee consisting of four pilots. Each MEC selects two members from its own pilot group for this task. The MEC Chairmen of the respective airlines serve as *ex officio* members.

ALPA Merger Policy calls for the election of new Local Council officers at all domiciles at which the merger creates a duplication of Local Councils. The elections are to occur within 30 days after the signing of the merged working agreement. ALPA's President is to call an MEC meeting within 45 days after the completion of the merged contract in order to elect new MEC officers for the combined pilot group.

The consolidation of pilot seniority lists, working agreements and ALPA representational functions is a complex business which consumes a great deal of time, money and other resources. Although the final disposition of the proposed transaction will not be known for some time, your Merger Committee is preparing as though a seniority integration is a certainty. This is essential so that we are ready in the event that governmental approval is secured and the merger actually happens.

You can assist us with the job before us by staying informed. With your informed involvement in mind, the complete ALPA Merger Policy is available for review at the US Airways Pilots Only website (www.usairwayspilots.org). In subsequent issues of the *US AIRWAVES*, we will be discussing specific considerations that relate to the proposed UAL-US Airways transaction. We will also advise you of any significant developments concerning this project as they occur.



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