



Council 66 Special Update for June 22, 2015

The PROs and CONs of the 2015 TA

Fellow C66 pilots,

The feedback we are receiving indicates that information you have received via Negotiators Notepads, slides, P2P social media responses, and road shows is perceived as highlighting the positive aspects of this tentative agreement (TA). As you know, this TA was not approved by the MEC, or even sent to you with a recommendation. Rather, a resolution was passed 11–8 requiring you to vote this up or down. The Negotiating Committee is not bound by the MEC’s “non-recommendation,” and has endorsed the TA in the *Negotiator’s Notepads*. Considering the fact that the ratification effort will likely cost the membership over \$750,000, we felt it was appropriate to produce a publication that provided some balance.

We recognize that it is important to you to understand the not-so-positive aspects as well as the good. If ratified, we would, in essence, be “married” to the changes for all intents and purposes. You asked us for a pro/con paper for a more complete understanding of the TA before you.

In the most recent letter from our MEC chairman, he pledges “no sales job.” We thank him for that pledge. Your elected reps, however, were not included as a source to “get your questions answered.” Instead, you are directed to a P2P volunteer for answers. While we are quite sure our hardworking P2P volunteers will give you answers, we are not certain that the answers will contain all of the information you seek. The P2P volunteers have only had limited briefings and have only been present for a fraction of the C2015 process, and were **not** involved when much of our work took place. They have, therefore, a limited understanding of the issues.

Your reps, as always, are ready, willing and able to assist you. Please be persistent when contacting us during high demand times (like now!). If you don’t get a response in a reasonable time via one communication medium, please try another (phone, text, e-mail). We do prioritize representational issues (safety, discipline, etc.) ahead of TA issues. Thanks very much for your understanding.

One aspect to the TA decision is never mentioned within the pro/con debate, and that is the psychological precedent set in moving forward with future negotiations. We will share our thoughts on that in a future update.

Fly safe,

Tom & Chris

The PROs and CONs of the 2015 TA

Section 1 Scope

Transatlantic JV Scope

Pro:

- Block hour ratio implemented on the transatlantic AF/KLM/AI JV (Minus UK flying). The new metric would be 50% floor with 1% buffer, 1-year measuring period with 1-year cure period, provides for better protection in downturn.
- Improvements in contract language regarding “foreign base,” “foreign partner,” and “control”; limiting cross-ownership concerns.
- International partners restricted from using Delta logo or paint scheme* (see below).

Con:

- No more EASK metric; essentially resets the flying metric and “gives” up about 3% of block hours that are required to be in compliance today. EASKs are harder to measure, but provide better upside protection.
- No overarching metric to ensure that the Company does not go “in then out” of compliance year over year.
- *Decision to allow international partners to use Delta livery, paint schemes, logos, etc., is left up to DALPA MEC chairman, not the MEC. (The essence is a pro, but to leave decision to one person is troublesome.)

Comments: Management obviously is motivated to establish a metric that they can operate under. They have never flown the minimum level of EASKs in the transatlantic JV and recently settled the grievance over that for \$30 million. This new metric of block hours provides some protection on the downside, but abandoning the EASK metric loses the upside protection of disproportionate growth by our KLM/AF/AZ partners, which could be a significant factor.

RJ Scope

Pro:

- RJ fleet (“DCI” carriers) would shrink from 450 total aircraft to 425* (see below).
- Mainline to RJ ratio would go from 1.35:1 to 1.81:1.

Con:

- Increased amount of 70/76-seat RJs; up to 25 more, tied to getting the E190s.
- Giving up the restrictions on RJs flying greater than 900nm.
- Giving up the restriction on RJs flying hub–hub.
- Giving up the restriction on RJs flying mostly into/out of hubs.

Comments:

- *Reduction of RJ fleet (essentially the 50-seaters), is measured on “lines of flying,” not actual aircraft. Thus the actual number of total RJ aircraft will likely be greater than 425.
- Changes would essentially allow more 70/76-seat RJs subject to the addition of the E190s. It would also restrict the total number of RJs, but with a somewhat fuzzy measure of “lines of flying” versus actual aircraft number. And the three last restrictions on RJ flying are not limiting

on RJ flying now, but could be with a larger fleet of more capable RJs (i.e., the 70/76-seaters).

Note: Additional 737 aircraft may arrive. We view them as MD88 replacements.

Other Scope

Pro:

- All current pilots covered by furlough mitigation at date of signing.
- Stronger requirements to hire mainline furlougees at DCI carriers.

Con:

- SEA still not considered a hub.

Comments:

- Improvement in “control” and “foreign base” and “foreign partner” language.
- Nine prorated RJs no longer allowed, although the total number of “permitted aircraft” remains the same.
- All current pilots now covered by furlough-mitigation language.
- Stronger requirement for DCI to hire furloughed pilots.

Section 3 Compensation

Pro:

- Pay rate increases:

7/1/15	8%	(Not considering concessions)
1/1/16	6%*	(Effectively .26/ See below)
1/1/17	3%	
1/1/18	3%	
- A350 rates to equal B-777/747 rates. (The 747s are going away. The 350s are essentially replacement aircraft.)
- E190 rates to equal E195 rates. (Bringing it in line with the MD-88/90 & 319/320 paradigms.)

Con:

- Profit sharing partially monetized beginning 1/1/16 by 5.74%* (See below).
- PTIX, the number on which profit sharing is calculated, would be changed to allow the subtraction of management compensation in the form of securities.
- Does not meet American rates without trading in profit sharing.
- A330-900 rates equal to A330-200/300 rates.
- A321 rates to equal B-737-900 rates. (Neither aircraft pays what a 757 does, which is the aircraft both those types are slated to replace.)
- 3. B.4 language changed to include profit sharing in comparison.

Comments:

- *The “monetizing” of part of the profit sharing is done by moving the trigger for 10% to 20% of the PTIX from \$2.5 billion to \$6 billion. This results in a profit-sharing reduction of 5.74%. (This effectively reduces the pay rate increase on 1/16 to .26%.)
- 7/1/15 8% increase is not inclusive of the cost of concessions.
- Assumptions and recalculations can be made to show the effects of this “trade,” but with the PTIX at or above \$6 billion, the effective pay raises would be 8, .26, 3, and 3%.
- It should be noted that PTIX is not the number generally announced to the public as being our

“pretax profit” each year. It is much higher. Reducing PTIX by the equities and securities of management executives would result in a lower profit-sharing amount.

Note: See “compensation in greater detail” at the bottom of this document.

Section 4 Minimum Pay and Credit Guarantees

Pro:

- 1 hour pay and credit toward guarantee for a pilot assigned short call and is not used.
- 2 hours pay, no credit for coming in to meet with the company on a day off.

Con:

- The hour of SC pay/credit is not paid on top of guarantee (unless a pilot’s credit is already above the guarantee).
- The suit up pay for meeting company will not include any pilot on probation, which accounts for the largest number of meetings in NYC.

Section 5 Lodging and Expenses

Pro:

- Per diem increases:
(Domestic & int’l)

7/1/15	5¢/hr.
1/1/16	5¢/hr.
1/1/17	5¢/hr.
- Pilots training outside the 48 states will now get international per diem.
- Crew meals will now be required on flights over 5 hours (vs. 5:30).
- NY pilots will be reimbursed 50% of out-of-pocket costs for commercial ground transportation when assigned flying from short call reserve (with a \$50 limit, with receipt).
- Hotels will be provided for ATL-based pilots undergoing recency training, if home is greater than 50 miles from the training center.

Con:

- Per diem is still mostly below government rates (i.e., ATL \$56/day, CDG \$143/day)
- NY transportation is still largely up to individual pilots, new reimbursement only applies to assignment off short call reserve, based on status at time of report, and only up to 50% and max of \$50. That may preclude any extra-contractual granting of reimbursements from Crew Scheduling.

Section 7 Vacation

Pro:

- Vacation day will now pay 3:30 (vs 3:15).
- Vacation move-ups will be more transparent (TBD).
- Unused vacation at retirement can be paid into a pilot’s DPSP (401k).
- IVD (individual vacation days) can be taken out of a pilot’s awarded vacation and used like an APD, with restrictions. (Res. Req. same as APD.)

Con:

- Vacation days will pay :15 more, but only 3:30 counts toward the line construction window in PBS, meaning a pilot will still fly as much during a vacation month, just get paid a little more. (Vacation pay increase = 8.75 hrs./year @ 5 weeks).

- IVDs will still be restricted like APD1s and are subtracted from awarded vacation.

Section 8 Deadhead

Pro:

- Surface deadhead pay doubled, rates set for existing airport pairs.
- Per diem will be paid for deviated deadheads, front and back of a rotation.

Con:

- Surface deadhead still pays far short of hourly flight pay.
- Surface deadhead pay does not include pilots landing at one airport for a layover and departing out of another.
- \$25/hour surface deadhead pay, though an improvement, is still short. (LGA-JFK will now amount to a total of \$18.75 before taxes.)
- Surface deadhead pay still not linked to actual travel time.
- Currently if a pilot is called out on short call and is needed for a departure in the next couple of hours, the pilot can tell the scheduler that he/she could get there quicker if a cab were approved. Scheduling has authorized this practice (similar to short-term parking at other bases), so this may actually be inferior to the current practice.

Section 11 Training

Pro:

- CQ training pay goes from 3:45 to 4:00/day (3-day event—:45 total increase).
- SLI protections on sick out and changed training events.
- LCP and AQFO 15% override for entire duty period vs. leg by leg.
- Additional curriculum day for break in training (Note below).
- Rechecks for MV, LOEs no longer considered as extra curriculum days.
- Pay after failing a check ride increased from 65 hours to ALV.
- SLI gets 60-day notice from company before returning to line (from none).

Con:

- SLI recovery for changed events.
- SLI must give 90 days' notice to return to line (up from 60).

Section 12 Hours of Service

Pro:

- 1:1.5 duty credit for night flying, (up from 1:1.75).
- Pilot notification of a change to ACARS times.

Con:

- Rest after cancelled FRMS (long haul flying) reduced to 10 hours (currently 13).

Section 13 Leaves of Absence

Pro:

- Up to 60 days' FAA Leave, paid time awaiting FAA administrative action on medical, not out of sick leave; does not count toward verification/medical release requirements.

Section 14 Sick Leave

Pro:

- More health-care professionals that qualify for verification.
- Verifications handled by in house, HIPAA compliant director of Health Service office.
- Ability to negate some of the metrics by “flying back” in footprint of original rotation.
- Going on disability resets the verification metric.

Con:

- DHS will be an aviation medical examiner, licensed by, and in some cases reporting to the FAA.
- DHS may expand his team to include the company doctor and VP of Flight Operations if he cannot “assess the medical basis” for your sick leave.
- Verifications must now include estimated return to work date.
- Changed verification metric, added new metrics for medical records release requirements (and this one gets complicated).
 - Sickness does not include routine health maintenance procedures (e.g., procedures that do not disqualify a pilot from performing duties as a flightcrew member).
 - The verification requirement will remain in effect until the pilot’s rolling 365-day total of work days missed due to sickness falls below the threshold (continuous verifications).
- A pilot must submit any required QHCP certificate to verify a sickness no later than 21 days following the first day of a sick occurrence.

Verification required after:

- 14 work days sick in rolling 365 calendar days. (Generally well less than 100 hrs.)
- 15 consecutive calendar days for same sick occurrence, starting on day a pilot calls in sick (no change from current).
- “Good Faith Basis” (no change from current).

Comments:

- Eliminates voluntary verification before these triggers.
- Eliminates “other proof of illness.”
- Verification must be a certificate (note) from one of the listed Qualified Health Care Professionals (QHCP).
- QHCP must have a bona fide professional relationship.
- No reimbursement for verification unless required on a good faith basis.
- Verification must be provided within 21 calendar days of first missed work day; company may grant extensions on reasonable basis.
- Eliminates “virtual medical care” (i.e., NowClinic) for verifications.
- Going on disability resets the verification metric.
- If the sickness includes hospitalization, surgery, fractured bone, or approval from director of Health Services (DHS); was in excess of 20 consecutive days; and included short-term or long-term disability, the sickness days will not count toward the rolling medical release count.
- The medical release (sample below) and sick verification will no longer be sent to Flight Operations, but will be sent to the director of Health Services.

Medical Record Release (See Sample Below)

Required after:

- 23 work days sick in rolling 365 calendar days (1 year).
- 55 work days sick in rolling 1095 calendar days (3 years).
- “Good Faith Basis” (no change from current).
- Latest understanding is that these “look-backs” would go back to 6/1/15.
- Medical record release form same as existing, but triggers vastly expanded.
- Medical records and verifications recipients can be expanded to VP Flight Ops if deemed unsatisfactory.
- No reimbursement for Medical Record Releases unless from a “good faith basis.”
- Going on disability resets the records release metric.
- Medical records would be limited to specific incident, but that may be hard to get a medical professional to do.

Comment: This system would have a pilot keeping track of up to 7 “clocks”:

- Calendar year (June–May) for sick hours.
- Calendar days (15 from calling in sick) for verification required.
- Calendar days (21 from first missed work day) to submit verification.
- Work days (15 in rolling 12 months) for verification required.
- Work days (24 in rolling 12 months) for medical records release.
- Work days (56 in rolling 6 months) for medical records release.
- 21 calendar days for a serious sick occurrence (e.g., broken bones, hospitalization, surgery, etc.) that does not count towards the other metrics.
- This new system has a lot of unknown practical applications and implications, not the least of which is that the latest understanding with the company is that they would intend the “look back” metrics of this to apply to June 1, 2015.
- Particularly sensitive is the issue of releasing medical records at your own expense for triggering those metrics.

SAMPLE OF AN ACTUAL RELEASE (Note: Your reps are challenging the wording):

AUTHORIZATION FOR RELEASE OF MEDICAL INFORMATION

I hereby authorize _____
 (authorized health provider), located at _____
 phone number _____ fax number _____, to release to Dr. XX
 XXXXXX, _____ and to the Senior Vice President of Flight Operations, all
 documents, records, files, notes or any information concerning my health condition, medical condition,
 medical treatment, diagnosis, and evaluation related to my sicknesses from June XX-XX, 2015.
 Specifically, information pertaining to my diagnosis and treatment of xxxxxx xxxxx and any associated
 medication must be provided. I expressly waive and release the above-mentioned authorized health
 provider from any and all liability arising out of their furnishing of the information to the above
 referenced recipient as requested herein.

A photographic copy of this authorization will be as valid as an original.

Signature _____

XXXXXX XXXXXXXX

Date _____

Current Telephone Number _____ DOB __/__/____

Section 19 System Board of Adjustments

Pro:

- Full board hearings to be scheduled within 60 days of request.

Section 22 Filling of Vacancies

Pro:

- 365-day conversion bids only allowed if containing displacements.
- Freezes for AD/VD bids with training footprint less than 13 days goes to 1 year.

Con:

- New hires have 24-month category freeze (with exceptions to get to desired base). It should be noted that C2012 introduced a 12-month freeze for new hires. There was no freeze prior to C2012. The exception involves moving to a base that does not have the aircraft you are currently flying. If you use the exception, the remainder of the new-hire freeze is carried over to the new category.

Section 23 Scheduling

Pro:

- Premium pay for asterisk rotations (spill trips), when duty period added.
- Premium pay for reserve assignment into more than one day off of a regular line the following month (3 days if ocean crossing).
- Limits reroute pay language to disallow mechanical as beyond company control.
- Reroute pay trigger improved to 4 hours after original release, or 25 hours if last duty period contains ocean crossing.
- Reroutes limited to one additional day versus duty period.
- Allows unavailability for short call reserve for first 2 hours (essentially adds the “commuter rule” to any on-call day, not just the first).
- Added out of base GSWC to long-call scheduling assignment order.
- Assignment of rotations starting 0000–0400 to 2 days prior.
- MAC charters starting with DH to be awarded 3 days prior.

Con:

- OE/TOE trips to be withheld from F/O bidding.
 - Projected OE trips will be marked by company, then as F/O awards are run, when 25% of those trips are awarded, the rest will be withheld.
 - The company will identify, on a monthly basis, the number of OE block hours needed. (For a pilot scheduled to finish training late in the month, who can’t complete the estimated 75 hours of flying that month, the amount held back would be the prorated expected number of hours.)
 - This will have the effect of shrinking the pool of available rotations. The effects of the smaller trip pool will cascade through the entirety of the category. Since the “OE holdback” will not affect staffing, this will increase the number of reserves in the category (forcing some regular pilots to reserve), of course with the subsequent reduction in extra flying opportunities (GSs, WSs, etc.).
 - Affects all F/Os bidding; staffing is not negatively affected by holdbacks, but could result in

- more F/Os being pushed to reserve, and withheld trips will be unavailable to bid.
- FRMS (long haul flying) rules on rest/assignment. Currently only affects 777, but could apply to NY fleets in future.
- WS/GS/GSWC with FAR conflict to previously called in sick rotation (with no overlap), would go behind all other requests for the trip.

Unknown:

- Changes reserve required formula to more specifically target aircraft and seat versus widebody/narrowbody. Specific results will be unknown until implemented.
- Reserve pilot cannot be assigned more than 2 short calls until other pilots with same days of availability is given second short call; will affect using seniority to avoid short calls.

Section 25 Medical

Pro:

- Medical and dental plans can be selected separately under the DPMP. Effective January 1, 2016, medical coverage and dental coverage under the DPMP may be elected separately under Section 25.B; provided, however, only participants who elect medical coverage under the DPMP are eligible to elect dental coverage under the DPMP.
- All covered diabetic supplies will be covered 100% (drugs through the pharmacy plan), starting 2016.

Con:

- Individuals can now only be covered as dependents by one Delta employee.

Section 26 Retirement and Disability

Pro:

- Company 401(k) contribution to 16% (from 15%), beginning 2017.
- Disability offset for earned income limited to 36 months.
- Maximum limits to disability benefits due to psychiatric conditions (excluding alcoholism, drug dependency).
- Disability bank established to "top up" to 100% benefit from 50% on LTD. A pilot's enhanced disability account will initially be zero. Following the completion of each sick-leave year as set forth in Section 14, beginning with the sick-leave year completed in 2016, a pilot who uses less than 80 sick-leave credit hours in the sick leave year just completed will have credited to his enhanced disability account the number of hours equal to 50% of the difference between the number of sick leave credit hours he used and 80 (e.g., maximum credit of 40 hours with respect to any single, completed sick-leave year).

Con:

- No (1%) increase in 401(k) contribution for 18 months.
- Maximums coverage limits (time) for disability benefits due to psychiatric conditions other than alcoholism or drug dependency are lifted (but could be pulled down if too many use the benefit).
- Disability bank accrued at 50% of yearly sick time unused under 80 hours, and benefited at 50% only after exhausting DPMA.
- Net effect is the bank is worth 25% of unused yearly sick hours under 80, and only paid after DPMA benefits are exhausted while on long-term disability.

Memorandums of Understanding (MOUs)

There are essentially two concepts the company has agreed to try on a test basis, with the ability for either side to pull down, and an agreement to consult on future medical insurance plan effects from any luxury tax implications:

TLV Increase

Unknown:

- The test would allow the Total Line Value (TLV) to be increased 1 hour from 80 to 81 hours.
- The RCC would have control over the bid package to the extent that their proposals do not increase overall credit in the bid package beyond a contractual threshold.
- The net result is that, all pilots could be working more, while some may get better trips.
- This test could be terminated at any time. The bad news is if terminated, the company has 6 months to return the TLV to 80 hours or below. (The company will have either six bid periods or the number of bid periods for which this MOU was effective, whichever is less, to reduce the TLV to 80 hours or below in any position in which the TLV exceeds 80 hours at the time this MOU is no longer effective.)

Virtual Basing

Unknown:

- If implemented, this test would allow management to set up a temporary, time-limited base for 6 bid periods or more.
- The base would be bid by pilots qualified on the aircraft selected for the base and would be awarded based on system seniority.
- Any virtual base is entirely at the discretion of management, and we expect that any such virtual base will be dependent upon management being able to reduce credit time by establishing the virtual base. Less credit time means fewer jobs.
- Flying from virtual bases will take flying from some other bases; it is intended that the successful bidders into the virtual base will “bring” flying with them from their permanent base.
- Virtual bases have been proposed to resemble a normal base in other aspects, with separate reserves and with a few restrictions: no ocean-crossing flights could originate from the base (e.g., MCO-GRU-MCO), and no ocean-crossing could be made from the base through another existing base (e.g., MCO-JFK-LHR).
- Parking will be included, and one (monthly) positive space pass to/from the base at the beginning/end of each bid period.
- Pilots will retain council affiliation with their “regular” domicile.

Valuation

In summary, this TA has pluses and minuses. A look at the total valuation of the contract going forward gives an overall tally of much of this. (However, some values on individual items are always subject to some interpretation and personal bias.)

Using various costing models and accepted negotiated positions, it is estimated that this TA would bring about \$370 million per year to the pilot group by the last year of the 3.5 years of the contract. This equates to about 13.6%. In comparison, this is less than the roughly 20% annual gains of Contract 2012.

Perhaps, more importantly than what *is* in the TA is what *is not* in the TA:

Pro and con papers naturally focus on the elements found within the four corners of the document. This approach is often too narrow as it ignores a discussion of missing items that were sought, but not achieved. Unfortunately, some described these items as “Christmas ornaments” early on in the process, and that, we believe, greatly diminished their chances of serious consideration from the other side of the table. We believe it will be instructive for you to assign a total relative value for the TA as opposed to a simple examination of only those items found within it.

Here is a partial list of items you asked for but we failed to achieve:

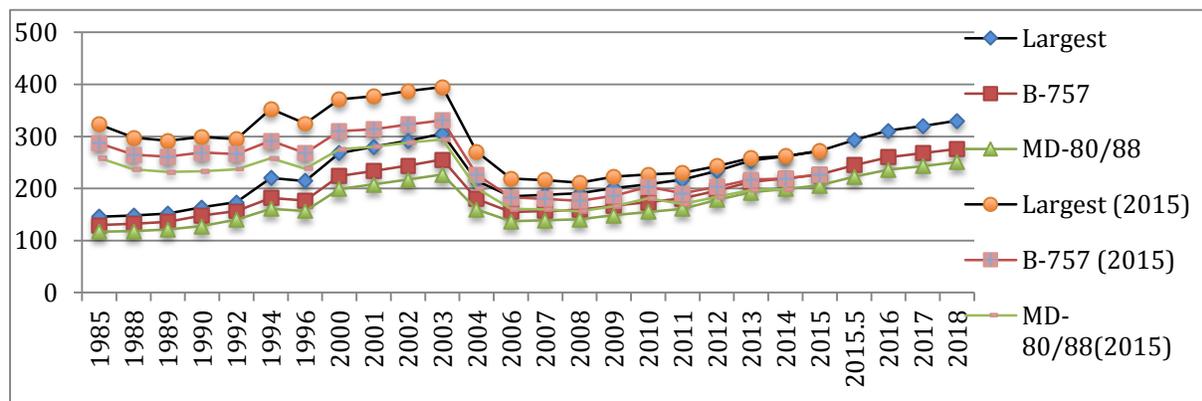
- Hazardous Duty/MED Pay
- Holiday Pay
- Retiree Health Account
- Lowered out-of-pocket Medical costs
- Prescription Drug List improvements
- Authorized Personal Leave
- 23K “pecking order” improvements
- Vacation pass travel or unlimited (or limited) ID positive-space travel
- All flying below lower 48 considered international
- Hotel committee jurisdiction/hotel quality requirements
- No ability for NYC crews to avoid A-period sims on last day of training
- “Single Aisle” scope concerns remain unaddressed
- Redefinition of IROPS (unchanged)
- Drop requirement for new hire to resign from former employer/forfeit seniority number prior to accepting employment with Delta
- Reimbursement for hotel WiFi charges where not free of charge/free use of Go-Go domestically (and other tablet concerns)
- Language that company-proposed FOM changes will trigger Association discussion and approval (unchanged)
- No addressing of “multiple FDP” trip concerns born of 5:15 ADG
- No positive space on NYC Crew Runner van
- Failed to achieve any PBGC offset changes
- No vehicle after max contribution to 401k
- Jetway trades
- Additional vacation week(s)
- Door pay, ground pay, delay pay
- Improved relocation benefits
- Improved seating for domestic DH
- Pay for DH to/from training
- Improvements to maximum contractual duty day
- Improved death in family provisions
- Pay for time spent acquiring Visas
- Company-paid parking provisions (Unchanged)
- Incorporation of HSA or HRA into PWA
- Call in sick/well electronically (went in **opposite** direction)
- Improved laundry expenses
- Improvements to jury duty
- Pregnancy still considered illness for travel/jumpseat

- Calling in sick for every trip (new) places increased burden on pilots
- No substantive change to the way fatigue is addressed
- No change to “CPR” placed on a pilots schedule when calling in fatigued
- No EWR coterminal language improvements (NYC issue)
- No increase to ADG (remains 5:15)
- No increased disability benefit (other than disability bank)

Lost: A pilot retiree who is described in Section 25 C. 4. a. and his eligible family members will remain eligible for coverage under the DPMP OOA upon reaching Medicare eligibility age. Loss of \$1 million insurance for training/check/test flights.

Compensation in Greater Detail

After some historical review, we placed the pay rates for the largest aircraft on the property (it varied), the 757 and the MD-80/88, into a chart. The bottom set of lines represents actual pay rates. The top set represent the pay rates adjusted to 2015 dollars, using the Bureau of Labor Statistics Consumer Price Index (basically, the “basket of groceries model”), and marked with a (2015) in the legend. As we get closer to the current year, the lines merge, as you would expect.



What is compelling about this chart is that even at the end of the C2015 TA’s duration, the pay rates, when adjusted for inflation, **still do not** match the pay rates attained in early 2004 (and that is assuming inflation going forward is zero, a number we know is wildly optimistic) and from a company that is far more profitable, even when that profit is **also** adjusted for inflation.

- You (the pilot group) have been very clear about profit sharing. *Increase pay without touching profit sharing.* The pay rates, without the PS adjustment, fell extremely short and did **not** meet the membership threshold, both anecdotally and empirically.
- The C2015 TA received very little to no “soft dollars” from company, e.g., holiday pay, night pay, door pay, etc.
- “Me Too” Provision: Section 3 B. 4. Provides a “me too” for adjusting the pay rates should other employee groups (30% or more of the U.S.-based non-pilot employees) be provided a pay rate increase. It would trigger a review of 757 composite hourly rates at AMR and United.
 - Under the C2015 TA, rather than using strictly pay rates, a new metric, the “effective pay rate” will be utilized. The effective pay rate is the composite pay rate, plus any portion that is contributed by that carrier’s profit sharing plan.
 - AMR does not have a profit-sharing plan, and as of yet, United’s plan hasn’t paid significant

dividends. This will tend to “drag down” or dilute the effectiveness of 3.B.4 going forward. Further, there is a “cap” in place in the new TA that will limit the effect of this section should AMR or UAL see a “windfall” in their profit sharing versus Delta. In our opinion, this effectively neuters this portion of the PWA.

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“Member Driven”

