

Board Disposition:

R2022-25 Rev 1
 BOD MTG: SBOD
 July 19-21, 2022

SOURCE: LAX
 PROPOSER: Karam

FOR: _____
 AGAINST: _____
 ABSTAIN: _____
 ABSENT: _____

Title: **APA-ALPA Merger Committee**

Drafting Committee	Policy Manual Amendment: 4.17	Cons. & Bylaws Amendment:
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Departmental Review				
Legal <small>(req'd for C&B)</small>	Finance <small>(req'd if money)</small>	IT <small>(req'd if systems/web)</small>	Parliamentarian <small>(req'd if PM or C&B)</small>	Other:
			Kay Crews	
Departmental Comments: (Name and date first, then comments. Each Department start new line.)				

Drafting Committee:

DATE CONSIDERED: <input checked="" type="checkbox"/>	OTHER AVAILABLE BOD ACTIONS: <input type="checkbox"/> Amend (By Rev # -- OKd by Maker) <input type="checkbox"/> Amend (Without Maker OK) <input type="checkbox"/> Refer (To Whom? Instructions?) <input type="checkbox"/> Postpone Indefinitely (Kill) <input type="checkbox"/> Postpone to a Certain Time <input type="checkbox"/> Adopt-in-Lieu Of _____	FOR: AGAINST: ABSTAIN: ABSENT: FINAL ACTION: <input type="checkbox"/> Adopt <input type="checkbox"/> Defeat
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1 **WHEREAS** the APA Board of Directors is aware that members of the Association have
 2 expressed an interest in exploring a merger with ALPA, and
 3 **WHEREAS** the APA Board of Directors believes that consideration of a potential merger can be
 4 done separate from Section 6 negotiations and shall in no way hinder current negotiations with the
 5 carrier, and
 6 **WHEREAS**, the APA Board of Directors believes that establishing a committee to engage with
 7 representatives of ALPA to explore the possibility and benefits of a merger is an appropriate action to
 8 take at this time, and
 9 **WHEREAS** the APA Constitution and Bylaws, Article XI Committees, gives the Board of
 10 Directors the right to establish standing committees, and to elect the membership to those committees,
 11 **WHEREAS**, changes in the existing text are noted by ~~striking through~~ changed or deleted
 12 wording and noting new wording by it being **underlined and bolded**; therefore,
 13 **BE IT RESOLVED**, that the PM is amended by inserting a new Section 4.17.F as follows:

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F. APA-ALPA Merger Committee

1. Charter Statement

The APA-ALPA Merger Committee’s purpose is, in accordance with the adopted APA-ALPA Merger Agreement Protocol, to explore, negotiate and present a tentative merger agreement subject to BOD and membership ratification in accordance with the Constitution & Bylaws.

2. Composition and Leadership

- a. APA-ALPA Merger Committee shall be comprised of at least three members but no more than five members, to include a Chair and Vice-Chair.**
- b. APA-ALPA Merger Committee members shall be elected by the Board of Directors to 12-month terms utilizing the procedures outlined in Section 4.05. Following the election of Committee members, the Board shall elect the Chair and Vice-Chair.**

3. Authorities Granted and Duties Assigned

- a. The APA-ALPA Merger Committee is authorized to interview and recommend the retention of outside counsel to provide legal advice during the process. The APA BOD shall appoint two members of the Board to be present during the interview process to act only in an oversight capacity and provide transparency between the Committee and the Board.**
- b. The APA-ALPA Merger Committee is authorized to interview and recommend for retention by the Association outside financial consultants should that be necessary. The Chair shall consult with the APA Secretary-Treasurer prior to engaging outside financial consultants to determine the scope of services to be provided and conduct a review of estimated fees against the budget.**
- c. Committee recommendations for retention of outside counsel and/or financial consultants shall be made to the Board of Directors for its approval. If approved, the Board shall task the President to execute engagement agreements with such counsel/consultants, subject to review and approval of agreements by Sr. Director of Legal Affairs.**
- d. The APA-ALPA Merger Committee Chair shall have the ability to request assistance from APA staff and pilot subject matter experts through established APA office protocols, with work for contract negotiations taking priority, as needed to both prepare for merger discussions with ALPA and during direct negotiations as necessary. The APA Secretary-Treasurer shall determine the most effective method of accounting for the forementioned individuals’ time and expenses.**

- 47 e. The APA-ALPA Merger Committee Chair shall have the authority to request (PU) for
48 him or herself, the other Committee members, and pilot subject matter experts in
49 accordance with established procedures.

50 4. Reporting Requirements

- 51 a. The Chair of the APA-ALPA Merger Committee shall provide written and/or in-person
52 briefs to the APA BOD on a regular basis, but no less frequently than at each regularly
53 scheduled Board of Directors meeting or Special Board of Directors meeting. Should
54 formal merger negotiations with ALPA occur, the Chair shall provide a report to the
55 Board of Directors following each formal negotiating session, more often, if necessary, as
56 so determined by the Chair or at the request of the APA BOD.
- 57 b. The Chair of the APA-ALPA Merger Committee shall, within 48 hours, notify the APA
58 Board of Directors of the completion of any formal negotiations with ALPA regarding a
59 potential merger agreement and the result of the negotiations. If a proposed merger
60 agreement has been negotiated, the Chair shall include final and tentatively agreed upon
61 language to the Board with the aforementioned notification.

62 *(Tailor to fit)*

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64 **BE IT FURTHER RESOLVED**, that the Board of Directors shall, within 45 days of the
65 establishment of the Committee, interview and select candidates for the initial APA-ALPA Merger
66 Committee and appoint a Chair and Vice-Chair. The Board shall meet and convene a special APA BOD
67 meeting, if necessary, to approve the selected individuals. Individuals selected shall be subject to re-
68 election at the Fall Board of Directors meeting.

69 **BE IT FURTHER RESOLVED** the APA Board of Directors adopt the following internal
70 protocol to initiate, negotiate and present a tentative merger agreement subject to BOD and membership
71 ratification.

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73 **APA-ALPA Merger Agreement Protocol**

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75 **Creation of APA-ALPA Merger Committee**

76 Effective with the execution of this resolution, the APA Board of Directors (APA BOD) shall create an
77 APA-ALPA Merger Committee consisting of at least three members but no more than five members, to
78 include a Chair and Vice-Chair.

80 The APA BOD shall, within 45 days of establishment of the Committee, interview and select candidates
81 for the APA-ALPA Merger Committee and appoint a Chair and Vice-Chair. The Board shall meet and
82 convene a special APA BOD meeting, if necessary, to approve the selected individuals.

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84 The APA BOD shall empower the APA-ALPA Merger Committee to interview and recommend outside
85 counsel to provide legal advice during the process. The APA BOD shall appoint two members of the
86 Board to be present during the interview process to act only in an oversight capacity and provide
87 transparency between the committee and the Board.

88
89 The APA BOD shall empower the APA-ALPA Merger Committee to interview and recommend outside
90 financial consultants should that become necessary. The Chair shall provide any recommendations to the
91 Board for consideration and approval.

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93 Committee recommendations for retention of outside counsel and/or financial consultants shall be made
94 to the Board of Directors for its approval. If approved, the Board shall task the President to execute
95 engagement agreements with such counsel/consultants, subject to review and approval of agreements by
96 Sr. Director of Legal Affairs.

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98 The APA-ALPA Merger Committee Chair shall have the authority to request support from APA staff
99 and pilot subject matter experts in accordance with established APA office protocols, with work for
100 contract negotiations taking priority, as needed to both prepare for merger discussions with ALPA and
101 during direct negotiations as necessary. The APA Secretary-Treasurer shall determine the most effective
102 method of accounting for the forementioned individuals' time and expenses.

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104 The APA-ALPA Merger Committee Chair shall have the authority to request (PU) for him or herself,
105 the other Committee members and pilot subject matter experts in accordance with established
106 procedures.

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110 **Tasking Order and Authority**

111 To the extent necessary, the APA BOD shall, within 30 days of election of Committee members, create
112 a tasking order for the APA-ALPA Merger Committee.

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114 The tasking orders are at the discretion of the APA BOD. While normally confidential they shall
115 include a provision that should a proposed merger agreement be reached with ALPA and subsequently
116 approved by the Board of Directors for membership ratification at the same time as a Section 6 tentative
117 agreement is reached with AAG management, any education process regarding the APA-ALPA merger
118 shall be suspended. The merger education process shall resume immediately following the ratification
119 of or rejection of the agreement with the carrier.

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121 The APA-ALPA Merger Committee shall, as soon as practicable and subject to the concurrence of
122 ALPA and availability of necessary subject matter experts and counsel, schedule the first meeting to
123 commence the due diligence process, execute non-disclosure agreements and other items necessary to
124 begin the negotiating process.

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126 The APA-ALPA Merger Committee shall, subject to definitive tasking orders from the APA BOD, be
127 the designated agent for APA to negotiate a proposed merger agreement with ALPA and have the
128 authority to execute a tentative agreement for presentation to the Board of Directors for consideration.

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130 The Chair of the APA-ALPA Merger Committee shall brief the APA BOD following each formal
131 negotiating session with ALPA, more often if necessary as so determined by the Chair or at the request
132 of the APA BOD.

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134 **Initial Communication with ALPA**
135 Upon APA Board ratification of this resolution, the APA BOD directs the APA President to contact the
136 President of ALPA and furnish him with a copy of the Board resolution. Upon completion of the
137 selection of the APA-ALPA Merger Committee members and subsequently outside counsel to the APA-
138 ALPA Merger Committee, the APA BOD directs the APA president to contact the president of ALPA to
139 introduce the committee to the ALPA president.

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141 **Completion of Negotiations with ALPA**
142 The Chair of the APA-ALPA Merger Committee shall, within 48 hours, notify the APA Board of
143 Directors of the completion of any formal negotiations with ALPA regarding a potential merger
144 agreement and the result of the negotiations. If a proposed merger agreement has been negotiated, the

145 Chair shall include final and tentively agreed upon language to the Board with the aforementioned
146 notification.

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148 Upon receipt of final language of the tentative agreement, the APA BOD shall, no later than fifteen (15)
149 calendar days, convene, either at a scheduled or special BOD meeting to approve or reject the
150 agreement.

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152 If a 2/3 majority of the APA Board approves the tentative agreement between APA and ALPA, the
153 Board shall direct that the summarized agreement be immediately made available to the APA
154 membership.

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156 The timeline and process for membership education and proposed ratification shall be set forth in the
157 completed merger tentative agreement.

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160 **Education Process**

161 The APA-ALPA Merger Committee Chair may designate one or more communications liaisons from
162 among the members of the Committee.

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165 The communications liaison(s) is tasked with communicating directly to the pilots regarding the merger
166 process with the concurrence of the Merger Committee Chair. Those communications may include but
167 are not limited to educating the pilots on the merger process and past mergers with ALPA, and the status
168 of ongoing negotiations with ALPA. Should an agreement be reached, the Board may choose to appoint
169 additional members to the APA-ALPA Merger Committee to educate the membership on the contents of
170 a merger agreement.