AA PILOTS FOR ALPA

Previous Independent Union Mergers into ALPA

Over the past 25 years, the Independent Association of Continental Pilots (IACP) representing the Continental pilots, National Pilots Association representing the Air Tran pilots, FedEx Pilots Association representing the FedEx Express pilots and Frontier Pilots Association representing the Frontier pilots all joined ALPA via a merger process. This document summarizes the four executed merger agreements.

Key Terms to Understand

There are a few key terms to define to clarify where assets went and how they could be used. ALPA has since changed their finance structure, but dues refunds by an individual MEC may still be executed if within the prescribed guidelines.

Major Contingency Fund (MCF)

The MCF was created in 1985 by the ALPA Board of Directors to give member pilot groups the financial power necessary to achieve their goals in advanced stages of negotiations and during strikes, by providing funding for communications-related activities such as strike preparedness, pilot-to-pilot and family awareness. The MCF was also to be used to fund projects in defense of the integrity of the Association. The MCF is currently funded in excess of $100 million.

Special MEC Reserve Account (SMRA)

This was a special account where surplus funds could be placed. MEC's could refund this dues income to its membership from this account if it deemed warranted.

MEC Operating Account

This is simply the normal, day-to-day operating funds for the MEC provided for in their budget. The functions of the SMRA have been folded into the MEC Operating Account in order to allow member airlines the ability to refund dues income.

Common to All Four Mergers

- Immediate access to the MCF with specific provisions outlined for each member airline.
- All staff, with few exceptions, were given positions within ALPA with no loss of pay.
- Real property (furniture, computers, etc) were transferred to ALPA.
- Real estate leases were assumed by ALPA. No real estate was owned by the previous unions.
- Incoming pilots were offered membership to ALPA with the initiation fee waived. For any member owing ALPA from a previous carrier, a payment plan was offered.
- Upon ratification ALPA assumed all the rights and duties as the certified collective bargaining agent.
- Existing collective bargaining agreements continued without impairment or interruption.
- Existing officers continued in their current positions or the ALPA equivalent. For example, the President assumed of an independent union would assume the role of MEC Chairman.

Want to know more? More detail below!

Independent Association of Continental Pilots (IACP) – 2000

- The merger agreement established Local Executive Councils (LECs) and the Master Executive Council (MEC), which allowed all sitting elected officials to serve in their equivalent positions through the end of their respective terms.
- The agreement provided for Continental Airlines (CAL) pilot representation on the ALPA Board of Directors, the ALPA Executive Board, and an Executive Vice President (EVP). The EVP was elected by the CAL MEC to sit on the Executive Council.
- The agreement established terms for membership at ALPA to include repayment plans for owed past dues.
- The agreement set aside $1,000,000 for a Continental Merger Fund in the event of an airline merger with another air carrier.
- IACP's existing funds were transferred to CAL ALPA MEC Account.
- IACP employees were offered comparable positions at ALPA at comparable pay.
- ALPA assumed all liabilities of IACP, to include leases and outstanding lawsuits.
- The IACP Houston Office remained open for CAL MEC use. ALPA assumed the lease.

FedEx Express Pilots Association (FPA) – 2001

- The FPA merged into ALPA to ensure uninterrupted representation during The FedEx Express local representation structure of seniority blocks was something the FedEx Express pilots wished to retain. The ALPA Board of Directors passed a change to the ALPA Constitution and By-Laws to allow for seniority block representation.
- The FEDEX MEC and its officers received the complete Leadership Training Conference Training Program. The FEDEX MEC officers, Communications Committee and appropriate staff received Communications Training and the FEDEX MEC negotiating committee and appropriate staff received negotiations training.
- As a result of the FPA-ALPA merger, ALPA created a Cargo Committee as part of its national committee structure and guaranteed the FedEx pilots a permanent seat on the committee
- The existing FPA sponsored life insurance plan, disability plan and blood test program were continued, under the sponsorship of the FEDEX MEC, subject to continued discussions on the appropriate merging of plans.
- The FPA-ALPA merger agreement contemplated the retention of funds from FPA for the use of the FedEx pilots for daily use, SMRA use (with a restriction of refunds until after the next contract was reached) and airline merger account funding. In addition, the FedEx pilots made a contribution to the MCF.
- FPA's employees were offered employment at ALPA, keeping the employee's original date of hire, at a pay rate no less than the employee was receiving at the time of the merger. In addition, no employee was required to serve a probationary period.

National Pilots Association (NPA) – 2009

- Air Tran pilots changed to a "Large Council Structure" for Council 71 (ATL). This provided for two captain representatives and two first officer reps. This change was necessary since MEC officers cannot vote as part of the MEC under the ALPA constitution and by-laws (C&BL) and they could under the NPA C&BL. The three current reps continued as interim reps with the additional first officer rep chosen by the NPA BOD.
- ALPA assisted writing the AirTran MEC Policy Manual. The Air Tran pilots kept their current outside counsel and consultant.
- ALPA provided access to all of their training programs.
- AirTran pilots became represented on ALL ALPA governing bodies and on a wide range of ALPA committees.
- Every AirTran pilot immediately became a member of ALPA. However, some pilots had an outstanding obligation to ALPA in the form of loans that were never repaid, unpaid dues or assessments or fines assessed via a formal ALPA Hearing Board. In past merger agreements, these obligations were addressed either by full repayment or by establishment of a payment plan. No other options were available. While

those two options were available, the Air Tran pilots negotiated a creative means of addressing past obligations that allowed them to move forward as a unified pilot group.

- For past due fines and loans, AirTran pilots had the option of providing their brother and sister AirTran pilots with union service equivalent to the amount of their financial obligations. Think of this as "union community service." Instead of writing a check to ALPA, the pilots could choose to provide services to an Air Tran MEC committee that interested them and that needed their help.
- Those pilots worked off any fine or loan obligation by serving the appropriate AirTran MEC committee. The AirTran Secretary-Treasurer kept track of this program.
- In the interest of unity, ALPA agreed to immediately wave any finance charges along with any unpaid union dues or assessments.
- The Air Tran pilots were not liable for ANY damages or legal fees for ANY legal action that occurred before this merger.
- A joint finance implementation and transition committee was established to facilitate the financial aspects of the merger.
- All NPA assets became ALPA assets along with all debts and liabilities. CAPA obligations ceased and auditors examined the NPA books.
- One million dollars ($1,000,000) of NPA's monies was set aside as a merger fund.
- Seventy-five thousand dollars ($75,000) was transferred to the Major Contingency Fund (MCF).
- Any leftover funds went into the Special MEC Reserve Account (SMRA).
- ALPA would defend any lawsuits arising from the merger agreement and would pay for the defense of any such lawsuits.
- The two terminated pilots who were awaiting arbitration and were being paid pursuant to the Flight Pay Loss Act were covered. Their payments continued after the effective date of the merger.
- For the first time in ALPA's history, the Air Tran merger agreement contained a request for an MCF disbursement. The request was for five million dollars ($5,000,000). These monies were to be used to support their ongoing contract negations. This request was reviewed by the ALPA Executive Council and Executive Board.
- ALPA committed to provide staffing to support ongoing representational needs -- both for negotiations and contract enforcement. In addition to a staffing baseline higher than their then current staffing numbers, ALPA committed to "additional ALPA staff, including managerial staff, [who] would participate in negotiations and contract enforcement activities as needed or appropriate."
- ALPA committed that it would pay for the training of committee volunteers.

Frontier Pilots Association (FAPA) – 2016

- The FAPA merger contained provisions to ensure continuity of governance. Union executives transferred into MEC officer positions and local council representatives did likewise.
- FAPA members were assured positions and participation on ALPA's Board of Directors, Executive Board, Executive Council and National Committees in accordance with the Constitution and By-Laws and Administrative Manual.
- FAPA pilots were offered membership into ALPA with no initiation fee and payment plans for those who owe obligations from previous ALPA carriers.
- $500,000 of FAPA's funds were retained in a merger account to be used in the event of an airline merger between Frontier and another air carrier in the future. Remaining funds were placed into the Frontier MEC account for daily use.
- FAPA's support structure differed significantly from ALPA's. ALPA agreed to provide immediate and full support to the Frontier pilots in all areas covered by ALPA.
- FAPA's one employee was offered employment at ALPA, keeping the employee's original date of hire, at a pay rate no less than the employee was receiving at the time of the merger.