

TWA/American Airline Workforce Integration

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Witness:

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Testimony:

Mr. Chairman, Committee members, my name is Edwin C. White. I have been an airline pilot since 1977 at American Airlines and a Captain since 1987. During my tenure at American, I have been a member of the Allied Pilots Association, the union representing the pilots at American, and have served in a variety of official positions at the APA. Most pertinent to your purposes here, I served as Chairman of the APA's Mergers & Acquisitions Committee and in that position negotiated the agreement, known as Supplement CC, that governed the seniority integration of TWA pilots into American after American purchased most of the TWA assets in a bankruptcy proceeding in 2001. I am here to address that seniority integration.

It is my understanding that a group of former TWA pilots has charged that the pilot seniority integration established in Supplement CC is unfair to them. I can tell you, Senators, I have heard that same charge from some incumbent American pilots - - namely, that the integration was unfair to the incumbent pilot group. Complaints of this sort are standard in any major seniority integration in the airline industry.

I take issue with those charges from both sides of the house. What we sought to achieve in Supplement CC, and what I believe we did achieve, was an eminently fair expression of the legitimate and realistic career expectations of both pilots groups. The former TWA pilots were fully credited with what they brought to the combined carrier - - that is, aircraft and sustainable jobs - - and so were the American pilots. That, to my mind, is the essence of fairness in a matter like this.

In my written statement to the Committee, I have gone into considerable detail on the significant research and thought that went into Supplement CC and how it was based on virtually mathematical projections of the career paths of every former TWA pilot and every American pilot as of the date American purchased TWA assets. That methodology drew considerably on the thinking and proposals of the TWA pilots' own representatives as expressed in approximately 25 negotiation sessions. Their thinking and concerns went into both the construction of the seniority list itself and also into the conditions and restrictions applied to give added protection to the TWA pilots. Although you would hardly know it from the public statements of some of the former TWA pilots, at the end of those negotiations, there were only minor differences between the two sides' positions. And as the TWA pilots informed us at the time, they were willing to sign off on the final product of those negotiations if American were willing to agree to certain conditions that went beyond our capacity as employee representatives to deliver.

Much of the unhappiness with Supplement CC, of course, derives from the fact that the entire airline industry has been in a tailspin since 9/11, resulting in massive furloughs throughout the industry. I personally find any furlough regrettable. No doubt the former TWA pilots have suffered significantly due to furloughs. But before we find something wrongful in that, let's keep in mind the following: in light of the fact that TWA was

teetering on the verge of collapse and dissolution at the time of the asset purchase, the career expectations of the TWA pilots were infused with a much higher probability of furlough - - or even worse, permanent unemployment - - than the American pilots. Moreover, the APA had succeeded in negotiating furlough protection for American pilots while the former TWA pilots' representatives were unsuccessful in doing so. As a matter of fundamental fairness, this aspect of the former TWA pilots' career expectations also had to be factored into the integration equation.

Finally, although the TWA pilots knowingly and voluntarily gave up whatever right they may have had to arbitrate integration issues in order to save their jobs, the TWA pilots did not in any way give up their absolute right to challenge what they now call the defects of Supplement CC in the federal courts. Indeed, they are exercising that right now in the federal district court in New Jersey. As courts have always done in this area, that Court will determine what is just and proper in this situation, and it will do so not on the basis of emotion but on the considerable body of law that has been developed in scores of seniority integration cases. In short, if the former TWA pilots have not been accorded their due - - and I sincerely believe they have been - - the Court will provide the appropriate remedy.

Finally, their court case is significantly advanced. Motions to determine the claims of the former TWA pilots have been fully briefed, and the Court should render a decision in the near future. With all due respect, I do not believe that Congress should intrude into that orderly legal process.