



# ASA-XJT JNC LINK



A COMMUNICATION FROM YOUR ASA-XJT JOINT NEGOTIATING COMMITTEE

*November 22, 2013*

In this communication, there are links to the [new tentative agreement](#), [bullet point summary](#), and [industry analysis](#). It took three-and-a-half years for the Joint Negotiating Committee (JNC) to reach an agreement in principle with ExpressJet management for the terms of this tentative agreement. Much has changed within the regional sector during that time. Understanding how the agreement came to be is just as important as understanding the actual agreement.

The information in this primer is the first step toward getting pilots accurate information about the tentative agreement. It provides an overview of key contract issues, thereby helping pilots to better understand how language in those sections was developed over the last three years.

ALPA's Economic and Financial Analysis experts have also provided a short history of the regional airline industry over the past 10 years. This overview provides valuable information and explains the seminal issues that all employees of the industry have undergone since 2001.

Many of our pilots have expressed concern with the slow degradation of the industry, hoping that we will not engage in a "race to the bottom." While this agreement does not contain the significant gains we all would have hoped for, it "holds the line" and avoids the draconian cuts we have seen within other regional contracts.

Please continue reading this primer and all of the information provided. Knowing this will help you make an informed decision when the time comes.

Click "[here](#)" for the tentative agreement. Click "[here](#)" for the bullet point summary. Click "[here](#)" for the document outlining the state of the industry. These documents can also be found online at [www.asaxjtcba.com](http://www.asaxjtcba.com).

## Compensation

In starting the bargaining process, it was our collective intent to enhance the existing pilot pay rates through this contract with a nominal improvement over the pre-concessionary rates that the L-XJT pilots surrendered in 2009. Outside factors within our segment of the industry, including bankruptcies and increasing pressure from our mainline partners over the past couple of years, unfortunately made that type of structure unattainable. We remained adamant that no one should take a pay-rate reduction through this contract and also recognized the need for a restructured and profitable airline that will provide a means for further wage enhancements. It took nearly a year of negotiating the economics before we were able to reach an agreement on these issues. In the proposed agreement, the pay scale is based on the highest rates from the current L-ASA and L-XJT pay rates. Most L-XJT pilots will receive a nominal increase over their existing pay rates, and the more senior L-ASA pilots on large regional jet aircraft may achieve nominal increases during the course of the contract based on provisions included within the contract language.

## Scheduling

The scheduling section was developed with multiple drivers in mind. One of them was to improve our operational performance, which has suffered significantly over the past two years. Whereas ExpressJet was once considered among the most respected and dependable fee-for-departure carriers in the industry, our operational performance had suffered to the point that existing CPAs were threatened and any future CPAs were unlikely. The existing language of the L-XJT Contract 2004, which was crafted under the circumstance of that era, proved to be burdensome under the realities of 2013. The ability to demonstrate operational flexibility placed competing regional carriers at a significant operational advantage over ExpressJet. Therefore, the language reflects a balance between operational flexibility of the Company and protecting the pilots' quality of life and time scheduled away from work.

## Retirement and Insurance

The most difficult part of the contract to improve upon was the retirement and insurance sections. The 401(k), long-term disability, and healthcare benefits in the L-XJT contract were significantly better than other regional carriers in the industry. These benefits actually

rivaled the features of many legacy mainline carriers, and were better than many mainline low-cost carriers. The JNC wished to incorporate as many of the features of the L-XJT contract into the new contract. The Company's position, however, was that these benefits were already significantly superior to other carriers and the fiscal burden of adding 1,700 L-ASA pilots to the contractual agreements would be cost prohibitive under the new regional reality. Additionally, the RFP vetting process would expose these contractual features as "outliers" in the industry. This left little room to seek gains, and an agreement was reached by keeping L-XJT pilots on current benefits as long as possible under the terms of the current contract.

### Vacation

It should be noted that the vacation section was negotiated prior to the terms of the Endeavor (formerly Pinnacle) agreement, and the scope agreements at Delta and United. This section is one of the best representations of merging language from the two properties. The Company did not seek any concessions in this section and accepted most of the language developed through our internal JNC negotiations.

### Next Steps

It's important to understand the tentative agreement and how it was developed. Please take the time to read through the [tentative agreement](#), [bullet point summary](#), and [industry analysis](#).

The JNC, MEC, and ALPA staff experts will be conducting a series of domicile presentations, crew room visits, and all-pilot conference calls during the month of December. Additional events will be scheduled for January 2014. Be on the lookout for the complete schedule in the coming days.

In the meantime, send questions to [JNC@alpa.org](mailto:JNC@alpa.org). Answers to frequently asked questions will soon be made available online.

Voting will open on December 14 and close at 1000 Eastern on January 14. All L-ASA and L-XJT pilots in good standing will be eligible to cast a ballot. A majority "YES" vote of the two

combined pilot groups will affirm ratification of Contract 2014. A majority "NO" vote will reject the agreement and, per the Transition and Process Agreement that was signed in February 2011, the parties will enter into mediated discussions under the National Mediation Board.