

Judge levies \$45.5 million fine against American Airlines pilots' union

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17 April 1999

In one of the largest fines ever levied against an American trade union, US District Judge Elton "Joe" Kendall Thursday ordered the Allied Pilots Association (APA) to pay \$45.5 million in damages to American Airlines for last February's sick-out by AA pilots. The massive fine--\$7 million more than the APA's net worth of \$38 million--is designed to effectively destroy the union representing 9,200 pilots at American Airlines.

The judge's action stems from a 10-day job action by thousands of American pilots against contract violations and the outsourcing of jobs to American's low-cost affiliate Reno Air. The sick-out, which began on February 6, quickly got out of the control of the APA leadership and crippled the country's second-largest airline, forcing American to cancel 6,000 flights and disrupt travel for 600,000 passengers. In the course of the job action, rank-and-file pilots defied Kendall's February 10 back-to-work order. Three days afterwards the judge held the union in contempt of court and ordered APA officials to pay \$10 million as a down payment on a future "eight-figure" fine.

On Thursday Kendall rejected arguments from union attorneys that cancellations following his back-to-work order had only cost the airline between \$1.4 million and \$4.7 million. Dispensing with even the appearance of neutrality, the Texas judge backed American's claim that it had lost \$50 million, saying, "American Airlines is not going to want to go to the public and the stockholders and talk about taking that kind of hit without it being true." Kendall said the \$45.5 million damage award was "a conservative" estimate of the harm done to American.

The judge, appointed to the federal bench by President George Bush in 1992, also disregarded arguments by APA officials that they had done

everything to get their members back to work following his temporary restraining order. Kendall indicated that he may order APA President Richard LaVoy and Vice President Brian Mayhew to pay one-third of the award personally. Last February, Kendall said the union had supposedly been taken over by a "radical element" which was "determined to fly American Airlines into the side of a mountain."

Following the ruling, American spokesman Chris Chiames said, "We don't take any pleasure in all this. We have been searching for labor peace with all our labor groups in recent years. It is a shame that the APA is dominated by a leadership that is only interested in confrontation and that they led their members into an illegal job action."

American's \$12.1 billion parent company, AMR, has been spearheading the attempt of many US carriers to eliminate the so-called Scope Clause in pilots' contracts. This clause limits the use of lower-paid pilots when a company acquires another airline or shares routes with an international carrier. American's global partner British Airways, which has no Scope Clause, has successfully franchised out most of its operations to companies that pay substandard wages and benefits to flight crews, maintenance workers and other employees.

According to its agreement with APA, American is required to merge new pilots into the current seniority list and upgrade their wage and benefit package when it acquires a new airline. Instead the airline has declared it will take nearly two years to bring pilots from recently acquired Reno Air, who earn half the wages of American pilots, up to normal pay scale. In February 1997 American pilots struck over long-standing disputes but were ordered back to work by President Clinton within five minutes of their walkout.

As profits in the industry have reached unprecedented heights there has been a growing anger and willingness to struggle among airline workers. The job action at American follows last year's strike by Northwest Airline pilots and the decision by other airline employees to quit unions which they perceive as pro-company and affiliate to others.

Kendall's ruling is aimed at intimidating airline workers and convincing the union officials that they must crackdown on the rank-and-file or face the consequences. As one Dallas labor lawyer said, "This will cause union leaders to think twice before they become involved in an illegal strike." When the judge asked APA President LaVoy whether the fine would spark another walkout, the union official told the judge that would not happen. While announcing that the APA would appeal the fine, union officials also said they would also appeal to American Airlines President Donald Carty in hopes of improving labor relations.

In the face of the worst union-busting attack in the airline industry since President Reagan's firing of the PATCO air traffic controllers, the AFL-CIO did not even issue a formal statement of protest against Kendall's fine. Undoubtedly the labor federation leaders hope the smashing of the APA will benefit the AFL-CIO-affiliated Air Line Pilots Association (ALPA).

Kendall's action is also a warning to the entire working class. The massive fine is a sample of the type of state repression which will be used against any challenge to the profits of corporate America.



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