# American Airlines flight attendants reject contract

**Shannon Jones**
**11 November 2014**

Flight attendants at American Airlines and US Airways rejected a new five-year labor agreement recommended by their union, the Association of Professional Flight Attendants (APFA). The final tally was close, with 8,196 voting against the sellout deal and 8,180 voting for it.

The two airlines merged in December 2013 to create the world's largest air carrier. The merger followed a bankruptcy filing by American in 2011, which saw savage cuts imposed on pilots, mechanics, ground crew and flight attendants. Since emerging from bankruptcy American's profits have soared. It earned a record profit of $1.2 billion in the third quarter of 2013, up from $771 million a year earlier.

The contract talks will now go to binding arbitration under terms of a "protocol" agreed to by the APFA. The process is set to begin in December. The deal ultimately decided by the arbitrator will then be imposed on flight attendants without a vote. APFA said that until the new contract is imposed, flight attendants will continue to work under terms of the old agreement.

There were two separate agreements for flight attendants working for American and those employed by US Airways covering some 24,000 workers. The new contract would have put both groups under the same agreement.

When the tentative agreement was announced on September 19 flight attendants reacted immediately with strong criticism, pointing out that it failed to restore previous concessions under conditions where the airlines were making vast profits. In response APFA officials issued a statement defending their proposal, claiming they had "squeezed every possible dollar from this company, compromised only when absolutely necessary, and achieved the best contract possible."

The union bureaucrats went on to threaten that workers would only get a worse deal if they rejected it. "Voting no will simply result in at least $82 million annually in cuts to the [tentative agreement]. The arbitration will focus on whether the cuts should come out of areas such as wages, vacation days or 401(k) contributions."

The union had argued that the deal that was rejected would have provided $193 million in "added value" to the current agreement. Arbitration, APFA said, would cap the contract at $111 million, the average amount that the existing contracts at other major air carriers exceeded that of American flight attendants. According to a 2013 memorandum of understanding, a joint agreement would give flight attendants an "industry standard" contract.

Online comments from flight attendants, however, reveal that the deal was a slap in the face for workers who have suffered years of wage, benefit and work rule concessions.

An "open letter" from an American flight attendant posted by the *Dallas News* noted that the merged company was making enormous profits. It continued, "It is hard to imagine why you would give us a contract that would essentially give us a pay cut. It is almost impossible to believe, but we are offered similar pay as 10 years ago, without added pay raise to [offset] the cost of living."

In another comment, Luis Chang, identified as an American Airlines flight attendant for 26 years, wrote, "Along with my colleagues I have endured 11 years of abuse and two major devastating pay cuts since 2003. ...What we are asked to ratify today as this "industry-leading" contract is not a snapback to our pre 9/11 contract, worse yet, it introduces even further work rule and flexibility concessions, and eliminates our

employee group from profit sharing now that the new American Airlines is out of bankruptcy and set to make record profits. This Tentative Agreement is an absolute insult to all of us and an obvious failure of [APFA President] Laura Glading to lead our new contract negotiations."

The rejection vote came two days before American was set to issue a contract proposal to the Allied Pilots Association. The merged company will also negotiate a contract with ground crew workers represented jointly by the Transport Workers Union and the International Association of Machinists.

In 2003, American used the threat of bankruptcy to extract $1.8 billion in concessions from employees. At the same time American set up a secret executive retirement program with the specific stipulation that it would not be subject to the claims of creditors in the event of bankruptcy.

In 2011 the company filed for bankruptcy with the specific aim of voiding its labor contracts and imposing cuts. It used the courts to freeze its defined benefit pension program and substitute an inferior 401(k) defined contribution plan. Meanwhile, former CEO Thomas Horton, the American executive who oversaw the bankruptcy, received a severance package of about $17 million.

As for US Airways, it filed for bankruptcy in 2002. In 2005 a bankruptcy judge voided the company's labor agreements, opening the door to thousands of job cuts and pay and benefit cuts of between six and 35 percent. The court also terminated retiree pension plans.

The contract further exposes the role of the airline unions, which function as little more than an arm of corporate management. Over the past decades they have worked with management to unload the burden of the crisis and reorganization of the airline industry onto the shoulders of workers, who are increasingly resisting these attacks.

A report in the April 29, 2014 issue of *Forbes* magazine provides details of the incestuous relations between the unions and American Airlines. It notes that all three unions at American knew about and approved the bonus for American CEO Horton and agreed to contract language "gagging" workers from complaining about excessive executive bonuses. It suggested that the deal was a "quid pro quo" for reimbursing millions to the unions in bankruptcy-related expenses.

Union executives, including APFA President Glading, received a designation A-5 travel pass enabling them to fly first class to any place in the world at any time and even bump full fare passengers. On top of this, the article reports the company doles out gifts and perks to union executives in the form of free airline travel, meals and baseball tickets.