Federal judge bans pilot strike at Las Vegas-based airline

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The Teamsters union called off a threatened pilot strike last Thursday, April 2 against Las Vegas-based Allegiant Travel Company after a federal judge issued a last-minute court order banning the walkout. The pilots, who voted 465-8 in January to authorize a strike, are seeking their first labor agreement and the restoration of benefits and work rules unilaterally eliminated by the discount airline in 2013.

Allegiant is one of the most profitable airlines in the world, reporting a profit for 47 consecutive quarters. According to the Airline Professionals Association Teamsters Local 1224, the company's executives are among the highest paid in the industry, while its pilots are among the lowest paid.

The *Wall Street Journal* wrote, "Allegiant's business model relies on so-called ultra-low costs, which it achieves in part by packing seats onto old aircraft that aren't very expensive. Although Allegiant has one of the highest customer-complaint rates in the industry, the strategy works: Allegiant also has one of the industry's highest profit margins. Its stock price fell 6.6% Wednesday in response to the planned strike, but it's still up 65.6% over the past year."

Judge Gloria Navarro of the US District Court in Nevada approved Allegiant's request for a temporary restraining order against the pilots' union, agreeing that a walkout would do "irreparable harm" to the company and that a strike was likely illegal under the US Railway Labor Act.

A repressive federal law has long been used to block or break strikes in the railroad and airline industry by ordering virtually endless mediation sessions and "cooling-off" periods in the name of preventing an interruption to interstate commerce. The Obama administration used the law to prevent a nationwide strike by 92,000 freight rail workers in 2011 and to end a strike by Philadelphia commuter rail workers just hours after it began in June 2014.

The Teamsters immediately capitulated to the federal judge's order, which could result in massive fines if defied. In 1999, a federal judge ordered the Allied Pilots Association (APA) to pay American Airlines $45.5 million for failing to end a supposed sickout by the company's 9,200 pilots over contract violations and outsourcing to American's discount carrier.

In a statement cited by the Las Vegas *Desert Sun*, a spokesman for Local 1224, Corey Berger, a Mesa, Arizona-based Allegiant pilot, said, "Allegiant Air executives are pocketing millions while reducing benefits for pilots. Striking is not an easy decision; it is a last resort, and because Allegiant executives are so unwilling to restore basic scheduling practices, we have been left no other option.

"Although we know that our strike to restore the status quo is legal, we will comply with the judge's decision and look forward to having our voices heard at the upcoming hearing" with airline management and federal mediators on April 10.

Local president Daniel Wells said the union said it was free to call a strike because Allegiant violated a June 2014 federal court decision ordering the company to reinstate previous conditions existing before pilots voted for the Teamsters to bargain for them. In particular, the union charged the company violated pre-existing protections for disabled pilots and had revamped the scheduling system in a way that kept pilots away from home for unusually long periods of time, "completely changing their quality of life," according to Wells.

Forbes reported that "US District Court Judge Andrew Gordon determined that 'the Allegiant Air Pilot's Advocacy Group was the Allegiant pilots ‘representative’ (under) the Railway Labor Act’ and that the group’s 2010 pilot work rule agreement constituted a ‘status quo’ binding agreement. That meant that the company could not alter terms of the advocacy group’s contract once the Teamsters became the bargaining agent.’”

The federal judge gave Allegiant 90 days to reinstate many of the terms. Allegiant, however, appealed the order, and has not reinstated the terms, according to the union.

Before becoming Allegiant CEO in 2003, Maurice Gallagher co-founded ValuJet—the cut-rate airline that was dissolved into AirTran and then Southwest after the May 11, 1996 crash of Flight 592 in the Florida Everglades, which killed all 110 persons on board.

According to *Forbes*, “He has always favored a low-cost approach, which has included buying older airplanes, outsourcing maintenance, targeting low-budget fliers and resisting unionization.” Citing a report in the *Las Vegas Review-Journal*, *Forbes* said Gallagher declared in 2011, “Unionization is one of those things that clogs the arteries and makes you less quick and not as nimble as you need to be on top of your game.”

The Teamsters have been in negotiations with Allegiant for a new contract for over two years, with no progress. The threat of a strike was little more than a negotiating ploy, since the Teamsters and other unions have all but abandoned any strikes in the airline industry.

With airlines making huge profits—after years of mergers and layoffs, and most recently because of the lower cost of jet fuel due to the collapse of crude oil prices—pilots and other airline workers are anxious to recover lost income from decades of union-backed concessions.

Bloomberg reported that contracts at four large airlines—Delta Air Lines, Hawaiian, Spirit, and Jazz Aviation, a regional operator for Air Canada—are up for talks in 2015, covering nearly 15,000 pilots represented by the Air Line Pilots Association, the largest pilots union in North America. JetBlue Airways’ 2,500 pilots are also hoping to secure their first contract next year, after voting this spring to join ALPA.

The Allied Pilots Association (APA), the other major pilots union, just pushed through a five-year deal at American Airlines against the opposition of a third of the pilots. A mediator imposed a contract on flight attendants at the airline after late last year they rejected the terms agreed to by the Association of Professional Flight Attendants.

Counting on the acquiescence and collaboration of the unions, the US government has all but abolished the right to strike for airline workers.

The struggles of US pilots and other airline workers coincide with growing opposition by workers at Lufthansa, Alitalia, Air France and other international carriers. In every case, transport workers are fighting outsourcing to low-cost carriers and an unrelenting assault of jobs, wages, benefits and work conditions.