



# Compass Airlines 101

March/April 2009

# Pre-Bankruptcy History

- ❖ Summer 2005
- ❖ Presentation to NWA ALPA from Neal Cohen and Doug Steenland
- ❖ NWA wanted to create “NewCo” to fly “100” seat a/c
- ❖ ALPA’s reaction was NO, they wanted to continue to fly everything above 51 seats

# Bankruptcy

- ❖ NWA 1113 Hearings begin
- ❖ Negotiations also begin for concessions
- ❖ NWA got the provision to increase 51-76 seat flying outside of NWA
- ❖ Created NewCo that limited the # of 76-seat flying but put it under a new company outside NWA
- ❖ ALPA got a flow down/up, negotiated pay rates and some work rules, ALPA representation from day 1 and the ability to negotiate their contract

# LOA

- ❖ 2 LOAs were negotiated to deal with NewCo
- ❖ LOA 2006-10 and 2006-14
- ❖ LOA 2008-01 was negotiated later regarding the Mesaba flow through agreement
- ❖ These carried over to the JCBA in Attachment C

# LOA 2006-10

## Feeder Carrier Hiring LOA

- ❖ Established regional carrier hiring and flow to mainline

# LOA 2006-14

## 76-seat Small Regional Jet Flow Through Agreement

- ❖ Describes the terms of the flow through
- ❖ Flow-Down
  - DAL pilots are senior to CPZ pilots
  - DAL pilots stay in seniority order
  - at least 20 pilots/month or more if Compass training can handle more

# LOA 2006-14

## Protected Rights Status or a “Rights Pilot” at CPZ

- ❖ CPZ pilots can elect not to flow-up to DAL
- ❖ 10% of the pilot group can become a “rights pilot”
- ❖ Today 10% would be 33 pilots
- ❖ During a DAL furlough, these pilots do not lose seniority to a flow-down DAL pilot
- ❖ They are like pebbles in the stream, water flows around them

# LOA 2006-14

- ❖ Master Bid will be done to figure out training
- ❖ If you elect to flow-down to CPZ and are discharged for just cause, you forfeit your recall rights to DAL
- ❖ Probation
  - off probation at DAL, stay off at CPZ
  - on probation at DAL, as an FO at CPZ you finish your probationary period. As a CA at CPZ your probationary period is complete
  - Once you are off probation at CPZ you are off probation at DAL when you flow back up

# LOA 2006-14

- ❖ While at CPZ a DAL pilot does not accrue longevity at DAL
- ❖ Allows for a Training Contract at CPZ since everyone is given a type-rating

# Flow Language in CPZ Contract

- ❖ To flow-up, a CPZ pilot must be a CA and on CPZ payroll for at least 30 months
- ❖ 20 pilots/month and 25% of the pilot group can flow in a rolling 12-months (83 pilots/year)
- ❖ Current pay rates for DAL pilots that flow-down
  - CA start at Step 2 (\$63.50)
  - FO start at Step 4 (\$37.94)

# Flow Language in CPZ Contract

- ❖ Training Contract is \$12,000, pro-rated over 12 months
- ❖ CPZ pilots electing to flow-up can be held back for 3 months for operational needs
- ❖ CPZ Mgmt pilots may be held back for 9 months (currently there are 10 mgmt pilots)
- ❖ Repeats most of the language in LOA 2006-14

# LOA 2008-01

## Mesaba Flow-Through Agreement

- ❖ Details specific to Mesaba, different than CPZ
- ❖ Flow-Down positions equal the number of MSA pilots that have Flowed-Up
- ❖ 9 pilots/month can flow-up and 9 pilots/month can flow-down



- ❖ NewCo became Compass Airlines with headquarters in Chantilly, VA (until summer 2010 when it moves to MSP)
- ❖ Initially bought the Independence Air Operating Certificate in March 2006 and in May 2007 flew 1 CRJ (MSP-IAD)
- ❖ Had to go through the entire certification process to add the EMB-175
- ❖ First revenue flight for the EMB-175 was August 2007
- ❖ Last airplane (#36) arrived in December 2008
- ❖ President of the Company has changed from John Bendoritis to Tim Campbell in November 2008

# Aircraft

- ❖ Embraer 175
- ❖ 12 first class and 64 coach = 76 seats
- ❖ All new hires are typed in the a/c
- ❖ EFB approval process



# Pilot Group

- ❖ Currently 335 pilots in 3 bases: MSP, DTW and MEM
- ❖ 10 pilots are managers and don't bid a line
- ❖ From the April Bid Packet there were 190 in MSP, 76 in DTW and 59 in MEM

# Pilot Group

- ❖ No Captains are on probation
- ❖ Probationary period is 12-months (not 400 hours)
- ❖ First Officers start coming off of probation in February 2009 and everyone except the 12 hired in January will be paying dues by the end of 2009
- ❖ Most of our pilots come from other carriers since our hiring minimums are ATP minimums, meaning at least 1500 hours total time

# Training

- ❖ Systems in a distance learning CBT, new hires have 30 days to complete it
- ❖ Indoc is one week in MSP at the PanAm Training Center in Eagan, MN
- ❖ Sim was in Montreal but that is ending at the end of May
- ❖ New sim in MSP at the PanAm Building
- ❖ All sim instruction is done by contract instructors

# ALPA Structure

- ❖ October 2007 Executive Council Resolution, based on the NWA MEC recommendation
  - CPZ pilots will be part of the NWA MEC
  - LEC 1, 20 and 74 represent CPZ pilots
- ❖ December 2007- Pilot Coordinator elected by the NWA MEC
- ❖ CPZ pilots are part of the NWA Committee structure, however they worked only on CPZ issues

# ALPA Structure

- ❖ Mainline Committee Chairman were a resource and mentor for the CPZ volunteers
- ❖ Created a Committee Coordinator to organize each CPZ committee
- ❖ In MSP- added a CPZ Informational Meeting before the LEC meeting
- ❖ Now have over 55 pilots in 15 committees
- ❖ Only CPZ pilots vote on CPZ contract and cannot vote to ratify a DAL contract

# Committees

Accomplishments in 2008 include:

- ❖ Successful industry-leading ASAP program
- ❖ Resolving contract disputes with monthly meetings
- ❖ Better hotel selection process and a way to organize hotel complaints
- ❖ Successfully educated our pilots and began using PBS in Feb 2009

# Committees

- ❖ Trained 3 new negotiators and have accomplished 6 LOA negotiations
- ❖ Been a part of the Fee-For-Departure group
- ❖ Formed the only GO TEAM in ALPA for the EMB175
- ❖ Out of 335 pilots, only 1 non-member and 3 not on DCO

# Committees

## Future committee goals:

- ❖ Grievance worksheet on-line
- ❖ FOQA program up and running
- ❖ Contract improvements through LOA negotiations
- ❖ ALPA PAC check-off on paychecks
- ❖ Improve our MEL book
- ❖ Resolve contract disputes quicker

# Why DAL pilots should want a combined MEC

- ❖ Job protection for furloughed DAL pilots
- ❖ Compass could be 335 DAL pilots if there is a furlough. Currently there are 3 at CPZ.
- ❖ Mainline pilots will work under the CPZ contract, if they flow down. Do you want a say in what those terms are?
- ❖ Keeps the flying of the 76-aircraft closer to mainline
- ❖ Good example to the rest of the FFD world on how we can get along and work together
- ❖ If CPZ was their own MEC, a flow-back could eliminate the entire CPZ MEC and the group would be without experienced leadership.

# Why DAL pilots would want to see CPZ as their own MEC

- ❖ Not typical and appears to complicate everything
- ❖ Fearful of the unknown, deal with that fear by going back to what you know
- ❖ For the MEC it is hard to make decisions on LOAs when you don't currently represent CPZ pilots in your LEC.

# Why CPZ pilots want a combined MEC

- ❖ Support of ALPA Staff and Committee Chairman
- ❖ Example of where the FFD group is headed, this is a successful example of doing things differently
- ❖ If/When Delta starts to hire, 25% of our pilot group could disappear. This will be a large portion of the volunteers.
- ❖ Having 25% of the pilot group leaving, limits the pilots eligible for becoming reps if we had our own MEC.

# Why CPZ pilots would want their own MEC

- ❖ Decision makers on their issues will be one of them
- ❖ Freedom to make their own decisions
- ❖ More contact with reps. May actually fly with one of them.
- ❖ Vote for their own EVP as part of Group B
- ❖ CPZ MEC Chairman would serve on the Executive Board

# What the majority of the CPZ pilots want

- ❖ Stay as part of the DAL MEC
- ❖ The CPZ pilots are asking you to delay any decision until at least January 2010.

# My recommendation at the January Executive Council Meeting

- ❖ The Compass pilots continue to be represented by the Delta MEC
- ❖ If you have to make Compass their own MEC, wait until after December 2009. At that point 95% of our pilot group will be off probation.



**Questions?**