**To:** AEI Affiliate Members

**Re:** Secretary Americas Update

**Date:** October 25, 2020

Dear Affiliates:

In this update I wanted to highlight the importance of contract negotiations and the job protection language negotiated into the Alaska Airlines Contract. Specifically the merger agreement negotiated by the Aircraft Mechanics Fraternal Association (AMFA) for the Alaska Airlines AMFA members when the airline purchased Virgin America and merged the two labor groups and airlines together.

For introduction AMFA is the only AEI affiliate in the Americas. AMFA is based in the United States and has approximately 3,700 members at three airlines, Alaska Airlines, Horizon Air, and Southwest Airlines.

In 2016 Alaska Airlines bought Virgin America Airlines and began the process of merging the two employee groups together as one. When these mergers happen under United States labor law, the two employee groups and the airline must negotiate and mutually approve the terms for merging the two groups together.

The AMFA members voted down two proposals but finally in July of 2019, the AMFA members, the Virgin America technicians, and Alaska Airlines together successfully negotiated a “Transition Agreement” which brought the two labor groups together under one contract at the airline.

Among other items, the Transition Agreement brought pay raises and provided for a 2-year contract extension which will now remain in force until October 2023.

Most importantly the Transition Agreement also provided for Job Security language that protected both the AMFA Technicians and Virgin America Technicians in the “blended stations” from furlough of any positions during the duration of the contract extension, which runs until October 2023!

This job security language proved to be extremely valuable for the AMFA members. *(The former Virgin America employees are now AMFA members since the approval of the Merger Agreement).*

In March 2020, in response to Covid 19, the United States government passed legislation that provided financial support to the airline industry known as the CARES Act. A provision of the Act required that airlines could not involuntarily furlough employees through September 30, 2020. In the summer of 2020 Alaska Airlines notified us there would be an approximate 15% reduction of AMFA employees. We reminded them of the no-furlough language in the Transition Agreement and a grievance was filed and arbitration scheduled to resolve the dispute.

In September, the arbitrator ruled in the union’s favour. Furthermore, he not only ruled there could not be furloughs at the blended stations, but also that employees at non-protected stations, if furloughed, could bump into a protected station and then they too would now be protected and their job secure. It was a major victory for the union members! Please click [here](http://amfanational.org/?zone=/unionactive/view_article.cfm&HomeID=835886) to read AMFA’s notice to their members.

Since Alaska Airlines could not involuntarily reduce positions, they decided to offer an early retirement scheme providing 1-week’s pay for each year of service with some enhanced medical and travel benefits. They also offered an extended leave program for up to one year at 1/3% of normal pay with medical and travel benefits included.

Alaska Airlines eliminated all, approximately 30, probationary employees (new hires who were not yet covered by the union contract) and had about 100 employees take the retirement or leave options.

The AMFA members realize exactly why a strong union is so important as well as the immense value of solid job protection terms.

Sincerely,

Louie Key

AEI Secretary Americas