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MEDIA RELEASE

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ALPA's Alaska Pilots Respond to Management's Increase in Concessions

Seattle -- Pilots at Alaska Airlines, as represented by the Air Line Pilots Association, Int'l (ALPA), have expressed some skepticism and concern about their company's recent statement that it will now seek even more money in pilot pay and work rule concessions than previously announced.

During the company's third quarter earnings briefing last week, Alaska executives unilaterally raised the amount of what they determined would be the Alaska pilot group's appropriate contribution to their cost-cutting strategy from the \$71 million figure proposed before the failed mid-term contract negotiations last year to a new target figure of \$100 million. This figure would essentially entail that the average Alaska pilot contribute approximately \$68,000 to Alaska management's cost-cutting scheme. Management hopes to achieve this new amount by negotiating a combination of increased pilot productivity and reductions in pilot benefits and wages,

"Alaska management is to be congratulated for the excellent third quarter profit results reported last week. However, let's not forget that every Alaska employee also can share some of the credit for those positive numbers," stated Captain Mark Bryant, chairman of the Alaska Airlines Master Executive Council, a unit of ALPA. "Thus far, Alaska has fended off outside pressures, and through the innovative responses to those pressures by both management and labor, has positioned Alaska Airlines to attain its current operating profits."

"The Alaska pilot group appreciates the radical changes that are taking place in the air carrier market place, and we are committed to negotiating a new collective bargaining agreement that provides Alaska-specific cost improvement strategies that are mutually beneficial both to Alaska Airlines and its pilot employees. Despite the fact that we are currently in contract negotiations with management representatives, this quarterly briefing is the first time that we have heard Alaska executives mention this new \$100 million figure, and quite frankly, we are concerned about the prospects of effective negotiations when management keeps moving the goal line without consulting or even informing us," he said.

Within the next two weeks, Alaska Airlines management will allow ALPA's financial experts to once again review the company's current financial situation. Last year, prior to a round of unsuccessful mid-term contract negotiations, ALPA's experts reviewed Alaska's financials and found that, although the amount Management's request for pilot concessions was overly ambitious, there was room for a pilot contribution to improving Alaska's cost situation. They did not define the amount or extent of this contribution.

"The Alaska pilots are still determined to negotiate a new collective bargaining agreement that fairly addresses the need to maintain Alaska Airlines' profitability and competitive cost position," said Capt. Bryant, "but we want to have our experts once again evaluate what those actual needs are before we more fully respond to management's recent announcement of what they want from us."

If the current round of negotiations fail to reach an agreement that can be ratified by the pilot group, each side may take five single specific contractual items, plus wage rates, before an arbitration board for resolution. Unless the parties decide mutually to do otherwise, the arbitration board's decision will amend the company's current collective bargaining agreement with the pilots beginning in May 2005 and ending in May of 2007.

ALPA is the world's oldest and largest pilot union, representing 64,000 airline pilots at 42 airlines in the U.S. and Canada. ALPA's website is www.alpa.org.

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