



While Sun Country Airlines accomplished two of its major business objectives in 2011, for the airline's 184 pilots their key goal of winning a new contract

Sun Country

New Owners, New Challenges

By Rusty Ayers, ALPA Senior Communications Specialist

remains frustratingly distant, despite almost two years of negotiations.

With the departures of Northwest Airlines in 2009 and Mesaba just last year, the Minneapolis-based carrier now stands alone as



A Sun Country B-737 at Minneapolis-St. Paul International Airport.

Minnesota's last hometown airline. Sun Country made great strides in 2011: it made money, emerged from bankruptcy, and found a new owner. But despite those improvements, labor relations are strained.

Sun Country was originally created by a group of furloughed Braniff Airlines employees who gambled that sun-hungry Midwesterners would support a vacation-charter airline. The airline went out of business after 9/11 but was started up again by some of the original investors, and by 2006 Sun Country

was owned by billionaire Tom Petters.

Just two years later, Sun Country was forced into bankruptcy once again after Petters was caught stealing billions of dollars from investors of his various companies. Employees had to endure 50 percent pay cuts for a short period to keep the airline from going out of business. After Master Executive Council (MEC) involvement, the employees were repaid with interest and the airline began growing.

"We entered negotiations in the spring of 2010, and bargaining was understandably slow because we were still in bankruptcy. We are out of bankruptcy protection now, and our contract needs pay and benefit improvements to bring us to parity with the rest of the industry," says Capt. Dennis Vanatta, the pilots' MEC chairman.

"We were hopeful that talks would speed up when we emerged from bankruptcy last February; but we're still pretty far apart on many things, and the pace of bargaining remains disappointing."

Last May, the airline violated the pilot group's contract by refusing to issue roughly \$600,000 in 2010 pilot profit-sharing checks. With the union's involvement, the profit-sharing was paid, but the pilots felt that it was the latest example of management playing fast and loose with the pilots' compensation.

And management's non-compliance with the current labor agreement seems to be a growing trend at the airline—with the number of open grievances at the highest level in the history of the airline. As a result, the pilots have been forced to begin resorting to the arbitration

process for the first time.

Like many airlines in Section 6, the major sources of disagreement remain pay, retirement, and scheduling. Sun Country crews are very nearly the lowest-paid B-737 pilots in the nation, and are seeking parity with other narrowbody crews flying long haul domestically and to the Caribbean, Mexico, and Europe.

"We started flying to the UK so that we could win ETOPS certification and prove to the military we could reliably fly transatlantic routes, and our pilots have done an outstanding job. Now the airline has joined the Civil Reserve Air Fleet (CRAF) program, and we anticipate much more overseas flying. If we are going to be asked to fly international routes, we feel it's only fair that we have parity with other international carriers," Vanatta explains.

It remains to be seen what 2012 will bring to the negotiating process. The airline's new owners are a Minnesota family whose other businesses are in dairy products and quartz countertops, and who are believed to have little or no experience with the airline industry, or with labor unions and union contracts.

"We have reached out to the Davis family, but they haven't responded. We hope they will realize that bringing the pilots' contract into parity with the rest of the industry is our top goal. We are still hopeful that they're willing to work with us to make that happen without undue distraction or delay so that we can bring our negotiations to a successful conclusion and turn our full attention back to working together to help the airline prosper and grow," Vanatta says.

SCA at a Glance

- **Founded:** 1982
- **Pilots joined ALPA:** 1996
- **Number of pilots:** 184
- **Pilot base:** Minneapolis-St. Paul, Minn.
- **Operations:** Based in Mendota Heights, Minn., Sun Country flies scheduled service to 32 destinations, 11 of which are served year-round. The airline also operates charter flights to numerous locations in the continental United States, Hawaii, Alaska, Mexico, the Caribbean, and the UK. The airline is also actively seeking military charter flying and is a new participant in the Department of Defense's Civil Reserve Air Fleet
- **Fleet:** 15 B-737NGs, with more aircraft leased seasonally