

American Eagle

Pilots in Holding Pattern with Recent AMR Merger

By John Perkinson
Staff Writer

American Eagle pilots are waiting and watching. In negotiating a progressive bankruptcy restructuring labor agreement during 2012, Eagle cockpit crewmembers were compelled to anticipate how they could be affected by the estimated \$17.2 billion merger that would take place a year later between their parent company (the AMR Corp.) and US Airways.

“The hard part was not having a clear vision, fleet plan, or even a business plan to work with,” says Capt. Bill Sprague, the American Eagle pilots’ Master Executive Council (MEC) chairman. “Regardless of what happens as this deal unfolds, we are committed to working toward a stable and successful future for our members.”

And on Nov. 12, 2013, the U.S. Department of Justice dropped its antitrust lawsuit, allowing the merger to take place on December 9. Subsequently, AMR exited from two years of Chapter 11 bankruptcy, and the newly combined organization became the American Airlines Group, Inc. As part of the merger plan, the group’s two mainline subsidiaries, American Airlines and US Airways, will be combined to create the world’s largest airline.

With all of this recent activity, the Eagle pilots have also welcomed a new president at their airline, Pedro Fabregas, Eagle’s former senior vice president of customer services. So far, the MEC relationship with the Fabregas

management team has been professional and amicable, as both have a vested interest in the future of their airline as part of the new organization. Unfortunately, that rapport has not trickled down to the front lines where contract compliance continues to be a concern.

Both the pilots and management recognize that they face an uncertain future, and the two sides have met to discuss how they can enhance Eagle’s role within the new parent company. With the combination of American and US Airways, Eagle will be one of four wholly owned subsidiaries, and the MEC remains in contact with pilots from the other airlines.

And because of this uncertain future, no new airplanes are on order at Eagle, and plans to park older airplanes have been delayed.

In the interim, American Eagle has not maintained adequate pilot staffing, compelling the airline to stretch its current resources. Retirement and attrition are exacerbating the situation, and the airline recently made an arrangement with Embry–Riddle Aeronautical University to establish a Pilot Pipeline Program to tap into a new source for airline-qualified pilots.

The pipeline program is particularly timely as the Eagle pilots’ flow-through agreement with American Airlines has been reactivated. A minimum of 20 Eagle pilots (50 percent of each class) is expected to flow up to American each month during 2014, based on seniority. These crewmembers are not required to interview for their

new positions, but each faces a probationary period. “We’re about to see a tremendous amount of movement at Eagle,” says Sprague.



PHOTO BY FO ANDI LUSHKA (AMERICAN EAGLE)

An American Eagle airplane being de-iced at Chicago O’Hare International Airport.

Also on the Eagle pilot horizon is a preferential bidding system (PBS). The pilots agreed to a letter of intent to negotiate a PBS as part of the bankruptcy agreement of 2012. PBS negotiations took place during 2013, resulting in a recent letter of agreement (LOA) explaining exactly how PBS would be administered. However, the LOA has yet to be ratified, and pilots have expressed concern about whether management will abide by the terms.

Eagle pilots were deeply disappointed by the base closures in Los Angeles, Calif., in December 2012 and San Juan, Puerto Rico, in March 2013. However, the pilots remain cautiously optimistic that with their new parent organization and changes in their airline leadership new opportunities will emerge to develop their route structure and grow their airline. 

EGL at a Glance

Pilots joined ALPA: 1995 (although Simmons had been an ALPA member since 1986, after the National Mediation Board’s ruling that the four airlines serving American Airlines—Executive, Flagship, Simmons, and Wings West—constituted a single airline, the Eagle pilots established a single MEC)

Number of pilots: 2,905

Headquarters: Fort Worth, Tex.

Operations: American Eagle operates more than 1,700 daily flights to more than 150 cities throughout the United States, Canada, the Bahamas, the Caribbean, and Mexico

Pilot domiciles: Chicago, Ill.; Dallas/Fort Worth, Tex.; Miami, Fla.; and New York, N.Y.

Fleet: 47 CRJ700s, 181 ERJ 145s, and 15 ERJ 170s