



December 22, 2017

Fellow Delta pilots,

I hope that you are all enjoying the holiday season. Here's an update on some issues of interest as we end 2017.

### **ATL IROP - Power Outage**

- On Sunday at around 1pm, a fire caused a complete power failure at the terminals of Hartsfield-Jackson Atlanta International Airport, leaving crews and passengers stranded.
- Thanks to the expedient response of the FAA Atlanta Approach and Tower, the number of landing aircraft were minimized, though many aircraft were stranded on taxiways due to inoperative jet bridges.
- The nature of this IROP created extraordinarily excessive duty times for pilots and other crewmembers, as well as certainly long days for other employees.
- There were many reports of pilots and other employees taking extreme measures to take care of passengers during this unprecedented disruption. The professional and compassionate assistance provided by our fellow pilots is extremely impressive. Thank you for representing all of us in such a manner.
- As difficult as a significant IROP can be, the Company's timely Critical Ops Updates and improved support from the Chief Pilots' Offices have received an overall positive response. We certainly appreciate management's efforts handling a very difficult situation.

### **C-Series**

- On Wednesday, the U.S. Department of Commerce issued its final ruling that upholds the almost 300 percent tariff on the Bombardier C-Series. This ruling was neither unexpected nor the final step in the process for determining the future of the C-Series at Delta.
- The next step is a review and a decision from the U.S. International Trade Commission in February, which could then subsequently be appealed. This will be the key ruling that all parties are waiting for to determine the next course of action.
- While we await that news, we can only say what is already widely known: the C-Series is expected to be delayed. Earlier projections are Q3 2018, with more negative projections possibly as far as two years out. We will keep you updated as the situation develops.

### **A350 Delivery Flights - Update**

MEC communications are not typically used to highlight the Company's compliance with the Pilot Working Agreement (PWA), but the A350 delivery flight SCOPE violation was significant enough to warrant a follow up.

- Initially, the Company informed ALPA of what they believed to be an operational necessity: to use Airbus-company pilots to operate at least three A350 delivery flights.
- The first of these intended flights took place as planned on November 29, despite the MEC Administration's strong objection and official notice opposing it.
- Flight Operations apparently began working on reallocating pilot and aircraft resources to provide for subsequent deliveries to be staffed with Delta pilots prior to the delivery flight on November 29. However, management was unable to confirm their plan to do so until after the *Chairman's Letter* was published late that afternoon. What was known at that point was that a Delta A350 was landing in MSP without Delta pilots flying it.
- Management chose to not publicly state any iteration of their A350 delivery staffing decisions.
- We're certainly glad to see that the A350 delivered on December 12 was flown by Delta seniority list pilots, as well as the A350 delivery enroute today.
- We are encouraged to see that the Company has now chosen to comply with the PWA with respect to aircraft deliveries. *However, it's still worth emphasizing that they had a choice whether to violate the PWA.*
- The SCOPE Compliance & Analysis Committee will be monitoring aircraft delivery flights to ensure that they are flown by Delta seniority list pilots.
- *Note that "delivery flights" occur after the new aircraft have been accepted and Delta has officially taken ownership. "Acceptance flights" are "pre-delivery" and prior to official Delta ownership.*

### SCOPE Violations

- As I stated in my November 23 *Chairman's Update*, we will be pursuing remedies (through grievances if necessary) to SCOPE violations that occur, even if accidental, incidental or transient.
- As many city pairs are approaching existing PWA limits, particularly with Aeroméxico, we will be closely monitoring compliance for any violations that occur.
- As more Delta flying is performed by JV and codeshare partners, it becomes even more essential that we vigorously enforce every Section 1 (SCOPE) violation, regardless of how limited in magnitude or duration.

### Rotation Construction Update

The January trips turned out better than we were initially told to expect in many categories. That's good news.

- We appreciate the work done by all involved in getting the message to the Company that degrading trip quality, especially if any aspect could be attributed to "cost-cutting," would be viewed very poorly by the pilot group.
- Direct interaction by the RCC and the Scheduling Committees was key to the effort.
- Operational integrity also contributes positively to maintaining some trip quality by building in buffers (which increase credit).
- The cost-cutting effort has been expressed to us as ongoing, as will our effort to oppose degradation of rotation construction.
- Even though there's a minimal relationship between management's stated need to return value to investors and the Flight Operations budget, that issue remains an

irritant to employees that gets magnified when any cost cutting effort is perceived to have a negative effect upon compensation or benefits.

- No "mission accomplished" banner should be unfurled yet. As long as the Company believes they need to cut costs, trip quality will likely be an increasing problem, maybe even insidiously so, as we approach peak flying season.

### **ME3 Update**

On Tuesday, December 12, Trump administration officials met with representatives of all sides in the ME3 argument over inappropriate subsidization. The gathering included ALPA and Delta corporate leadership.

- The Trump administration announced its position that ATA-violating subsidization has indeed been prevalent in the US-UAE and US-Qatar market space, and directed prompt initiation of informal talks between the parties as the likely precursor to entering the formal grievance and redress protocols contained in the two Air Transport Agreements.
- This is the most advanced position we've reached to date, exceeding the Obama Administration's 2015-16 action that ordered the same talks, though never got significantly underway and did not include the Trump administration's citing of the violations as the specific basis for the directive.
- The MEC Government Affairs Committee has made multiple trips to Washington this week and is preparing internal and pilot group communications for release shortly. Related material is posted on the [@DALMECgov](#) and [@Delta\\_MEC\\_Comm](#) Twitter platforms.

### **WestJet Joint Venture (JV)**

On December 6, Delta and WestJet announced that they would be expanding their current codeshare partnership by entering into a JV. This development isn't a surprise, considering that WestJet is one of our largest codeshare partners by passenger volume. This continues the corporate trend of international expansion via joint venture.

The corporate logistics and regulatory approvals are still in the early stages. We do not expect any engagement on a WestJet JV LOA until these efforts progress.

Look for a comprehensive update about WestJet which will expand upon the previous *SCOPE for Pilots* educational series that you can review [here](#).

### **JVs and Perspective**

**Aeroméxico JV LOA.** The gap between ALPA's and the Company's positions after the last Company proposal is so significant that there's still minimal to no progress to report.

**Korean JV LOA.** There has been no Company request for, or engagement on, any KAL JV LOA.

- Until we are able to reach agreements with the Company on equitable distribution of flying, it appears that significant, disproportionate flying and growth by some of our JV and codeshare partners where we do not have a production balance established will continue unabated within the limits of the existing PWA SCOPE language.

- The Company’s Investor Day presentation on December 14 highlighted their international service, JV and codeshare strategy, and how they believe it’s a strong positive message to investors.
- One of the slides highlights how our Pacific operation has improved since 2012, when we served fewer total Asia destinations via NRT (10) using 36 Delta aircraft, compared to now where “we” (mostly Korean) serve 80 destinations with only 32 aircraft. (But fewer destinations served directly by Delta.)
- The same Investor Day 2017 presentation had a significant section devoted to how important and strong the Delta brand is, and how the Delta brand is “central to increased top line revenue.”
- With such a strong Delta brand, it would seem the benefit would carry over to an emphasis on more international service on actual Delta aircraft; however, the continued trend sees more of our “premium” international flying going to JV partners. As highlighted in transitioning our Pacific network to Korean Air, we see fewer jobs and less flying.
- Recently *Business Travel News* rated Delta as the top airline for corporate travel managers for the 7th year in a row. The Delta CEO attributed this success to the people of Delta.
- While JVs and codeshares are good for the corporation financially, especially in the near and medium term, it seems to risk brand dilution by limiting its exposure as Delta recedes from world destinations and fewer potential customers have the opportunity to become familiar with Delta employees, our premium brand and the “Delta difference.”
- **The bottom line:** *JVs, partnerships, and codeshare agreements have an important place in our network, but the challenge is finding the right balance between outsourcing and flying accomplished with Delta aircraft, operated by Delta crewmembers and serviced by Delta employees.*

### **Deadheading (DH) Crewmember Alcohol Policy Change**

As you probably have seen, a joint memo was issued on December 14 from the Senior VPs of Flight Operations, In-Flight Service and Corporate Safety, Security & Compliance prohibiting alcohol consumption by crewmembers while deadheading on Delta mainline and Connection flights. This policy change will become effective January 1, 2018 and ***includes off-rotation/ “deviating” deadheads (which is positive space commuting and not regarded as duty by the PWA).***

### **DH Alcohol Policy Perspective**

- *First of all, three key points:*
  - **This is not about concern over the “beverage restrictions” while deadheading or off-rotation deadheading (i.e. positive space commuting).**
  - **Management is making a policy change that is not specifically addressed in the PWA.**
  - **In establishing overall policies (not already contractually addressed), management sets the tone, creates the culture and maintains the relationship with their employees as they choose.**
- Management’s stated key reasons for the change focuses on the FOM’s listed onboard “chain of command,” which includes the need for possible assistance in emergency situations of off duty crewmembers who are deadheading, both scheduled and off-rotation.

- “Safety” is also invoked, which tactically puts anyone opposing any aspect of the change in a position to have to justify questioning an increased commitment to “safety.”
- The ostensible rationale for the potential need to be available to help in the case of an emergency is specious, since in many cases a crewmember’s fatigue level could certainly be a more limiting factor than their beverage choice, especially for the final leg of the day or during trans-oceanic DHs. If the ability to be prepared to help in the case of an emergency is so paramount, does that mean that both employees and paying passengers seated in exit rows should not be allowed to consume alcoholic beverages? Should pilots using over the counter medications with limitations on duty (i.e. some allergy/cold medicine) apply to DH-only duty periods too? The premise lacks consistency.
- Any additional intent that would seek to improve schedule integrity will likely not be of significant value due to the PWA and FAR 117 limitations that apply to pilots for rescheduling or rerouting into a working segment originally scheduled for a DH where the change would have an effect (post-FDP DHs or DH-only duty periods).
- Restrictions on off-rotation and offline Delta Connection DHs are even less justifiable.
- A possible motivation for the change may be a management desire to more readily be able to reroute or reschedule FAs, who have fewer FARs and no contractual impediments (*no contract*) and the associated persistent management belief/policy/practice that the pilots must be treated equivalently to prevent FA resentment, especially if differential treatment could help incentivize an “industrial” response. Due to some confusion that this policy change has caused about deadheading and availability responsibilities, please review [Scheduling Alert 17-16 -- FAR 117 & the PWA While Deadheading](#).

### FOM change prohibiting using air transportation to respond to Short Call (SC) trip assignments

Since we’re discussing unilateral management policy changes...

- The October FOM revision included a change that stated: “It is not acceptable to be on short call and remain in a location where air transportation would be necessary or planned in order to promptly report to base.”
- **No such restriction was agreed to in the PWA.**
- This prohibition is especially significant for co-terminal bases due to the implicit extra response time allowed where short trips via air could be more feasible than long drives through traffic.
- We asked if this applied to the use of personal aircraft. Management stated that was not the intent - personal aircraft would be OK (although that is not stated in the FOM).
- No progress on getting Delta to revise the FOM language to be contractually compliant, although we expect further engagement about especially the co-terminal base aspects.

### 747 Farewell

- The last 747-400 revenue flight at Delta was on December 19, and flew from ICN to DTW. Charter flights are likely to continue through the end of the year.
- Northwest was the launch customer of the 747-400, with the first passenger service flight occurring on February 9, 1989 from Minneapolis to Phoenix, Arizona.

- Likewise, the final flight of our last 747 will terminate in Arizona, to be permanently parked with the other retired aircraft.
- It's certainly sad to see the retirement of the "Queen of the Skies," but time marches on.
- I know it was a very special experience to all who had the opportunity to fly any of the 747s, from the earliest -100s and -200s at Delta and Northwest (as well as those who flew them at Pan Am and elsewhere), through the freighters and finally the -400.
- **Farewell to an awesome airplane with an extraordinary legacy.**

Thanks for reading.

**Happy Holidays.** We certainly hope that you and your families have a great holiday season while at home, work or vacation, and have a great 2018.

**Happy Holidays, Merry Christmas and Happy New Year!**

Fraternally,

A handwritten signature in black ink, appearing to read "Bill Bartels". The signature is fluid and cursive, with a large initial "B" and a long, sweeping underline.

Bill Bartels, Chairman  
Delta Master Executive Council