In the Matter of the
Seniority Integration Process Involving

Fleet Service, Mechanic and Related, and
Storekeeper Employees of Pre-merger American
Airlines and US Airways

Represented by:
Airline Fleet Service Employee Association
TWU/IAM, Airline Mechanics and Related
Employee Association TWU/IAM, and
Airline Stores Employee Association TWU/IAM

NEUTRAL'S REPORT AND RECOMMENDATIONS TO THE TWU/IAM ASSOCIATION REGARDING SENIORITY INTEGRATION

Issued by:

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INTRODUCTION

The undersigned Neutral was appointed by agreement between American Airlines, Inc. and the Airline Fleet Service Employee Association TWU/IAM, the Airline Mechanics and Related Employee Association TWU/IAM, and the Airline Stores Employee Association TWU/IAM (collectively "TWU/IAM Association" or "Association") to make a Report and Recommendations to the TWU/IAM Association to resolve seniority integration issues affecting the Fleet Service, Mechanic and Related, and Storekeepers employees of pre-merger Legacy American Airlines ("LAA") and Legacy US Airways ("LUS"), who are represented by the Association pursuant to the Railway Labor Act.[1]

This Report, and the proposed seniority lists to be published in conjunction with it, represent the product of a lengthy and painstakingly detailed process. As set forth more fully below, I engaged in an extensive fact-finding process, first collecting all necessary data, meeting with Union representatives of the various work groups involved, and reviewing over 800 comments from affected employees. After identifying the principle issues to be resolved with respect to seniority integration, I sought first to mediate a consensual resolution among the members of the TWU/IAM Association's seniority integration committees. In the few instances where a mediated resolution has not been

[1] I served as Chairman and Member of the National Mediation Board from 1998-2003. Since leaving the Board, I have practiced as an arbitrator and mediator. I serve on arbitration panels of the American Arbitration Association, the Federal Mediation and Conciliatory Service, and numerous airline and non-airline permanent arbitration panels. I have also been appointed by several Presidents of the United States to serve on Presidential Emergency Boards formed pursuant to the Railway Labor Act. In addition, I have been an adjunct professor of Labor Arbitration and Alternative Dispute Resolution at the Georgetown University Law Center.

possible, I have offered recommendations for resolution based upon the general principles of seniority integration adopted by the Association, as well as my prior experience in seniority integration matters and knowledge regarding generally accepted seniority arrangements in the airline industry. Following the issuance of this Report, employees will have a further 45-day opportunity to protest their placement on the proposed integrated seniority lists. I will investigate each protest and issue a final determination as to each before final integrated seniority lists are published. Through this process, I am confident that the most fair and equitable seniority integration will be achieved.

FACTUAL BACKGROUND

1. Pre-Merger History and Patterns of Representation

American Airlines traces its corporate history back to the early 1930s, when it began as a conglomeration of small independent carriers, and quickly became a key player in the developing airline industry. After World War II, American continued as an industry leader and innovator, offering the first trans-Continental jet service, developing the SABRE reservation system, and creating the first-ever frequent flier program. The Transport Workers Union of America, AFL-CIO ("TWU") became the certified representative of American's Stores Employees in 1945 (NMB Case No. R-1447) and for the then-combined craft of Airline Mechanics, Plant Maintenance, Fleet Service and Ground Service Employees in 1946 (NMB Case No. R-1640).

In the 1970s, American acquired its first Caribbean routes through its merger with Trans Caribbean Airways and route acquisitions from Pan Am. In the wake of airline deregulation in 1978, American continued to expand its service with new routes to Europe

and Latin America. American also expanded its domestic operation, including through the acquisition of Reno Air in 1999 and the assets of Trans World Airlines ("TWA") in 2001. TWA Mechanic and Related, Stores, and Fleet Service Employees, who were represented by the International Association of Machinists and Aerospace Workers, AFL-CIO ("IAM") at the time of the acquisition, became employees of American and subsequently represented by TWU. *American Airlines/TWA Airlines, LLC*, 29 NMB 293 (2002).

In the wake of the September 11, 2001 terrorist attacks, American experienced heavy financial losses. To avoid filing for Chapter 11 bankruptcy, in 2003 the Company negotiated restructuring agreements with its unions, including TWU, requiring very substantial concessions. Over the following decade, American continued to experience financial difficulties and ultimately filed for Chapter 11 bankruptcy on November 29, 2011.

The earliest predecessor to US Airways, All American Aviation, Inc., began in 1939 as a mail carrier, and added passenger service in 1948. In 1953, the carrier changed its name to Allegheny Airlines. Over the following decades, Allegheny transformed itself from a local carrier into a national airline, largely through a series of mergers, including Lake Central Airlines, Mohawk Airlines, Pacific Southwest Airlines, and Piedmont Airlines. Allegheny changed its name to US Air in 1979. In the early 1990s, the airline offered its first service to Europe. US Airways was also an industry innovator entering the first-ever code share agreement and one of the first transatlantic alliances. The IAM has been the certified representative for US Airways' Mechanic and Related and Stores Employees since 1976 (NMB Case No. R-4593). US Airways' Fleet Service Employees

first became unionized in 1978 (NMB Case No. R-4725) and elected the IAM as their representative in 1994 (NMB Case No. R-6248).

In 2002, US Airways filed for bankruptcy under Chapter 11. When the airline continued to struggle financially, it filed for bankruptcy a second time in 2004. US Airways employees, including those represented by IAM, agreed to sizeable concessions to allow the Company to emerge from bankruptcy. In May 2005, it was announced that US Airways and America West would merge. The merger agreement was finalized shortly after bankruptcy court approval of US Airways' plan of reorganization in September 2005. The IAM was certified as the bargaining representative for Mechanic and Related, Stores, and Fleet Service Employees at the merged carrier. *US Airways/America West Airlines*, 33 NMB 174 (2006) (Maintenance Training Specialists); *US Airways/America West Airlines*, 11 NMB 191 (2006) (Fleet Service); *US Airways/America West Airlines*, 33 NMB 321 (2006) (Mechanics and Related).

2. The American/US Airways Merger and Formation of the TWU/IAM Association

A few months after American filed for Chapter 11, US Airways began to explore the possibility of a merger of the two Carriers. To obtain employee support for a merger, US Airways began discussions with American's unions, including TWU, and ultimately reached conditional labor agreements that would be effective in the event of a merger and which required lesser concessions than American was demanding through the bankruptcy process. With the support of American's unions, a merger agreement was reached in February 2013.

As the two carriers were finalizing their merger plans, the TWU and IAM began discussions regarding the post-merger representation of Mechanic and Related, Stores, and Fleet Service Employees. The discussions were driven by the Unions' shared desire to avoid a divisive and likely protracted representation dispute that would not serve the best interests of their members. Accordingly, on May 9, 2013, TWU and IAM entered into three separate agreements establishing joint associations to represent those crafts where they had overlapping representation at the pre-merger Carriers. Under these agreements, the TWU/IAM Association conducts contract negotiations through Representation Committees consisting of equal numbers of representatives designated by each Union. Depending on location, the Association has designated either TWU or the IAM to handle day-to-day contract administration and grievances.

The discussions between TWU and IAM also led to the execution of an Agreement Regarding Seniority List Integration ("SLI Agreement"), dated April 24, 2013. American and US Airways were also signatory to the SLI Agreement. The parties agreed upon the basic approach to seniority list integration for Fleet Service, Mechanic and Related, and Stores Employees. Specifically, they agreed that seniority integration should be "based on the date of each employee's entry into the basic classification, as set forth in the existing Collective Bargaining Agreements and the current seniority lists maintained by American and US Airways for each such group." The SLI Agreement also provided that "[t]o the extent that two or more employees have the same date of entry into the Classification, placement on the integrated seniority list as to those employees shall be determined by the date of hire, or if that is also the same, the last four digits of their social security number,

with the employee with the lower number being assigned a lower seniority number on the list (having higher seniority)." Under the SLI Agreement, TWU and IAM were charged with developing integrated seniority lists and a process to resolve challenges from individuals regarding their placement on the lists. However, the SLI Agreement specified that integrated lists would not be implemented until joint collective bargaining agreements for each craft were completed.

As US Airways and American continued to press forward with the merger, in August 2013, the United States Department of Justice ("DOJ") filed a lawsuit to block the transaction. Nevertheless, on October 22, 2013, the bankruptcy court approved American's plan of reorganization based on the merger agreement with US Airways. Then, on November 12, 2013, it was announced that American, US Airways, and DOJ had settled the government's lawsuit, allowing the merger transaction to go forward.

On December 9, 2013, American emerged from bankruptcy and the merger with US Airways became effective. The deal was valued at $11 billion and was expected to create $1 billion in combined benefits. The combined operations of the two companies formed the largest airline in the world with 900 planes, 3,200 daily flights, and 95,000 employees. US Airways' Chairman and CEO Doug Parker became CEO of the merged company.

At this point, the Carriers began the process of integrating their operations, and centralized financial control and labor functions were put into place. The Carriers started to repaint aircraft, unify airport operations, combine frequent flyer programs, and merge reservation systems.

In addition, on August 6, 2014, American, US Airways, TWU, and IAM entered into three Letters of Agreement providing that LAA and LUS employees in the Fleet Service and Stores groups and some LAA and LUS employees in the Mechanics and Related group would have preferential hiring rights in certain positions at the other pre-merger Carrier in the interim period prior to employee integration. Under the Letters of Agreement, the interim period would end once the LAA and LUS workforces were under joint collective bargaining agreements and combined seniority lists were effective. These Letters of Agreement further provided that employees hired pursuant to their terms would appear with the Occupational/Classification Seniority date from their original airline on combined seniority lists prepared in accordance with the SLI Agreement dated April 24, 2013. Approximately, 117 LAA Fleet Service employees were hired at US Airways as preferential hires.

3. The NMB's Single-Carrier Proceedings

Pursuant to its authority under the Railway Labor Act ("RLA"), the National Mediation Board ("NMB" or "Board") has developed procedures to decide union representation issues raised as a result of corporate mergers or consolidations. The Board's procedures are commonly known as single-carrier proceedings, in which the NMB determines whether the merging carriers have sufficiently integrated their operations to be considered a single transportation system for the purposes of union representation. *See* NMB Representation Manual, § 19.5. The NMB conducts its single-carrier proceedings on a craft-by-craft basis. If the NMB determines that a merger has resulted in the formation of a single transportation system for a particular craft, the Board will determine how the

merger impacts existing representation certifications previously issued by the Agency and other representation issues.

On August 6, 2014, the Association filed an application with the NMB initiating single carrier proceedings for the Mechanic and Related, Stores, and Fleet Service crafts at the merged Carrier. The Association requested a finding that American Airlines and US Airways were operating as a single carrier with respect to these crafts, and asked for the NMB to conduct an election for the Association to become the certified representative for the merged work groups. In October 2014, the NMB requested position statements regarding the composition of the crafts sought to be represented by the Association, particularly in light of the fact that an independent organization had requested an election among American's Simulator Technicians, who had long been included within the Mechanic and Related craft. In November, the Association filed its statement explaining why the Simulator Technicians should continue to be included in the Mechanics and Related craft, as well as urging the NMB to extend the Association's certification to several other small work groups which were represented at US Airways, but unrepresented at American. Subsequently, the NMB requested additional background information regarding which employees should be included in each craft sought to be represented by the Association.

On April 15, 2015, the NMB granted the single carrier application and agreed with the Association's position on the craft issues. *American Airlines/US Airways*, 42 NMB 35 (2015). Regarding the Simulator Technicians, the Board found that there had been no material changes in the work duties of these employees which would justify overturning

nearly 40 years of NMB precedent finding that they are properly part of the Mechanics and Related craft at American. In addition, the NMB found that certain previously unrepresented American employees who perform work as Quality Assurance Auditors, Planners, and Technical Document Specialists should be included in the Mechanic and Related or Stores crafts. The Board also found that previously unrepresented Weight and Balance Planners and Tower Planners at American belong in the Fleet Service craft. Although Maintenance Training Specialists at US Airways had historically been certified as a separate craft, the NMB found that this job title was more appropriately included within that Mechanic and Related craft due to the strong connection of these employees to the airline's maintenance function.

Having found a single carrier to exist, the NMB indicated that it would proceed to address the issue of representation for Mechanics and Related, Stores, and Fleet Service Employees at the combined Carrier. 42 NMB, at 70. The Board provided a 30-day period for any intervenor to make a showing of interest sufficient to appear on the ballot in a representation election. *Id.* No organization filed to intervene.

On May 19, 2015, the NMB issued its certification determination. *American Airlines/US Airways*, 42 NMB 127 (2015). Although the Association had requested certification through election in its initial application, the NMB took the position in accordance with its policies that the current certifications held by TWU and IAM individually should be extended since the Association formed by TWU and IAM collectively represented virtually 100% of the combined work groups, making an election unnecessary. Accordingly, the Association became the certified representative.

4. Pre-Merger Seniority Systems

a. Pre-Merger Seniority at American

TWU and American have five collective bargaining agreements ("CBA") covering employees in the Mechanic and Related, Stores, and Fleet Service crafts: (1) the CBA covering Aviation Maintenance Technicians and Plant Maintenance Employees (known as "Title I" and "Title II" employees respectively); (2) the CBA covering Maintenance Control Technician Employees; (3) the CBA covering Flight Simulator Technicians, Associate Simulator Technicians, and Technical Coordinators; (4) the CBA covering Fleet Service Employees and Ground Service Employees (known as "Title III" employees); and (5) the CBA covering Material Logistics Specialists and Crew Chief Material Logistics Specialists Employees (known as "Title V" employees).[2] Pursuant to these agreements, American and TWU maintained six separate seniority lists: (1) Title I (Aviation Maintenance); (2) Title II (Plant Maintenance); (3) Maintenance Control Technicians; (4) Simulator Technicians; (5) Title III (Fleet Service); and (6) Title V (Stores). These lists reflect two seniority dates for each employee, an "Occupational Seniority" date and a "Company Seniority" date.

Under the TWU Agreements, system seniority lists are posted and maintained on the Company's Jetnet computer system, and updated every evening to reflect employee

[2] Prior to American's bankruptcy, TWU represented Ground Service employees in Title IV. The work of Title IV Ground Servicemen largely consisted of aircraft fueling and related duties. As a result of the agreement reached in 2012 under Section 1113 of the Bankruptcy Code, American gained the ability to outsource all its fueling work. Accordingly, there are no pre-merger American employees currently working in Title IV.

status changes as they are processed. Both individual employees and the TWU can protest any omission or incorrect information appearing on the seniority lists. The Agreements also set forth a special procedure for the investigation and determination of seniority protests.

Occupational Seniority. Under the American-TWU agreements, Occupational Seniority begins to accrue "from the date of first assignment" to the applicable Title Group or classification (*i.e.* Maintenance Control Technician or Simulator Technician). If two employees share the same Occupational Seniority date, the tie is broken by: (1) the earliest previous American/TWU Occupational Seniority date, if any; (2) earliest Company Seniority date; (3) earliest birthdate; and (4) employee number in the case of Fleet Service and Stores employees. The practice at American was to break ties when they first occurred, and subsequent changes in Company Seniority dates would not alter the order of tie-breaks once established.

For TWU-represented employees Occupational Seniority is used for all competitive bidding purposes (except for vacation bidding as explained below), including promotion and demotion, furlough and recall, bidding shifts, and transfer. Occupational Seniority dates are established on a system-wide basis, meaning that if an employee transfers to a position in the same Title group or classification at another station, his/her Occupational Seniority remains unbroken. However, if an employee permanently accepts a position at his/her request in a different Title group or TWU-represented classification, the employee retains but does not continue to accrue Occupational Seniority in the former Title group or classification. In this situation, Occupational Seniority is retained for a period not to

exceed the term of service in the former Title group or classification, and such retained seniority can only be exercised in the event of a furlough. In a furlough situation, an employee who exercises seniority to a classification in which he/she retains seniority or accepts a vacancy in another Title group in lieu of layoff, either at the time of layoff or before the expiration of recall rights continues to retain and accrue seniority in the Title group from which he/she transferred.

Although employees moving between TWU-represented Title groups retain and/or accrue Occupational Seniority for a period of time, it is not American's practice to include employees with retained seniority on the seniority lists produced for the classification from which they transferred. Instead, such matters are handled on a case-by-case basis when an individual employee asserts a right to exercise seniority retained in a prior classification. At that point, the Company will consult its employment records to verify the employee's claim to seniority in a prior classification.

An employee who transfers to a regular position not covered by a TWU agreement retains but does not accrue Occupational Seniority for a period of 180 days contingent upon continued payment of union dues, provided that the employee does not exercise this option more than once in a two-year period. An employee may accept an acting assignment in management or a special assignment not covered by a TWU Agreement and retain his/her Occupational Seniority, but only if the assignment does not exceed 320 actual hours in any calendar year.

Prior to the collective bargaining agreements reached during American's bankruptcy, Occupational Seniority could be adjusted for time on layoff due to a reduction

in force. Under then Article 16(a) of the TWU Agreements, an employee on layoff would continue to accrue Occupational Seniority during the layoff period for a period not exceeding his/her Occupational Seniority up to a maximum of three years. Thereafter, the employee would retain, but no longer accrue, Occupational Seniority for a period of ten years following the layoff, at which point any recall right would end. Under the agreements reached between TWU and American during the bankruptcy process, employees on layoff now continue to accrue Occupational Seniority for the entire period up to the ten-year cut-off for recall rights.

During all leaves of absence provided for under the TWU Agreements, such as personal, medical, or military leave, employees continue to maintain and accrue Occupational Seniority up to the allowed duration for such leave. An employee loses Occupational Seniority if he or she is discharged for just cause, refuses recall, or voluntarily resigns from the Company. However, under Article 14(b) of the TWU Agreements, an employee who is affected by a reduction in force and exercises seniority either at the time of the layoff or after accepting layoff, may later resign for personal reasons while retaining recall rights, provided that notice of the intent to preserve recall rights is given at the time of resignation.

Company Seniority. The American-TWU Agreements provide that Company Seniority "will commence with the effective day of placement on the payroll and accrue in accordance with Company policy." Under Company policy, Company Seniority does not accrue during certain periods when an employee is not in payroll status, such as time on layoff and some leaves of absence. At American, TWU-represented employees use their

Company Seniority dates to bid on vacation schedules and to break ties in Occupational Seniority dates.

b. Pre-Merger Seniority at US Airways

IAM and US Airways have three CBAs covering employees in the Mechanic and Related, Stores, and Fleet Service crafts: (1) the CBA covering the Mechanics and Related and Stores employees; (2) the CBA covering the Maintenance Training Specialists; and (3) the CBA covering Fleet Service Employees.[3] Under all of these agreements, seniority lists are required to be posted at least once a year and employees had 30 days after the posting to protest omissions or incorrect listings impacting seniority.

Under the IAM and US Airways Agreements, employees generally maintain two to four seniority dates, depending on the craft or class, including "Classification Seniority" date, "Premium Classification Seniority" date (Mechanics and Related and Stores only), "IAM Agreement Seniority" date (Mechanic and Related and Stores only), and "Company Seniority" date.

Classification Seniority/Premium Classification Seniority. An employees' Classification Seniority date starts accruing on the first day the employee enters the classification. Classification Seniority governs for all competitive seniority purposes, including bidding on vacancies and shifts, furloughs and recalls, displacements and transfers. It is also used for vacation bidding purposes, except for Mechanics and Related and Stores employees who, as explained below, used their IAM Agreement Seniority date

[3] Additionally, TWU and US Airways also had a CBA covering Flight Simulator Engineers.

for vacation bidding. For Maintenance Training Specialists ("MTS") and Fleet Service Employees, Classification Seniority was relatively straightforward since each CBA only recognized one classification for seniority purposes and did not recognize separate seniority dates for time working in a premium classification, such as a lead position.[4] Ties in Classification Seniority for MTS and Fleet employees are broken first by the earliest Company Seniority date and then by the highest number comprised of the last four digits of an employee's social security number.

Classification Seniority for Mechanic and Related and Stores employees, however, is more complex. Mechanic and Related and Stores employees maintain seniority by Basic Classification Seniority and, in some instances, Premium Classification Seniority. Basic Classification Seniority is recognized for six different classifications of employees: Mechanics, Stores, Utility, Planner, Technical Documentation, and Quality Assurance ("QA") employees. The premium classifications with separate seniority dates recognized under the CBA consist of: Lead Mechanics, Lead Store Clerks, and Lead Utility employees, as well as Maintenance Operation Control employees and Inspectors. Ties in Premium Classification Seniority dates are broken by Basic Classification Seniority.

Under the IAM-US Airways CBAs for Mechanic and Related and Stores employees, if an employee transfers from one classification to another or is promoted to a premium classification, he or she continues to accrue seniority in any prior classifications under the Agreement. Accordingly, some employees maintain seniority in multiple

[4] Full-time Fleet Service employees and part-time Fleet Service employees currently have separate seniority lists and bid/bump separately.

classifications (*e.g.*, Basic Mechanic Seniority List, Lead Mechanic Seniority List, and Inspector List), and it has been the practice to publish seniority lists which include all employees holding seniority in the classification, including those currently working in a different classification. Premium Classification Seniority dates are used within the premium classification for bidding on schedules, vacancies, promotions, displacements and transfers. Furloughs and recalls, however, are governed by Basic Classification Seniority.

Under the IAM and US Airways Agreements, seniority is adjusted or lost under certain circumstances. Furloughed Mechanic and Related employees continue to accrue seniority for five years after which they retain, but do not accrue additional seniority. Furloughed Fleet Service employees accrue and retain seniority for four years, but lose all seniority if not recalled during that time. Employees who leave the bargaining unit, with certain exceptions, generally maintain seniority for 180 days. Employees on OJI, Medical, or Personal Leaves of Absences retain and continue to accrue seniority for three years, after which it is lost. Employees on military, governmental or union leave continue to accrue seniority for the duration of their leave. Employees on educational leave accrue seniority for the first 90 days and then retain seniority for a maximum period of three years. Seniority is lost under the IAM Agreements if the employee voluntarily leaves the Company's employment, is discharged for cause, does not return from recall or a leave of absence when scheduled or within the applicable time limit, or improperly works in other employment during a leave of absence.

IAM Agreement Seniority. Mechanic and Related and Stores employees also maintain an IAM Agreement Seniority date, which is the first date worked under any of

the multiple classifications provided for under the CBA. IAM Agreement Seniority is used for vacation bidding and to break Basic Classification Seniority ties for these employees.

Company Seniority. The IAM seniority lists maintained at US Airways indicate a Company Seniority date for each employee. However, Company Seniority was not used under the IAM Agreements for any competitive bidding purpose, except for breaking ties among Fleet Service employees and Maintenance Training Specialists. Under US Airways' policy, Company service was based upon an employee's original date of hire. No adjustments were made to an employee's Company service date for leaves or other periods in non-payroll status, except in the event that an employee left the Company and was later rehired, the date of rehire would become the employee's Company service date.

THE SENIORITY INTEGRATION PROCESS

1. McCaskill-Bond Seniority Integration Statute

On December 26, 2007, the Consolidated Appropriations Act of 2008 was signed into law. Pub. L. No. 110-161. Among the bill's provisions was Section 117, which has come to be known as the "McCaskill-Bond" statute and establishes seniority protections in the context of airline mergers and consolidations. The legislation was originally introduced by two Missouri Senators, Claire McCaskill and Christopher "Kit" Bond. It is generally understood that the legislation was passed in reaction to the handling of TWA employees' seniority during the American-TWA transaction. TWA employees generally did not retain their TWA seniority following the airline's acquisition by American and instead were placed at the bottom of merged seniority lists. Although the TWA transaction provided the original impetus for the McCaskill-Bond legislation, the statute's text also makes clear

that the law does not apply retroactively. 49 U.S.C. § 42112 (stating that the provisions "shall not apply to any covered transaction involving a covered air carrier that took place before the date of enactment of this Act").

The McCaskill-Bond statute requires that employee seniority lists be integrated in a "fair and equitable" manner whenever the assets or equity of an air carrier are transferred to or combined with another, and two separate crafts or classes are combined under the Railway Labor Act. 49 U.S.C. § 42112, note § 117(a), (b). When a craft or class is represented by different unions or is unrepresented at one carrier, then the McCaskill-Bond statute requires the mediation/arbitration procedure first adopted by the former Civil Aeronautics Board in the Allegheny-Mohawk merger. However, when the same union represents the combined craft or class, then the McCaskill-Bond statute mandates that the "collective bargaining agent's internal policies regarding integration, if any, will not be affected by and will supersede" the Allegheny-Mohawk procedures.[5] 49 U.S.C. § 42112,

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[5] The McCaskill-Bond statute provides in relevant part:

> (a) Labor integration. With respect to any covered transaction involving two or more covered air carriers that results in the combination of crafts or classes that are subject to the Railway Labor Act (45 U.S.C. 151 et seq.), sections 3 and 13 of the labor protective provisions imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger (as published at 59 C.A.B. 45) shall apply to the integration of covered employees of the covered air carriers; except that--
>
> (1) if the same collective bargaining agent represents the combining crafts or classes at each of the covered air carriers, that collective bargaining agent's internal policies regarding integration, if any, will not be affected by and will supersede the requirements of this section; and

note § 117(a)(1). Thus, the law recognizes that where there is a single representative of affected employees, seniority integration is an internal union matter to be handled in accordance with union policy.

In this matter, the Association represents all employees in the combined crafts or classes of Fleet Service, Mechanic and Related, and Stores Employees at post-merger American, as determined through the NMB's single-carrier proceeding. Accordingly, the Association's internal policy must be applied to integrate the seniority of these employees under the requirements of the McCaskill-Bond statute.

2. The Association's Seniority Integration Process

As discussed above, the TWU, IAM, and the Company entered an agreement regarding the integration of seniority lists on April 24, 2013 ("SLI Agreement"). Although the SLI Agreement determined the basic principles to apply in integrating seniority, it did not set forth the process to be used by the TWU and IAM to develop integrated lists and to resolve any issues of methodology not addressed in the SLI Agreement. Accordingly, on May 6, 2016, the TWU/IAM Association and American entered into a letter of agreement appointing me to act as a Neutral and setting forth the process for preparing integrated lists

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(2) the requirements of any collective bargaining agreement that may be applicable to the terms of integration involving covered employees of a covered air carrier shall not be affected by the requirements of this section as to the employees covered by that agreement, so long as those provisions allow for the protections afforded by sections 3 and 13 of the Allegheny-Mohawk provisions.

49 U.S.C. § 42112, note § 117.

and resolving all related issues. Also by agreement, I was to be assisted throughout the integration process by the Washington, DC law firm of Guerrieri, Clayman, Bartos & Parcelli, P.C., which has extensive experience in airline seniority matters.

The initial phase of the process agreement calls for the Neutral to engage in fact-finding in order to understand employees' seniority arrangements at both pre-merger Carriers and to identify potential issues impacting the integration of seniority lists. As part of this process, I requested background information from the Company, including current seniority lists. In addition, on June 21, 2016, I met in Washington, DC with the Association's seniority integration committees and joint collective bargaining teams, which included members from both pre-merger Carriers. During these sessions, the committee members described to me the areas in which there was broad agreement among them, as well as those issues which either had yet to be addressed or where resolution had not been reached. Afterward, the committees continued to meet to resolve outstanding issues and committee representatives reported back to me regarding common understandings reached during these further discussions.

While the work of the committees was on-going, I invited affected employees to submit any comments or information pertaining to seniority integration directly to me by July 31, 2016. All comments received by the applicable deadline were reviewed and I appreciate the many thoughtful submissions made. In total, I received 836 timely comments, including 495 from Mechanic and Related employees, 134 from Fleet Service employees, and 68 from Stores employees. I also received 47 comments from employees in groups which became union represented because of the NMB's single carrier

determination. Other comments came from employees outside of the work groups affected by this seniority integration process or persons who could not be identified based upon the information provided.

Many employees expressed concern about the same issues that their representatives on the seniority integration committees had also highlighted for me, such as tie-breaking and the issue of seniority for premium or lead classifications. Other commentators advocated for the adoption of either the pre-merger American or pre-merger US Airways seniority systems. Some suggested that seniority for all purposes should be determined by an employee's date of hire, which is not the system at either pre-merger Carrier. I also received comments from some employees who believe that their seniority was handled inappropriately in the past, such as former TWA employees who feel that their full TWA service should be recognized for all seniority purposes and from part-time Fleet Service employees at pre-merger US Airways who received only partial seniority credit for their service prior to 1999 and are requesting full credit now. In addition, a number of commentators asked for adjustments to their seniority based upon individual circumstances in their work histories such as leaves of absences or movement between work classifications.

Pursuant to the parties' process agreement, at the conclusion of my fact-finding process, I am to issue this Report and Recommendations, as well as proposed integrated lists, to be promptly published to the membership by the Association. As will be discussed below, my recommendations implement the terms agreed to in the parties' 2013 SLI Agreement, as well as matters agreed to by the members of the seniority integration

committees insofar as these are in accordance with the requirements of the McCaskill-Bond statute. In addition, I have determined those matters not directly resolved by the 2013 SLI Agreement when the committees were unable to reach a common understanding.

Following the publication of this Report and the proposed lists, affected employees will have 45 days to file in writing any protest they may have regarding their placement on the list. I will consider all timely filed protests and issue a final and binding determination with respect to each. After deciding all protests, I will issue final integrated seniority lists, incorporating any necessary adjustments or corrections in light of my protest determinations. However, in the parties' 2013 SLI Agreement, the Company has agreed that it will not implement the final lists until new joint collective bargaining agreements have been reached and ratified.

DISCUSSION AND RECOMMENDATIONS

1. General Principles of Seniority Integration

There are several well-settled principles of seniority integration which provide guidance in achieving a fair and equitable seniority integration. First, it must be acknowledged that seniority integration in the airline industry is a "zero-sum" endeavor, with one employee's seniority gain, being another employee's loss. *See Rakestraw v. United Airlines, Inc.*, 981 F.2d 1524, 1529 (7th Cir. 1992) (adjusting seniority is "zero sum game" since the "only outcome is to prefer one group of employees over another"); *ALPA v. Dep't of Transp.*, 880 F.2d 491, 496-97 (D.C. Cir. 1989) ("reexamining a collectively bargained seniority list is unavoidably a zero-sum game for the class of employees affected – moving a complaining employee higher on the list perforce lowers the relative placement

of those leap-frogged by the complainant"). "Whatever the method used . . . some employees will be disadvantaged and some will gain." *National Airlines Acquisition, Arb. Board*, 97 C.A.B. 570, 572 (1982). Accordingly, "fair and equitable" seniority integration is generally viewed as attempting to avoid a "windfall" to any particular group. *See Pilots of Northwest Airlines and Pilots of Delta Air Lines*, (Richard I. Bloch, Chair, 2008) (finding that where two airlines were comparable, it would be unfair to implement a system which would provide a windfall to one group); *Transp. Workers Union of Am., Local 545 and 542*, at *4 (Richard I. Bloch, 2007) (rejecting seniority integration method that would provide a windfall to the younger workforce of one pre-merger carrier).

Another important tenet of seniority integration is that the relative seniority order of each pre-merger group generally should not be disturbed. Thus, to the greatest extent possible, the integration of seniority lists should not result in re-shuffling the order or changing the relative positions of individuals within their pre-merger groups. For similar reasons, it is generally viewed as inappropriate to retroactively alter the product of past seniority practices because this too may disturb the relative order of pre-merger lists. Likewise, it is improper and potentially chaotic to delve into prior seniority integrations in a manner that would undo or alter the seniority determinations made during past airline mergers and consolidations. Additionally, it is often impractical, if not impossible, to re-write years of history based on records that may not be accurate or may not exist for all employees. *See Arbitration among Delta and Comm. of Former Western Flight Attendants and Original Delta Flight Attendants*, (Thomas T. Roberts, 1990) (rejecting proposal that training date should be used instead of date of hire because it involved too much

"guesswork and estimates" which "render[ed] too many of the dates unreliable to serve as a valid benchmark of seniority integration").

Moreover, even where accurate records do exist, seniority integration to the greatest extent possible should honor the past choices made by employees in reliance on seniority practices, agreements, or company policies in effect at that time. Past decisions that impacted seniority -- for example, decisions about whether to transfer into or out of a particular group, work in management, or take leave -- were made based on the seniority practices or rules that existed at the time. Therefore, to retroactively change those rules would be unfair to employees who made choices based on the seniority rules in place at the time. *See Integration of Pan Am. and Nat'l Flight Attendant Seniority Lists*, Civil Aeronautics Board Order 79-12-164 (Richard A. Kasher, Jan. 30, 1981) (refusing to alter seniority lost when employees of one pre-merger group went to work for management because they did "so knowingly and with the understanding that [they] would be forfeiting certain accrued seniority benefits which the CBA provided," but finding that similarly situated employees in the other pre-merger group would retain seniority for time spent in management as provided for under that group's CBA because those employees "had expectations that their seniority was preserved").

Significantly, in integrating seniority lists the focus must be on the most fair and equitable resolution for the group overall, not on redressing perceived past inequities for each individual employee. *Seniority Integration Arbitration between the Pilots of Northwest Airlines, Inc., and the Pilots of Delta Air Lines, Inc.*, (Bloch, 2008) ("… the focus here is necessarily on groups, not on any individual …. Inevitably, and unavoidably,

there will be perceived disparities and mismatches on individual levels, on both sides, under the merged list"). Finally, the workforces must be integrated in a fair and equitable manner, but nevertheless the "pre-merger expectations borne by both sides to this process will, in virtually all cases, be tempered and shaped by the realities of an enlarged, merged workforce." *Id.*

2. Basic Principles Applied to Produce Integrated Seniority Lists

At the outset, it is important to understand the scope of this seniority integration process. The basic objective is to produce integrated lists to be used for those competitive bidding purposes that have been determined by Classification/Occupational Seniority in the past, i.e. bidding on schedules, vacancies, and transfers, and for furlough/recall purposes. It bears emphasis that this seniority process was not intended to and does not determine seniority for non-competitive purposes, such as pay rates or benefit and vacation accruals. Instead, those non-competitive uses of seniority are matters to be decided by the TWU/IAM Association and the Company in the collective bargaining process. This seniority integration process also does not determine seniority as it may be used for pass travel, a matter which has traditionally been governed by Company policy.

In addition, this process will not address the integration of seniority for the purpose of vacation bidding. As explained in the factual background section of this Report, the rules for vacation bidding differed significantly at the two pre-merger Carriers. At American, vacation bidding was done according to Company Seniority; whereas, at US Airways, vacation bidding was done according to IAM Agreement Seniority in the case of Mechanic and Related and Stores employees and Classification Seniority in the case of

Fleet Service employees. The parties' 2013 SLI Agreement did not address the topic of seniority for vacation bidding purposes. Thus, how vacation bidding will be handled going forward remains to be determined through collective bargaining. I believe that it would exceed my jurisdiction as determined by the parties' agreements, if I were to attempt to integrate employees for the purpose of vacation bidding without the Association and the Company first reaching agreement on a system for vacation biding going forward.

Another important feature of the lists which accompany this Report is that they are limited to employees actively working in each classification or on leave from that classification. Thus, if an employee holds seniority in a classification other than the one in which he or she is currently working, this is not reflected on the lists issued with this Report. In addition, employees who are currently on furlough do not appear on the lists that I am issuing. To be clear, however, the fact that the lists are limited to active employees does not alter in any way the entitlement of employees under their current CBAs to hold and/or accrue seniority in classifications in which they are not currently working. Under the Railway Labor Act, the existing rules governing the retention and accrual of seniority continue unless and until changed by the parties through bargaining. It bears emphasis that no employee is losing any seniority rights that he or she may have under current agreements as a result of my limiting the integrated lists to employees who are active in each classification or on leave from that classification. Moreover, employees may continue to assert their seniority rights in other classifications in the manner set forth in current agreements.

The reasons for limiting the lists to active employees in each classification are several. As explained above, the way seniority lists were prepared at the two pre-merger Carriers differed significantly. At US Airways, published seniority lists included employees' seniority in classifications in which they were not currently working and included employees on furlough. In contrast, at American, the seniority lists published periodically were limited to active employees in each classification and those on leave from that classification. Furloughed employees were not included on those lists. To the extent that LAA employees might hold seniority in another classification, those dates were not reflected on the published lists. Instead, if an employee returned to a former classification, only at that time would the Company consult its records and restore seniority in the former classification as appropriate. Therefore, to identify all LAA employees holding seniority in a classification other than the one in which he or she is currently working, it would be necessary to review the individual employment records of tens of thousands of LAA employees, an exercise which is clearly impractical.

Given the different pre-merger practices, I believe it is appropriate to limit the integrated lists which I am issuing to employees actively working in each classification. To do otherwise would produce lists giving a misleading picture of the relative size of the pre-merger workforces and the seniority rights each pre-merger group exercises under their current agreements. In addition, to the extent that I have adopted a ranking methodology to integrate seniority fairly in some circumstances, including LUS employees holding seniority outside of their current classification, but not similarly situated LAA employees, would distort the rankings assigned to the pre-merger groups. Moreover, lists of employees

actively working in a classification are the most germane to the purpose of this integration, which is to produce lists that can be used in an integrated bidding process as soon as new joint collective bargaining agreements are ratified and implemented. Again, the fact that the lists are limited to employees actively working in each classification is not intended to alter in any way the seniority rights which employees may have in other classifications under the current CBAs.

The seniority lists issued with this Report cover the following classifications: Fleet, Stores, Title I Mechanics, Title II Mechanics, Utility, Planners/Technical Document Specialists, Quality Assurance Auditors, Maintenance Control Technicians, and Maintenance Training Specialists.[6] Since the classifications at the two pre-merger Carriers differed in some respects, I have been guided by the Association in terms of what the classifications will likely be going forward. In some instances, employees may find themselves in a new or different classification than in the past. However, these changes in classification for the purpose of producing integrated lists are not intended to impact the extent to which these employees may be entitled to exercise seniority in their former classification. Instead, the way employees will retain and exercise seniority going forward is a matter that I must leave to the parties to determine through bargaining.

[6] Although Simulator Technicians are part of the Mechanic and Related craft represented by the Association, I am not issuing an integrated seniority list for this group. I am advised that a new joint collective bargaining agreement has already been reached for this employee group and that the Association and the Company were able to reach agreement on an integrated seniority list for the Simulator Technicians.

Lastly, it is important to note that the proposed lists issued with this Report reflect employee dates as currently on record with the Company. If an employee disputes the date assigned to him or her on the current lists, that dispute is a matter to be investigated and handled during the protest phase of this process. In other words, the proposed integrated lists are not intended as a final determination as to the correctness of any individual employee's date, even in the case of those employees who brought on-going disputes over dates to my attention during the comment phase of this process.

a. Classification/Occupational Seniority Dates

As dictated by the parties' April 2013 SLI Agreement, the basic method to be used to integrate seniority for LAA and LUS employees is to place them in order "based on the date of each employee's entry into the basic classification." For LAA employees, the date of entry into the classification is known as the "Occupational Seniority" date. For LUS employees, the date of entry into the basic classification is the "Classification Seniority" date. Therefore, for the vast majority of employees covered by this seniority integration process, the integration of their seniority has been determined simply by placing LAA and LUS employees who are working in the same classification in order according to their Occupational/Classification Seniority dates. Since these were the operative dates used for nearly all competitive bidding purposes at each pre-merger Carrier, using these dates for seniority integration also preserves the relative position of employees within each pre-merger group.

This method of seniority integration by date of entry into classification, commonly referred to as "dovetailing," is widely recognized as a fair and equitable method of seniority

integration. *See Humphrey v. Moore*, 375 U.S. 335, 347 (1964) (finding dovetailing ". . . neither unique nor arbitrary. On the contrary, it is a familiar and frequently equitable solution to the inevitably conflicting interests which arise in the wake of a merger . . ."); *In re ABF Freight System, Inc., Labor Contract Litig.*, 988 F. Supp. 556, 566 (D. Md. 1997) ("Case law has recognized that dovetailing is an appropriate and fair way to resolve the problem presented when seniority rights are affected by the combining of the operations of two or more companies . . ."); *Wheeler v. Bhd. of Locomotive Firemen & Enginemen*, 324 F. Supp. 818, 827 (D.S.C. 1971) (recognizing dovetailing as method "to distribute the work opportunities on an equal basis throughout the merged system"); *Nat'l Airlines Acquisition*, 94 C.A.B. 433 (1982) (dovetailing seniority lists satisfies fair and equitable standard). As will be explained in greater detail below, I have only departed from integrating seniority by date of entry into the basic classification in those relatively few instances where it was either impossible to do so or where doing so would lead to a result that was plainly not fair and equitable.

It should also be noted that as part of this integration process I have identified those employees who are covered by the parties' preferential hiring agreements dated August 6, 2014. Under the terms of those agreements, these employees are to appear with the Occupational/Classification Seniority date from their original pre-merger airline on the integrated seniority lists. In other words, by agreement of the parties, these employees' seniority snaps-back to the seniority that they held at their original pre-merger airline. Accordingly, I have placed these approximately 117 employees on integrated lists using their original dates.

b. Tie-Breaking Rules

Given that employees at both pre-merger Carriers were often brought on as part of a hiring class, tied seniority dates on the pre-merger seniority lists are common, and therefore dealing with these ties and new ties created by integrating the existing lists is a significant issue. In fact, approximately 83% of all employees are in a tied grouping on their respective pre-merger lists, and 35% of employees are involved in new ties created by the integration of the pre-merger lists. The parties' 2013 SLI Agreement sets forth the method to be used to break classification date ties created as a result of the current merger. The Agreement provides that where employees have the same date of entry into classification, the tie should be broken first by "Hire Date" and, if still tied, by the last four digits of their social security numbers in ascending order (i.e. the lowest number holding greater seniority). This tie-breaking rule is different than the tie-breaking rules used at either pre-merger Carrier, which also differed from each other. Thus, one of the issues to be addressed in this integration process has been how these different tie-breaking rules should be harmonized to produce integrated lists.

In this regard, I have been largely guided by the work of the Association's seniority integration committees. The committees advised that the 2013 SLI Agreement was not intended to change the order of ties as they were broken in the past on the existing pre-merger LAA and LUS lists. To find otherwise would result in an unnecessary reshuffling of employees from both pre-merger Carriers, which is contrary to basic principles of seniority integration. Instead, the tie-breaking rule in the 2013 SLI Agreement was only intended to apply to new ties between LAA and LUS employees created as a result of the

integration of the pre-merger lists. The committees also agreed that the use of "Hire Date" to break these new ties refers to the date when an employee first performed compensated service for LAA or LUS without any adjustment for time spent on leave or furlough.[7] For LUS employees the Hire Date is the same as the Company Seniority date which appears on current seniority lists. For LAA employees, however, their Company Seniority dates have been adjusted for time on leave or furlough, if any. Accordingly, for the purpose of breaking new ties, unadjusted Hire Dates were obtained from the Company for those LAA employees who are tied with LUS employees.

With those basic principles in mind, the committees came up with the following method for breaking ties on the integrated lists, which I have adopted. When a single LAA employee has the same classification date as a single LUS employee, the application of the tie-break rule set forth in the 2013 SLI Agreement is simple: the employees are ordered according to Hire Dates and, if still tied, by the last four digits of their social security numbers.[8] When more than one employee from either pre-merger Carrier shares the same classification date with one or more employees from the other pre-merger Carrier, application of the tie-break rule is more complicated. In this scenario, the pre-merger order

[7] If an employee resigned and was subsequently re-hired, the employee's Hire Date would reflect the date when re-hired.

[8] In some instances, as a result of the NMB's single carrier determination, previously unrepresented employees at LAA were added to a seniority list which resulted in a new tie among LAA employees. For example, LAA Tower Planners and Weight and Balance Planners are now part of the Fleet Service craft. If their addition to the Fleet Service list resulted in a new tie with a LAA Title III employee, this new tie was also broken according to the method set forth in the 2013 SLI Agreement.

of the LAA and LUS employees must be preserved while also breaking the new tie created as a result of the merger. This is done through a two-step process, as illustrated through the following hypothetical example. The LAA and LUS employees in the example all share the same date of entry into classification and appear in the following tie-break order on their respective pre-merger lists as determined under the terms of their current CBAs:

Pre-merger Lists:

LAA	Last 4 of SSN
Employee A	3307
Employee B	3702
Employee C	4160
Employee D	1660
Employee E	4407

LUS	Last 4 of SSN
Employee F	3775
Employee G	0925
Employee H	7292

As a first step, all the tied employees (both LAA and LUS) are placed in ascending order of the last four digits of their social security numbers. This first step establishes a pattern for the order of LAA and LUS employees on an integrated list.

Step 1:

Employee	Last 4 of SSN	Pre-merger Carrier Pattern
Employee G	0925	LUS
Employee D	1660	LAA
Employee A	3307	LAA
Employee B	3702	LAA
Employee F	3775	LUS
Employee C	4160	LAA
Employee E	4407	LAA
Employee H	7292	LUS

In the second step, the tied employees of each pre-merger Carrier are slotted into the pattern which resulted from the first step according to their original order on the pre-merger seniority lists.

Step 2:

Pre-merger Carrier Pattern	Integrated Tie-Break Order
LUS	Employee F
LAA	Employee A
LAA	Employee B
LAA	Employee C
LUS	Employee G
LAA	Employee D
LAA	Employee E
LUS	Employee H

The result is a group of tied employees integrated using social security numbers, but in a manner which preserves the relative order of the pre-merger LAA and LUS employee groups. Since the ordering among the two pre-merger groups is determined through the random final digits of each employee's social security number, neither side is advantaged over the other by this method.

3. Seniority Integration for Premium Positions in the Mechanic and Related and Stores Crafts

One of the more difficult issues presented in this seniority integration involves reconciling the different pre-merger systems governing seniority for those employees working in premium classifications, such as Lead or Crew Chief positions, in the Mechanic and Related and Stores crafts. At pre-merger US Airways, employees working in premium classifications in the Mechanic and Related and Stores crafts, such as Leads or Inspectors,

established a separate premium classification seniority date upon first attaining a premium position.[9] These premium classification dates were used to bid days off and shifts among employees in the same premium position. At pre-merger American, employees working as Crew Chiefs or Inspectors bid separately for days off and shifts also, but used their Occupational Seniority dates in the basic classification for that purpose. At pre-merger American, employees did not establish separate premium classification dates. Thus, the issue is how to integrate employees in premium positions when one pre-merger Carrier used separate dates and the other did not establish similar dates.

In order to resolve the issue of seniority for premium positions, I looked at several possible approaches. I considered whether employees in premium positions could be integrated with LUS employees using their premium classification dates and LAA employees using their basic classification dates. However, I concluded that this approach would not be equitable since employees would be integrated using dates that are not comparable. LUS employees tend to have premium seniority dates which are on average eight years later than their basic classification dates. This is hardly surprising given that most employees work for a considerable number of years before assuming positions with greater responsibility or which require special skills. Although LUS employees tend to have far less premium seniority than basic classification seniority, on average their tenure

[9] At pre-merger US Airways, Lead employees in the Fleet Service craft did not establish separate premium seniority dates. Instead, LUS Fleet Service employees used their basic classification dates to bid as Leads, just like their counterparts at LAA. Accordingly, this discussion of premium classification seniority only applies to the Mechanic and Related and Stores crafts.

in terms of basic classification seniority is essentially equal to their LAA counterparts. Therefore, integrating LUS employees using their premium classification dates and LAA employees using their basic classification dates would drive the LUS employees disproportionately to the bottom of the combined seniority lists.

As another alternative, I considered whether employees in premium positions could be integrated using their basic classification dates. Although this method allows for the integration of employees on comparable terms, it would also alter the current order in which LUS employees bid within the premium classifications. As a general matter, seniority integration should be accomplished to the greatest extent possible without disrupting the relative seniority order among workers from each pre-merger Carrier. I was also advised by members of the seniority integration committee during my session with them that employees working in premium classifications would greatly prefer that the current seniority order within their pre-merger groups remain undisturbed. In fact, maintaining relative seniority of the pre-merger work groups is particularly desirable since there are 25 stations at which there is currently no overlap between LAA and LUS Mechanic and Related and Stores employees, including Tulsa, Charlotte, and Pittsburg which have the greatest numbers of Crew Chiefs and Leads.

To integrate premium seniority on a comparable basis while maintaining employees' seniority order within each pre-merger group, I have decided to use a ranking method similar to the method put forth by the seniority integration committee to address tie-breaking. Although somewhat complicated, I believe that this method will integrate premium seniority in the fairest manner. This ranking method involves two steps. The

first step is to take the pre-merger lists of employees working in each premium classification and integrate these lists in order of employees' basic classification or occupational seniority dates. This first step establishes a pattern for the order of LAA and for LUS employees on an integrated list. In the second step, the LUS employees are slotted into the pattern generated through the first step in the order of their premium classification dates, thus preserving the current bidding order of the pre-merger LUS employees relative to each other. The position of the LAA employees remains the same in this second step. Based on their relative position, each employee is assigned a premium classification rank, which will determine the order of bidding as opposed to a date.

The following hypothetical example illustrates the process.

Pre-merger Lists:

LAA	Occ. Sen. Date
Employee A	08/09/1962
Employee B	02/12/1972
Employee C	05/02/1974
Employee D	05/03/1974
Employee E	10/10/1982
Employee F	08/15/1988
Employee G	03/20/1990
Employee H	04/30/1993
Employee I	09/05/1996
Employee J	09/01/2000

LUS	Lead Date	Basic Date
Employee K	04/07/1978	04/27/1967
Employee L	09/03/1979	10/15/1966
Employee M	05/06/1984	02/20/1977
Employee N	01/10/1990	07/08/1980
Employee O	09/18/1994	03/10/1987
Employee P	11/03/1995	11/25/1986
Employee Q	05/23/2002	04/07/1993
Employee R	05/11/2004	09/10/1992
Employee S	02/04/2009	05/16/1999
Employee T	03/20/2015	01/05/1992

Step 1:

Employee	Occ. Sen. Date/Basic Date	Pre-merger Carrier
Employee A	8/09/1962	LAA
Employee L	10/15/1966	LUS
Employee K	04/27/1967	LUS
Employee B	02/12/1972	LAA
Employee C	05/02/1974	LAA
Employee D	05/03/1974	LAA
Employee M	02/20/1977	LUS
Employee N	07/08/1980	LUS
Employee E	10/10/1982	LAA
Employee P	11/25/1986	LUS
Employee O	03/10/1987	LUS
Employee F	08/15/1988	LAA
Employee G	03/20/1990	LAA
Employee T	01/05/1992	LUS
Employee R	09/10/1992	LUS
Employee Q	04/07/1993	LUS
Employee H	04/30/1993	LAA
Employee I	09/05/1996	LAA
Employee S	05/16/1999	LUS
Employee J	09/01/2000	LAA

Step 2:

Employee	Premium Rank	Pre-merger Carrier
Employee A	1	LAA
Employee K	2	LUS
Employee L	3	LUS
Employee B	4	LAA
Employee C	5	LAA
Employee D	6	LAA
Employee M	7	LUS
Employee N	8	LUS
Employee E	9	LAA
Employee O	10	LUS
Employee P	11	LUS
Employee F	12	LAA

Employee G	13	LAA
Employee Q	14	LUS
Employee R	15	LUS
Employee S	16	LUS
Employee H	17	LAA
Employee I	18	LAA
Employee T	19	LUS
Employee J	20	LAA

4. Seniority for Work Groups Which Were Unrepresented Prior to the NMB's Single Carrier Determination

As discussed above, several previously unrepresented workgroups at LAA became represented by the Association as a result of the NMB's single carrier process. Because these LAA employees will be covered by the Association's joint collective bargaining agreements, their seniority needs to be integrated with the seniority of their counterparts at LUS who were union-represented prior to the merger and in some instances with the seniority of other LAA employees. However, some unique issues have arisen in trying to integrate the seniority of the previously unrepresented LAA employees, given that their past use of seniority was not governed by contract.

Seniority for previously unrepresented LAA employees functioned differently from the seniority of the other LAA and LUS employees who are represented by the Association. As unrepresented employees, Company policy governed their use of seniority, not a collective bargaining agreement. Accordingly, although these LAA employees used seniority for some purposes, the Company alone decided when and how seniority would be applied. When these LAA employees exercised seniority, Company policy dictated that they use company seniority dates. Thus, these employees did not establish new seniority

dates if they moved from one unrepresented position to another. American has advised that it would be necessary to review the individual employment records of each previously unrepresented employee to establish when an employee first began working in his or her current position.

During the open comment period, I heard from several previously unrepresented LAA employees who were concerned that they might lose seniority as a result of this integration process. Some of these employees asserted that it would be unfair to try to re-create classification seniority dates for them now since they had made past decisions regarding transfer between positions with the understanding that their seniority would be unaffected by such moves. I also heard from some LUS employees who expressed the view that they might be disadvantaged if previously unrepresented LAA employees were integrated using company seniority dates while LUS employees were integrated based upon classification dates. Bearing these considerations in mind, I am recommending that seniority for the previously unrepresented LAA employees be integrated in the manner described below for the various work groups.

a. Fleet Service – Weight and Balance Planners and Tower Planners

Two groups of unrepresented LAA employees became part of the Fleet Service craft as a result of the NMB's single carrier determination: 51 Weight and Balance Planners and 176 Tower Planners. All Fleet Service Employees who are represented by the TWU/IAM Association are to be integrated in a single system seniority list, which will include approximately 17,000 employees in total. I have determined that the LAA Weight and Balance Planners and Tower Planners should be integrated into this Fleet Service list using

their current "Employment Seniority" dates. At pre-merger American, Weight and Balance Planners and Tower Planners used their Employment Seniority to bid shifts and vacations, for furlough/recall purposes, and for transfers. Weight and Balance Planners and Tower Planners hired on or before April 10, 2001 have Employment Seniority dates matching their company seniority, except for former TWA employees who have Employment Seniority dates of April 10, 2001. Employees hired into these work groups after April 10, 2001 received Employment Seniority dates equivalent to their hire dates.

Given the small size of these LAA groups as compared to the overall size of the Fleet Service group, using Employment Seniority dates for these LAA employees does not have any appreciable impact on the overall seniority placement of other employees on the list. In fact, the vast majority of all Fleet Service employees, nearly 80%, have Company Seniority dates which match or are within a few months of their Occupational/Classification Seniority dates. These same conclusions hold true even when the LAA Weight and Balance Planners and Tower Planners are considered only in relation to the LUS Central Load Planners and Tower Planners who perform equivalent work and are likely to be most directly impacted by the integration of these LAA employees. Even when these groups are considered apart from the entire Fleet Service list, I do not find that the LAA Weight and Balance Planners and Tower Planners will be unfairly advantaged if they are integrated onto the Fleet Service list using their current Employment Seniority dates.

b. Mechanic and Related/Stores – Quality Assurance Auditors and Planners/Technical Document Specialists

In the Mechanic and Related and Stores crafts, the NMB concluded that two previously unrepresented LAA work groups are properly included within the class represented by the Association: 42 Quality Assurance Auditors and 200 Planners/Technical Document Specialists.[10] At LUS, there are 27 employees currently working as Quality Assurance Auditors. There are also 163 LUS employees currently working in the Planner/Technical Document Specialist classification. At LUS, employees have tended to work for the airline for a considerable amount of time before moving into Quality Assurance and Planner/Technical Document Specialist positions. In fact, on average, LUS Quality Assurance employees have Company Seniority dates which are 10 years earlier than their Quality Assurance Classification Seniority dates. Similarly, LUS Planners have Company Seniority dates which are three years earlier than their Classification Seniority dates on average, and for Technical Document Specialists the average is seven years.

Given the considerable gaps between the LUS Company Seniority dates and Classification Seniority dates, if the LAA Quality Assurance Auditors and Planners/Technical Document Specialists were integrated into the current LUS Classification Seniority lists using their Company Seniority dates, the LUS employees would tend to fall to the bottom of the lists. Whereas, if all employees in these groups were

[10] The Planners within this group have a number of different job titles, including: Planner - Bill of Work, Planner - Process, Planner ECO/AD, Planner - Base Maintenance, Planner - Line Maintenance, Planner Scheduler, Planner AOG, and Planner - Material.

integrated based on their Company Seniority dates, then placement on the integrated lists would be distributed more evenly among the pre-merger groups. However, if the LUS employees were integrated solely based upon their Company Seniority dates, then the existing order on the LUS lists would be altered. In order to ensure a fair integration of seniority on a comparable basis, while avoiding the reordering of LUS employees, I recommend that these lists be integrated using a two-step method similar to that recommended for the integration of premium seniority classifications. In the first step, all employees on each list are placed in order according to their Company Seniority dates, which gives a pattern for the order of LAA and LUS employees on an integrated list. In the second step, LUS employees are inserted into the pattern in their current order based upon their Classification Seniority dates. As with the premium classifications, this method results in a numerical rank, which will determine the order of bidding as opposed to a date.

c. Mechanic and Related – Maintenance Training Specialists

Integration of the Maintenance Training Specialists list has also posed some unique challenges. At LUS, Maintenance Training Specialists were represented by the IAM as a separate craft. At LAA, two groups of employees performed Maintenance Training Specialist work: (1) certain Technical Crew Chiefs who were represented by TWU; and (2) certain unrepresented Maintenance Training Specialists. The NMB determined that all of these employees should be included in the Mechanic and Related craft represented by the TWU/IAM Association. Currently, there are 34 LUS Maintenance Training Specialists, 49 LAA Technical Crew Chiefs performing Maintenance Training work, and 16 previously unrepresented LAA Maintenance Training Specialists.

Each of these three groups established seniority dates on different bases in the past. LUS Maintenance Training Specialists had their own separate seniority list based upon employees' dates in the Maintenance Training Specialists classification. The LAA Technical Crew Chiefs, however, used their Occupational Seniority dates on the Title I seniority list for bidding purposes. In addition, as with the other previously unrepresented employees discussed above, the unrepresented LAA Maintenance Training Specialists used their Company Seniority dates for seniority purposes as dictated by American's policies.

Thus, the seniority dates which these three employee groups are currently using are not comparable to each other. As a result, if an integrated list were constructed simply using each group's current dates, some groups would be advantaged and others disadvantaged. Whereas, if all the employees in these three groups were integrated based upon their Company Seniority, then the employees in each group would be more evenly distributed throughout the resulting list, but employees' pre-merger order would be altered.

Therefore, in order to achieve a fair integration, I recommend integrating the three groups of Maintenance Training Specialists according to the same two-step ranking process recommended for Quality Assurance Auditors and Planners/Technical Document Specialists. As before, in the first step, employees from all three groups are placed on an integrated list in order according to their Company Seniority dates, which gives a pattern for the order of employees in each group. Then, as a second step, employees from each group are slotted into the pattern in their pre-merger seniority order. Again, this method results in a numerical rank to be used for seniority purposes, not a date.

5. Former TWA Employees' Seniority

During the comment period in this seniority integration process, I heard from over 250 former TWA employees regarding how their seniority should be handled. Most of these commentators requested that I place former TWA employees on the integrated system seniority lists based on their full TWA seniority dates. Many of those seeking to exercise their full TWA seniority argued that the prior arbitration award, commonly referred to as the "Kasher Award," establishing their seniority at American should either be set aside or treated as inapplicable to the current merger. Some former TWA employees also expressed concern that they might lose the limited use of their TWA seniority granted under the Kasher Award because of this integration process, and urged that I not allow any deterioration of their current position.

I appreciate the very thoughtful and informative comments submitted by former TWA employees and I recognize the strong feelings that they hold regarding seniority matters. Accordingly, I believe it appropriate to address the issue of TWA seniority fully in my Report, both to explain the reasoning behind my determinations and to provide clear guidance moving forward. As I explain below, it would not be appropriate to set aside the Kasher Award, which has now been in effect for fifteen years. Therefore, former TWA employees should continue to exercise seniority as they have under the Kasher Award, no more and no less.

a. American/TWA Seniority Integration

On April 10, 2001, American Airlines acquired the assets of Trans World Airlines ("TWA"). At the time of the acquisition, TWA was in its third bankruptcy, following

reorganizations in 1992 and 1995. The airline was considered by many industry observers to no longer be a viable stand-alone carrier. At the time, however, American was relatively secure financially. TWA's Mechanic and Related, Fleet Service, Stock Clerk, and Flight Simulator Technician Employees were represented by the IAM. Collectively, these groups were approximately one-quarter the size of the equivalent workforce at American, who were represented by TWU. After the acquisition, the TWA employees became employees of American and subsequently TWU became their representative.

Prior to the acquisition, TWA employees used their classification seniority for competitive bidding purposes. TWA employees also had company seniority dates, which were used to determine credited service for pension benefits and as a classification seniority tiebreaker. Similarly, American employees used their "Occupational Seniority," which is equivalent to classification seniority, for competitive bidding purposes (other than vacation bidding which was done by company seniority).

Following the merger, TWU and IAM met to address issues concerning integration of the American and TWA seniority lists. When they were unable to reach agreement, the matter was submitted to binding arbitration pursuant to the provisions of the TWU-American CBAs. At the time of the merger, "TWU was the only organization on American's property which determined that its counterpart union representing TWA employees in the Mechanics and Related Employees, Fleet Service Employees, Stock Clerks and Flight Simulator Technicians crafts or classes should be afforded the opportunity to present arguments in the arbitration process as to what it considered to be fair and equitable in terms of seniority." Kasher Award, dated April 29, 2002, at 28. In

the case of all other TWA work groups, whether unionized, unrepresented, or management, either the applicable union or the Company simply placed the TWA employees at the bottom of the existing American system seniority lists.[11]

The arbitrator for the American-TWA seniority integration arbitration was Richard R. Kasher. The arbitration hearing was conducted over four days in early 2002. All parties were represented by counsel and the arbitrator heard from nine witnesses, including representatives from both Unions and American. As is relevant here, the four applicable TWU-American CBAs all contained provisions requiring that in a seniority integration no TWU-represented employees on the seniority list would "be adversely impacted in rates of pay, hours or working conditions by the integration."

On April 29, 2002, Arbitrator Kasher issued his award. He found that his role in integrating the lists was limited in light of the "no adverse impact" clauses in the TWU-American Agreements, which were "intended to 'hold harmless' the TWU membership in a seniority integration with an acquired carrier." Kasher Award, at 6, 22. Arbitrator Kasher

[11] The treatment of seniority for former TWA pilots and flight attendants has been challenged in several unsuccessful lawsuits in the years since 2001. *See Bensel v. Allied Pilots Ass'n*, 387 F.3d 298 (3d Cir. 2004) (APA did not breach its duty of fair representation in its handling of TWA pilot seniority, since it owed no duty to them during negotiations because it was not yet their certified bargaining representative); *Cooper v. TWA Airlines, LLC*, 349 F. Supp. 2d 495 (E.D.N.Y. 2004) (TWA flight attendant's state-law claims against APFA rejected because such claims cannot create obligations where none exist under the federal duty of fair representation); *Taylor v. Am. Airlines, Inc.*, 738 F. Supp. 2d 940, 944 (E.D. Mo. 2010) (same); *In re AMR Corp.*, No. 11-15463 (SHL), 2014 WL 2508729, at *5 (Bankr. S.D.N.Y. June 3, 2014) (APA did not breach its duty of fair representation when it removed seniority adjustment as a possible remedy in an arbitration involving TWA pilots).

declined, however, to simply adopt an April 10, 2001 seniority date for all former TWA employees. Although he found that TWA employees benefited from American's acquisition, including through offers of employment with American and higher rates of pay, he also recognized that American benefitted from TWA's operations at certain stations. Specifically, he recognized the value of TWA's operations in St. Louis, where TWA was headquartered, and at its overhaul facility in Kansas City. The vast majority of IAM-represented TWA employees were stationed at these two locations, whereas American had little to no presence there. Accordingly, Arbitrator Kasher found that the former TWA employees at those locations should continue to exercise their full TWA classification seniority as their occupational seniority. He also found that at cities or stations where TWA's capacity was more than 10% of the combined total available seat miles ("ASMs") of the two airlines, former TWA employees at those locations should have seniority dates representing 25% of their TWA seniority. At all other stations, former TWA employees were to be assigned an occupational seniority date of April 10, 2001, which is the date TWA was acquired by American.

The Kasher Award also established a Dispute Resolution Committee ("DRC") to decide issues arising over the interpretation or application of his original Award. By agreement of the parties, the DRC was comprised solely of Arbitrator Kasher. Arbitrator Kasher's subsequent awards issued through the DRC process clarified that former TWA employees were only entitled to use their full or partial TWA seniority dates when working at one of the stations to which full or partial seniority credit was assigned in his original award. *See, e.g.*, Supplemental Kasher Awards, dated August 20, 2002, February 25, 2003,

and November 27, 2006. For example, following reductions in St. Louis, some employees transferred to Detroit or JFK, which were 25% stations, but once there could only exercise 25% of their original TWA seniority, not the full seniority awarded to them when they worked in St. Louis. Arbitrator Kasher found that to allow these employees to retain their higher dates at a new location would "do violence to one of the most sacrosanct principles in seniority integration proceedings," and would give these employees "seniority to displace a more senior former TWA employee, who by the happenstance of geography, worked and lived at a 25% city/station."[12] *See* Supplemental Kasher Award, dated November 27, 2006, at 32-33.

Unfortunately, after the economic downturn in the industry resulting from the terrorist attacks of September 11, 2001, American furloughed a significant number of employees. Due to their placement at or near the bottom of the integrated American seniority lists, many of the impacted workers were former TWA employees. Additionally, American greatly reduced its operations in St. Louis over the years, and in 2009 the station ceased to be a hub. American also closed the Kansas City overhaul facility in 2010. Out of the approximately 6,000 IAM-represented TWA employees at the time of the merger, just over 1,000 remain actively employed at American. About half of these employees work at stations where they can exercise all or some of their TWA seniority, including 301

[12] Some of Arbitrator Kasher's DRC awards were challenged in court. In each case, however, the reviewing court upheld the awards. *See, e.g.*, *Local 501, Air Transport Division, TWU v. Am. Airlines, Inc.*, Case No. 02-CV-5453 (E.D.N.Y. Mar. 31, 2004); *Hyre v. Am. Airlines, Inc.*, Case No. 03-cv-4264 (E.D.N.Y. Mar. 31, 2004); *Marcucilli v. Am. Airlines, Inc., et al*., Case No. 04-40244 (E.D. Mich. Mar. 7, 2007).

in St. Louis and 211 former TWA employees at the 25% stations. The remaining 497 former TWA employees use seniority dates of April 10, 2001 at other locations.

b. Handling of TWA Seniority in the Present Seniority Integration

The Kasher Award has now been in effect for fifteen years. Although I understand that many former TWA employees believe that the Kasher Award was wrongly decided and that they have suffered as a result, it would not be appropriate in this proceeding for me to set aside or undo the results of the Kasher Award or the supplemental awards issued by him through the DRC process. First, the Kasher Award constitutes a final and binding arbitration award under the Railway Labor Act. 45 U.S.C. § 153(p)-(q). The legal grounds for setting aside such an award are "among the narrowest known to the law" and the time limit for raising a challenge in the courts to the Kasher Award has long ago expired. *Del Casal v. Eastern Airlines, Inc.*, 634 F.2d 295, 298 (5th Cir. 1981) (setting forth limited grounds for challenging airline arbitration award); *Ass'n of Flight Attendants v. Republic Airlines, Inc.*, 797 F.2d 352, 356-57 & n.1 (7th Cir. 1986) (applying two-year limitations period to challenge to an airline arbitration award and explaining that some courts apply shorter limitations periods). This reflects the strong federal labor law policy favoring the finality of labor arbitration awards.

Even if it could be argued that the Kasher Award is no longer legally binding in the context of this subsequent merger proceeding, I do not believe that it would be appropriate to alter the seniority arrangements put in place under the Kasher Award. Generally, it is considered inappropriate to use the seniority integration process to undo seniority determinations made in prior mergers and consolidations. The Kasher Award has formed

the *status quo* at American for the past fifteen years. Altering that *status quo* now would be profoundly disruptive, causing ripple effects impacting the seniority of employees throughout the system. When integrating seniority, such disruption should be avoided whenever possible. *See Haerum v. Air Line Pilots Ass'n*, 892 F.2d 216 (2d Cir. 1989) (as part of seniority integration pilot group wanted restoration of seniority lost during prior merger, but the court rejected this approach reasoning that to do so would "juggle the existing seniority ladder" and lead to "countervailing claims" from other pilots). In addition, if I were to alter the results of the Kasher Award or his supplemental awards, other employee groups involved in past mergers could also claim that their seniority integrations should also be revisited, leading to further disruption.

Applicable legal precedent also makes clear that the McCaskill-Bond statute does not dictate that I revisit the Kasher Award. In the context of the present merger, some former TWA flight attendants unsuccessfully sued the Company and the Association of Professional Flight Attendants ("APFA") in an attempt to regain their TWA seniority. These flight attendants argued that the Company and APFA should have restored their original TWA seniority dates after American merged with US Airways to comply with the "fair and equitable" standard of the McCaskill-Bond statute. On appeal, the United States Court of Appeals for the Second Circuit upheld the lower court's dismissal of the lawsuit, finding that McCaskill-Bond did not require American and the APFA to go back and reorder the seniority list that was previously established when American acquired TWA. *See Flight Attendants in Reunion v. Am Airlines, Inc.*, 813 F.3d 468 (2d Cir. 2016). Rather, the court found that the "basic rule" of McCaskill-Bond that the seniority lists of the

combining carriers should be merged into one another, as opposed to end-tailing one group, only applied to integrations occurring after the law was passed in 2007. In reaching this decision, the court stated, "[a]lthough we recognize that the plaintiffs now feel twice aggrieved, we agree with the District Court that the statute does not impose a duty on airline carriers to 'revisit seniority decisions that preceded that statute's enactment.'"[13] *Id.* at 473. So too here, I have little doubt that the former TWA employees covered by this integration process will continue to feel aggrieved, but nevertheless I must conclude that the Kasher Award should not be undone in this process and the McCaskill-Bond statute does not require a different result.

Therefore, on the seniority lists issued with this Report, former TWA employees will continue to have system seniority dates of April 10, 2001, and these dates will continue to be used in the manner determined by Arbitrator Kasher both in his original award and in his subsequent DRC Awards. In addition, the integrated lists will continue to reflect employees' 100% TWA seniority date applicable in St. Louis and the 25% TWA seniority exercised at those stations which met the ASM threshold set forth in the Kasher Award. In the wake of the Kasher Award, American prepared a list indicating the seniority status of former TWA employees at each station in the system. For clarity, attached to this Report

[13] The court also found that the flight attendant union did not violate any duty owed to the former TWA flight attendants by declining to alter their positions on the pre-merger American seniority list. The court found that "catapulting the former TWA flight attendants up the American Airlines seniority list would have resulted in other American Airlines flight attendants losing their relative seniority, and such a 'juggl[ing] [of] the existing seniority ladder … would have exposed [the union] to countervailing claims'" from those flight attendants. *Id.* at 474 (quoting *Haerum v. ALPA*, 892 F.2d at 221).

as Appendix A is American's list, updated to reflect LUS stations which are now part of the new merged system.

To the extent that former TWA employees are tied with each other with respect to their seniority dates, it is my understanding that the pre-merger TWA tie-breaking order was preserved when TWA employees were placed onto the American seniority lists. It is likewise my intent to continue to preserve the order of these ties going forward on the new integrated seniority lists.

There are a few additional issues related to former TWA employees arising from this merger which should be addressed. The first is the question of seniority for former TWA employees at stations which have been added to the system as a result of the American/US Airways merger, for example Charlotte. In the comment process, some former TWA employees questioned what their seniority would be at these locations and noted that Arbitrator Kasher had addressed the issue of "new stations" in his DRC Award No. 6. That Award states:

> . . . in the event American opens a new station which had never been staffed by AA employees, and TWA operations at such location exceeded the 10% threshold on April 9, 2001, 25% seniority will be granted. Under this circumstance, granting former TWA LLC employees seniority would not impact American employees because there would be no employees with seniority at the station.

I find that the US Airways stations added to the system as a result of this merger are not "new stations" as contemplated in DRC No. 6. The 10% threshold refers to the combined ASMs of American and TWA at a given location as of April 9, 2001. The ASM formula was intended to gauge the extent to which TWA operations were bringing jobs into the

combined American-TWA system. I do not believe that this formula was intended to apply in a subsequent merger situation. It simply makes no sense in terms of the rationale of the Kasher Award to evaluate the relative ASMs of US Airways and TWA as of April 9, 2001, as if US Airways and TWA had been the merging entities. In addition, I do not think that it would be appropriate to apply DRC No. 6 in a manner that would afford former TWA employees more advantageous treatment vis-à-vis LUS employees than they would otherwise have in relation to their LAA co-workers. Accordingly, at LUS stations which are entirely new to the combined American-US Airways system in those classifications in which LUS employees are currently working, former TWA employees should exercise seniority using the April 10, 2001 date.[14]

The second issue to be addressed is premium seniority for former TWA employees. As explained above, the integration of premium seniority for Leads/Crew Chiefs and Inspectors will be done according to a ranking method. On the system-wide lists issued with this Report, TWA employees who are working in a premium classification will be integrated on the system list using their April 10, 2001 date. However, I recognize that TWA Crew Chiefs in St. Louis are exercising their full TWA seniority and TWA Crew Chiefs at the 25% stations are exercising the partial credit granted under the Kasher Award. In order to preserve the seniority rights of former TWA Crew Chiefs at these locations it

[14] It should be noted that at some LUS stations added to the system only Mechanic and Related work is performed, and at other LUS stations only Fleet Service work is performed. If the Company were to begin performing work in classifications other than those currently found at these LUS stations, then a determination would have to be made as to whether this new work constitutes a "new station" as set forth in DRC No. 6.

is necessary to create special station lists employing the same ranking method as used to integrate the system lists, but using either full or 25% TWA seniority as appropriate for those stations instead of the April 10, 2001 system date. Accordingly, I have prepared such lists as part of this process.

6. Differences in Past Seniority Practices

In the past, the contractual rules regarding seniority accrual and retention were different at the two pre-merger Carriers. In addition, in some instances, different seniority rules or practices applied to different employee groups at each pre-merger Carrier. Citing these past differences in seniority treatment, I received a number of employee comments requesting that I adjust the seniority dates for certain groups or individuals in order to negate the effect of past differences in seniority rules. A sizeable number of employees suggested that I simply integrate the work groups according to hire dates in order to place all employees on an equal footing. Although I understand why employees would advocate for these adjustments, as I explain below, the seniority integration process cannot be a vehicle for re-writing history.

The comments submitted to me focused on several differences in seniority accrual among the pre-merger work groups. Some commentators pointed out that LUS employees could move between some work classifications without any loss in seniority, whereas LAA employees who made similar moves were only able to retain seniority in a prior classification for a limited time or not at all. Others pointed to the fact that furloughed LUS employees continued to accrue seniority for longer periods of time while on furlough that LAA employees. Other commentators complained that seniority credit for time spent

working at subsidiary LUS and LAA carriers had been applied inconsistently in the past with some employees receiving credit for such time and others not. I also received comments from some LUS Fleet Service employees who complained that prior to 1999 part-time Fleet employees only received 50% credit for time worked for seniority purposes. While this rule was changed subsequently through collective bargaining, the change only applied prospectively. As a result, some Fleet Service employees affected by the 50% rule asked that I now go back and retroactively give them 100% credit for their part-time service.

While I appreciate why employees have requested adjustments in their seniority dates to account for different seniority treatment in the past, there are several reasons why it would be inappropriate for me to grant such requests. First, the past accrual of seniority was the result of the parties' collective bargaining agreements or company policies. It is not my role during the seniority integration process to sit in judgment of these agreements or policies after-the-fact and decide which I believe were proper and which were not. Moreover, as previously discussed, seniority in the airline industry is a zero-sum endeavor, with one person's gain being another person's loss. If I were to add seniority to individuals who were not credited with it in the past, this would have a negative impact on everyone who I placed after them on the seniority list. In addition, retroactively altering the seniority dates of thousands of employees to adjust for events that may have occurred decades ago is nearly impossible as a practical matter, not just in terms of time constraints, but also because complete records are no longer available in many instances. Any attempt to

reconstruct work histories would be based largely on estimates and guesswork, which is hardly fair or equitable in a matter as important as seniority integration.

Moreover, even if accurate records did exist for every single employee, adjusting seniority for all of these purposes would result in a major re-shuffling of the seniority order currently in place for each pre-merger group, including at stations that are populated only by LAA or LUS employees that would not otherwise be immediately impacted by the seniority integration. Finally, past decisions that impacted seniority -- for example, decisions about whether to transfer among positions, work in management, or take a personal leave -- were made based on the seniority practices in existence at the time and retroactively changing them now would be grossly unfair to other employees who also made decisions in reliance on the practices in place at the time. For example, one pre-merger LAA employee may have made the decision to transfer to a different classification, knowing that he or she would lose seniority, while another similarly situated LAA employee declined to transfer in order to retain seniority. Similarly, pre-merger LUS employees may have decided to transfer with the understanding that they would keep their seniority. To now unsettle expectations regarding seniority based upon the agreements and policies in place when employees made important career choices in the past would be contrary to the principles of fair and equitable integration. For all these reasons, I must decline the many requests submitted to me to undo past seniority practices.

It would also be inappropriate for me to substitute hire dates for Occupational/Classification Seniority dates as a substantial number of employees have urged me to do. First, the parties' April 2013 SLI Agreement clearly provides that the

basic method for seniority integration will be by date of entry into classification. I do not believe that I either could or should disregard the parties' decision-making in this regard. Second, even if I did not view myself as bound by the SLI Agreement, substituting hire dates would still be inappropriate because it would radically alter the pre-merger seniority order at each airline. Again, one of the fundamental principles adhered to in seniority integration matters is that employees' pre-merger order should be preserved to the greatest extent possible. In addition, I doubt that the necessary records would be available in all cases to reliably establish new seniority dates for all employees. For all these reasons, I must reject the suggestion that I integrate all employees according to their dates of hire.

CONCLUSION

I believe that the integration of seniority in accordance with the recommendations set forth in this Report insures fair and equitable treatment for all employees covered by this process. For the vast majority of employees, their seniority has been integrated based upon their date of entry into their basic classification as set forth in the parties' 2013 SLI Agreement. I have only departed from this method of seniority integration in those few circumstances where it is not possible to integrate seniority on this basis or where doing so would lead to a result that is clearly inequitable.

In conjunction with this Report, I am also issuing proposed integrated seniority lists which reflect the recommendations contained herein. Impacted employees will have 45 days to file in writing any protest they may have regarding their placement on the list. All protests should be sent by mail or email to the following address:

Attn: Neutral Joshua M. Javits
c/o Guerrieri, Clayman, Bartos & Parcelli, P.C.
1900 M Street, N.W., Suite 700
Washington, DC 20036

JavitsSeniority@geclaw.com

Each protestor must include the following information: full name, employee number, job title, station, and a clear statement of the basis for the protest. The failure to include this information may prevent me from conducting a complete investigation of the protest. Employees should also include any documents which they believe are relevant to their seniority protests. I will consider all timely and complete protests and issue a final and binding determination with respect to each. At the conclusion of the protest process, I will issue final integrated seniority lists, incorporating any necessary changes resulting from my protest determinations.

APPENDIX A

MATRIX UPDATE

	FORMER TWA SENIORITY BY STATION / TITLE GROUP								
STA.	MECHANIC & RELATED			STOCK CLERK			FLEET SERVICE CLK.		
	TITLE I / TITLE II			Title V			Title III		
Pers Subarea	0301, 0309, 0310, 0311, 0313, 0314, 320B			0303, 320C			0302, 320A		
	100%	25%	4/10/01	100%	25%	4/10/01	100%	25%	4/10/01
ABQ			X			X			X
AFW/OB			X			X			
ALB			X						
AMA			X			X			X
ATL			X			X		X	
AUS			X			X			X
BDL			X			X		X	
BNA			X			X			X
BOS			X			X			X
BTV			X						
BUF			X						
BWI		X (eff.15Sep04 for Title I				X		X	
CLE			X			X		X	
CLT			X			X			X
CMH			X			X		X	
CVG			X			X			X
DAY			X			X			X
DCA/IAD		X (eff.15Sep04 for Title II			X				X
DEN			X			X		X	
DFW/DAL/GSW			X			X			X
DSM			X			X		X	
DTW			X			X		X	
ELP			X						
GSO			X						
HNL			X			X			X
HOU/IAH			X			X			X
IND			X			X		X	
INT			X						
JAX			X						X
JFK/LGA/EWR		X	(0313)		X			X	
LAS			X			X			X
LAX/BUR/ONT…		(II) X	(I) X		X			X	
LIT			X			X			X
MCI	X							X	
MCIE/OB	X			X			X		
MCO		X				X		X	
MIA/FLL			X			X			X
MSP		X				X			X
MSY			X			X			X
OMA			X			X			X
ORD/MDW/MKE			X			X			X
ORF			X			X			X
OKC			X			X			X
PBI									X
PDX			X			X			X
PHL			X			X		X	
PHX		(I) X	(II) X			X			X
PIT			X			X		X	
PVD			X						X
RDU			X						X
RIC			X						
RNO									X
ROA			X						
ROC			X						
SAN			X			X			X
SAT		X				X		X	
SDF			X						
SEA			X			X			X
SFO/SJC/OAK		(I) X	(II) X		X				X

MATRIX UPDATE

SJU	X	X	X
SLC	X	X	X
SMF			X
STL	X	X	X
SYR	X		
TPA	X	X	X
TUL			X
TULE/OB	X	X	X
	Note: (I)Title I (II) Title II		
Personnel Subarea Key:			
	0301 = AMT, 0309 = Aircraft Clnr	0303 = Stock Clerk	0302 = FSC
	0310 = Fac Mntc, 0311= Bldg Clnr	320C = CC Stock Clerk	320A = CC FSC
	0313 = Plant Mntc Man, 0314 = Cabin Clnr		
	320B = CC Mntc / Grnd		