



# TEAMSTER AVIATION PROFESSIONAL

Newsletter of the Teamsters Aviation Mechanics Coalition

Volume 7, Issue 2

## Aviation Industry Expecting Growth

*Report from Maintenance Repair  
and Oversight Conference  
Details Trends*

The 2016 Maintenance, Repair and Overhaul Conference included a detailed report on trends affecting the aviation industry. This year's annual analysis and forecast was presented by Dave Marcontell, a Vice President at CAVOK, and David Stewart, a Vice President at ICF International. The report detailed that worldwide, there are currently 27,110 aircraft operating. Of that number, 31 percent operate in North America. 10,000 new aircraft are expected to join the worldwide fleet over the next 10 years. However, North America is projected to have the slowest growth during that time, adding only 1.6 percent to its total number of operating aircraft.

These operations drive \$64.3 billion in annual spending. 29 percent of that figure is driven by North America. Over the next 10 years that revenue is projected to increase to \$96 billion, mostly due to increased engine maintenance. There is a projected decline of 1 percent in the amount spent on airframe maintenance due to next generation aircraft, B787 and A350, over the period. The big factor in that decline is the 787 aircraft which is projected to require 65 percent less airframe maintenance than 767 aircraft. Over the course of 12 years the 787 is expected to be in hangar for checks only 47 days compared to the 767 which is expected to spend 136 days in hangar over the same period. That equates to only 33,000 man hours for the 787 compared to 95,000 hours for the 767.

Fleet deployment will change significantly over the next 10 years. An increase of 400 percent of next generation aircraft in North American fleets, which coupled with older aircraft retirements, will

*continued on page 2*

## Teamster Mechanics Participate in Aerospace Maintenance Competition



### Event Showcases On-the-Job Skills

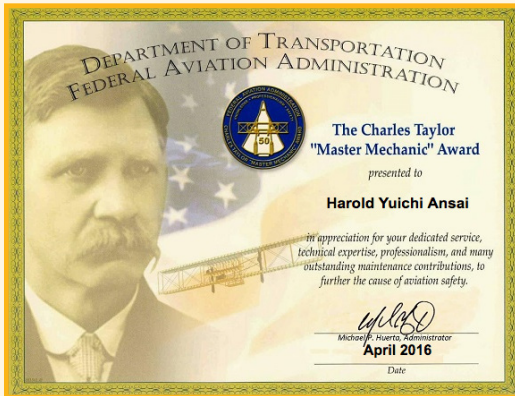
The 2016 Aerospace Maintenance Competition (AMC) was held in Dallas from April 5-7. The AMC is a venue for licensed mechanics, military maintainers and students to showcase their knowledge, skill, professionalism and ability to work as a team to solve challenges faced by airline mechanics in the workplace. Teams representing commercial airlines, armed forces, schools and manufacturers from around the world participated in events. The AMC takes place at the Maintenance Repair and Operations Americas Conference on the exhibit floor. This allows those who employ Teamster professionals an up close view of how quickly mechanics can access, research, troubleshoot and repair a malfunction.

The Teamsters were well represented at the AMC. Members from Local 2727 competed for UPS, while United workers for both line maintenance and United Heavy Check came from Local 964 in Cleveland and Local 19 in Houston, respectively. A Horizon Airlines team represented by Local 986 in South El Monte, Calif. came from Portland, Ore. Events covered a spectrum of airline mechanic activities including: Aircraft Power Distribution Troubleshooting,

*continued on page 3*

## Teamster Mechanics Receive Charles Taylor Award

Teamsters from Local 856 in San Bruno, Calif. and Local 996 in Honolulu, Hawaii have received the Charles Taylor Award, one of the most prestigious honors for an aviation mechanic to receive. Named for the first aviation mechanic in powered flight, a mechanic needs to be a U.S. citizen and to work as an aviation mechanic for a period of 50 years in order to be eligible for the award. Recently, two Teamster mechanics were honored with the Charles Taylor Award.



### Harold Ansai

A member of Local 996 based out of Honolulu International Airport (HNL), Ansai has been a mechanic at United Airlines since 1969 and an inspector since 1999. He was a recipient of the Charles Taylor Award in April 2016. In a ceremony, Ansai was presented with the award by FAA Safety Team Program Manager Scott Allen and Quality Control Managing Director Mario Bravo. Also in attendance were Line Maintenance Senior Manager Edgar Silva, Inspection Supervisors Louis Fiallos and Jason Mead, Station General Manager Quentin Koch and a large contingent of HNL technicians and other employees.



### Ronald Moy

A member of Local 856 and a veteran who served in the Vietnam War for the United States Air Force, Moy has worked with United at the San Francisco International Airport Maintenance Base (SFO) since 1968. He received the Charles Taylor Award on May 24, 2016. He currently works as a PW4000 Subassembly Lead in the engine shop, but has worked at several other locations across the maintenance operations center and the SFO base both as a lead technician and as a mechanic. Moy was presented with the award at a ceremony by FAA Manager Thomas Holden. That ceremony was attended by his colleagues and his daughter, Tina Hong.

### Growth continued from page 1

significantly change industry equipment in the region. Scope for collective bargaining contract language may need to be crafted in anticipation of this industry trend.

Fuel costs were discussed at length this year. Due to the drop in fuel prices, airlines in North America are expected to earn \$16 billion in profits this year. Worldwide that number is expected to reach \$36 billion. While analysts expected fuel to increase over the short and long term, they predicted this period of profitability would change spending in the Maintenance Repair and Overhaul (MRO) industry. One of the major changes expected is major technology investments that should drive down overall future costs for maintenance. Another effect of lower fuel prices was delayed retirements of older aircraft. In 2012 there were 800 aircraft retirements, which represented 2.5 percent of the worldwide fleet, and in 2015 that number dropped to 500—or 1.5 percent of the fleet.

Slower growth in the Chinese economy is driving many changes in the industry. With an increase in fuel supplies, and an overall decline in commodities demand, the U.S. dollar has grown stronger. This partially offsets the savings the airlines would otherwise

achieve. This dynamic leads to higher costs for parts and materials, along with an increased pricing for some aircraft.

The MRO industry is in a changing environment. This report focused on how these changes will determine winners and losers in the MRO industry moving forward. Those with control of operational data acquired through aircraft health and monitoring systems, control of the assets and control of the work scope will be the companies that emerge as winners in this new environment. Operational data is poised to be the biggest driver in the MRO field, and much time was spent discussing this aspect of the changing landscape. Airlines in general have reduced dependency on in-house maintenance over the past two decades. However, airlines are uniquely positioned to take advantage of these factors if they chose to do so. As stated above, the focus on scope provisions along with discussions focusing on maximizing airline's assets should offset the industry trend to outsource more work. The industry is in a delicate balance right now that should provide a good environment for continued employment. As these outside forces are in constant flux, all of the industry and economic drivers will need continuous monitoring to ensure that is the case.

**Maintenance Competition** *continued from page 1*

Avionics Troubleshooting Event, Cable Rigging and Brake Removal & Installation. Competition took place in the following categories: Commercial Aviation, General Aviation, Space, School, Military and Maintenance Repair Operation/Original Equipment Manufacturer (MRO/OEM).

“The TAMC works hard to promote safety and professionalism in the aviation industry,” said Chris Moore, Chairman of the TAMC. “It was great to once again to have the opportunity to represent the Teamsters Airline Division at this event. This is our second year as a gold sponsor and we look forward to doing it again next year.”

“We’re proud of the accomplishments of our Teamster mechanics,” said Bob Fisher, International Representative for the Teamsters Airline Division. “Teamster contracts are powerful because of the strength of our workers. At events like this one, it is exciting and satisfying to see the work of our members first hand.”

“The solidarity that surrounds this event is important for our union and the aviation industry,” said Capt. David Bourne, Director of the Teamsters Airline Division. “It is important for workers, unions, companies and the flying public to constantly demand the best for themselves and the people they serve. Competitions like this one are excellent catalysts for accomplishing that goal.”

Commercial aviation teams included technicians from the following airlines: UPS, United Airlines, Horizon Airlines, Alaska Airlines American Airlines, LAN/TAM, JetBlue, Jetstar, China Southern Airlines, Southwest Airlines, FedEx Express, Flight Options and Qantas. Military teams included technicians from: Team Apache, U.S. Coast Guard, U.S. Navy, U.S. Air Force and U.S. Army. MRO/OEM teams included technicians from: AAR, Boeing, Embraer, Haeco and ALAEA (Australian Licensed Aircraft Engineers). School teams came from across the country to attend the event from the following schools: PIA (Pittsburgh Institute of Aeronautics), Aviation High School NYC, AIM Aviation Institute of Maintenance, Aviation Institute Broward College, South Seattle



College, Eastern Florida State College, Indian Hills Community College, Baker Aviation, Embry-Riddle Aeronautical University, National Aviation Academy, Northland Aerospace, Salt Lake Community College, Vaughn College, Mohawk Community College, West LA College and Utah State University.

The TAMC extends congratulations to all participants and a special nod to our Teamster aviation professionals who participated and showed the aviation community the skill level of Teamster mechanics.



**“Teamster contracts are powerful because of the strength of our workers. At events like this one, it is exciting and satisfying to see the work of our members first hand.”**

*Bob Fisher  
International Representative for  
the Teamsters Airline Division*

## NEGOTIATIONS ROUNDUP

### NetJets

The union met with the company the week of May 2, 2016. Significant progress was made on resolving Article 30 (Vacations) and Article 32 (Hours of Service). Negotiations were started on Article 1 (Recognition) and related Letters of Agreement. A tentative agreement was reached on Article 18 (Retirement). In attendance for the union were NetJets Negotiating Committee members John Wolfe, Tom Freeman, Isaac Thielman, Fred Price, Local 284 President Paul Suffoletto, International Representatives Paul Alves and Chris Moore, and outside counsel Jonathan Wentz from the Airline Division.

Article 30 and Article 32 are close to completion. The union is conducting an additional review of the completed articles and expects to finalize these important parts of the contract when they return to negotiations.

The tentative agreement on Article 18 ensures that retirement benefits will continue to improve. Because the unionized pilots secured improvements to their 401(k) match, those improvements are passed on to mechanics and related employees and stock clerks through the “me-too” clause in Article 18.

Article 1 and the related Letters of Agreement are the most important parts of the contract. Those provisions prevent subcontracting and assignment of work to individuals who are not covered by the agreement. After an initial round of negotiations, the union sent the company a detailed Article 1 information request in order to obtain information and data that will assist the negotiations process. After receiving the requested information, the union negotiators will continue to bargain with management over Article 1 in between scheduled negotiation sessions.

### ExpressJet

Mediated contract negotiations for an initial, standalone sub-Atlantic Southeast Airlines labor agreement were conducted from May 10-12. The union and company negotiators were directed to meet in Philadelphia by National Mediation Board Federal Mediator Gerry McGucken. In attendance for the union were Chris Moore, Teamsters Airline Division Representative; Bob Luciano,

Local 210 Business Agent; Mike Cline, Local 19 Business Agent; and ExpressJet Negotiating Committee members Geoff Maloney and Chris Rogers.

Articles that received tentative agreements prior to that session are: Seniority, Filling of Vacancies, Reduction in Force and Recall, Hours of Service, Field Trips, Training, Safety and Health, Moving Expenses, Grievance Procedure, System Board of Arbitration, the Interim Agreement, Leaves of Absence, Union Security, and Representation and Classifications.

The parties continued working on Article 22 (General and Miscellaneous) and passes were made on Article 8 (Vacation) and Article 9 (Holidays and Personal Days). Tentative agreements were reached on Article 22 and Article 9, and significant progress was made on Article 8. The company also passed Article 1 (Scope) to the union. This critically important article is currently under review by the union’s legal team.

It was a productive week with good face-to-face discussion of differences. The mediator’s direction and effort had a positive impact on the week. The mediator has directed the company and union to return to the table in Pittsburgh the week of August 1.

### UPS

The union and company were scheduled to meet at the National Mediation Board from March 11-15. The parties and mediator agreed to suspend talks for this session on March 13 after it became clear that additional bargaining was not possible due to the vast differences in positions over health insurance. The company proposed massive increases to member cost for retiree medical insurance.

The union and company met April 19-21 to negotiate articles on health insurance, wages, pension, vacations and holidays. UPS presented the union with deep concessions to retiree health benefits and wants retirees to shoulder large increases in costs. As a result, negotiations were once again cut short.

*continued on page 5*

**NEGOTIATIONS ROUNDUP** continued

In 2013 insurance premiums for Teamster members were raised more than 500 percent. Now the company has proposed an additional 430 percent increase in insurance premiums in the first year of a new contract.

On May 26, Local 2727 technicians and related classifications began picketing at customer locations in Kentucky and Indiana to protest the company's contract proposals that would significantly increase health care costs.

A conference call was held on June 1 to discuss how the parties will proceed. During the call the union continued to maintain that Local 2727 members would not accept an increase in premiums or decrease in benefits. The company maintained their position in that they would not accept a contract without a massive increase to retiree insurance premiums.

The mediator requested the company submit a summary of their position for remaining articles to him by June 10. The union will have until June 20 to respond. More protests and informational pickets are planned.

**Piedmont**

The International Brotherhood of Teamsters, Teamsters Airline Division and Teamsters Locals 210, 355 and 776 have reached a tentative agreement on a five-year contract for approximately 300 Piedmont Airlines mechanics.

The agreement reached on May 26 is a five-year contract moving forward and contains a 7 percent signing bonus. The life of the agreement contains a separate 13 percent increase in wages, with an additional bonus coming after the third year. There is also vastly improved furlough language, which will provide a major increase in job protection.

Additionally, there are improvements in the company's 401(k) contribution and medical premiums will be capped at the end of the term.

Dates for voting on the ratification of the contract will be announced soon.

**UAL**

The negotiating committee met on April 13 and 14 to discuss the response to United's "Final Offer" that was rejected by over 93 percent. The meetings were held at Local 856 in San Bruno, California for the purpose of building a counter offer. An article-by-article review was conducted to determine necessary changes to be made based on a membership survey responses and remarks.

We began the session this week with a report from committees, including benefits, which resulted in a conversation on health care. After a review and discussions with the committee and TeamCare representatives, TeamCare was been removed from the proposal.

Other highlights of key contract points discussed in the meetings included a review of the company's rejected proposal cost against the cost of the new proposal and the depth on which scope language should be expanded.

The negotiating committee met on April 21 and April 22 to finalize the counter proposal to United's "Final Offer." The meetings were held at Local 19 in Houston, Texas. All articles were reviewed to proof read and sign off on language changes determined at last week's negotiating committee meeting.

The committee listened to presentations from our economist, legal team and actuaries and held productive discussions. The counteroffer to United was finalized.

The negotiating committee met on May 23 with the National Mediation Board (NMB) at the NMB headquarters in Washington, DC. The purpose of the meeting was for the Board to review and ask questions to the negotiating committee concerning the union's comprehensive counterproposal that has been given to the NMB, but not yet presented to United. Issues addressed at this meeting included, but were not limited to, industry-leading wages, benefits and pension.

After reviewing the union's counterproposal, which was finalized and submitted to the NMB earlier this month, the Board wanted to bring both sides individually to Washington, DC to move negotiations forward.

*continued on page 6*

**NEGOTIATIONS ROUNDUP** continued

The negotiating committee met with the National Mediation Board (NMB) at the NMB headquarters in Washington, DC on the week of June 6. The purpose of the meeting was to discuss the mediation process and schedule for bargaining moving forward.

On Tuesday, June 7, the day began with a briefing by the NMB. The committee was informed about what to expect in future bargaining sessions and was directed to begin the process of decision-making regarding negotiable and non-negotiable articles. The committee began that process shortly after the briefing. The committee's financial advisor, benefits advisor and pension actuary presented costing information on the current proposal.

On Wednesday, June 8, the negotiating committee officially passed the counter proposal to the company. The proposal finalized in earlier meetings was cleared by the NMB and given to the company. The company was given

an overview of the union's counter offer. United had no initial questions or remarks and retired to their caucus room. In the evening, the financial advisors for the Teamsters and the company met to discuss the economic implications of the proposal in comparison to United Airlines' last, best and final offer.

On Thursday, June 9, the negotiating committee met with company representatives and the NMB. The company asked clarifying questions and the committee discussed next steps in the negotiations process with the NMB. Expectations were laid out about articles that were to be discussed in the upcoming session, as well as a schedule for face-to-face meetings.

Progress was made this week and the negotiating committee is committed to reaching a tentative agreement. The next meetings will take place from June 27-July 1.

**TAMC ONLINE**

Check out previous issues of the *Teamster Aviation Professional* at [www.teamsterair.org/tamc/newsletter](http://www.teamsterair.org/tamc/newsletter).

To receive the newsletter via email, sign up at <http://ibt.io/tamc-nl>.

