

## Podcast Transcription

### Fly by Night: Captain Dave Chase and Captain Pat May, Contract 2021

**Captain Chris Lee** My guests today are MEC Chairman, Captain Dave Chase, and Negotiating Committee Chairman, Captain Pat May. Thanks for coming.

**Captain Dave Chase** Good to see you, Chris.

**Captain Pat May** Hey, Chris.

**Captain Chris Lee** We've talked about this before on podcasts, but for many of our pilots, this will be their first experience with negotiations at FedEx as a FedEx pilot. Let's talk some about the process that has taken place up till now in preparing for this negotiation.

**Captain Pat May** All right, Chris. Yeah, so the process started quite a long time ago. The MEC lays out a bigger, broader strategic plan and that sets the normal organizational path, right. And then underneath that, you have a negotiating plan that gets developed. From that negotiating plan, we get our initial direction, but the work that goes on involves surveying the pilots, education, the MEC determines what areas they want to focus on within the survey itself. The MEC took a few unique steps this time around in developing their own internal path. In other words, how they're going to conduct business amongst themselves as they're going through the stressful events of negotiations.

**Captain Chris Lee** Okay, during the last quarterly MEC meeting, the MEC established their negotiating goal. Talk about that goal.

**Captain Dave Chase** Well, what the committee decided is that they wanted to have a focused negotiation based on some high-priority issues that they identified. The goal itself was to obtain an industry leading contract that meets our members' focused priorities of enhanced retirement benefits and pay rates with targeted quality of life improvements. But I think if you break that down, you see there are really three separate categories there. The enhanced retirement benefits, the enhanced pay rates and the targeted quality of life improvements. The challenge there from the time these passed in January through the April meeting is to take those three buckets and develop them into opener's that will be passed to the company in May and that is what the Negotiating Committee and the MEC will be working on at our April meeting.

**Captain Chris Lee** Well, let's break down the goal just a little bit. What do you mean by members' focused priorities and how are those priorities determined?

**Captain Pat May** Yeah, Dave mentioned that the MEC first wants a focused negotiation, and that's directly from the survey input from the pilots. So the pilots are driving the level of focus that the MEC is really requesting in terms of what sections we want to open. The focused negotiation can be a very subjective topic, right. And it varies from property to property. But in the past, we've seen both focused negotiations here and ones that have been really all encompassing. This time around our pilots' input and it's the vast majority of pilots want a very specific, narrowly focused negotiation focusing on the high priority issues. So then from there, you have to take that information and actually determine what those priorities are going to be. Dave already mentioned the overall objectives in negotiations. We get that information again from the survey, so it's pilot driven, directly from the committee subject matter expert input, they get it from staff input and the staff

input specifically there normally is like the contract enforcement staff. We get it through grievances and settlement history. So we're really trying to figure out what has hit each one of those items and bring that to the MEC and the MEC ultimately decides on what items are going to make it into the negotiation. And then lastly, the block reps themselves, they represent 14 different blocks, including the outer domiciles, and they have their own specific constituency that they represent. And so they bring their own ideas and concepts and obviously they bring that to the table. Ultimately, they're the ones that decide on what gets negotiated.

**Captain Chris Lee** So the objectives of the MEC negotiating goal are enhanced retirement benefits, enhanced pay rates and targeted quality of life improvements. Talk a little bit about what the targeted quality of life improvements might include.

**Captain Pat May** So the targeted quality of life is obviously an umbrella catch-all, if you will. But through our consistent DART reports, surveying, you know, we're able to identify specific quality of life issues that come up time and time again, and they're replicated typically in grievances and cases, in other areas of the contract that the pilots believe to be insufficient or is maybe not entirely clear. So those items really, as far as the quality of life umbrella, they fall under that. So it's consistent and it's impactful usually among a big, broad demographic of pilots. So it's not a one-off item that impacts one pilot or one constituency. Typically, it's going to be quality of life items, which, again, can be very broad, but the specific item will impact a number of pilots.

**Captain Dave Chase** I think unlike enhanced retirement benefits and enhanced pay that we see that affect everybody, the targeted quality of life improvements can be thought of as specific parts of the contract that commonly identify themselves from the pilots but they don't involve like full rewrites of any section. So we're able to see in the surveys, pilots do not want to spend years and years trying to change the entire contract, but these common areas can be kind of lumped into one bucket and then the MEC and the Negotiating Committee all work together in April to get down to more specifics inside this bucket here of which ones they want to really target after.

**Captain Chris Lee** OK, let's talk some about the process. The protocol agreement, what is it and how does that work?

**Captain Pat May** Yeah, the protocol agreement is something that we've done on our property. It's not required, but it sets the stage basically for negotiations. It's a document that both parties agree to before the onset of direct negotiations and it kind of lays the foundation. It sets the stage, if you will, for negotiation. It speaks broadly about communication. You know, how we communicate with each other, how we communicate to the pilots. It also speaks to, more specifically, the timing, the timing of the negotiations. When and where we'll meet. To some degree it provides that level of buy-in from both parties. So you don't have a disagreement right out of the gate. And especially important in that is the agreement of actually costing. So we have our E&FA, our Economic & Financial Analysis Department and the Company has their own actuaries and other costing accounting principals that they bring into the negotiations and they have to meet to agree to methodologies there. And that's better handled in the protocol out of the gate. So you're not, you know, six months into negotiations arguing about how you cost something out. That has to be handled at the front end. That's essentially the protocol agreement, Chris.

**Captain Chris Lee** OK, the next step is openers. What are openers and when do we expect that to happen?

**Captain Pat May** The openers is simply an exchange of the items that you intend to negotiate over the course of the negotiations. So that will highlight the specific areas so in our case now, we have retirement, pay, and quality of life. Now that will be slightly expanded upon in the opener with bullets and the bullets will state more explicitly what those items we intend to open and the improvements or changes we seek in those and both parties do openers. So it gives basically an overview, a road map for the Company and what items they should expect to see with our proposals. And then the Company does the same thing for us. So now we know at that point when we have their openers and now you can look at both and see how many sections you're going to open up. What it is not, it's not full language proposals.

**Captain Chris Lee** So our idea of focused might be different than the Company's idea of focused and that would come out in openers?

**Captain Pat May** You'd hope that that wouldn't happen because you could have a mismatch there. But it has happened at other properties, ALPA properties, where they have divergent priorities. And the level of focus in those negotiations are at odds with each other. We try the best we can to not show up and we have two separate and distinct priorities that are lined up where one party wants to go in and negotiate, you know, a few sections and the other party's looking for an entire rewrite. That's a problem. But you really can't tie their hands in any particular way and they can't tie our hands, so.

**Captain Chris Lee** Talk about how you plan to keep the membership up to date on negotiations.

**Captain Dave Chase** Well, if you're here, you know, we're going to use podcasting and we'll be doing a lot more of that throughout bargaining. We've also used videos pretty effectively over the last several years. And I think the pilots can expect additional videos beyond the retirement education series. And we also have [fdxcontract2021.com](https://fdxcontract2021.com), which will be basically a hub for our Negotiating Committee items. It has contract comparisons. It has education on things like how the Railway Labor Act works for pilots who've not experienced bargaining on another property. So I think if you're not feeling like you're up to speed, start right now. I'd dig into the contract comparisons and go to the [fdxcontract2021.com](https://fdxcontract2021.com) website and start kind of reviewing what's there, probably give you a good place to start. We're not going to abandon the other things we've been doing. We've been doing those online pilot unity building events. So we'll still provide opportunities for that. Obviously, we're hopeful to get back in person and do some of the more traditional events where pilots can engage directly with the representatives, officers, negotiating committee. We're excited for the opportunity to do that if we can get coronavirus behind us. But in the meantime, we'll focus on these online methods and we'll obviously always have [DART](#) for a pilot to put input in that way.

**Captain Chris Lee** How can the pilots help you succeed?

**Captain Dave Chase** Well, it's not just helping me succeed, it's helping each other succeed because it's a group effort and we've talked about it and, you know, we've said it many times. We need pilots to stay informed and stay engaged. We talked about all the different communication methods. We'd like that to continue. I would encourage every pilot to continue to work through their block rep. I think one of the things that isn't maybe understood as well all the time is that Pat and I both work separately for the MEC. We try to work very well together in that regard, but we both have separate jobs and that's the

pilot's direct their block representatives who give us the direction to move forward. So the way we're going to succeed is to understand that we're going through this together. We need to stay informed. And like any type of financial arrangement, you should be prepared to spend a certain number of hours every week to make sure you understand the process and what's going on and provide input.

**Captain Pat May** Yeah, one of those challenges that we have inherent in our structure, I mean, our structure is a bottom up, in other words, the pilots continue to push their agenda, what those issues are to the MEC and the MEC ultimately sets the direction, right. And we have to be as transparent as possible so the pilots have that feedback loop to know that we're actually doing what they've asked us to do. It's membership driven. Whereas, the Company's environment, their organization doesn't demand that. It's a top down structure. They get directions from the CEO, CFO, the board of directors. So they have less people to answer to at the end of the day with very clear direction. And they can keep it really under wraps in a way that we can't do, we shouldn't do it. The members should deserve a fair amount of transparency. But they should also recognize, and we've discussed this before, is that we'll be as transparent as possible, but we're not going to jeopardize our position. And I think really surveys is probably an example of that.

**Captain Dave Chase** Right. I mean, we talk about stay informed, stay engaged and participate. If we have the surveys, the MEC one of the things they decided as they set up their protocols for bargaining is they wanted to use regular information from the pilots. Our professionals tell us that's probably something we should do in the six to eight month time frame. It's not a hard number that we're locked into, based on external events, but it's something we've tried to stick to. We're going to use different formats for that that let pilots participate in the best way possible for the type of information we're trying to gather. We do hear from time to time if you're newer to the process, people want to see the results and we don't show our cards in public. We'd ask you not to go out and bargain in public on public sites with managers collecting the data on what you do and don't want. We're not big fans of paying for surveys with your dues dollars and giving that information back to management. But we will be transparent in terms of the major goals we see, just like the negotiating goal that's in front of us today. That's pilot driven through surveys. That's the underlying direction that we receive. It is sitting down to these surveys using pilot input and making sure that your dues dollar is directly related to the work we're doing.

**Captain Chris Lee** Well, any final thoughts? I'll start with you, Pat.

**Captain Pat May** Yeah, thanks, Chris. Thanks again for having us here. I appreciate the opportunity to continue to communicate with the pilots. Again, the pilots have indicated that they want a narrowly focused negotiation with priority given to retirement, pay, and some quality of life issues. So we're going to follow up that the MEC confirm that by giving us direction with their very specific goal and those three objectives. They'll be further developed and finalized over the next few months with the MEC with regard to the actual openers but that's the direction we have.

**Captain Chris Lee** Dave?

**Captain Dave Chase** I think Pat just discussed it and we brought it up already that he's going to be working with the MEC over the next several weeks to develop our openers. He's going to take this larger goal and provide some other goals underlying that. I just hope every pilot understands that we're not going to achieve our collective goals by the Negotiating Committee alone. The pilots need to participate. Our bargaining is influenced

by our ability to stick together and understand that collective bargaining only has two teams. The team aligned with your interests is ALPA. I've said it before and I believe in it strongly, it's our union and it's our future together. And I encourage every pilot to get out there and be part of the process and help us achieve a collective bargaining agreement that we're all proud of.

**Captain Chris Lee** Well, thanks guys for coming and thanks for listening. If you have any questions, please go to [fdx.alpa.org](https://fdx.alpa.org) and utilize the [DART link](#). As always, be safe out there and we'll see you next time.