

SCOPE SUMMARY FAQ

What is scope? In simple terms, when pilots refer to “scope,” they mean flying that is covered by the contract, parties subject to or bound by contract terms, and protections for pilots in the event of mergers, acquisitions and other transactions. In essence, scope language protects hard-fought gains related to job security, rates of pay, benefits and working conditions.

Why do pilot unions bargain for scope protections? Pilot unions bargain for scope protections to ensure that flying performed by the pilot group cannot be reduced or performed by others in a manner that reduces compensation, job security, or career prospects. Assume that if it benefits the bottom line, management teams will – at some point in time – attempt to circumvent their pilot contracts or force major changes to those contracts. The scope section has a direct impact on every single other section of the contract; without adequate scope protection, all other sections of the CBA are less durable.

What types of scope protections are common to pilot contracts? Over time and in response to changes in the airline industry, scope language in pilot CBAs has evolved to cover a broad range of scenarios which have or could become catastrophic for pilot jobs and careers if airline boardrooms and executive management are left unchecked. There are variations among CBAs when it comes to scope provisions; however, all pilot unions typically negotiate for provisions that preserve the flying performed by the pilot group. Scope language also includes prohibitions against “alter egos” and parallel operations, and includes provisions which bind successors and acquiring entities to the terms of the CBA – requiring them to assume the employment of the pilot group as a condition of the transaction. Pilot CBAs also generally include specific limitations on outsourcing and subcontracting, with the goal of preserving and enhancing job security for pilots.

How did we get to this point? While the concept of scope protection has been part of pilot contracts for a long time, airline deregulation in the 1980s introduced a heightened level of competition and chaos to the U.S. airline industry. In this new environment, an expansion of scope language became necessary. New business models, new entrants, and elevated cost pressures created the urgency, opportunity, and incentive for airline management teams to experiment with reducing pilot costs through corporate transactions, alter-ego airlines, and outsourcing. The emergence of international alliances and small-capacity jet aircraft opened additional avenues of outsourcing and compelled pilot unions to bargain for improved scope protection.

Should we be concerned about outsourcing ? Absolutely! Our need for robust scope protection is no different than that of any other pilot group. Many words and terms describe outsourcing in the airline industry. Code-sharing, joint ventures, alliances, block space agreements, and subcontracting are all different flavors of outsourcing; all of these arrangements involve flying performed by pilots who are not on the seniority list.

Nearly all pilots employed by U.S. airlines have legitimate reasons to be concerned about outsourcing. For example, in the years following 9/11, airline bankruptcies resulted in capacity cuts and mass furloughs. Airlines down-sized and subcontracted flying to regional airlines. To make ends meet, many furloughed pilots resorted to working for regional airlines which offered dramatically inferior compensation, benefits, and work rules – all while flying aircraft with the same company logos and livery.

The massive shift of flying from legacy to regional airlines disrupted countless pilot careers and lives, and forever changed pilot unions' perspectives on the risks of outsourcing.

A similar issue can arise with international alliances. While international alliances can be a win-win for pilots and airlines in the right circumstances, this is frequently not the case. With poor scope protections, the cost discrepancies between a U.S. airline and its foreign partner airline can incentivize management to shift flying to the foreign partner. Two examples should make the case. Even now, the pilots at Delta Airlines are fighting for an equitable share of flying on international routes which are part of an international airline alliance. Closer to home, Allegiant is pushing to finalize a joint venture with Viva Aerobus; the proposed agreement would give Allegiant a direct financial incentive to outsource all future international flying to Viva, without limitation or concern for fair wages, U.S. safety and training standards, or regard for the future of its own pilots and employees.

Isn't scope really just about regional airlines? No. While basic limits on "fee for departure" regional outsourcing are nearly universal in CBAs; scope language more broadly defines the flying that must be performed by pilots on the seniority list, and any portion or type that may be outsourced to non-"seniority list" pilots, regional or otherwise. Protecting work is a common goal across pilot groups, including those employed by legacy, major, regional and cargo carriers.

If Allegiant pilots are paid well, isn't scope irrelevant? Absolutely not! Scope language is foundational and essential. Without it, any gain in other contract sections – including compensation – are likely to be less durable. Negotiations always represent an opportunity to secure improved scope protections. It is your Union's intent to fully realize this important opportunity.