

## **Regarding the Reserve Crisis at American Airlines**

I want to address several entities with my ideas, conclusions and solutions regarding our reserve system. Because of the diverse audience that I want to share this with (Company, APFA and our union members) I am going to outline this in some very general terms as well as specifics. I know that some people who will read this are aware of many of these points, but to best present this some general information is needed to offer a complete vision.

This information is derived from my observations and opinions only, any facts, figures, expressions or information that is not accurate is unintentional and this information should not hold anyone accountable.

I hope that this information is made available to the flight attendant group. Ultimately, it is the flight attendant group that will be voting on a solution or change to the reserve system.

It should be known that the company does not seem to care who or how we dole out the reserve slots, they plainly just want their reserve numbers met. Doug Parker on January 10, 2019 seemed very clear that he does not care what system we develop; straight reserve, rotating, senior, or junior. It does not matter. He also said that the cost to use senior FA's for 75 hours even if they don't fly is negligible. The company truly does not care what "system for allocation" we choose. (I believe this).

Unfortunately, the reserve situation is a divisive one for the flight attendant group. I am certain that there is nothing that will make everyone happy, so it will come down to a democratic process. However, it's important to understand that what ever is formulated should be an improvement for the majority of the members. Currently moral is as low as it can get, for more reasons then just the reserve issue, but the reserve issue is at the forefront. It's gravely apparent when viewing the many social media sites that relate to our group and our airline that something needs to change.

I would like to know how the APFA leadership plans to gather input from the members and how it plans to use this information to formulate the final options that will eventually need to be presented to the membership. Besides reading through e-mails and letters that APFA receives (like this one), how precisely does the APFA leadership plan to "poll" or "survey" or otherwise gather information to formulate their plan regarding reserve?

## **ALLOCATION OF RESERVE POSITIONS.**

**I want to be clear that there are two very different and separate issues.** One, is the company's allocation of reserve numbers, this is the percentage of reserves that the company says it needs to operate. Two, is the method in which the reserve flight attendants are designated. In short, we have the number of FA's needed, that the company prescribes, and we have the allocation method, which APFA creates, to fulfill the company's needs.

**I am NOT talking about the actual reserve system this is ONLY how we allocate who is going to be on reserve!**

This outline is primarily regarding the allocation (straight or rotating) part of the reserve system. Whether we can change the actual daily reserve operating system is another issue altogether. That can and should be addressed by APFA and the membership as I believe it CAN be improved immensely. The new system has done nothing but make it more confusing and less friendly for all involved; the FA's and the schedulers. The system did not need to be re-invented, it is a classic example of over bloated software and systems that don't work well and certainly make the flight attendant job and life style chaotic and miserable.

## **WHY WE HAVE SO MANY RESERVES (AND SO SENIOR):**

It amazes me that hardly anyone seems to know why this has happened to us all. How did reserve go to 30 plus years?

**REASON 1** (This is how I comprehended Doug Parkers presentation on January 10, 2019):

**Reserve ratios went up for LAA and rotating reserve began for LUS.**

USAirways always had approx 20% reserve ratios. They have also always been straight reserve, so the bottom 20% were on reserve and that is just the way it was. Some people were on reserve for 10-15 years!

American had only 12% reserves. They also had a rotating reserve, so it was not just the bottom 12% on reserve, but as it rotated, even at the worst level of 1-on-3-off, approximately the bottom 40% were affected.

These reserve numbers (20% and 12%), according to Doug Parker are directly related to contractual limitations and language from the new JCBA which adopted mostly USAirways' work rules, thus, the reserve numbers on the American side went from 12% to 20%, almost doubled.

LUS group saw their reserve group go from 20% affected to a whopping 80% affected and LAA saw their reserve group go from 40% affected to nearly 80% affected. (Note, these numbers and percentages vary from base to base, mainly due to how many new hires each base has, which I will discuss further on).

Below images taken from Doug Parker's presentation of January 10, 2019

**Pre-JCBA, L-AA and L-US had different reserve assignment rules**

- L-US was straight reserve. Seniority determined lineholder or reserve status
- L-AA utilized "rotating" reserves. Flight attendants rotate from lineholder to reserve over the course of the year
- Current PBS rules: 1<sup>st</sup> year straight reserve followed by rotating (1 on, 1 off for three years, 1 on, 3 off afterwards)

Simplified example with 1,000 flight attendants over 10 years of service and a 20% reserve ratio:

- The combination of: 1) a new contract increasing reserve ratios to historic L-US levels; and 2) utilizing rotating reserve assignment, is increasing the seniority at which both L-AA and L-US flight attendants are assigned a reserve line

**Moving to JCBA work rules has caused L-AA reserves to increase to L-US levels**

- The percentage of flight attendants on reserve in any given bid period is the "reserve ratio"
- The reserve ratio has increased at AA, primarily because the post-JCBA contract has provisions that increase the need for reserves (e.g. sick accrual of 54 hours per year vs. 36 hours in prior AA contract)
- American will always work to incrementally reduce the reserve ratio over time, but it will remain around 20% going forward

Contract Period	L-AA (%)	L-US (%)
Pre JCBA	12%	20%
Post JCBA	19%	22%

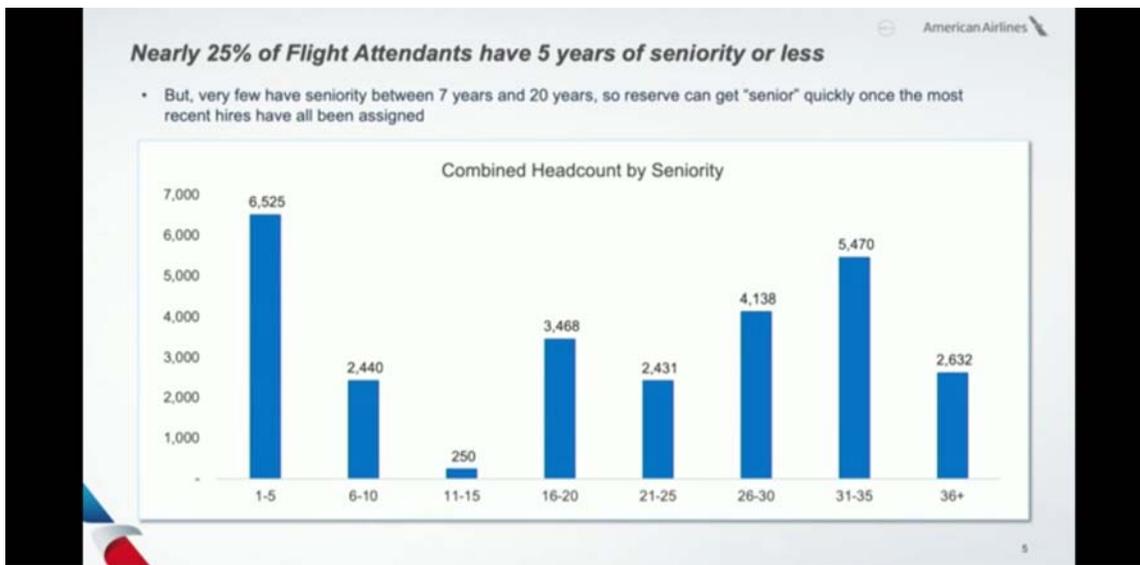
Reserves as a % of total active headcount

A note to APFA here: Doug Parker said on January 10, 2019 that the JCBA language is what is driving the reserve numbers and that 20% is inline with the airline industry with similar contracts, he stated that he is more than willing to do anything that will bring the reserve numbers down. It is in the company's best interest and of course our members best interest to have as few of reserves as possible. He also said that he wants to hear any and all our ideas to accomplish that. So I think it's important to understand that no one wants high reserve numbers. What specifically is in our contract that has driven the numbers from 12% to 20%?

Although lowering the reserve ratios would help, it is not going to be a true fix. Doug Parker also said he doubted that these numbers could be lowered back to the 12% unless our contract was dramatically changed. I am assuming it would need to be changed in a negative way, less sick pay, less legal rest, more flight duties etc.. We'll see; everyone seems to think it can be improved and I have seen several ideas. One idea (something that we had in the past), is secondary lines that are created after PBS runs. ALL the open time that seems to end up in TTS should be built into lines or monthly schedules!

## REASON 2:

The other MAJOR reason why reserve has reached so far into the seniority is because of the fact that we simply have very few flight attendants between 7 and 20 years seniority. We only have 250 FA's (that is less than 1% of the entire work force) with 11-15 years.



This is due to the fact that nearly no one was hired, at ANY airline, for approximately 10 years after 9-11. This is a stark fact; we have a huge gap of few FA's in that 10-20 year group. Even with our current rotating reserve, if we had a fair amount of FA's in that big gap, THEY would be the ones on the 1-for-3 rotation and it would not be going up to 30 years!

So our current rotation system, particularly the 1-for-3 jumps right over the empty 10-20 year group and is into 30 years right away.

**NOTE: The above image illustrates our general voting power if based on seniority!!**

All images taken from video presented by Doug Parker January 10, 2019.

## **THE PROBLEM WITH OUR CURRENT ROTATING RESERVE:**

The main reason our current rotating system fails is a fundamental issue. It bases the rotations on **years of service** and not percentages of actual available FA's. The current system (using years) **ONLY** works if there is a constant and steady stream of new hires and attrition occurring at each base, which we all know does not occur and never will. The influx of new hires depends on the health of the company, the expansion of services, the US and World economy, acts of terrorism, acts of war and acts of god. So trying to predict or base a system on the influx of new hires will not work.

It would be helpful if APFA presented specific details as to what the other airlines do so that we (the members) can compare the systems that are already in place. Offhand I know that United went back to straight reserve just last year after their final merge with Continental, Delta uses a "days" system, Southwest has a rotating reserve but it is based on **PERCENTAGES** and not years.

**I HAVE LISTED DELTA, UNITED, SOUTHWEST AND ALASKA RESERVE SYSTEMS AT END OF THIS LETTER.**

## **THE SOLUTION**

There are many solutions and many ways to go about doling out reserve. I assume that several strong possibilities will eventually get to a vote so that it can then be presented to the company.

### **THERE IS A SIMPLE COMPROMISE.**

It does not have to be straight reserve **OR** rotating. We can have a combination of straight and rotating reserves. A few simple points I believe are imperative:

1. Use percentages instead of years.
2. Some percentage of the bottom has to be on straight reserve until they are bumped up and out of reserve by new hires regardless of years of service, someone has to be at the bottom.
3. **Eliminate 1-on-3-off.** Have only 1-on-1-off or 1-on-2-off, plus a percentage of straight reserves.

So now comes the numbers. How to make it fair and reasonable for everyone? No matter what, new hires or junior members will want as much rotation as possible, and no matter what, the senior members will push for straight reserve or minimal rotations. So simply put, not everyone is going to be happy but hopefully the most will be happy.

Below is a concept, the percentages and numbers can be adjusted. This is based on the fact that Doug Parker has said that we can expect a need of 20% reserves. If this number can be reduced great, it will make it better for everyone, and again, I believe the union and the company is trying to better this number.

These proposals are based on 20% reserves needed per base, it will vary each month but the algorithms will not be affected as they use percentages. In fact only the straight reserve percentage (in these examples of 10% and 5% ) would need to be a hard set number as the rotating numbers will vary slightly based on how many reserves are needed, but assuming its 20% these proposals offer an estimated effect rate on the whole base body count.

## **PROPOSAL ONE:**

### **THE 10-10-10 PLAN**

Bottom 10% (at each base) straight reserve until new hires bump them up.

Next bottom 10% 1-on-1-off rotation

Next bottom 10% 1-on-1-off rotation

This is a total of the bottom 30 percent being affected.

## **PROPOSAL TWO:**

### **THE 5-15-15 PLAN**

Bottom 5% (at each base) straight reserve until new hires bump them up.

Next bottom 15% 1-on-1-off rotation

Next bottom 15% 1-on-1-off rotation

This is a total of the bottom 35 percent being affected

## **PROPOSAL THREE:** (Adjusts for a 1-on-2-off rotation)

### **THE 5-5-5-10-10-10 PLAN**

Bottom 5% (at each base) straight reserve until new hires bump them up.

Next bottom 5% 1-on-1-off rotation

Next bottom 5% 1-on-1-off rotation

Next bottom 10% 1-on-2-off rotation

Next bottom 10% 1-on-2-off rotation

Next bottom 10% 1-on-2-off rotation

This is a total of the bottom 45 percent being affected.

Note, 1-on-2-off requires 10% x 3 to make a total of 10% full reserves (bodies) available for each month.

The above three proposals are easy to manipulate, the percentage numbers can be changed to best meet what we THINK is the most passable plan, however, this system relies on using percentages and NOT years to adjust the rotations.

EXAMPLES OF WHAT 30% (The 10-10-10 Plan) would mean for these bases. This is based on February 2019 base numbers and is not an exact number because small variables in the number of reserves will always exist, but this is pretty close.

BASE	Seniority	DOH
LAX	17287	MAR 2001
PHX	18190	DEC 2004
DFW	18910	JAN 2013
CLT	18786	MAY 2012
PHL	19011	FEB 2013
ORD	21127	FEB 2014

This below table shows the actual reserve seniority for February 2019 with the current system. As you can see, a new reserve rotation helps some bases but hurts others, this is because the number of one year or less (straight reserves) varies per base and they have a lower reserve participation number, BUT, this can change rapidly as soon as the one year FA's finish their one year! (For example PHL still has 275 one year FA's on straight reserve, as of March 2019, but they are dropping out of one-year monthly.)

<b>BOS</b>	<b>17673</b>	<b>01MAR01</b>
<b>CLT</b>	<b>8918</b>	<b>29MAY89</b>
<b>DCA</b>	<b>26079</b>	<b>19FEB18</b>
<b>DFW</b>	<b>14799</b>	<b>01DEC98</b>
<b>LAX</b>	<b>10891</b>	<b>18APR91</b>
<b>LGA</b>	<b>24119</b>	<b>29FEB16</b>
<b>MIA</b>	<b>13700</b>	<b>01MAR98</b>
<b>ORD</b>	<b>24696</b>	<b>05SEP16</b>
<b>PHL</b>	<b>22854</b>	<b>06OCT14</b>
<b>PHX</b>	<b>3278</b>	<b>23AUG84</b>
<b>RDU</b>	<b>834</b>	<b>17OCT77</b>
<b>SFO</b>	<b>9735</b>	<b>29OCT89</b>
<b>SLT</b>	<b>6804</b>	<b>20DEC87</b>
<b>UDC</b>	<b>25956</b>	<b>08JAN18</b>

ITS IMPORTANT FOR JUNIOR FA'S TO UNDERSTAND, THAT ONCE YOU ARE BUMPED UP AND OUT OF RESERVE THEN YOU WILL BE FREE AND CLEAR, YOU WILL HAVE PAID YOUR DUES!

In addition, the percentages used are the percentage of the base seniority numbers, a similar percentage proposal could be formulated using a percentage of the needed reserve pool. For example, if any given month the needed reserve pool number was say 400, then we could use a percentage of that number, for example, 40% of needed reserve pool be straight reserve, or 160 reserves, then the remaining 240 reserves would be 1-on-1-off which would require 480 persons for a total of 640 affected FA's

Of course on top of these proposals there is the case that we should be able to vote on straight reserve, or one of the other Airlines' systems.

## **SUMMARY:**

### **Reasons we have such high seniority reserves:**

1. Reserve ratio went up to 20% system wide for LAA
2. LUS went to rotating reserve
3. Very few FA's between 7-20 years

### **Problem with our current rotating reserve system:**

1. Rotating reserve is based on Years of Service instead of percentages of actual bodies available.
2. Not enough new hires or attrition to support a "years of service" rotation.
3. Having a 1-for-3 rotation, pushes reserve pool to 80% if no junior FA's.
4. At senior bases not enough One Year or straight reserves.
5. Impossible to plan (your life) as you never know if you'll be on reserve due to 1-year and 3-year FA's eclipsing their first and third years and never knowing when or if new hires will be placed in your base.

### **Solutions:**

1. Use a percentage based rotation, not years of service.
2. Have a percentage of straight reserves at the bottom regardless of years.
3. Eliminate 1-for-3 rotation or use 1-for-2 rotation.

## ON A PERSONAL NOTE

I feel like I want to make a few personal points and observations. As noted, of course this is divisive; it's a shame to pit the juniors and seniors against each other. It should not be that way as we are all a team and all good people that just want to have a decent life and a decent work environment.

However, there is a reality check here too. The seniors have been at this job for decades, some longer than some juniors have even been alive. It is and has become a long term career for the senior "people". They have paid their dues and they have put in their time. It is not reasonable or fair to dismiss this accomplishment and effort, they deserve their status.

It is also of note, that the airline industry is and always has been a seniority driven hierarchy, when you have thousands who have the same job, (we are all just numbers), then seniority is the only reasonable way to delineate privileges amongst the work group. ALL industries are like this, junior people or new hire in all industries the world over start at the bottom and work their way up, particularly when it comes to schedules.

For junior or new hired FA's, yes, the reserve system and scheduling is no fun. But it is and always will be part of the job. The bottom people must fill the least desirable schedules until they move up. How else would it be fair?

As a new hire or junior employee, you have to consider whether you are in this for the short haul or the long haul, its really that simple. If you are in for the long haul, (and don't be surprised if in 30 years you suddenly realize you WERE in for the long haul!), then you should consider hard what rules you are voting into place. So if you are in for the long haul, think about what kind of life style you want after you have been flying for 30 years. You are voting on issues that WILL affect you much differently in just a few years time.

Right now the airline industry is as healthy as it's ever been, it is growing. Most airlines are hiring. Due to the giant bubble of time between 10-20 years that so few FA's were hired, there will be mass attrition in the next 5-15 years that will push everyone way up the seniority ladder.

This mass attrition has been a speculation for some time, there a LOT of super senior people and a LOT of super junior people, and not many between. The most senior will be moving on in a mass fashion. Similar to the baby boomer retirement phenomenon, there is a LOT of seniors.

So if you're senior, enjoy what you can, enjoy your job and the benefits of a long and well served career, if your junior, look forward to an exciting life in the airline industry, make the best of it while you're still on the bottom, you will be pushed up the seniority list a lot faster then you think.

And above all, this is a really great job, if you don't think it is then you should get another job, that simple. Appreciate what we do have and what this job DOES do for you.

**RESERVE SYSTEM'S CURRENTLY IN PLACE WITH OTHER MAJOR AIRLINES:  
(This data was gathered off the internet and is believed accurate but has not been confirmed)**

**DELTA:**

Delta is one of the few American airlines, that do not put new flight attendants on continuous reserve for multiple years. Every month you will have 6 days of reserve, which means that you are "on call" and need to be at the airport within 2 hours on those days. After around 13 - 27 years (depending on the base), these 6 days of reserve will disappear. Already from the start, you can self-assign trips and around the 16th you will receive a schedule for the following month with your designated trips and 6 days of reserve. You can bid for the 6 days of reserve to be in one block or in two blocks of 3 days. This way - already from the start - you will have a certain influence on the days you are flying, the days you are on reserve, the destinations you fly to and the aircraft type you work one.

**SOUTHWEST:**

The Reserve system will be on a month to month rotating basis. All Flight Attendants below the top thirty five(35) percentile in each domicile will sit reserve. A Secondary top thirty-five (35) percentile will be calculated after Primary bids close to include a one-for-one substitution for each Flight Attendant bidding down to Reserve from the Primary top thirty-five (35) percentile. A Reserve Flight Attendant who is awarded a Vacation Relief Line or Open Time line will be treated as a regular Bid Line holder for that month but the month will count toward such Flight Attendant's Reserve rotation requirement. There will be three (3) classifications of Reserve Flight Attendants: Ready Reserve(RR), AM (AR), and PM (PR) Reserve.

**UNITED:**

For the first five years as a United Airlines flight attendant, you will be working as a so-called reserve flight attendant. This means that you will be "on call" at all working days. Every month, you will receive a schedule which shows the days that you are on call and the days that you are off. The number of flight hours you work every month varies a lot, as it completely depends on how often you are being called in to work. In order to receive a basic wage, as a Reserve Flight Attendant you are being paid at least 78 flight hours, no matter how many hours you have actually flown.

**Reserve Assignment (10.C.)**

Reserve line numbers are 1400-series for Call-In Reserve (CLLR) and 1500-series for Ready Reserve at all locations, both Domestic and International. Some Reserve lines may have more Reserves assigned to them than others. The company determines the number of Flight Attendants to be awarded the specific Reserve lines in compliance with Section 10.C.1.a. This provision requires that a minimum of 65% of the domicile's Reserves will be assigned Call-in status. Section 10.C.1.c. provides for the Company and the Local Council President to review this ratio monthly. Locations with fewer than 20 Reserves, will assign Call-In and Ready status at a minimum of 50% in compliance with Section 10.C.1.b. on the cover letter published each month. In this case, the number of reserves assigned each line will be indicated in the monthly bid package Cover Letter.

**(CONTINUED)**

## **Reserve Rotation (10.A.)**

We have a rotating Reserve system called *A/B rotation* (Section 10.A.). The A/B rotation system ensures that on completion of your fifth year as a Flight Attendant, you are guaranteed to be a Lineholder every other month, if you want and bid accordingly. Upon completion of your fifth year, you are assigned a Reserve letter, either A or B. The letter can be found on the upper right-hand corner of your Unimatic LOFBID screen, on your VACBID screen; and on the domicile seniority list. *Reserve letters can change every year.* The Reserve letters are updated prior to the vacation bid period for the next year vacation. The new Reserve letter becomes effective for the 12 month period, beginning in February of the next year. The Contract provides for Reserve letter trades in accordance with Section 10.A.6. Reserves looking to trade letters may do so via POSTRD/TRDBRD. Reserve letter trades are submitted via Unimatic DIS\*2787.

When bidding each month, determine if you may have a reserve obligation as indicated by the Senior Designated Reserve date listed in the monthly bid package Cover Letter. Reserve months are listed in Section 10.A.1.b. of the Contract. If you are designated as an 'A', you have a Reserve obligation in odd numbered months. If you are designated as a 'B', you have a Reserve obligation in even numbered months. Flight Attendants with five years or less seniority have a Reserve obligation every month. However, some Flight Attendants with a Reserve obligation every month may be able to hold a line in their Reserve months. Following Section 10.A.5 of the contract, the most senior designated reserves and the most junior lineholder of the same letter should preference both schedule and reserve positions. If it is your Reserve month and you want to do everything possible to avoid Reserve, bid all lines, including RLF. If it is your Lineholder month and some lines are so undesirable you would prefer Reserve, after you bid the lines you want, bid Reserve lines. If you are unable to hold the lines you bid, you will be awarded a line or Reserve pattern consistent with the insufficient bid; the lowest numbered line available at your seniority. As a reminder, you are guaranteed a line in your Lineholder month-- not necessarily the line you may want!

## **ALASKA:**

Upon completion of the training program, flight attendants will be on reserve. The duration of their reserve status will be determined by their base seniority.