

CONTRACT NEGOTIATIONS UPDATE AND THE COVID-19 IMPACT ON THE AIRLINE INDUSTRY

The economic outlook for the airline industry is bleak – extremely bleak.

That’s the sobering message renowned aviation economist Dan Akins brought to a telephone Town Hall the TWU/JetBlue IFC Negotiating Team held on June 19, 2020.

“I’ve been in the business for 35 years...and I can tell you there has never been a time like the time we are facing right now,” Akins said. “This pandemic, and the impact it is having, created an instant global recession.”

Passenger demand isn’t just down. The decline is steeper than the combined impact of 9/11 and the 2008 recession, Akins said. Wall St. has forecast JetBlue losing more than \$1 billion this year, he said.

The American-based industry has only avoided massive layoffs and service cuts because the U.S. government has provided billions of dollars in grants through the CARES Act. (The Coronavirus Aid, Relief, and Economic Security Act) The funding came with strings attached. Airlines can’t impose involuntary furloughs, and are prohibited from reducing employee pay and benefits, through Sept. 30. Unions are pushing to have the CARES Act extended.

TWU International Vice President Thom McDaniel told the IFCs that called into the Town Hall that negotiations have entered the final stage. Union negotiators – International Vice President Gary Peterson, McDaniel, and JetBlue IFCs Brendan Moriarty, Sonya Payne, Stacy Bassford, Ernesto Gomez, and Dee Lozito – have presented the company with an economic package.

The two sides now have 26 Tentative Agreements. Negotiators for the company and union have agreed not to release details until there is a final package for a ratification vote by IFCs.

Negotiating a first contract can take years but the JetBlue talks have moved at a good pace, McDaniel said. The first contract will form the foundation for future contracts that will be updated periodically.

“Our singular focus from the beginning of bargaining has been to come to an agreement with the company as quickly and responsibly as possible,” Moriarty said. “That has not changed and our determination to achieve that goal is unwavering, especially given the amount of uncertainty our industry faces in the near term.”

“You must feel good about one thing in this very daunting moment — you formed a union,” veteran TWU labor lawyer Mark Richard said. “There’s no better way to address, in good times and bad times, your future, your healthcare, your retirement security, then through collective action. We must stay united. We must bargain, and we must get a contract.”

There is “incredible value” to having a contract during such turbulent times, he said.

“Without a contract, your working conditions, your wages, the way they furlough you, whether they honor seniority, all can be changed by management tomorrow,” Richard said. “They have one-hundred-percent managerial prerogative at the moment.”

Pride parades were cancelled for the first time in 50 years but TWU still honors and celebrates LGBTQ culture, and remembers the historic Stonewall Riots on June 28, 1969. We will be back on the streets celebrating next year!

