



# Transport Workers Union of America, AFL-CIO

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“United Invincible”

August 8, 2017

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Ms. Linda Puchala, Chairman  
National Mediation Board  
1301 K Street NW  
Washington, DC 20005-7011

Mr. Harry Hoglander, Member  
National Mediation Board  
1301 K Street NW  
Washington, DC 20005-7011

**Re: NMB Case No. A-13678, Allegiant Air – TWU**

Dear Ms. Puchala and Mr. Hoglander:

The Transport Workers Union of America (“TWU”), the bargaining representative for the flight attendants of Allegiant Air, LLC, requests that, in the above-referenced matter, the National Mediation Board make a proffer of arbitration to TWU and Allegiant and, if not accepted by both parties, issue a release under Section 5, First of the Railway Labor Act, 45 U.S.C. §155, First.

TWU and Allegiant initiated direct negotiations in June 2011. NMB mediated negotiations, with Mediator Jack Kane, commenced in late 2012. After six-years of direct and mediated negotiations, TWU strongly believes that this process is not in any way leading to a conclusion and will not reach a successful endpoint without a change in the dynamic of the negotiations. The requested Board action would, we firmly believe, bring about this required change and thereby significantly enhance the possibility of the parties reaching an agreement.

The most troubling feature of the TWU-Allegiant (unsuccessful) negotiations -- which makes the release sought in this letter particularly compelling -- is that the company has repeatedly made clear that it has no current intention of reaching an agreement with TWU, other than a substandard one. As a result, despite TWU’s best efforts, no agreement has been reached with the company.

For instance, after 15 months of futile bargaining at the outset of the negotiations, the union offered a package to the company to try to limit the open items to four (compensation, pay for lengthy delays, duration and union security). The company’s response, however, dashed any hope for success. The company representatives stated that they could not agree to the proposed items and the union would need to meet with Allegiant owner, Maurice Gallagher.

Thereafter, Mr. Gallagher did attend the negotiations (for the first and only time) and responded with a simple “no” to all the proposals presented and denigrated specific union proposals, apparently for not allowing the company unlimited free rein. For example, work rule protections -- certainly an element of all collective bargaining agreements -- were deemed unacceptable as “death by a million cuts,” rather than (as flight attendants view them) as items that provide flight attendants some stability in their work and home lives.

In the meantime, the company did what it has done best as a negotiator: it repeatedly changed the status quo during the negotiations -- an obvious effort to punish the flight attendants for having the audacity to choose to be represented and seek better terms of employment, and a further mark of bad faith negotiating. In this regard, during negotiations, the company cut the commission earned by the flight attendants from 8% per flight attendant to 2%, altered the bidding system, and changed the company’s part time procedures. All of these unilaterally altered items -- at the time they were made -- were subjects of ongoing bargaining; changing these working conditions therefore undermined the negotiations, making reaching a final deal that much more difficult.

After the company pilots (represented by the IBT) reached an agreement with the Allegiant, the company placed a substandard proposal on the table for the flight attendants that, while it provided a modest compensation increase, failed to provide anything close to parity with the pilots on key items such as vacation, sick leave, scheduling, work rules, and the amount of the company’s 401(k) pension match. The TWU negotiators nevertheless decided to send this proposal to the flight attendants to allow these employees to decide whether they wanted to secure a contract and at least to end the repeated company unilateral status quo changes, or to send a message to the company by turning down the proposal. The flight attendants overwhelmingly chose the latter, with 76% of the voting flight attendants (90% cast ballots) rejecting the company’s proposal; they informed TWU through various surveys that they would not accept the wide disparities between what was in the company’s proposal to the flight attendants and what the company agreed to give to the pilots.

After this rejection, the parties at the direction of Mediator Kane returned to the bargaining table with the union offering a full-text proposal in February 2017. The company’s response made clear that the company’s position was hardening further: in a series of negotiation sessions since then, the company made little if any movement in its position -- and certainly has not come close to narrowing the wide gap between its proposals to the flight attendants and what it provided in the pilot agreement on items such as vacation, sick leave, scheduling, work rules, and 401(k) company match. Indeed, to the extent that the company has made any movement, such company proposals have been coupled with concessionary offsets; accordingly, as Allegiant CFO Trent Porter acknowledged, if TWU accepted the company’s proposals, the result would be a “net zero” for the flight attendants. More pointedly, company representatives have repeatedly indicated that they do not have any additional movement to make.

While the parties have reached a tentative agreement on certain items, the open items are many and include very significant areas: scope, compensation, retirement, vacation, sick leave, scheduling, reserve, duration, definitions, union business issues, attendance, and sick leave conversion. While many of these could be easily resolved, the Company continually requires concessions to do so. In short, it is apparent that the company is demanding that the union agree to a deal that is in essence a repackaging of the proposal that the overwhelming majority of flight attendants already stated was unacceptable.

TWU asserts that it is time to end this current unproductive process and move instead toward a successful conclusion. It is the Board that has the power to bring this about and, we believe, the current circumstances warrant the Board’s exercise of that power.

TWU does not make this request lightly. Our basic objective is not to engage in a war with the company, but instead to reach a negotiated fair agreement. We fervently believe, however, that absent a proffer and release (if arbitration is not accepted by the parties) such an agreement will not be attained.

For these reasons, TWU requests that the Board further assist this RLA process by promptly proffering arbitration and, if not accepted by the parties, issuing a release under Section 5, First of the Act. In the meantime and following a release, TWU commits that, for a reasonable amount of time, it will try to achieve a fair negotiated resolution without the need for self-help.

Please contact me if you require any additional information.

Sincerely,

A handwritten signature in cursive script that reads "John Samuelson". The signature is written in black ink and is positioned below the word "Sincerely,".

John Samuelson  
International President, Transport Workers Union of America, AFL-CIO  
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