

**Future of Aviation Advisory Committee
Labor and World-class Workforce Subcommittee
Record of Meeting**
September 23, 2010
JetBlue
John F. Kennedy International Airport, Queens, New York

Public Announcement

The U.S. Department of Transportation (DOT), Office of the Secretary of Transportation, announced this Future of Aviation Advisory Committee (FAAC) Labor and World-class Workforce Subcommittee meeting in a Federal Register notice published September 9, 2010 (75 FR 54939).

Subcommittee Members in Attendance

Name	Affiliation(s)	
Patricia A. Friend (<i>Subcommittee Chair</i>)	International President	Association of Flight Attendants (AFA)–Communications Workers of America (CWA), American Federation of Labor and Congress of Industrial Organizations (AFL–CIO)
David Barger	President and Chief Executive Officer	JetBlue Airways Corporation (JetBlue)
Thella F. Bowens	President and Chief Executive Officer	San Diego County Regional Airport Authority
John Conley	International Administrative Vice President and Air Transport Division Director	Transport Workers Union of America (TWU), AFL–CIO
Cynthia M. Egnotovich	Segment President, Nacelles and Interior Systems	Goodrich Company (Goodrich)
Ana McAhron-Schulz	Director of Economic and Financial Analysis	Air Line Pilots Association, International (ALPA)

Subcommittee Members Not in Attendance

Name	Affiliation(s)	
Robert L. Lekites	President	United Parcel Service (UPS) Airlines

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Other Officials Present

Name	Affiliation(s)	
Terri Williams (<i>Designated Federal Official (DFO)</i>)	Director, Center for Organizational Excellence	Federal Aviation Administration (FAA)
Regis Milan (<i>Alternate DFO</i>)	Associate Director and Special Assistant to the Deputy Assistant Secretary for Aviation and International Affairs	U.S. Department of Transportation (DOT)

Other Persons Present

Name	Affiliation(s)	
Jan (Jay) Aul	FAA	
Bryan Baldwin	JetBlue	
Patty Clark	Port Authority of New York and New Jersey	
Emily Dziedzic	PAI Consulting	
Robert Land	JetBlue	
Marco Nogueira	JetBlue	
Bradley Rubenstein	Port Authority of New York and New Jersey	

BACKGROUND AND WELCOMING REMARKS

This is the record of the third meeting of the Labor and World-class Workforce Subcommittee of the FAAC, a Federal advisory committee formed pursuant to and subject to the requirements of the Federal Advisory Committee Act (FACA).

Ms. Patricia Friend, Subcommittee Chair, AFA-CWA, called the meeting to order at 1:06 p.m. She welcomed the subcommittee members and members of the public in attendance.

Ms. Friend introduced Ms. Terri Williams, FAA, the DFO for the meeting, and asked her to summarize FACA requirements. Ms. Williams noted the meeting is conducted under FACA and outlined her responsibilities as DFO, including maintaining adherence to the agenda, keeping accurate minutes, and adjourning the meeting if necessary.

Ms. Williams noted meetings of the subcommittee are accessible to the public and stated interested people have the opportunity to submit comments before each meeting either by email at faac@dot.gov or by submission to the regulatory docket at www.regulations.gov. She added the minutes of each meeting will be made available both in the regulatory docket and on the FAAC Web site at <http://www.dot.gov/faac>.

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Ms. Williams read the formal statement required under FACA. She noted although the meeting was open to the public and members of the public were attending the meeting, participation in the meeting was limited to subcommittee members, their alternates, and Federal officials. She added that only subcommittee members and their alternates were entitled to vote on subcommittee business. Ms. Williams then turned the meeting back over to Ms. Friend to open substantive discussion.

DISCUSSION

Ms. Friend started the meeting by reviewing the current schedule remaining for the FAAC. She stated there are two more full advisory meetings and the subcommittee is expected to present two or three full recommendations at the next FAAC meeting in Los Angeles, California on October 20, 2010. She stated the goal of today's meeting is to refine the areas of discussion. She reminded the subcommittee there will be a teleconference meeting on October 1, 2010 to hear the presentation from Mr. Joshua M. Javits, Dispute Resolution Services, on mediation and arbitration in the airline industry. Ms. Friend reiterated the original charge of the subcommittee: how to improve recruitment and retention of the workforce in the aviation industry.

Recruitment

Ms. Friend stated the first part of the recruitment topic is the Science, Technology, Engineering, Math (STEM) proposal. She stated she spoke to the Secretary of Transportation's office regarding whether to include educational institutions such as Embry-Riddle Aeronautical University. She stated the STEM program focuses on educating students prior to college so they have an interest and a background before entering college or the aviation workforce. Ms. Friend stated the Secretary's office agrees with this proposed initiative and does not advise revisions. She added most students who are accepted into collegiate aviation programs have a background in STEM topics; therefore, the education of young students is critical to recruitment.

Ms. Friend stated the second topic regarding recruitment is making changes to allow for more effective airport recruitment. She thanked Ms. Thella Bowens, San Diego County Regional Airport Authority, for her submission on the current barriers making airport recruitment difficult. Ms. Friend stated the subcommittee can refine the submission and include it as a topic under recruitment.

Ms. Bowens suggested the subcommittee look outside the aviation industry and work with community entities that also hold STEM-related activities. She stated there are many industries interested in science, engineering, and technology and the aviation industry can benefit from partnering with these industries. Ms. Cynthia Egnotovich, Goodrich, stated this is where the interagency task force would include industries other than aerospace to help in aviation recruitment.

Ms. Friend mentioned an article from Boeing citing the need for many more pilots and maintenance workers in the near future. Mr. John Conley, TWU, noted Boeing is aware of this need; the article states Asia has the greatest need for pilots and maintenance workers. He questioned how the global growth of the aviation industry will affect the United States.

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Mr. David Barger, JetBlue, asked what background information should be included in the proposals. He stated information regarding employment statistics, jobs lost, and the number of future job opportunities should be noted. The subcommittee agreed the proposal for recruitment should include an introductory section to include industry history and the potential for future recruitment.

Mr. Conley noted since 2002, there have been 38 air carrier bankruptcies, with 2 bankruptcies resulting in liquidation. He stated the employee impact in terms of job loss and residual job loss are salient components that bring this subcommittee together. He stated the committee needs to focus on how to attract people by demonstrating industry stability and certainty. He added those elements are crucial to recruitment and are currently lacking.

Ms. Friend agreed with Mr. Conley and stated recruitment remains a critical problem facing the aviation workforce. She asked the subcommittee if the STEM proposal is ready for presentation at the next FAAC meeting in Los Angeles, California.

Ms. Egnotovich agreed to add the introductory information, as well as refine the proposal.

Ms. Ana McAhrn-Schulz, ALPA, noted the introduction to the STEM proposal also serves as an introduction to the airport recruitment issues.

Ms. Friend clarified the introduction piece should cover (1) the state of the industry today, (2) the history of jobs lost, (3) bankruptcies, and (4) the projection and growth of the industry. She stated these items highlight the need for STEM and address the issue of having STEM education accessible to the future workforce.

Mr. Barger inquired if the STEM proposal touches on the issue of retention. Ms. Friend stated the proposal topics need to be refined for presentation, and recruitment and retention are viewed as separate pieces. Ms. Egnotovich stated the goal of STEM is to attract, train, and foster personal and professional development, which is the first phase of recruitment to the aviation industry.

Retention

Ms. Friend directed the conversation to the issue of retention. She stated the challenge is creating an environment where people want to come to work. She noted a major issue with retention is employee morale, and there are four thoughts on improving morale: (1) DOT support for increased resources for the National Mediation Board (NMB) to help improve the collective bargaining process; (2) a commitment from companies within the industry to meet the core labor standards for employees; (3) a call for the Secretary of Transportation to convene an annual labor-management summit; and (4) FAAC support for ALPA proposals on bankruptcy reform.

Ms. Friend asked the subcommittee for additional suggestions to help with employee retention in the aviation industry.

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Increased Resources for the NMB

Ms. McAhron-Schulz agreed with the topic regarding the use of NMB as a streamlined process to allow for more timely agreements. She stated resources and staff need to be available so negotiations can move at an appropriate pace. She added Mr. Javits can offer more information and insights regarding the speed of the process during the October 1, 2020, teleconference. Ms. McAhron-Schulz stated management should receive more training on the collective bargaining process before entering into that process.

Ms. Egnotovich stated the issue may not be in adding more people to the mediation process but rather streamlining the process. Ms. McAhron-Schulz agreed with this statement and suggested the subcommittee wait to hear the presentation from Mr. Javits. She added he may be able to offer insight into the collective bargaining problems so the subcommittee can propose solutions.

Core Labor Standards

Mr. Barger stated the next issue is core industry standards. Ms. Friend stated that Mr. Dean Hubbard from TWU will present on this topic at the FAAC meeting in Los Angeles, California. Ms. Friend stated if the industry agrees to core labor standards, then companies cannot profit by taking advantage of workers.

Ms. Egnotovich stated as the industry changes, there is a new struggle for retention. She added in the past, companies were able to offer pensions. However, currently, most companies do not offer pensions, and the workforce can move freely from one job to another. She noted companies must now focus on the environment and employee morale on a daily basis. She suggested that if successful, the ideas for retention can work for any organization.

Ms. Friend stated these issues are pertinent but difficult to express in a proposal for the Secretary of Transportation. She stated the idea of a nice place to work is not tangible, and the suggestions must be achievable. Ms. Friend noted a good working environment is dependent on the management team, and those ideas must be translated throughout the entire corporation.

Mr. Conley stated if the subcommittee is committed to the idea of core labor standards, then the discussion needs to be continued to develop a solid proposal.

Labor/Management Summit

Mr. Conley brought up the issue of the labor/management summit. He stated 75 percent of Americans are unhappy at their jobs. He also stated this statistic is driven by mismanagement and the environment in which people work. Mr. Conley stated most people spend 70 percent of their lives at work, thinking about work, preparing for work, or getting over the stresses of work. He feels the aviation industry should have the opportunity to create an ongoing relationship with the Secretary of Transportation to create an environment where these topics can be discussed. Mr. Conley stressed the importance of having an arena where employees, stakeholders, and chief executive officers (CEO) can sit in a room and be honest and candid about the reality of the working environment. He stated the

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labor/management summit can become a place where the Secretary of Transportation can assist in creating benchmarks, look at successful business models, and foster a good labor/management relationship.

Ms. Bowens stated in the workforce today, there are four generations of employees. She stated each generation differs in its expectations, ideas of a healthy work environment, and ways to do the actual work. She also stated technology adds another layer of complication to the workplace. Ms. Bowens acknowledged employees today have different expectations than employees in the past. She stated leaders need to let go of old models and start adopting new ones that can be successful in today's marketplace. Ms. Friend noted that flight attendants today are treated entirely differently than flight attendants several years ago. She stated imposing an old model on new employees causes problems.

Mr. Barger added retention comes with successful business models. He stated a company must have the ability to drive profitability, and invest in the staff, product, and shareholders. He noted there needs to be a discussion about which business models are creating jobs; this would help identify where people want to work. He stated this can be effectively conducted through the labor/management summit.

Mr. Conley stated if a labor/management summit was convened, it would be ill-advised to disregard the invitation. He stated there is no downside in contributing ideas to the labor/management summit. He added the notion of the FAAC was not thought of 5 years ago, which is proof that thinking needs to shift with the times. Mr. Conley stated the Secretary of Transportation needs to listen to the real problem areas in the workforce so management can begin making corrections. He stated this effort is both affordable and achievable.

Ms. Friend stated it is difficult for people to work in and feel secure in the aviation industry. She stated the tough issues are easier for industry to implement in a supportive environment, rather than being forced to make changes. She added that if changes are forced upon the workforce, it can take several generations for residual anger and animosity to disappear.

Ms. Egnotovich stated all the issues facing the aviation industry are also relevant to the manufacturing world. She noted the generation and diversity issue is especially prevalent and difficult to handle. She stated the first thing to do is recognize it and then act on it. Ms. Egnotovich commented that training is also critical to retention. She stated from the Goodrich perspective, 98 percent of people do the right thing and the organization should focus on that 98 percent. She stated the labor/management summit would be a good tool to help make the industry successful, because the philosophy of successful businesses can be shared and supported.

Mr. Barger stated the labor/management summit could recognize best practices by highlighting Goodrich, Harley-Davidson, and companies offering full tuition reimbursement. He stated, in highlighting examples of unique practices, other companies can follow suit.

Ms. Friend expressed concern about creating a proposal for a labor/management summit that could be implemented now and would continue after changes in the Administration and FAA leadership. She stated the point of the labor/management summit is to create a better working environment and help

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labor issues from the perspective of organized labor. Ms. Friend offered the idea of having a different agenda for each meeting of the labor/management summit, as well as having facilitators who are familiar with the areas of discussion. She stated although one cannot mandate candid conversation, there needs to be a structured place where people feel safe enough to have these conversations, not just during this Administration, but in the future.

Ms. Bowens suggested the labor/management summit focus on the entire workforce rather than just organized labor. She stated everyone in the workforce needs to be included so the labor/management summit can become entrenched and generate longevity.

Ms. Bowens raised the issue of corporate culture, which starts with the CEO and works its way down. She stated this culture evolves over time and is an everyday process, not a program that can just be applied. Mr. Conley responded with the example of UPS and how they do very little recruitment since people already want to work for UPS. He stated they have a culture that people are drawn to and the aviation industry needs to follow that example. Ms. Friend added the idea of the labor/management summit is to help members of the industry develop this culture.

Bankruptcy Reform

Mr. Barger touched upon the issue of bankruptcy reform. Regarding the ALPA submission on bankruptcy, he feels the proposal should include a point with a counterpoint. Ms. Friend agreed to broaden the discussion. Mr. Barger agreed and stated that Chapter 11 of the Bankruptcy Code (Title 11 of the United States Code (11 U.S.C.)) should not be available to companies. (Chapter 11 concerns reorganization in cases of bankruptcy.) He stated if a company is failing, they should be allowed to fail. He added Chapter 11 does not help the workforce in any way.

Ms. McAhron-Schulz explained the ALPA submission was from the perspective of the employee who is concerned with a pension, losing a job, and losing a contract. She stated during bankruptcy proceedings the judge should consider the employee and the company, and not solely the company.

Next Generation Air Transportation System (NextGen)

Ms. Egnotovitch inquired if the issue of NextGen needs to be included in the STEM information. Ms. Friend informed the subcommittee that a new advisory committee has been formed specifically for the topic of NextGen, which will be chaired by Mr. Barger.

Mr. Barger gave an introduction to this new committee and stated it is made up of industry representatives with varied backgrounds. He stated it began on September 23, 2010 and is on a 2-year timeframe. He stated the initial tasking focuses on implementing NextGen. Mr. Barger explained the advisory committee will discuss the metropolplex concept to determine which areas of the country will start to see the early benefits of NextGen. He noted the tasking is also tied into performance measurement.

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Mr. Barger stated he plans to distribute information from the FAAC and the subcommittees, so as the FAAC comes to a close, the new NextGen Committee can pick up where the FAAC leaves off. He stated the efforts of the FAAC will help to guide the NextGen Committee's tasks. Mr. Barger added he plans to give a presentation at the next FAAC meeting in Los Angeles, California.

Non-Consensus Topics

Ms. Friend stated the subcommittee has identified several issues considered detrimental to the aviation industry. She acknowledged the subcommittee may not reach consensus within the time constraints of the FAAC; however, these issues should not be ignored.

Ms. Friend stated the submissions should follow a one-page format and include the workforce and the industry points of view.

Ms. Friend reviewed the topics drafted by subcommittee members: outsourcing, bankruptcy, foreign investment, code share, DOT fitness, and foreign repair stations.

Ms. Friend stated the paper, written by Ms. McAhron-Schulz and Mr. Barger, on DOT fitness standards for new entrants was interesting because it suggested periodic reviews of organizations. She inquired about the potential consequence of not meeting the criteria. Mr. Barger stated the group may be able to reach consensus on a periodic review by the DOT. He stated new companies would need to be evaluated to determine their sustainability. Ms. McAhron-Schulz added this review needs to be initial and ongoing. Mr. Barger added the fitness standards should be appropriate for today and the future.

CLOSING REMARKS AND ADMINISTRATIVE MATTERS

Ms. Friend stated the next FAAC meeting is on October 20, 2010 in Los Angeles, California. She noted all subcommittees will be required to present two or three proposals. She stated Mr. Javits' presentation will allow the Labor and World-class Workforce Subcommittee to add more detail to the retention proposal.

Ms. Friend stated she will be happy to report to the FAAC that the subcommittee is continuing to refine its submissions in the areas it has not reached consensus. She stated the October 2010 FAAC meeting will present topics being covered, not action items.

Ms. Friend stated the next meeting for the Labor and World-class Workforce Subcommittee will be November 15, 2010, where the recruitment, retention, and non-consensus topic proposals will be finalized.

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ADJOURNMENT

Ms. Williams requested a motion to certify the minutes from the August 6, 2010 meeting. Upon receiving two motions, Ms. Williams certified the minutes.

Ms. Williams solicited a motion for adjournment. On motion, duly seconded and approved by the majority of the subcommittee members present, the meeting was adjourned.

The meeting adjourned at 4:16 p.m.

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

Approved by: *Teri Williams*
Teri Williams, Designated Federal Official

Dated: *Nov 15, 2010*

Ratified on: *Nov 15, 2010*