

Report
TO
THE PRESIDENT
BY THE
EMERGENCY BOARD

CREATED JANUARY 13, 1951, BY EXECUTIVE
ORDER 10203, PURSUANT TO SECTION 10 OF
THE RAILWAY LABOR ACT

To investigate unadjusted disputes concerning rates of
pay and working rules, between American Airlines, Inc.,
and certain of its employees represented by the Air Line
Pilots Association, International

(N. M. B. No. A-3255)

WASHINGTON, D. C.

MAY 25, 1951

(No. 94)



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LETTER OF TRANSMITTAL

WASHINGTON, D. C., *May 25, 1951.*

THE PRESIDENT,
The White House.

MR. PRESIDENT: The Emergency Board appointed by you on January 13, 1951, under Executive Order 10203, pursuant to section 10 of the Railway Labor Act, to investigate the dispute between the American Airlines, Inc., a carrier, and certain of its employees, represented by the Air Line Pilots Association, International, a labor organization, has the honor to submit herewith its report and recommendations based upon its investigation of the issues in dispute.

It should be pointed out that a stabilization question may be involved, particularly with respect to the compensation of copilots, if the airline and the Pilots Association reach an agreement in line with the Board's recommendations. The Wage Stabilization Board has thus far announced only the types of cases which do not require its approval, as not being unstabilizing. It is reported to be working on a program out of which will evolve a policy under which other types of wage adjustments may also be allowable without approval, or which will make clear what will be approvable. These additional types may well include cases in which adjustments are made to eliminate intraplant inequities or to balance wage structures. One of the principal reasons for improving the pay of the copilots in this case was the inequitable position in which the copilot was found to be in the cockpit of the plane on which he is working. In view of the developing nature of the stabilization policy at present, it was felt proper that this Board should make such recommendations for the settlement of the disputes presented to it as its best judgment dictated, leaving the ultimate question of the allowability or approvability, if this is found necessary, to the Wage Stabilization Board.

The Board desires to mention and acknowledge the valuable assistance rendered throughout the proceedings by its executive assistant, Donald B. Straus.

Respectfully submitted,

DAVID L. COLE, *Chairman.*
FRANK P. DOUGLASS, *Member.*
AARON HORVITZ, *Member.*



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I

INTRODUCTORY STATEMENT

This Emergency Board was created by Executive order of the President, reading as follows:

EXECUTIVE ORDER

CREATING AN EMERGENCY BOARD TO INVESTIGATE A DISPUTE BETWEEN THE AMERICAN AIRLINES, INC., AND CERTAIN OF ITS EMPLOYEES.

"Whereas, a dispute exists between the American Airlines, Inc., a carrier, and certain of its employees represented by the Air Line Pilots Association, International, a labor organization; and

"Whereas this dispute has not heretofore been adjusted under the provisions of the Railway Labor Act, as amended; and

"Whereas this dispute, in the judgment of the National Mediation Board, threatens substantially to interrupt interstate commerce to a degree such as to deprive a section of the country of essential transportation service:

"Now, therefore, by virtue of the authority vested in me by section 10 of the Railway Labor Act, as amended (45 U. S. C. 160), I hereby create a board of three members, to be appointed by me, to investigate the said dispute. No member of the said board shall be peculiarly or otherwise interested in any organization of employees or any carrier.

"The board shall report its findings to the President with respect to the said dispute within 30 days from the date of this order.

"As provided by section 10 of the Railway Labor Act, as amended, from this date and for 30 days after the board has made its report to the President, no change, except by agreement, shall be made by the American Airlines, Inc., or its employees in the conditions out of which the said dispute arose.

(Signed) HARRY S. TRUMAN.

"THE WHITE HOUSE,

"January 13, 1951."

The appointment of the members of the Board, consisting of David L. Cole, Frank P. Douglass, and Aaron Horvitz, was made on January 13, 1951. As thus constituted, the Board met in Conference Room B of the Interdepartmental Auditorium, Fourteenth and Constitution Avenue, Washington, D. C., at 10 a. m., on January 25 and elected David L. Cole as its chairman. Johnston and King was designated as official reporters, and Donald B. Straus as executive assistant. Public hearings were begun on the same day. On January 29 the hearings were moved to New York City.

The Company was represented at the hearings by its counsel, Burton A. Zorn, Esq., of New York City, and several of the Company's officers and officials; the Air Line Pilots Association by its counsel, Henry Weiss, Esq., of New York City and by several of its officers and officials.

The public hearings extended from January 25 to April 27, inclusive. The record consists of 4,770 pages of testimony and argument and 106 exhibits. The transcript of the proceedings, and the exhibits, are transmitted herewith and made part of this report.

During the course of the hearings, the parties to the dispute agreed, subject to approval by the President, to four extensions of the time limit stated in the Executive order. These extensions were approved by the President on February 13, March 13, April 13, and May 13.

At the conclusion of the hearings the Board met jointly with the parties, and also separately, in an effort to secure a settlement of the disputes by mutual agreement.¹ After 12 days of these efforts, it became apparent that the parties were either unable to agree to a settlement or that they preferred to await the Board's recommendations. The Board therefore concluded the sessions and began preparation of this report.

II

BACKGROUND AND NATURE OF THE DISPUTE

The parties to this dispute are the Air Line Pilots Association, International, and American Airlines, Inc. American Airlines is the largest passenger-carrying domestic line in the world. It has some 8,000 route miles, a network that extends from coast to coast and links the major industrial centers of the country. In 1950 it flew 1,808 million passenger-miles or almost 24 percent of the total for domestic airlines.

The ALPA is the only labor organization in the country representing airline pilots, and its membership includes virtually all of the pilots employed by the scheduled airlines. There were, in 1950, 5,385 pilots employed in scheduled domestic service. In March 1951, 838 were employed by American Airlines.

Collective bargaining on the airlines is conducted under the provisions of the Railway Labor Act by virtue of title II, approved April 10, 1936. The first pilots' employment agreement that was made with an airline company under the act was between American Airlines and the Association in 1939.

This dispute arose over a failure of the parties to agree on the changes to be written into a renewed agreement. The agreement under which the parties are still operating had an expiration date of July 1, 1949.

On May 31, 1949, the Company and the Association exchanged proposals for changes in the contract. The first negotiating meeting, however, was not held until August 3 because of the difficulty of ar-

¹ This was done pursuant to a paragraph in the President's letter of appointment to each of the members of the Board, which reads as follows: "The Board will organize and investigate promptly the facts as to such dispute, and on the basis of the facts thus developed, make every effort to adjust the dispute and report thereon to me within 30 days from the date of the Executive order."

ranging a mutually satisfactory date. Nine meetings were held between August 3 and September 2, and 29 more such collective-bargaining conferences were held between April 3 and July 20, 1950.

On October 13, 1949, the National Mediation Board accepted the case for mediation and docketed it as No. A-3255, and conducted mediation proceedings intermittently from December 14, 1949, until April 3, 1950. On that date an interim agreement was signed extending the reinstatement rights of pilots from 12 to 24 months for those pilots whose reinstatement rights had expired between July 1, 1949, and April 1, 1950. On August 4, 1950, the mediator withdrew from the case and proffered arbitration, as required by section 5b of the Railway Labor Act. The Association accepted the proffer but the Company replied that it believed there should be more attempts at negotiation and mediation before arbitration should be given consideration. The National Mediation Board advised the Company that it considered this to be a declination of the proffered arbitration and, accordingly, closed the case on October 10, 1950.

During October the Association conducted a strike vote. On January 9, 1951, the National Mediation Board informed the President that, in its judgment, a dispute existed which threatened substantially to interrupt interstate commerce. On January 13, 1951, the President issued the Executive order creating this Emergency Board.

When the parties appeared before the Board there were numerous issues still in dispute. It is difficult to count them because there are a number of subissues. The Board's report breaks them down into a total of 27 issues.

A major issue resulted from the request of the Association to place limitations on the number of miles pilots would be expected or required to fly each month, the effort being to reduce the monthly flying hours from the current standard of 85 hours to various lower monthly hours depending on the speed of the plane. The Association designated this request as "mileage increase determination," or as "M. I. D."; the Company called it "mileage limitation." Directly related to this issue are the Association's requests for adjustments in the pilots' pay formula so that the pilots would earn as much in the resulting reduced flying hours as they are currently earning.

It is clear that the inability of the parties to agree on the principle involved in this issue was the reason for their failure to reach agreement on other issues, including even those which are not connected with M. I. D. The parties acknowledged that negotiations and mediation, before both the National Mediation Board and our Board, were fruitless because of their basic difference over this one issue.

The pay of the first pilots or captains is now based upon seven factors: Base pay, longevity, hourly pay, the speed of the aircraft, night flying, the mileage flown, and the gross weight of the aircraft. Im-

mediately prior to 1931, airline pilots were compensated on a mileage basis. During the period 1931-33 the airlines abandoned this method and converted to a combination of base pay and hourly flying pay. This resulted in a dispute with the pilots which was submitted to the National Labor Board for settlement.

In May of 1934 the National Labor Board issued its decision 83 which established the basic formula for computing pilots' pay. This formula is still in effect, with certain relatively minor modifications. American Airlines wishes to extend the principles embodied in decision 83 to cover the heavier and faster aircraft now in operation, or anticipated to be in operation for the period immediately ahead. The Association wishes to modify the decision 83 formula so that pilots would be able to maintain their present take-home pay while flying fewer hours.

Decision 83 established 85 hours per month as the maximum allowable flying time for first pilots. In addition, it established a pay formula consisting of three components: (1) Base pay, (2) hourly flying pay (incorporating a premium for night flying), and (3) mileage pay. Base pay increased only with seniority until the maximum was reached after 8 years. Hourly pay varied with the number of hours flown, and also with the speed of the aircraft. Mileage pay increased with the miles flown and was computed according to a formula which paid 2 cents per mile for miles flown at speeds over 100 miles per hour for the first 10,000 miles, 1½ cents if from 10,000 to 11,999 miles were flown, and 1 cent if over 12,000 miles were flown. A complete analysis of decision 83 was made in 1946 in the report of Emergency Board 36 and is, therefore, not repeated here.

The first contract between the Company and the Association, dated May 15, 1939, incorporated the pay formula of decision 83 without change. This formula was still in effect in 1946. During this year, the major airlines of the country introduced the DC-4 aircraft into scheduled operation. This was the first 4-engined airplane to be used to any extent in domestic commercial flying, and the first significant change in flight equipment since the introduction of the DC-3 in 1936.

In 1946 the Association requested alteration of the decision 83 pay formula in order to give the pilots a larger participation in the increased productivity of the aircraft than they would have received under the then existing formula. The Association at that time presented the major airlines with practically identical demands and the airlines attempted to bargain jointly through the Airlines Negotiating Committee. When negotiations became deadlocked, and all mediation efforts failed, the President appointed Emergency Board No. 36 on May 7, 1946. This Board issued its recommendations on July 7, 1946.

The recommendations of this Board were not followed in their entirety by the airlines. American Airlines, specifically, modified its agreement with the Association on March 1, 1947. This was the first change in the first pilots' pay formula since decision 83, and the rates put into effect at that time are still being paid today.

The 1947 changes were as follows: Base pay was increased by a flat amount of \$50 per month; hourly pay was divided into three brackets, each applicable to different weights of aircraft, thus incorporating an increment known as "gross weight pay"; and the method of computing mileage pay was altered to give the pilots a higher earning power for this element of the formula.² In addition, the hourly pay brackets were extended by adding 20 cents for each additional 25 miles flown per hour above the then existing top bracket of 200 miles per hour. The extended schedule went up to a new top bracket of 375 miles per hour.

The first pilots are not requesting a general increase in earnings, but are essentially confining themselves to a reduction in flying hours and in total on-duty time. This may seem strange in view of wage requests customarily made in collective bargaining at the present time. Part of the explanation may be in the relatively high earnings of first captains and in the fact that with only one comparatively slight change in their pay formula since 1934, in 1947, their earnings have nevertheless risen as new types of equipment have come into use.

While these proceedings were under way the Company introduced the DC-6B. There was opposition from the Pilots Association to the pilots flying this plane. The Board members assisted in resolving this dispute as mediators, the pilots agreeing to fly the plane, the Company agreeing to a pegged speed of 275 miles per hour for all pay purposes, and the Board agreeing to reopen the hearings to take testimony concerning this plane. This plane, basically a DC-6, has a greater speed which for pay purposes was tentatively set at 25 miles per hour above the DC-6, and it may be arranged to carry more passengers, although currently this is not being done. The plane presents no new or different principle from the DC-6 with respect to the issues in this case. The captain flies a craft which is very similar to the DC-6; because of its speed he is enabled to cover more miles in a given time, and under the pay formula he will earn \$25 per month more flying only 80 hours, half day and half night.

Earnings are affected, under the pay formula of first pilots, not only by the speed and size of the planes but also by the extent of pilot

² This modification paid 2 cents per mile for miles flown at speeds over 100 miles per hour for the first 10,000 miles, then 1½ cents for the next 2,000 miles, and 1 cent for all miles flown over 12,000, on what the parties call a "nonreverting" basis.

utilization, i. e., the number of flying hours which the pilots have per month.

The first pilot pay formula has one characteristic which has an important bearing upon this dispute. Base pay is a relatively small part. At the top of the scale, for a pilot with 8 years or more of seniority, it amounts to \$300 per month, or only 25.4 percent of the total earnings of \$1,184.13 for a DC-6 pilot flying 85 hours (half day, half night).

In other words, by far the greater portion of a pilot's income is earned only while he is actually flying.

This emphasis upon flight pay has been in existence ever since decision 83 and is not being contested either by the Association or the Company. In fact, the Association is now asking that this principle of payment be extended to include the copilots, who are now on a flat monthly salary. Except for some minor modifications, the Association has not taken issue with the total earnings of bid first pilots provided by this formula.

A pilot must, of course, spend more hours on duty than are actually spent in flying the aircraft. The Company contends, and the Association has not seriously contradicted this contention, that the flight pay formula has taken into consideration the total on-duty time which a pilot must spend in order to accumulate his flight hours. The Association has contended, however, that total on-duty time is excessive, and the pilots seek relief from this.

Another major request of the Association is that involving the pay of copilots. As already mentioned, the Association wishes to have copilot pay computed on a formula identical in principle with that of the first pilots' pay plan. In addition, they are asking that the present gap between copilot and first pilot compensation be narrowed.

The proposals submitted by both parties were in the form of new or revised contract clauses. Those introduced by the Association have been reproduced in appendix A, those by the Company in appendix B. When the discussion of these proposals is introduced in the text of our report, a footnote will draw attention to the appendix page on which the complete text is to be found.

III

THE ISSUES

1. MILEAGE INCREASE DETERMINATION ³

This proposal of the Pilots Association is designed to limit the monthly flying hours of pilots on all aircraft which fly at greater speeds than the DC-3, which was the standard aircraft from 1936 to

³ The text of the proposal of the ALPA is reproduced in appendix A, p. 55.

1945 on practically all domestic airlines. Both by law and contract, pilots may not fly more than 85 hours per month. At 160 miles per hour, the maximum monthly mileage on the DC-3 was 13,600. Since 1945 American Airlines has completely replaced the DC-3 with faster and larger planes. It now uses CV-240, DC-4 and DC-6 planes, and in the past few weeks has introduced the DC-6B. The Association's proposed mileage formula would limit the hours a pilot may fly in a month on faster equipment to some figure below 85. This would be set by allowing only one-half of the miles over 13,600 which the plane would normally fly in 85 hours, and then by dividing the allowable total monthly mileage by the agreed-upon speed of the plane. By this method, pilots on the CV-240 would be permitted to fly 70.8 hours per month (derived from the maximum monthly mileage of 17,000), on the DC-6, 69.7 hours (the allowable mileage under the formula being 17,425), on the DC-4, 75.6 hours (the allowable mileage being 15,512) and on the DC-6B, 67.2 hours (the allowable mileage being 18,488).

To preserve the present earnings of first pilots, the Association would make certain adjustments in the hourly component of the pay formula by eliminating the gross weight factor therefrom and by adding a new separate gross weight component which would tie certificated gross weight to a per mile basis, instead of to hours as at present. The current mileage component and the base pay schedule would not be disturbed. In addition, a speed would be designated in the agreement for each type of plane, which speed would be used both for hourly pay and mileage pay. The Association suggested these speeds: DC-4, 205 miles per hour, CV-240, 240 miles per hour, DC-6, 250 miles per hour, and DC-6B, 275 miles per hour.

The maximum monthly hours thus derived would be applicable to reserve captains and copilots as well as to first pilots, and the revised pay methods, with certain qualifications, would also apply to them.

Broadly, there are three bases upon which the Association rested these requests. As planes have become progressively faster, larger, and more complicated, the Association urges: (1) Pilots have not shared in the greatly increased productivity and economies that have resulted; (2) their work has become increasingly burdensome, with the job content so enlarged as practically to amount to new jobs; (3) because of the vast technological changes and greater productivity, pilots have suffered a great loss in job opportunities, stability, and tenure, to the detriment not only of the pilots, but to that of the national welfare as well, in violation of the policy of the Civil Aeronautics Act of 1938.

The rise in productivity cannot be questioned. Table I shows in summary how greatly the speed, range, size, and payloads have grown between 1930 and 1951. In 1933, immediately before the National

Labor Board issued decision 83, which has served as the framework for pay purposes and monthly flying hours ever since 1934, the Curtiss Condor was in common use. Its cruising speed was 167 miles per hour, in turn a great jump over its predecessors, the Ford 5ATC and the Boeing 40B-4, which cruised at 122 and 125 miles per hour. The Condor had a gross weight of 17,500 pounds, a payload of 2,600 pounds, a range of 716 miles, and could carry 15 passengers. The improvements in all respects were substantial when the DC-3 came into use in 1936, and the contrasts with the present models are striking. We now have planes which cruise at 300 miles per hour, with ranges of 1,400 to 4,500 miles, with payloads of 8,000 to 30,000 pounds, and normal passenger capacities of 40 to 75.

TABLE I.—*The development of transport type aircraft 1930-51*

Designation	Date of introduction	Maximum gross weight ¹	Pay-load ²	Cruise speed ³	Landing speed ⁴	Range ⁵	Payload, ton-miles per hour ⁶	Passenger capacity
Boeing 40 B-4.....	1930	6,075	1,180	125	63	535	73	4
Ford 5 ATC.....	1931	13,250	2,693	122	70	510	164	12-15
Curtis Condor AT-32D.....	1933	17,500	2,600	167	70	716	218	15
Douglas DC-3.....	1936	24,000	4,200	188	70	1,685	396	21
Douglas DC-4.....	1946	73,000	15,250	230	91	2,876	1,752	50
Lockheed O-49 ⁷ Constellation.....	1946	90,000	14,655	297	88	2,335	2,160	51
CV-240.....	1948	40,500	8,400	286	102	1,410	1,206	40
Douglas DC-6.....	1947	89,900	14,379	300	100	2,520	2,157	58
Boeing 377 ⁷	1949	142,500	30,000	340	110	4,000	5,100	75
Douglas DC-6B.....	1951	100,000	18,000	316	103	4,540	2,844	58

¹ Maximum weight with which airplane is licensed to take off in pounds.

² Passengers, baggage, cargo, and mail-carrying capacity in pounds.

³ Speed at which cruise flight is conducted, in miles per hour.

⁴ Stall speed at maximum landing weight (less 10 percent, in miles per hour).

⁵ Cruising range with full fuel tanks, miles.

⁶ Payload in tons times the cruising speed in miles per hour, as a measure of productive capacity of an airplane in an hour's time in ton-miles per hour.

⁷ Not used by American Airlines.

The effect of the changes in equipment, in terms of pilot compensation per dollar of operating revenue, per revenue passenger-mile, and per revenue ton-mile, were substantial. From 1939, when the DC-3 was in common use, to 1950, these changes may best be seen in table II which follows. It will be noted that pilot compensation per revenue passenger-mile declined almost 50 percent between 1939 and 1950, per revenue ton-mile over 50 percent, and per dollar of operating revenue over 40 percent.

TABLE II.—*Pilot and copilot compensation*

	Cents per dollar of operating revenue	Cents per revenue passenger-mile	Cents per revenue ton-mile
1939.....	10.3	0.0075	0.0670
1941.....	9.8	.0063	.0565
1945.....	8.7	.0055	.0432
1948.....	7.5	.0049	.0397
1949.....	6.6	.0043	.0340
1950.....	6.1	.0039	.0312

Ton-miles per hour payload were 73 in 1930 in the Boeing 40 B-4, 164 in the Ford of 1931, and this measure of plane capacity is 1,206 on the CV-240, 2,157 on the DC-6 and the ton-miles per hour of the DC-6B are 2,844.

In the presentation of their case the pilots relied very heavily on the decline in the number of pilots employed by this Airline since 1946—a drop of some 390 men, or about 34 percent, and it ascribes this to the Company's complete conversion from the DC-3 planes to its present fleet. There were also intermittent furloughs of copilots, demotions of captains to copilots, a general deterioration of the job and promotional opportunities of the more junior men, and other hardships.

While these facts are clear, they are not to be taken as a portent, without critical analysis. In 1946 the Company had an abnormal number of pilots on the payroll—according to the Association's figures, 1,146. This was the largest number it ever employed, and this was caused by several unusual circumstances. At about that time the Company's military transport contract was suddenly terminated, making available a large group of pilots. Many veterans returned from the armed services. The Company was then expecting delivery of some of its new planes and therefore engaged in an extensive training program, using some 17,000 pilot hours in 1946 for that purpose, an amount which is about 10 times as great as normal. Delivery of the new equipment was considerably delayed, planes expected in 1946 not being delivered until 1948 in some instances. This Company, in keeping with the industry as a whole, was unduly optimistic about the rush of new business. All this resulted in over-manning to the extent that pilot utilization was as low as 59 hours per month, or 20 percent below that in 1950. This extraordinarily low utilization was reflected in first pilot earnings, which in 1946 were \$1,132 less than the average in 1939.

Aside from the abnormal characteristics of the year 1946, a fact subscribed to by one of the Pilots Association's principal spokesmen in his testimony before the TWA Emergency Board which conducted hearings in the summer of that year, there were a number of airline crashes at about that time, resulting not only in the grounding of Constellations and DC-6's, but in discouraging a good many prospective passengers from using air transportation. In any event, it is the definite opinion of this Board that major changes in the approach to the economic problems of the pilots and of the airline industry may not be predicated on a single short-range experience of this kind. There are available data and facts covering much longer periods during which great technological changes also occurred which would serve far better and far more reliably as a reflection of what has

happened and of what may reasonably be expected to happen in the future.

Positions assumed in the past in the light of what was then predicted and what actually did happen amply justify this approach of the Board. In 1934, before the Shientag Fact-finding Board and again before the National Labor Board, the pilots advanced the proposition that unless monthly mileage was limited to 10,000, there would be serious technological unemployment and an increase in the hazards of flying due to the greater speeds then foreseen. The National Labor Board found that hazards would be increased—that there might be some technological unemployment because of these greater speeds, established the 85-hour monthly flying maximum, and stated:

Experience has not crystallized sufficiently to put a maximum on the monthly mileage of air pilots.

As will be developed shortly, it turned out that employment continued to rise substantially, and that safety was improved rather than impaired. If the proposal then urged by the pilots had been accepted, DC-6 pilots would now be allowed to fly only 40 hours per month, and pilots on 300-miles-per-hour planes only $33\frac{1}{3}$ hours.

In 1946 the Pilots Association advocated before the TWA Emergency Board that monthly mileage be restricted, and that Board ruled against them. It is quite noteworthy, however, that the monthly limitation then proposed by the pilots was 24,000 miles for the Constellation and 22,000 miles for the DC-4. The DC-6 has the same speed and is in the same class as the Constellation. In the instant case the Association is urging that mileage per month of the DC-6 be limited to 17,425 and of the DC-4 to 15,512.

In 1947 the Association appeared before Merrill Armour, an examiner for the C. A. B., urging a lowering of the 85 hours per month flying limit on the grounds of hazard and fatigue. The examiner found contrary to the position of the Association.

Let us review the experience of the air transport industry over the years. Table III shows the vast and almost uninterrupted growth in pilot employment in the domestic and international airlines of the United States, from 1928 to 1950. The total number of pilots has grown from 308 to 6,831, an increase of over 2,000 percent. It is interesting to note that in 1934, the year when the National Labor Board predicted technological unemployment because of speed, the pilots employed numbered 759; the number rose immediately thereafter and continued to rise practically without interruption for 12 years. Attention is directed to 1935, the year when the DC-3, generally regarded as the first of the modern-type planes came into use. In speed and capacity that plane represented on the average a great change over its predecessors, by over 30 percent in speed, and

over 60 percent in payload. Nevertheless, the number of pilots employed continued to rise at an unabated rate immediately thereafter and for years beyond that date. Table III follows.

TABLE III.—*Number of pilots on United States scheduled air carriers*
[Domestic and international]

Year	Number of pilots	Index
1928.....	308	100.0
1931.....	694	245.8
1934.....	756	246.4
1935.....	895	323.1
1936.....	1,241	402.9
1937.....	1,355	439.9
1939.....	1,690	551.6
1941.....	2,664	864.9
1944.....	3,345	1,086.0
1946.....	7,220	2,344.2
1947.....	6,637	2,154.9
1950.....	6,831	2,217.9

To narrow the facts to domestic air carriers and to tie the matter of employment to speeds of aircraft, table IV is presented. This starts with 1934, the year of decision 83, which was just before the introduction of the DC-3. Between that year and 1949 average speed rose 40.9 percent (from 127 to 179 miles per hour), yet the pilots employed increased by over 700 percent (from 667 to 5,385). It will be noted that the effect of the introduction of the DC-3 raised the average speed between 1934 and 1937 by 20.5 percent, yet the number of pilots rose in the period by 59.5 percent.

TABLE IV.—*United States scheduled domestic airlines pilot employment and average speed*

	Pilots employed	Index	Average speed	Index
1934.....	667	100.0	127	100.0
1935.....	874	131.0	142	111.8
1936.....	1,055	158.2	149	117.3
1937.....	1,064	159.5	153	120.5
1939.....	1,412	211.7	153	120.5
1941.....	2,217	332.4	157	123.6
1945.....	4,967	744.7	155	122.0
1946.....	5,712	856.4	160	126.0
1947.....	5,034	754.7	168	132.3
1949.....	5,235	784.9	179	140.9
1950.....	5,385	800.7	¹ N. A.	-----

¹ Not available.

A similar course was followed within the American Airlines. From 1936 to 1950, the pilots increased in number from 196 to 756, although its average speed which was 147 miles per hour in 1936, had risen to 189 miles per hour by 1950.

Not only did speeds increase from the early 1930's to 1950, but in the meantime the planes had become larger and much heavier,

with payloads becoming 300 percent to 1,000 percent greater on the airlines of the country, as may be observed from table I, above.

From the foregoing, it may safely be concluded that more speed and size have not resulted and need not necessarily result in the loss of pilot jobs. Other factors definitely play an important part. Nor is this a unique phenomenon in the airline industry.

In American industry as a whole output per employee increased by 30 percent between 1923 and 1929, but production rose 260 percent, and employment during the period increased by 170 percent despite the rise in productivity. Without citing specific figures, it is well known that productivity in American industry as a whole, rises at a rate of about 2 percent per year, compounded; nevertheless, over-all employment is becoming constantly greater.

In new industries we experience the largest rate of increasing productivity. Rayon yarn productivity, e. g., rose 386 percent in 18 years. This was substantially above the general average of industry. The resulting economies enabled this industry to reduce its prices which enlarged the market for its products and in turn expanded the total production and consequently its work force.

This course is typical in American industrial history, and is good both for the economy as a whole and for the industry in question. The employees in such industries tend to do somewhat better in terms of compensation improvements than employees in general because these industries expand and must constantly seek to attract additional labor. Moreover, they are able and inclined to be more willing to respond to reasonable requests of their employees, in one form or another.

Followed generally, this course has the tendency to benefit the community at large, including those employed in the separate industries, by holding prices at a lower level than would otherwise be the case. Labor tends also to move to the better paying industries and areas, and improvements granted in one industry have frequently served to influence action along similar lines in others.

This Board subscribes to the general views of the Steel Industry Board of 1949 on the claims of employees in a particular industry for wage improvements commensurate with the exceptional rise in productivity enjoyed by that industry. That Board said, in its summary:

It is the belief of the Board that * * * wage rates in a particular industry should not be tied directly to productivity in that industry but rather should be related to the general industrial rise in productivity, and that any excess of productivity in any one industry over the general average should provide primarily the means of reducing the prices of the products of that industry.*

* Report to the President by the Steel Industry Board, September 10, 1949, p. 3. See also, p. 44.

The chaotic and disruptive effects of putting employees of single industries, or of single companies, out of line with their community, their competitors, or with the general economy must be self-evident.

American Airlines and the air transport industry as a whole have had a rate policy consistent with these general views, with the normal consequence of capturing more and more of the available market. It has also been able to attract the necessary capital to continue to make the improvements which have given rise to the growing productivity, and this ability is highly desirable.

In decision 83 the National Labor Board did not grant the pilots' request for a limitation on monthly miles flown. It did, however, write a pay formula which embodies provisions for sharing the benefits of increased productivity to some extent. This was accomplished by the scale of rates to be used for hourly pay and that to be used for mileage pay. Both provide greater earnings for operating faster planes. In 1947 the Company and the Association wrote into the hourly pay provisions a gross weight allowance. This has had the further tendency to give the pilots a share in greater weight as well as speed. By virtue of these factors, first pilots hourly earnings have improved as new equipment has come into use. Under decision 83 a DC-3 captain earned \$9.29 per hour. Under the contract which expired on July 1, 1949 a captain flying a CV-240 earned \$12 per hour, and a DC-6 captain earned \$13.93 per hour.

Measured in another way, the DC-3 pilot, under decision 83, had, as an 8-year man flying 85 hours, half days and half nights, flight pay amounting to \$526.15 per month. The flight pay of a Convair captain under the recent agreement was \$719.85 per month, and of the DC-6 captain \$883.12. It must be pointed out that flight pay is not the total pay of the pilots. They also receive their base pay which, at the top of the range, is now \$300 per month. Prior to March 1, 1947, the top was \$250 per month. The percentage by which the flight pay of the Convair captain exceeds that of the DC-3 captain is 37 percent, and the flight pay of the DC-6 captain exceeds that of the DC-3 captain by 68 percent.

The present-day formula is such that if, as predicted by the Association, 500 miles per hour jet planes should be operated, the captain would earn over \$20,000 per year.

This Board is recommending that the gross weight factor be separated from the hourly pay component and that it be separately computed on a straight line instead of a bracket method. This will result in additional earnings for a CV-240 captain of about \$27 per month, and for a DC-6 captain of about \$16 per month.

Since the essentials of the captains' pay formula will hereafter be applicable to copilots as well, if the Board's recommendations are

adopted, it will follow that all pilots will hereafter share in the increased productivity resulting from larger and faster planes.

With reference to the rate policy, a comparison between 1939 and 1950 is illuminating. This was a period, it will be remembered, of generally rapidly rising prices. The revenue per revenue ton-mile (cargo, mail, and passengers) declined from 65.87 cents to 51.45 cents, due, primarily, to a drop in cargo rates from 59.49 cents in 1939 to 22.32 cents in 1950. Passenger rates were increased in this time by 8.4 percent, the passenger revenues per ton-mile going from 53.18 cents to 57.91 cents. Mail revenue per ton-mile declined sharply from \$1.86 to 59 cents. These facts and the rapid growth in traffic of this expanding industry may be seen in table V.

TABLE V.—*Rates of American Airlines, Inc.*

	1939	1950
Passenger:		
Per ton-mile (cents).....	53.18	57.91
Ton-miles.....	20,145,045	175,623,306
Cargo:		
Per ton-mile (cents).....	59.49	22.32
Ton-miles.....	756,860	44,000,306
Mail:		
Per ton-mile.....	\$1.86	\$0.59
Ton-miles.....	1,976,013	10,262,306

From 1940 to 1950 this Company raised its passenger rates 8.4 percent, and the railroads in the same time raised their passenger rates 41.3 percent on first class fares and 43.7 percent on all passenger traffic. In 1940 air passenger-miles in the United States were 5.3 percent of total rail passenger-miles, and in 1950 this had risen to 29.3 percent. If the comparison is made with first-class rail passengers, these percentages were 14.4 in 1940 and 82.3 in 1950.

In 1939 American Airlines alone had 64.7 million passenger-miles; in 1950 1,807.9 million.

It is not the view of this Board that this remarkable growth, absolutely and relatively, was caused solely by the rate policy of the air transport industry or of this Company. This is truly a young, growing industry, and the improved speed, comfort, and safety of its service have all contributed to its growth as well as the attractive rate policy.

This suggests the matter of safety and flying hazards concerning which there was a great deal of testimony and argument at the hearings. In 1934, as already stated, the pilots and the National Labor Board expected greater hazards with greater speed. We feel that the most tangible proof on the subject is that revealed by the statistical record and by the judgment of the professional risk calculators who make up life insurance rates.

The Shientag Fact Finding Board in 1934 reported that the death rates per thousand pilots and copilots between 1928 and 1932 ranged from a low of 23 in 1930 to a high of 87 in 1929, all years other than 1929 having death rates of 42 or less per thousand.

The Civil Aeronautics Authority reports that on domestic airlines, from 1930 to 1936, the mortality per thousand pilots ranged between 16 in 1935 to 28.2 in 1932, and that in 1948 this rate was 1.5 and in 1949 1.1, and in 1950, on domestic and international lines combined, the rate was 1.5 (the separate rate for domestic lines in 1950 being unavailable). Since 1938 this death rate was over 3.7 only once—in 1942 when it was 4.6.

The extra premium per \$1,000 of ordinary life insurance for airline pilots is now \$2.50, as quoted by a leading life insurance company. Several occupations, mainly on the railroads, must pay higher extra premiums, as shown in table VI.

TABLE VI.—*Extra premiums per \$1,000 ordinary life insurance*

Railroads (steam) :	
Policemen and detectives—tracks, yards, and stations.....	\$5. 00
Engine wipers.....	5. 00
Freight and baggage handlers.....	2. 50
Bridge and building painters.....	5. 00
Laborers—wrecking and work train.....	7. 50
Track walkers, section men.....	7. 50
Freight or yard brakemen.....	5. 00
Car cleaners and car icers.....	5. 00
Watchmen.....	5. 00
Railways—(electric, interurban, elevated, surface and subway lines) :	
Rail welders and grinders.....	5. 00
Track laborers and track walkers—elevated and subway.....	7. 50
Building and construction :	
Painters (bridge).....	5. 00
Painters (house).....	2. 50

This Board finds, therefore, that the hazards of flying on the airlines have greatly diminished since 1934 and seem to be inclined to diminish further, and that the extreme physical risks to which pilots were exposed in the early 1930's seem no longer to be present.

Monthly mileage determination, as requested by the Association, is without precedent either in this country or in any other country, although as already indicated, it has been proposed in various forms from time to time. Furthermore, the present limitation on flying of 85 hours per month is below the limits set in any other country, with the possible exception of the contract on the Trans-Canada Air Lines. In Alaska the limitation is 300 hours in 3 months. In Mexico it is 100 hours per month. In Great Britain it is 125 hours per month. In most countries there is no limit.

Spokesmen for the Pilots Association advanced the view that the airlines have an obligation under the Civil Aeronautics Act of 1938 to train and maintain a reserve of qualified pilots who would be available for prompt use in time of national emergency. They believe this follows from the general policy of the act as stated therein and from section 406 (b) which prescribes the purposes and tests to be followed by the C. A. B. in determining what subsidy, if any, it should give to individual air carriers in the form of increased mail carrying rates, which, the Association pointed out, may be done retroactively.

Section 406 (b) reads in part as follows:

* * * the need of each such air carrier for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other revenue of the air carrier, to enable such air carrier under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the Postal Service, and the national defense.

National defense is mentioned in this section as one of the reasons for maintaining and developing air transportation, and there is no doubt that this industry has much it can contribute in that cause. During World War II equipment and pilots were promptly made available to the Air Transport Command, and these pilots were the nucleus of that important service. Two hundred and forty pilots of this Company functioned in this service alone. It is also true that air transportation of people and cargo is now a vital function in times of stress. The speed and flexibility of this service make it so.

On the other hand, it is a closely regulated industry. Rules and regulations are constantly being made and changed by Government, and there is an unusual degree of supervision by public bodies and officials. Illustrations are the semiannual instrument checks and the physical examinations to which pilots must submit in order to remain qualified to fly. For many years the airlines apparently applied for and were given subsidies by the C. A. B. Table V above, shows, for example, that in 1939 this Airline received per ton-mile for mail \$1.86 as compared with 59 cents for other cargo and 53 cents for passengers, and similar subsidy payments were made to it in other years.

Why, then, has not the C. A. B., which is the administering agency of the act, directed this Company or others to do what the Association maintains the act requires? It could certainly have done so. Or, for that matter, if this is what was intended, why does the Congress not amend the act and say so?

The answer is found, in our judgment, in section 406 (b) itself. The underlying purpose is to develop and maintain an air transportation system properly adapted to the needs specified, and to be entitled

to consideration any air carrier must be managed honestly, economically, and efficiently. It has been authoritatively said a number of times that the airlines are expected to become and to continue to be self-supporting. The four major domestic airlines, including American Airlines, are currently receiving only service rates for carrying mail, which rates are devoid of any element of subsidy. Having attained the position of self-sufficiency, an air carrier is in a position to raise or borrow the capital necessary to modernize its fleet and to maintain it in top efficiency. It seems to this Board that when an airline is self-supporting, operating honestly, economically, and efficiently under its franchise, it follows that it will automatically render the service expected for the benefit of commerce, the Postal Service, the national defense, as apparently contemplated by the Congress in enacting the Civil Aeronautics Act.

In the face of a statutory injunction to have economical and efficient management, it is difficult to accept the proposition that an air carrier should employ pilots it does not require because they would be available in time of need. In World War II this obligation was met through the joint efforts of the pilots and the airlines, by making equipment and men available to the Government, by utilizing the remaining equipment and pilots to the fullest extent possible and by extending the flying month from 85 to 100 hours.

This Board cannot find support for the Association's M. I. D. proposal in the Civil Aeronautics Act or in any announced public policy.

As further support for its request that the monthly flying hours be reduced the Association offered a large amount of testimony to show that the work of pilots has become vastly more burdensome. The enlarged burdens, according to the Association, have accompanied the inauguration and operation of the faster, high altitude planes which are now in use. Because of the essential characteristics of these planes, the pilot must make more trips or longer trips, he is confronted with many additional decisions with regard to weather and other problems, and the Association contends he must now operate a more complicated and critical plane in and out of airports that have become highly congested.

To a layman the description of the detailed duties of a pilot, particularly in making instrument landing approaches, seems highly formidable, and the picture of the dangers faced in flying into stormy areas at high speeds is not an attractive one.

Sober reflection, however, requires that one evaluate the current work assignment of the pilot with that of the pilot in former years. After all, the pilot is a finely trained, highly skilled, responsible technician. He is carefully screened before he is permitted to enter into

the profession, and he must be prepared at frequent intervals to pass severe physical tests and difficult instrument checks conducted both by agents of the Civil Aeronautics Board and of the airline. These features of the job are by no means innovations of recent years. A professional man with such qualifications is compensated primarily for his skill and ability to assume serious responsibility and not for the manual details which he must handle.

In the period prior to decision 83, pilots were also a highly paid group. At that time they were placed on a high salary level because of their ability, but also because of the extreme hazards which they faced. At that time a differential was established for night flying, because it was not unusual for pilots to have to drop flares and seek a place to land because of engine failure. They also had a differential for flying over mountainous terrain because of the limits on the altitudes at which they could fly and the primitiveness of the instruments they then had available.

While the pilots emphasized the problems they now have in flying at high altitudes because of weather and pressurization, the facts are they have thereby acquired a degree of flexibility and protection which they did not formerly enjoy. All aircraft are now multiengined and so-called forced landings are a rarity. They need no longer fly only on established airways. With improved weather information and more efficient communications devices, they are forewarned and may fly around stormy areas, as well as over and under turbulent areas. In the past 2½ years not one high-altitude plane has flown into a mountain.

In considering whether the vast increase in the number of instruments, controls, gages, and fuses has in fact enlarged the work burden of the pilots, it is well to remember that every device installed in a plane has been designed to serve some specific function which therefore had to be handled largely through the personal ability and skill of the pilot. A modern convertible automobile has some 65 items of this type on it, but no one would contend that this had made the task of driving an automobile more unsafe or difficult. In the same vein, the modern housewife has numerous controls and gages to watch in her kitchen, which were formerly unknown, but the general belief is that kitchen work has been lightened through their use.

The pilot is paid only secondarily for his labor and primarily for the judgment, responsibility and skill which he is able to exercise. He would surely not desire to have his worth measured by the amount of physical effort he must employ in manually operating controls or observing and monitoring the various items in his cockpit. Even a semiskilled worker on an assembly line, or at a machine, has more

manual work to do than a pilot, and certainly no one would seriously compare the value of such a person with an air transport pilot.

The evolution of the copilot from the status of apprentice or helper to a partner or practically a cocaptain was described in compelling detail by the Association at the hearing. We are finding in another part of this report that the status and importance of the copilot has indeed changed. The availability of another person of such characteristics in the cockpit has certainly tended to relieve the captain. By the same token the addition of flight engineers in the four-engined DC-6 and DC-6B must have relieved the captain of a good deal of detail. In December 1950 this airline employed 182 flight engineers.

It is not for us to say, nor do we say, that planes flying twice as fast as those which were in use 15 or 20 years ago do not present new problems and new hazards. The wing loading of these planes has gone up and the landing speeds are now some 30 miles per hour more than they were in those days. The pilot has the benefit of many devices on his instrument panel which he did not then have. Airports are more highly developed and efficient, ground aids are better, and it is a serious question whether over-all the pilots have not benefited more than they have been burdened by the modern innovations and conditions.

If they were overburdened it would be reasonable to expect such fatigue to manifest itself as to lead to a lower quality of operation and, normally, to a greater incidence of accidents. The statistics show the contrary, and it is logical to surmise therefrom that pilots are still working well within their normal capacity. One of the Company's important supervisors of flying expressed the view that pilots have traded apprehension for more detail and we are inclined to believe, by and large, that this is probably true.

The full consideration of the problem of the job content and of the possibility of technological unemployment because of larger and faster planes, requires an inquiry into the prospects for the immediate future. The pilots spoke with positiveness of the use within a short time of turbo-prop and turbo-jet transports, planes which may fly as much as 500 miles per hour. At present the American Airlines is operating with a completely modern fleet, none of its planes being more than 5 years old. It has 75 Convairs, the oldest of which was delivered on June 30, 1948, and delivery of the last 17 was on March 31, 1949. Of its 50 DC-6's, 24 were on hand on June 30, 1947 and the last 36 were not made available until June 30, 1948. Its oldest planes are the DC-4 models, 48 of them having been delivered in 1946. It has received and is now operating a DC-6B's which were

started in service only about a month ago, and 14 others are yet to be delivered.

In December 1944 the cost of all flight equipment of the Company was about \$9,000,000; in October 1950 the cost of its flight equipment was \$94,000,000.

No other airline in the United States has yet completely converted its equipment to as modern planes as those of the American Airlines, and it certainly is not far-fetched to say that this modern equipment of this airline will not be replaced soon. The Company will certainly endeavor to get its value out of this equipment before disposing of it.

Experience with new models throughout most of the history of the air industry indicates that generally it requires years to translate plans into usable equipment. The testimony submitted to this Board was unqualifiedly that American Airlines has not placed an order for a single turbo-prop or turbo-jet airplane, and that the trade information is that no airline in the United States has done so. The definite prediction was made that it is extremely unlikely that any planes of this type will be operated in the United States in less than 5 years.

It thus appears that with regard to major equipment changes, American Airlines is in an unusually well stabilized condition. The disadvantages that flow from conversion have already been experienced, and pilot employment by this Company is definitely on the upgrade. For almost 2½ years this Company has not furloughed a single pilot and it has been engaged in a hiring program for a considerable length of time.

In evaluating the arguments for and against any form of monthly mileage limitation for pilots, it is incumbent on us to bear in mind that we are suggesting the terms to be included in an agreement that will be in effect for a limited period of time. It is not our function, as we conceive it, to lay out a pattern which will meet all contingencies, however extreme, irrespective of when they may arise. We have expressed our belief, based on the testimony and on matters that are of general knowledge, that this airline has essentially stabilized its equipment for at least a few years, certainly for a time which will extend beyond the term of the contract. We have also pointed out that the Company is engaged on an expansion program which is likely to continue for some time. Moreover, it is extremely unlikely that planes will be increased substantially in size in the immediate future. Not only has this Company recently completely retooled, but the runways in few of the leading airports of the country are stressed to handle planes of 150,000 pounds in gross weight. In fact, for the airports of the principal cities to do so, would require an expenditure of some \$62,000,000.

The Association emphasized the national defense aspect of its proposal, pointing to what may be done in time of emergency. The fact is, however, that we have a national emergency at the present time. In September 1950, the Defense Production Act was enacted because of this situation, and on December 16, 1950, the President of the United States proclaimed a national emergency, and invoked his emergency powers. At that time the President stated in his radio address:

Many others of you will have to work longer hours in factories or mines or mills. Think of this not as longer hours but as more planes, more tanks, more ships, more of all the things needed for the defense of your homes and your way of life.

On March 13, 1951, the Department of Labor added airline pilots to the list of critically short employees.

In such circumstances it is inappropriate to recommend a reduction in the work hours of American workers, particularly of those in a craft which has been declared to be suffering from a critical shortage.

There remains but one aspect to be considered. This Board recognizes the dangers inherent in making forecasts, and it does not desire to foreclose the parties from making constructive moves if circumstances change, or if its predictions turn out to be inaccurate. If, perchance, American Airlines orders and plans to operate planes of a speed capacity of 325 miles per hour or more, it would be well for the parties to undertake a study of the problems that would accompany a transition to that type of operation and to review the general question of whether technological unemployment will follow.

One of the most troublesome questions before this Board revolved about the job content of the pilots. Questions of this kind are peculiarly within the knowledge of the pilots and the managers of an airline operation like that of this Company. A board composed of laymen, whose sole contact with the problem is through verbal testimony, is at a great disadvantage in ascertaining where the truth lies in a contentious issue of this character. It would seem that constructive collective bargaining between the parties who know the industry is the best way of developing facts, without which no sound judgment can be reached.

It is therefore the suggestion of the Board that if and when American Airlines places an order for planes with a speed of 325 miles per hour or more, the parties promptly undertake a joint study to ascertain the effect of such equipment on workload and job content, with a view to agreeing upon the facts and reaching a conclusion as to what, if anything, should be done thereupon, with respect to the workload or the monthly flying hours.

In view of the foregoing consideration the Board recommends that the request for mileage increase determination be withdrawn.

2. HOURLY PAY AND MILEAGE PAY ⁵

A. PEGGED SPEEDS

The Association requested that there be written into the contract a specific speed for each type of plane in use which will be used for computing the mileage pay and hourly pay components in the pilots' pay formula. At present, hourly pay is set forth in three brackets depending on the gross weight of the plane (No. I up to 50,000 pounds, No. II—50,000 to 100,000 pounds, No. III—100,000 to 150,000 pounds). Each bracket has eight or nine subbrackets indicating ranges of speed in miles per hour. Section 4 of the agreement places the various types of planes in specific brackets for determining the hourly pay, as follows: CV-240, under 50,000 pounds, 225 to 249 miles per hour; DC-4, 50,000 to 100,000 pounds, up to 225 miles per hour; and DC-6, 50,000 to 100,000 pounds, 250 to 274 miles per hour. For mileage pay purposes section 6 requires "that system-wide average block-to-block speed at which the equipment is scheduled to operate" be used. For this purpose the DC-4 is pegged at 201 miles per hour; the CV-240 at 196 miles per hour, and the DC-6 at 249 miles per hour.

The Association based this request on the practice followed by a number of other companies and suggested as the proper speeds: CV-240, 240 miles per hour; DC-4, 205 miles per hour; DC-6, 250 miles per hour; and DC-6B, 275 miles per hour.

The Company agreed on all but the CV-240, for which it proposed a speed of 205 miles per hour, which is the speed written into the Pan American Airways contract. Its offer on the DC-6B was understood to be subject to the provisions of section 6 (b) of the agreement under which the pegged speed of planes in their initial scheduled operation may be revised after 6 months of experience.

No definite pattern of pegged speeds for both hourly and mileage pay proposals could be found in the contracts of other airlines. Pan American stipulates the speed of the CV-240 at 205 miles per hour, but others mention higher speeds. It is apparent, therefore, the speeds agreed upon have been set as part of the bargaining over the amount of earnings rather than with respect to the specific capacity of the plane. It would seem that a given plane would have a definite speed irrespective of which line is operating it, but this is not reflected in the agreements.

⁵ The texts of the proposals of the ALPA and the Company are reproduced in appendices A and B, pages 55 and 72, respectively.

We find that a pegged speed of 215 miles per hour for the CV-240 for both hourly and mileage pay purposes would not alter the present earnings of American Airline pilots except to a nominal extent, and that 215 miles per hour is within the range of speeds for this plane used in the contracts of other airlines. A first pilot on the Convair flying 80 hours, half days and half nights, under the speeds now used (196 miles per hour for mileage pay and 225-250 for hourly pay) would receive \$680.65 for mileage and hourly pay as compared with \$676.43 at a single speed of 215 miles per hour. Eliminating the gross weight factor from the hourly pay component and using a separate straight-line gross weight element, as discussed above, we find the difference due to the change in speeds to be only 18 cents in a month. The foregoing are shown in table VII.

TABLE VII.—*Comparative flight pay of CV-240 captain*
[80 hours, half day, half night]

	Under current agreement		Using new gross weight method	
	At present speeds	At 215 miles per hour	At present speeds	At 215 miles per hour
Hourly pay.....	\$550.00	\$525.60	\$520.00	\$500.00
Mileage pay.....	130.65	150.83	130.65	150.83
Gross weight.....			57.28	57.28
Total.....	680.65	676.43	707.93	708.11

Our recommendation is that the CV-240 be pegged at 215 miles per hour for both hourly and mileage pay.

B. COMPUTATION OF TIME

The Company has requested that mileage and hourly pay be based on schedule time, rather than actual time consumed. In 1946 mileage pay was based on map miles and hourly pay on schedule time. In 1947 mileage pay was changed to a calculation of block to block time multiplied by pegged speed and hourly pay to block to block time. The Company contends that from the time of these changes pilots have tended to fly over scheduled time, and that compensation should again revert to a schedule-time basis.

The reasons for delays are numerous. Although there has been more over-schedule time in the past few years than under, the reverse has been true in some recent periods. The years involved are those in which the Company has been flying its new equipment and in which airport congestion has become materially greater. We are not in a position to say on the record before us why there has been over-schedule flying and we cannot say that it has been deliberate.

To avoid the temptation to hold back if there is any such temptation, we recommend that hourly pay and mileage pay be based on schedule time or block to block time whichever is greater. Any incentive to delay an arrival which can be made under schedule would thus be eliminated.

3. GROSS WEIGHT COMPENSATION

The elimination of the gross weight factor from the hourly pay component was not seriously disputed. It simplifies the contract provisions relating to hourly pay by cutting out the brackets now set forth in the agreement and substituting a single schedule with a range of hourly rates running from \$4 for the slowest plane to \$5.80 for planes not over 325 miles per hour, days, and \$6 to \$8.70 for night flying. The full schedule is set forth in the Association's request in appendix A at page 56.

The Association's request is to compensate pilots for gross weight at the rate of 1 mill per mile for each 6,000 pounds of certificated gross weight. This request, however, was designed to serve as part of the pay under the Association's M. I. D. plan, which we are not recommending.

Accordingly, we find that the straight-line method of compensating for gross weight, at $1\frac{3}{4}$ cents per 1,000 pounds of certificated gross weight per hour of flying, which is used on many of the leading airlines, to be the appropriate method to be used by American Airlines. It avoids the possibility of paying substantially more merely because some plane may weigh a few pounds more than another, and distributes the benefits of greater weight more evenly all along the line.

The Company seems generally agreeable to this change, the essence of which was proposed by the Association. This new method may increase the earning of pilots somewhat, as may be seen in table VII, but other airlines have been using this method, and American's pilots are entitled to have it. The resulting increase in earnings is not to be used as an offset against other benefits or changes, however. It will be noted that in arriving at a pegged speed of 215 miles per hour for the CV-240 we undertook to preserve the earnings at present pay speeds irrespective of the somewhat enlarged earnings caused by the new gross weight factor.

4. FIRST PILOTS' MONTHLY GUARANTEE ⁶

The Association seeks to have a monthly minimum guarantee of earnings for the first pilots currently holding bids as well as reserve first pilots and copilots. The guarantee for first pilots would be 75

⁶ The text of the proposal of the ALPA is reproduced in appendix A, page 58.

percent of their flight pay "on the equipment such pilots would normally have flown during the month" plus their base pay.

We are recommending guarantees for both the reserve first pilots and the copilots, and while there is normally little likelihood of bid captains failing to earn a fair minimum through the ordinary operation of their pay formula, in the unusual circumstances where it may happen they are entitled to a reasonable degree of protection. United Air Line has such a guarantee based on 60 hours of flying time. We are using the same measure for copilots and we believe this should be made applicable to American's bid first pilots as well. These pilots averaged \$12,736 in 1950 and no indication was given that the earnings are declining. With the new gross weight computation and the DC-6B's, other things being equal, the average will rise somewhat. Utilization has been considerably over 60 hours on the average, so that no serious unavoidable cost to the Company will be involved in this recommendation. Moreover, the margin between the suggested guarantee and the normally attainable level of earnings (up to 25 hours of flight pay) is ample to serve as an incentive to the pilots, eliminating any fears that some pilots may prefer to take the guaranteed amount and forego the opportunity to earn the considerably larger amount by a reasonable application of energy and effort.

5. LANDING PAY ⁷

The Association is seeking extra pay of \$1 per landing for all landings made in excess of 60 per month. In presenting this request, the Association made the following points: (1) Accident data indicates that 58 percent of the accidents between 1930 and 1949 occurred during landing or take-off procedures. (2) The most complex part of a pilot's job is landing and taking off. (3) CV-240 pilots, because of the greater speed of this aircraft, must make substantially more landings in a month than did their predecessors flying in a DC-3. (4) The CV-240 pilots make considerably more landings and yet earn much less than do the DC-6 pilots.

The Company introduced figures, in rebuttal, which showed that the average number of landings per year for American Airlines pilots has steadily decreased from 775 in 1945 to 654 in 1950, but in 1945 pilots were flying 100 hours per month, so that the comparison has little significance. While admitting that individual CV-240 pilots on certain routes now make more landings than any pilot had to make before the introduction of this equipment, the Company denied that this extra activity warranted additional pay.

It would appear that the present pay formula is intended to include compensation for all piloting duties on any particular aircraft. The

⁷ The text of the proposal of the ALPA is reproduced in appendix A, page 59.

development of the formula supports this conclusion. The various components of hourly, mileage, and weight pay as well as the night differential, apply to the performance of the complete job of flying the aircraft and do not separate the many different tasks involved. Landings have always been an inherent part of the pilot's job, as indeed were many other duties, and yet none of these manifold duties ever called for separate consideration in the pay formula. The average annual earnings of \$12,768 for first pilots in 1950 would indicate that the pay formula is such as to compensate the pilots for their job as a whole.

The fact that the CV-240 pilots earn less than the pilots on the DC-6 does not suggest that this landing pay request should be granted. The larger and faster plane provides better earnings because the pay formula was intentionally designed to accomplish this.

We recommend that there should be no separate compensation for landings as such.

6. MINIMUM PAY—IRREGULAR FLYING ⁸

Airline pilots may be called upon to perform flying other than regularly scheduled runs. Such flying includes test flights, charters, extra sections, and other miscellaneous trips.

The Association is asking that a minimum credit of 3 hours of flight time be given to any pilot who performs, or reports to perform, this type of flying. Much of this flying, according to the Association, involves flights of extremely short duration—perhaps no more than 15 minutes in the case of a test hop. A pilot may, however, be called upon for this duty at any hour of the day or night and must go through most of the same ground procedures, both before and after the flight, that he performs on a longer, scheduled trip. Instances were given in which a pilot had to remain on duty at the airport for as much as 7 hours in order to fly a half hour or less.

Under the existing method of trip bidding according to seniority, most of the irregular flying is performed by reserve captains and co-pilots. For each of these groups, we are making recommendations which will substantially improve their earnings. Elsewhere in this report we are recommending that there be a minimum amount of guaranteed time off duty.

Nevertheless, the request for a minimum guarantee of flight time for pilots who are asked to report for duty for an irregular flight seems to us to have merit both in the light of general industrial practice and because, in the case of pilots, flight credit is the only measurement, other than base pay, which contributes toward earnings. Sim-

⁸ The text of the proposal of the ALPA is reproduced in appendix A, page 59.

ilar provisions are to be found in several ALPA agreements with other airlines.

The Association's request for a 3-hour guarantee is, we feel, excessive. There are many scheduled flights of shorter duration than this. We believe that a guarantee of one hour would give the pilot adequate protection and at the same time would not impose an unreasonable burden upon the Company. For a CV-240 captain, an hour's flight pay amounts to about \$8.50; for a DC-6 pilot, \$10.50.

The Association has also asked that the contract include a statement of intent that trips be scheduled of at least 5 hours of flying in order to improve the working conditions. We are certain, from the testimony submitted during the hearings, that the Company is fully aware of the pilot problems involved in scheduling and has given serious attention to the matter of scheduling with a view to pilot convenience. A statement of intent may lead to needless grievances, and, under the circumstances, would add very little.

7. DEADHEAD PAY⁹

The Association requests that all deadhead time be credited as hours flown and compensated at the day rate for the type of aircraft to which the pilot is currently assigned.

Pan American Airline is the only airline which now has such a provision in its contract. The leading domestic airlines give copilots credit for deadhead time against the monthly flying maximum, and since they are on a flat salary, this is tantamount to the same thing, so far as copilots are concerned.

While other transportation industries, notably the railroads, pay for deadheading, there is a basic distinction. In other industries compensation is largely on an hourly basis, i. e., for actual time spent as the prime measure, whereas in the airline industry deadheading and other nonpiloting duties have never been paid for as such, but have been assumed to be covered by the flight and base pay formula in an over-all way. As a matter of fact, deadheading even though not paid for as such, frequently enables the pilot to earn up to the maximum by making available to him some flight hours he might not otherwise have been able to have in the particular month.

To undertake to separate out some duties for special pay is contrary to the tradition of the industry and is not warranted for the purpose of giving pilots fair pay. Their earnings have been adequate by all normal measures, and the copilots who have had a complaint on this score are being provided for with respect to pay by our recommendations on their pay issue.

⁹ The text of the proposal of the ALPA is reproduced in appendix A, page 59.

8. THE PAY OF RESERVE FIRST PILOTS ¹⁰

Reserve first pilots, or captains, under the Association's proposals, would also have the benefits of the M. I. D. plan, and in addition would be given a minimum monthly guarantee equal to the maximum they could earn as copilots plus \$250. They would also be the beneficiaries under the requests made by the Association with respect to limitations of on-duty time (issue 10).

The reserve captains complained of the irregularity of their work, which requires them to stand by almost continually to fly extra sections, ferrying jobs, and to do relief work. They feel that their present method of pay serves as an inducement to the Company to have them fly less than 32 hours per month and to do no other active work beyond that. They are now guaranteed top copilot pay of \$550 per month. Their hours of flying as captain are computed in the usual way; to this is added their salary as copilot, and the total is compared with what they would have earned if all their flight hours that month had been as captain, and the lower of the two is paid them. The Company has on some occasions had benefit of having a pilot fly as captain for 32 hours or less at a cost to the Company of only copilot pay. The present pay plan makes it possible for a reserve captain to find he is paid some nominal amount, like \$25, for standing by as much as 20 days in a month.

This must happen rarely, since in 1950 the reserve captains averaged \$10,536 in earnings, but considering the variety of planes and routes these pilots must fly, and the irregularity in their working hours it should never happen. In extreme cases of long on-duty hours, we believe our recommendation with respect to the on-duty issue will tend to give some relief. On the compensation side, it is our opinion that the reserve first pilots should have a monthly guarantee which will assure them of earnings above those of copilots, because they are first pilots. Our recommendation is that a pilot who flies any flight in a given month as a reserve captain be treated that month as reserve captain and that reserve captains be given a monthly guarantee of \$725. This will place them by and large above copilots. Their compensation should include their base pay plus their flying hours computed on the first pilot or copilot basis depending upon the capacity in which they serve on each flight.

9. PAY OF COPILOTS ¹¹

The copilots request that the M. I. D. proposal be made applicable to them and that their pay formula be changed from the current straight monthly salary to one with three components: (1) A base

¹⁰ The text of the proposal of the ALPA is reproduced in appendix A, page 59.

¹¹ The text of the proposal of the ALPA is reproduced in appendix A, page 60.

pay of practically their present pay scales; (2) hourly pay of 80 cents per hour days and \$1.20 per hour nights; (3) mileage pay equal to one-half that payable to a captain flying the same equipment for gross weight pay equal to one-half that payable to a captain on the same equipment. Under this formula a copilot now earning \$550 per month would in 85 hours of flying earn these amounts: On the CV-240 \$750.47, on the DC-4 \$788.17, on the DC-6 \$835.96, and on the DC-6B \$877.35.

The Association devoted a good deal of attention to the problem of copilots' pay and, in the opinion of the Board, made out a strong case for this group. In fact, the analysis of the Company's testimony on this subject reveals that management also recognizes the inequity of the copilots in the general pay scheme, and the essential question is what precisely should be done.

The copilot has been "the forgotten man" in the airline industry. While the Air Commerce Act of 1926 required that copilots be employed, there were so many exceptions that even at the time of decision 83 in 1934 very little thought was given to them. They suffer particularly from the effects of the larger and faster planes, described above, because they are the juniors among pilots and are the ones most immediately affected by whatever furloughs are made. They have been at the additional disadvantage of continuing to be regarded for pay purposes as in the nature of apprentices. They were so regarded in 1934, their compensation was set accordingly, and they have never since been able to have their services properly evaluated in terms of pay. Aside from the level of their compensation, the copilots complain that they work on a flat monthly salary and have no element of incentive in their pay structure, nor any equipment or night and day differentials, like those given to the first pilots.

Originally copilots were actually apprentice flyers. No flying background was required of them, and they performed a variety of inferior services, like serving meals, cleaning the cabin, and greasing and fueling the plane. Consequently, they were placed on a flat monthly salary, varying only with their length of service. In the course of time, however, they have become a carefully selected, highly trained group, competent in all respects to do the work of captains, and in fact at various times in the past copilots with 1½ to 2 years of experience have become captains. Now by force of the seniority provisions of the contract, the return from military work of senior pilots, and the 1946-48 let-down in business, together with the temporary influence of the new equipment of the Company, copilots with as much as 8 years of experience are still flying as copilots. After copilots have acquired about 2 years of experience their work becomes practically

interchangeable with that of the captain, except that the final responsibility remains with the captain.

This Company has required copilot candidates to have from 1,000 to 2,500 hours of flight time before being employed. They are given a rigorous course of training. At present 98 percent of them have had over 3,000 hours of flying. Ninety-one percent of this Company's copilots have the airlines transport pilot rating. Seventy-nine percent of them have served as captains with the American Airline. Far from being apprentices, they are now regarded in all respects by the captains as brother pilots, and their duties and capabilities fully warrant this change in attitude. In a substantial way they have contributed to the improved safety and efficiency of this airline. As a responsible spokesman of the Company testified in a recent case, "Call the copilot an apprentice and the airline could be shut down."

Table VIII which follows shows in tabular form the history of the rate of pay of copilots since 1934:

TABLE VIII.—*Copilot pay 1934-48*

	Aug. 1, 1934	Oct. 1, 1938 ¹	Nov. 24, 1944	Mar. 1, 1947	July 1, 1948
6 months of service:					
1st.....	\$190	\$190	\$220	\$250	\$290.00
2d.....	210	210	240	280	313.64
3d.....	225	230	260	310	337.28
4th.....		250	280	330	360.92
5th.....		270	300	350	384.56
6th.....		290	320	370	408.20
7th.....		310	340	390	431.84
8th.....		330	360	410	455.48
9th.....		350	380		479.12
10th.....					507.76
11th.....					526.40
12th.....					550.00

¹ In the 1939 and 1941 agreements no changes were made in copilot pay.

Their scale of pay was raised in 1947 and again in 1948. The starting rate is \$290 per month; in 1939 it was \$190. The top rate is now \$550 and is attained after 6 years of service. In 1939 it was \$350 and was reached in 4 years. If adjusted only for changes in the Consumers' Price Index, the scale should now be \$330 to \$608 per month, and this makes no allowance whatsoever for increased productivity over these years.

The inequity of the copilots' pay is reflected by reference to the pay of the captains and also to the flight engineers who work alongside them in the DC-6 and DC-6B. The flight engineers have a minimum of \$400 per month and a maximum of \$560 after 4 years as compared with the copilots' \$290 to \$550, with the top being reached after 6 years. The odd feature is that it is considered a promotion for a flight engineer to become a copilot. Yet on such a promotion under current scales the flight engineer would have to suffer a serious loss

in earnings. He would lose \$3,000 the first year and \$9,800 over a period of 5 years.

In the 1934 proceedings, although it was found that copilots are only apprentice flyers, the National Labor Board stated in decision 83, "The differentials existing on October 1, 1933 for copilots * * * shall be maintained." In his 1936 study of hours, wages, and working conditions in scheduled airline transportation, the Federal Coordinator of Transportation stated that this means that the dollar differential between pilots and copilots should not be enlarged as speeds increased and conditions changed. The differential has, however, continued to widen.

In view of the current nature of copilots' work and status, it is certainly incumbent on the airline not to let the present gap between them and the first pilots become even wider. But the modern equipment in use is having precisely that effect, both in dollars and in percentage. The comparisons must be made as to both day flying and night flying since the captains have higher earnings at night. The widening of the differential by reason of the new equipment is plainly shown in table IX which follows:

TABLE IX.—*Excess in monthly earnings of captains over copilots on DC-3, CV-240, and DC-6*

Plane	Days			Nights		
	Earnings	Difference in dollars	Difference in percentage	Earnings	Difference in dollars	Difference in percentage
DC-3:						
Copilots.....	\$550	\$225	41	\$550	\$399	73
Captains.....	775			949		
CV-240:						
Copilots.....	550	353	64	550	587	107
Captains.....	903			1,137		
DC-6:						
Copilots.....	550	595	108	550	771	140
Captains.....	1,145			1,321		

As this table shows, the excess in earnings of the captain over the copilot rises with faster and larger planes, from \$225 days and \$399 nights on the DC-3, to \$595 and \$771 on the DC-6, and proportionately the copilots' earnings as a percentage of the captains' drop from 71 percent on the DC-3, days, to only 42 percent on the DC-6, nights.

Considering the relationship of their duties, the similarity in their skills, hazards and tensions, and the close proximity in which they work, we can see no justification for this.

Not only do we find that the copilots are entitled to higher earnings more in keeping with their relative value in the cockpit *vis a vis* the first pilots and the flight engineers, but we also find that their work and position entitle them to the same type of incentive pay which

the first pilots have. No contention was made before this Board by either side that the nature of the captains' pay formula should be changed. There was no sound reason advanced for withholding from the copilots the benefits of the equipment and night and day differentials which the first pilots enjoy. It is true that other airlines do not pay copilots on the captains' formula, the domestic airlines still adhering to the flat salary idea laid down in decision 83, although they have not kept the dollar differential from spreading as was there suggested. Some airlines pay somewhat more to the copilots than this Company does. United Air Lines has a top rate for copilots of \$570 plus \$50 for copilots who have served as captains for 300 hours or more. Eastern has a top figure of \$565. Pan American, an international line, now has a scale which gives a CV-240 copilot up to \$705.50 per month for 85 hours of flying and a copilot on the Constellation (the counterpart of the DC-6) up to \$760. The Pan American arrangement does, therefore, provide equipment differentials and from \$45 to \$67.50 per month in hourly pay for the copilots.

We have concluded that we should recommend for the copilots a pay plan which will parallel that of the first pilots as closely as possible. Although there is no clear precedent for this, we believe the time has come to rectify this essentially inequitable condition and to modernize the current method of paying the copilots.

A. BASE PAY

This requires that there be a reasonable relationship between their scales of base pay. The captains' base pay is now much lower than the copilots' flat monthly salary, but we think the flat salary arrangement of the copilots should be discarded and a base pay generally consistent with that of the captains substituted for it. An exception should be made for copilots within their first 2 years of employment as such. During that period they have not yet attained the status of practical interchangeability with first pilots which is the factor which has persuaded this Board to make its principal recommendations with regard to copilots' compensation.

The following is the base pay scale of monthly rates we recommend for copilots. In the first year the rate is \$350 and in the second year \$400. These rates are sufficiently above the present rates for the first 2 years, and should improve the attractiveness of the position for beginner copilots, the present rates ranging from \$290 to \$360 and the intermediate steps being at 6-month intervals. We think annual steps should suffice and the entire scale is so set. This is in keeping with the current longevity movement of the captains' base pay. As in the case of captains, copilots will have a base pay scale

in which the maximum will be reached after 7 years. The base pay scale of monthly rates we suggest for copilots is: First year—\$350; second year—\$400; third year—\$200; fourth year—\$220; fifth year—\$240; sixth year—\$260; seventh year—\$280; eighth year—\$300.

B. HOURLY PAY AND MILEAGE PAY

Starting with the third year, the copilot shall receive flight pay in addition to his base pay. His flight pay shall include all the components or elements of flight pay paid to the first pilot, computed in the same manner, except that the copilots' flight pay shall be 55 percent that of the captain.

On this basis, a copilot flying 80 hours on a CV-240, half days, half nights, will earn \$583 per month in his third year, rising \$20 each year until he reaches \$683 per month in his eighth year. On a DC-6 he will earn approximately \$85 per month more, or a range from third to the eighth year of \$668 to \$768. At present the copilot earns \$384.56 and \$408.20 in his third year and \$550 from his twelfth 6-month period on.

We believe that the earnings mentioned are sound particularly in relation to the earnings of the captains, and substantially more sound than the current scale in relation to flight engineers. It will give the copilots somewhat more than Pan American now pays its copilots, but we think the relationship within the cockpits of the planes of American Airlines is of much more weight than that between these copilots and those employed by Pan American.

We are not disturbing the base pay scale of captains because no case was made out before us for doing so. Nevertheless, we are convinced that there should be a continuity between the base pay of the copilot and that of the captain, so that on promotions there will be no unnecessary dislocations. Accordingly, we recommended that when a copilot becomes a first pilot he shall continue on his own base scale to the maximum. If the promotion comes after 7 years as copilot no change will take place in base pay, since the maximums are identical. The respective base rates in other years in which the promotion is apt to occur are so close together as not to warrant moving from one scale to the other for the short period before the maximum is attained.

C. GUARANTEE

We also recommend that copilots starting in their third year have a monthly guarantee of base pay plus 60 hours of flight pay on the type of equipment they are currently flying. This is similar to the guarantee we are suggesting for bid captains. For the junior copilots on CV-240 planes, who, as in the case of captains, will have the lowest

earnings on present equipment, this monthly minimum will assure them of better earnings than their present salaries by about \$90 per month in their third year, and \$65 in their fourth. The margin becomes narrower in subsequent years, to a low point of about \$10 in the sixth year, but in these later years it is safe to assume they will most likely be flying on the better paying planes and both their guarantees and actual earnings will improve accordingly.

In this case there is no question about the Company's financial ability to meet the cost of the improvements we recommend. A good deal of financial data was offered in evidence. It is perfectly clear that the earnings of the Company in 1949, 1950, and in the first quarter of 1951, both before and after taxes, were ample to meet these increased costs without the slightest danger of impairing its financial integrity or stability. Moreover, all the evidence before us on the subject points to a continuation of this prosperous trend. This being so, we see no reason for entering into a detailed analysis of the Company's financial position.

10. HOURS OF SERVICE ¹²

The Pilots Association has submitted a number of requests intended to shorten the daily and monthly time in which a pilot may be required to be on duty. The conditions sought to be remedied are primarily those faced by the junior captains and copilots, the more desirable assignments being taken by the others under their seniority rights. Thus, among captains the reserve first pilots are the ones most seriously concerned over this problem. It is possible, however, for the seniors also to meet this problem when flights have been canceled and they are asked to stand by for flights to use up their available monthly flying time.

The request of the Association on this subject is a lengthy one. In substance, it would give pilots a minimum amount of flying credit for being on duty. A pilot on duty 8 hours or less would be given flight credit of 4 hours; from 8 to 12 hours, 5 hours of flight credit; and over 12 hours, 7 hours of flight credit. The Association would have the contract forbid scheduling more than 14 consecutive hours in any 24-hours period and require 48 consecutive hours free from all duty every 7 days. Stand-by reserve duty would be limited to 12 consecutive hours in any 24-hour period, to 7 days in any month, and for such duty a pilot would get flight credit of 1 hour for every 6 hours of standing-by, or 10 minutes of flight credit for every hour.

The pilots insist that only by establishing ratios between on-duty time and flight time can they be protected against excessive on-duty time without sacrificing their earnings.

This entire situation, which affects at most some 10 percent of the

¹² The text on the proposals of the ALPA are reproduced in appendix A, page 62.

pilots, grows out of the nature of the air transportation industry, with its delays, weather vagaries, and scheduling problems. It is peculiar to airline pilots because the other employees in this industry and in other industries are customarily paid for the time they spend on the work of their employers. Pilots, however, are paid largely only for hours in which they fly. This has been customary for many years and even now the essentials of this traditional pay method are not being attacked. The earnings of pilots have been on a relatively high level, as typified by the 1950 average on this airline of \$12,768 for first pilots. It has always been the theory that the flight and base pay rates are set so as to cover all duties and work.

The basic nature of this request is similar to that of the M. I. D. request—not more money, but the same earnings for less hours of flying.

Evidence submitted by the Company showed that the trend of total on-duty hours, including flying, seems to be downward. In November 1950, of 617 pilots available for duty the entire month, only 20 were scheduled to be on duty over 170 hours, and the system average was 120.2 hours of which 73.1 hours were actual hours of flight. The days free of all duty averaged 14.1 that month. In 1933, according to the 1936 report of the Federal Coordinator of Transportation, total on-duty hours for full time pilots in the industry averaged 163. In May 1949, at the four bases of New York, Boston, Washington, and Buffalo, where the scheduling problems are most difficult, the on-duty time hours in every instance were greater than at the same bases in November 1950—at New York 129.2 as against 120.7; Boston 140.2 as against 121.5; Washington 116.5 as against 106.1; and Buffalo 174.2 as against 130.9.

Difficulties nevertheless are presented. In November 1950 when the number of days per month free of all duty averaged 14.1 there were still some pilots who flew between 21 and 29 days that month, and there always seem to be some few who are on duty over 200 hours in a month. There is now nothing in the contract to provide any limitation on the number of days per month on which pilots may be required to work or on the number of duty hours in a day or in a month.

Before suggesting some reasonable measure of control, it should be pointed out that much of the ground duty time consists of waiting at a base for the next trip. It may be spent in resting or relaxing, even in sleeping. A pilot may sleep for 7 hours, but this is considered time on duty, and is so unless the period exceeds 8 hours, with sleeping facilities available, or 10 hours if the pilot is provided with hotel space. There are, however, necessary ground duties as well, preparing for and checking out after flights, weather reports, training, and other meetings, among other things.

There are some limitations in the Civil Aeronautics Regulations. These set the monthly maximum of 85 hours of flying, prescribe the maximum hours of flight within certain periods and the intervals and amounts of rest between periods of flying.

On the evidence, our concern is over the limited number of pilots who are given excessive on-duty hours. Other than the C. A. R. protection, they have never had any protection. We hesitate to suggest radical changes which will unduly enlarge the normal scheduling problems of this unusual industry.

We do recommend, nevertheless, that pilots should not be scheduled for more than 14 consecutive hours on duty in any 24 hours, except in an emergency when it may be 16 hours. We also recommend that all pilots be given a minimum of four separate periods each month of not less than 48 consecutive hours free of all duty at their home base.

To avoid needless disputes, it would be well in our opinion for the parties to agree on and write into their contract a clear definition of what will be deemed on-duty time and what will be excluded. The suggestion of the Association on this subject seems generally sound, except that the time allowance for required work should be determined by the time actually used and not be arbitrary figures which may be too high in some cases and too low in others.

We are not satisfied, in view of the large number of days free from duty and the relatively low number of scheduled on-duty hours on the average that the drastic steps proposed by the Association are now warranted. This proposal could cause severe disturbances and restrictions in the complex matters of scheduling and meeting traffic requirements which would be far more burdensome than the situation sought to be cured. In any event, it is our opinion that our suggestions will do much toward alleviating the hardships of the extreme cases and will compel the Company to plan its scheduling much more carefully than heretofore, with respect to avoiding the overburdening of some of the pilots. Moreover, our suggestions, coupled with our pay proposals, should result in a general improvement in the matter of on-duty hours, with little or no impairment of pilot earnings.

11. VACATIONS ¹³

Under the current agreement, pilots receive a vacation of $1\frac{1}{6}$ days for each month of service in the first year with a maximum of 2 weeks up to and including 14 years, and 3 weeks thereafter. While on vacation, first and reserve pilots receive their base pay plus \$15 per day, copilots receive the full amount of their flat salary.

¹³ The text of the proposals of the ALPA and the Company are reproduced in appendices A and B, pages 64 and 72, respectively.

The Association is asking that the vacation allowance be increased, after the first year, by 2 days per year up to a maximum of 22 days, or approximately 3 weeks. The maximum under this formula would be reached at the beginning of the sixth year. An additional 7 days of vacation in lieu of legal holidays with pay is requested. The pilots want a minimum period of 48 hours free from duty before the start of the vacation period. They have also requested that vacation pay be at the rate of average monthly earnings of the preceding 6 months. Upon his return from vacation, it is suggested that a pilot be credited with $\frac{1}{30}$ of his maximum monthly mileage allowance for each day on vacation.

The request for longer vacations was supported by extensive testimony on the strenuous and irregular life which a pilot must lead during his working year. He may be asked to spend many nights away from home, his hours are often irregular, he is sometimes subjected to physical and mental strain. In spite of this, he must, if he is to retain his job, keep himself in top physical shape.

Since the airline operates around the clock throughout the year, pilots do not receive holidays with pay. The Association drew the Board's attention to the fact that holidays with pay are received by the majority of people employed in American industry as well as by all the ground personnel of American Airlines. While admitting that it is not possible to allow pilots to remain away from duty on holidays, the Association argued that credit for such holidays was justified and should be applied to the vacation period.

Vacations in industry generally start on a Monday and end on a Friday, thus in effect adding two week-end days at each end. The pilots are seeking a minimum period of 48 hours free from duty before the start of a vacation period to approximate this condition.

At the current rate of \$15 per day plus base pay, a first pilot, with 8 years seniority, now receives \$360 for a 2-week vacation. In half a month of work, the average pilot will fly approximately 40 hours and will earn, on a CV-240, \$480 and on a DC-6 \$557. This means the loss of \$120 and \$190 respectively. The loss is even larger for the more senior pilots who get a 3 weeks' vacation. The pilots point to common practice both on the airlines and in other industries of giving employees full pay while on vacation.

Since pilot pay depends directly upon the number of hours that he flies, it is important to all the pilots that the rules governing the distribution of flying time not be disturbed. Under the Civil Aeronautics Act, a pilot is restricted to 85 hours in any 1 month, but the law puts no restriction upon the accrual of this time. It could, for instance, be used up entirely within a 2 weeks' period. Thus a pilot,

returning from a 2 weeks' vacation, could theoretically be scheduled to fly his entire 85 hours before the end of the month. The effect of this would be to "steal" flying time from other pilots. The pilots therefore propose that while on a vacation a pilot be credited with 1/30 of his monthly mileage allowance for each day on vacation.

We find that the current vacation practice of American Airlines is below standard and should be improved, particularly in respect to pay. At the hearings, the Company seriously contested only the extension of the vacation period as requested. It differed with the Association mainly as to details on the matter of vacation pay.

We recommend that a pilots' vacation pay should be based on the average of his monthly earnings during the six preceding months in which the pilot was on pay status.

The minimum a pilot on vacation should receive should be the proportionate part of the monthly guarantee, if any, to which his status at the time of taking his vacation entitles him under the provisions of the then current agreement. We also recommend that pilots receive a minimum of 48 consecutive hours free from duty before beginning a vacation.

The Company expressed a willingness to have the 3-week vacation given sooner than after 14 years as at present. It pointed out, however, that the vacation practice in the airline industry is not to grant more than 3 weeks and that only one airline grants 3 weeks of vacation after service as short as 10 years. The general practice appears to be somewhat less favorable than 3 weeks after 12 years, and this includes the provisions in recent agreements. The Company proposed that the 3-week vacation allowance start after 12 years of continuous service, and we recommend that this be adopted.

No domestic airline gives pilots an extra vacation allowance in lieu of holidays. We find that the comparison, made by the Association, between pilots and other employees in this connection, is not appropriate in view of the unusually high number of days free of duty which pilots customarily enjoy. The average number of free days for pilots on American Airlines, according to the testimony, averages $3\frac{1}{2}$ per week, rising to 4 days for the more senior pilots. This appears to us to be an adequate offset to the 7 holidays enjoyed by the majority of American workers. On the basis of the comparatively large amount of leisure time enjoyed by the pilots, we find that an extension of vacations beyond the limits indicated is not called for to offset fatigue or in lieu of holidays, and we recommend that the amounts of vacation be as stated above.

Both the Company and the Association agree that flight time should be credited toward the 85-hour monthly maximum while a pilot is on vacation. The Association, however, wants to compute the credit in terms of miles, thus making this computation conform

to the formula for mileage increase determination. Since we are recommending against the M. I. D. request, the logical measurement of credit is in terms of hours. We therefore recommend that, for the purpose of computing monthly flight time limitation, a pilot be credited with 2 hours and 40 minutes for each day of vacation.

12. SICK LEAVE¹⁴

The Association's sick leave requests are: (1) That sick leave accrue at the rate of 2 days per month of service; (2) that unused sick leave accumulate up to 84 days; (3) that sick leave pay be set so as to represent no loss in earnings to the pilot; (4) the accrual of unused sick leave be made retroactive; (5) credit against monthly flying hours be given for time on sick leave.

At present sick leave pay is identical with vacation pay and no credit is given against flying time. The present Company policy is to accumulate unused sick leave up to a total of 60 days.

Since the parties are not seriously apart in this issue, and the Company is willing to liberalize its practice, it is not necessary to discuss the rationale of the pilots' request.

Our recommendations are: (1) That sick leave be accumulated at the rate of 1½ days per month of service up to a maximum of 84 days; (2) that for service rendered up to January 1, 1951 the present maximum of 60 days under existing Company policy be applicable, to which shall be added credits for service since that date on the basis herein set forth subject to the over-all maximum of 84 days; (3) that sick leave pay and credit against flying hours be computed in the same manner as recommended for vacation pay; (4) that other details affecting sick leave be incorporated into the agreement substantially along the lines of the published sick leave policy of the Company.

13. FURLOUGH ALLOWANCE¹⁵

The Association has requested that if a pilot is furloughed he be paid a monthly amount equal to 60 percent of his average earnings for various periods ranging from 6 months after 1 year of service to 60 months after 15 years of service and that in addition he be given \$1,000 if not rehired within 3 years.

This request is to a large extent based on considerations raised in support of the mileage increase determination. The Association cited numerous examples of hardships suffered by copilots during the 1946-48 period when the Company was in the process of retooling. It is not necessary to restate the points made, since they are set forth in considerable detail in our discussion of issue No. 1 and in appendix

¹⁴ The text of the proposal of the ALPA is reproduced in appendix A, page 66.

¹⁵ The text of the proposal of the ALPA is reproduced in appendix A, page 68.

C, the summary of the Association's position in support of M. I. D.

The facts are, nevertheless, that in the 1946-48 period there were many furloughs and a number of copilots permanently left the employ of this airline. Moreover, at the beginning of this period copilots expected to attain the status of captain within $2\frac{1}{2}$ years, and now such promotions do not occur until after 8 years as a copilot. Many of the copilots who were furloughed were able to cushion their loss because the Company was then recruiting flight engineers, and many copilots served in this capacity until their regular jobs became available again. This possibility no longer exists because the craft of flight engineer is now well established and has its own seniority roster. On the other hand, on the evidence presented it would seem that the copilots are not apt in the near future to suffer from the type of experience to which they were exposed immediately after 1946. The Company's conversion program is now complete, its volume of traffic is steadily increasing and it has been hiring additional copilots at a rapid rate. As of April 1951, the Company had 128 copilots who were in their first 6 months' of employment.

The foregoing discussion has dealt exclusively with copilots because when furloughs become necessary the first pilots invariably exercise their seniority rights and take positions as copilots, thereby displacing or bumping the junior copilots.

Furlough allowances to pilots or copilots are not now given by any domestic airline. Nevertheless, unemployment benefits and severance pay are becoming increasingly common in industry as a whole. There has been a growing recognition of the essential responsibility of industry to its employees particularly the industries which seek to avoid unnecessary turnover. This is peculiarly applicable to pilots in the airline industry. These men are most carefully selected in the first instance, are given a careful and expensive course of training which is largely of value only in the profession which they have selected, and in periods when furloughs are common their skills are not likely to help them find similar employment on competing lines. When one company is suffering from a decline in business, the chances are that all companies are having the same experience.

We think that it is good business for the airline that its pilots or copilots remain available for recall. We also think that because of the nature of their work the pilots should not be expected to bear the entire cost of sustaining themselves while holding themselves available for recall at the convenience of the Company. Moreover, we believe that it would be a waste of desirable skill and not in the national interest to discourage trained pilots from remaining in the industry.

The principle has been recognized by this Company in its contract with its mechanical and maintenance force, and it would seem that the principle should have more force in the case of the pilots than

with employees in these other categories. The skills and experience of mechanics and maintenance men qualify them for many kinds of work in other industries.

One of the attractive features of copilot work has been the promise that within a relatively short period there would be available to them the position of first pilot, an important and very well paid occupation. At the present time such promotions may not be expected in less than 8 years and the occupation of copilot is, therefore, becoming a semipermanent occupation in its own right and it is entitled to be evaluated and rewarded without the offset that shortly there would be the hoped for promotion. This is one of the reasons we have re-examined the value of the copilot in relation to the captain and the flight engineer, and have made recommendations for readjusting the copilot's compensation. It is also a reason for giving consideration to the principle of furlough allowance.

Nevertheless, in adjusting copilot compensation we have said that copilots in their first 2 years are still in the nature of apprentices. Employees of this status must normally expect to assume certain employment risks and this applies as well to the furlough request.

We are, for the same reason, recommending that copilots in their first 2 years of employment be entitled to no furlough allowance. This will in itself greatly reduce the possibility of serious cost to the Company. Operations will have to decline very seriously before any important number of third- or fourth-year men are laid off. Thereafter it is our judgment that all pilots, including copilots, be protected against the impact of furloughs to the extent of having their base pay paid to them up to a maximum of 3 months. Furloughs which last more than 3 months will be rare and will be a pretty strong indication to the employees involved that their jobs are in serious jeopardy. They will then have to make their own decision as to whether they prefer to continue to stand by for recall or to seek other occupations.

This being new ground, some protective conditions will have to be set forth explicitly. In recommending furlough allowances it is our intention that they should be granted only when the furlough is for reasons other than resignation, retirement or the voluntary act of the individual employee, dismissal for cause, revocation of the Company's operating certificate or certificates or a strike or picketing causing a temporary cessation of work. We also do not intend to provide furlough allowance to an employee who is furloughed for less than one-half a month. Employees who are furloughed for more than half a month for reasons other than those excluded should have their furlough allowance go back to the beginning of their furlough and continued so long as they remain on furlough, to the maximum of 3 months. If an employee is recalled and then furloughed again

within 6 months of the time the prior furlough terminates, the one 3-month maximum allowance should continue to be applicable. If the subsequent furlough commences more than 6 months after the prior one terminates, the full 3-month maximum allowance shall again be available to the pilot. Obviously if an employee is recalled and does not immediately report for duty, his right to further furlough allowance shall cease.

Our recommendation for furlough allowances to copilots is conditioned on the acceptance of the new pay formula for copilots which includes a new base pay scale of \$200 to \$300 between the third and eighth years.

14. EXPENSES AWAY FROM BASE¹⁶

The Association is making several requests in respect to expense allowances. At the present time, pilots receive an allowance for meals while on duty away from their base station. The Association wants to have meal allowances while on duty, even at their home base. The Association also wants to have the amount of the allowance increased from \$1 to \$1.25 for breakfast, from \$1 to \$1.75 for lunch, and from \$1.50 to \$2.25 for dinner. An additional meal allowance of \$1.25 is asked for those on duty between the hours of 10 p. m. and 2 a. m. An added provision of 10 percent for tips is also requested.

The Company vigorously opposes the extension of meal allowances to the home base. It claims that this practice is virtually unheard of both within and without the airline industry and the testimony introduced by the pilots did not refute this assertion. In respect to an increase in the present amounts, the Company indicated a willingness to grant some upward revision but feels that the request of the Association is excessive.

The Association supported its increases by reference to the rise in the Consumers' Price Index since 1943. With the exception of an additional 30 cents for breakfast, the rates now in effect were first introduced at that time. According to the pilots' figures, the rise in the Consumers' Price Index since 1943 has been 67 percent, and, if this increase were applied to the old allowances, the results would be \$1.17 for breakfast, \$1.67 for lunch, and \$2.51 for dinner.

When pilots are at their home base, their expenses for meals are the same as those of other employees, and no compelling reason was advanced for giving the pilots different treatment. It is not common practice to pay for meals during regular working hours, while at the usual place of work, and we recommend that the request of the pilots for a meal allowance while at the home base be denied.

For those pilots who are on duty continuously between 8 p. m.

¹⁶ The text of the proposal of the ALPA is reproduced in appendix A, page 68.

and 2 a. m., or from 11 p. m. to 5 a. m., and who are away from their home base at the time for the midnight meal, we recommend that there be an allowance of \$1.25 for a midnight meal. Such pilots will have been on duty for 5 hours or more, and this is the usual interval between meals.

We recommend that the allowance for meals eaten while away from the home base which are not provided by the Company be as follows: Breakfast to remain at \$1, lunch \$1.25 and dinner \$2, all subject to the other provisions of section 10 B of the July 1, 1948, contract.

There is, in the current agreement, a provision stipulating that the Company reimbursement for expenses shall not exceed the maximum established in the agreement itself without the approval of the Company. The Association is asking that this section be eliminated. There was, however, no testimony presented in support of this request. We see no harm in the provision, and recommend that this section remain unchanged.

15. TRAINING PAY ¹⁷

Under the present agreement, when first pilots are transferred from regular scheduled flying to a training status, they are paid their base pay plus \$15 a day. This results in a substantial reduction of a pilot's normal earnings.

The Association testified that airline pilots must be trained at frequent intervals, and occasionally for extended periods, in order to maintain their skills on old equipment and also to learn the handling of new equipment. Since this training is an essential part of the job, the pilots believe that they should receive substantially their normal earnings while engaged in it.

The Association proposes that first pilots and reserve pilots, while in training, be compensated at the rate of their monthly guarantee. This request is related, of course, to the pilots' request for a monthly guarantee which is base pay plus 75 percent of the maximum possible flight pay. For copilots, the proposal is base pay (at the rates currently in effect) plus \$5 per day.

The Company's position, when the hearings opened, was to retain the existing method of payment for training duty. The Company later indicated a willingness to modify its stand in respect to that training duty which requires a pilot to be relieved of scheduled flying duties, but asked that less liberal provision be made in the case of pilots who require training because of failure to meet Company standards of proficiency. The Company also testified that some routine

¹⁷ The text of the proposals of the ALPA and the Company are reproduced in appendices A and B, pages 69 and 72, respectively.

training is given without requiring a pilot to leave his regular schedule. In the course of the hearing, both parties agreed that there should be no extra compensation for such training.

The Board recommends that when the Company initiates a training program requiring pilots to be relieved of scheduled flight duties, those pilots on a regular bid status who became engaged in such training shall receive base pay plus flight pay either on the basis of the trips lost on equipment to which they were assigned prior to attending the training program, or else at the rate of their minimum guarantee (computed on the basis of $\frac{1}{60}$ thereof for each half day of training assignment), whichever is higher.

There is, however, some training wherein this principle should not apply. For example, a pilot who fails to meet the Company's or the Government's standards of proficiency and who must therefore be given additional training, should receive only his base pay for such training or requalification. There is also a continuous program of routine training, such as route checks, semiannual instrument checks, equipment familiarization incident to promotions or transfers, and the like which do not require the removal of a pilot from his normal, income-producing flying. For such training, there should be no additional compensation.

16. SELECTION OF TRIP ASSIGNMENTS ¹⁸

The pilots are requesting that the contract include a provision giving them the right through a Local Pilots' Scheduling Committee to make examinations of and recommendations on proposed trip assignments prepared by the Company, before they are submitted to the pilots for selection in accordance with seniority.

From the meagre evidence offered on the subject, it appears that: (1) Such provisions are not customary in the domestic airline industry; (2) the scheduling task is complicated by numerous factors which requires the exercise of sound discretion.

We have added somewhat to the task of scheduling by the restrictions on on-duty time which we are recommending. To complicate the matter further by inviting arguments over the manner in which the discretion is exercised each time new trip assignments are prepared, seems to us to be unwarranted. The pilots will continue to have the right to make their selections based on their order of seniority, and our denial of this request is not intended to deprive either party of its existing rights under the present policy, nor to enlarge those rights. We heard no testimony tending to show that the mutual rights have not been respected.

¹⁸ The text of the proposal of the ALPA is reproduced in Appendix A, page 69.

Accordingly, we recommend that the contract remain unchanged on the subject of selection of trip assignments.

17. OPERATION OF NEW TYPE AIRCRAFT¹⁹

The Association has proposed that whenever a new or modified type of aircraft is introduced, the rates of compensation, rules, and working conditions for the pilots flying such aircraft shall be negotiated and added to the contract as an amendment. Until an agreement as to the contents of the amendment is concluded, the aircraft shall not be flown in scheduled operation.

In discussing this proposal, the Association spokesmen made it clear that it was introduced in connection with the M. I. D. formula of payment. Such matters as the assignment of pilots to the new equipment, added compensation to cover possible intermittent grounding of the aircraft during its shake-down period, or the changes in terminal bases which might result from faster schedules could, under this clause, become the subject of negotiation whenever new airplanes are introduced. It became clear upon inquiry that the main application of this clause to the existing pay formula, would be in the setting of pegged speeds.

Under this clause, the Company could not put any new or modified airplane into scheduled operation until the Association agreed upon the speeds to be used for pay purposes. This would place a power in the hands of the Association to suspend operations in part at least during the term of the agreement, which would be quite inconsistent with the purposes of a collective-bargaining agreement. The hourly pay schedule contemplates planes with speeds up to 325 miles per hour and in the M. I. D. issue we have recommended a possible joint study when planes of 325 miles per hour are ordered.

We see no reason for approving the pilots' request on the subject of new type aircraft.

18. PHYSICAL EXAMINATIONS²⁰

Pilots are subjected to periodic physical examinations given by a Company doctor. If, for any reason, a pilot fails to pass the examination, he is removed from flying duty. There is a clause in the present agreement which permits him to challenge the findings of the Company doctor by employing another doctor of his own choosing to check the findings which resulted in his medical suspension. In

¹⁹ The text of the proposal of the ALPA is reproduced in appendix A, page 70.

²⁰ The text of the proposal of the Company is reproduced in Appendix B, page 73.

the event of a disagreement between these two doctors, a third doctor may be chosen, with a majority vote deciding the case.

The Company seeks to modify this clause in two ways. It wishes to limit the time in which a pilot may request a review of his physical examination to within 30 days after he has received notice of his failure to pass. The Company has made it clear that the request for such a review which would be subject to the 30 days' limitation may follow either the first examination in which a pilot has been disqualified, or any subsequent examination he may request.

To afford the pilot reasonable protection, the Company has suggested that if the medical board upholds the employee's case, then that employee shall be reimbursed for his lost earnings back to the time of his most recent disqualification.

The Association's fear is that a pilot may not realize within 30 days that he is not as ill or incapacitated as the Company doctor thought. And that the pilot would be foreclosed from questioning the doctor's judgment. The Company's revised suggestion meets this criticism, and we recommend its adoption.

19. GRIEVANCES AND DISPUTES ²¹

The Association desires to have the agreement provide for a neutral referee to serve on the System Board of Adjustment in deadlocked cases. The Company objects to this unless the jurisdiction of the System Board is clearly stated, the Company's proposal being that this jurisdiction be restricted to grievances over discharge and disciplinary cases and to questions concerning the interpretation or application of the agreement, with the clear understanding that the System Board may not add to or modify the provisions of the agreement, particularly those governing hours, pay, or working conditions. The Association's objection is mainly that a large number of airline-pilot contracts have the matter of jurisdiction covered by language similar to that now in the American Airline agreement, and that these contract provisions together with the applicable provisions of the Railway Labor Act in title I, section 3 (i), and adopted by title II, section 204, are ample without altering the agreement further.

It is true that most of the airline-pilot agreements have provisions similar to those in American Airline's agreement. But relatively few have provided for the use of a neutral referee in deadlocked cases, and we are in accord with the thought that a means should be provided for breaking deadlocks. Unresolved issues about which nothing can be done under the contract are a potential source of serious

²¹ The proposals of the Association and the Company are reproduced in appendices A and B, pages 70 and 73, respectively.

disruption, and it is now rare for collective-bargaining agreements not to include some definite terminal process for settling disputes. It is of the essence of grievance and dispute procedures that a means be provided for terminating them in a peaceful manner. In this search for peace, however, it would be quite inconsistent to have a procedure which itself leads to further disagreements.

On the American Airlines this is apparently not an idle or academic possibility. There have been court actions over the jurisdiction of the System Board. While it was generally agreed at the hearings before us that the System Board is confined in its jurisdiction so as not to vary or rewrite the agreement, there have been several questionable types of grievances raised which seem to have been concerned with matters that would generally be taken to be within the scope of management's discretion—whether certain flights should stop at Memphis, the manner in which the maintenance department is operated, as examples.

With such a background, we do not accept the answer that other airlines have not found it necessary to spell out the System Board's jurisdiction. Other crafts on the American Airlines, whose labor relations are also regulated by the Railway Labor Act, on the other hand, have written into their agreements the limits of the System Board or arbitrators' jurisdiction. We favor this for the pilots for the simple reason that it seems offensive to us to have the peace-making procedures serve as a source of creating additional frictions and disagreements.

We feel the definition of grievances and disputes substantially like that proposed by the Company is broad enough to meet all reasonably anticipated situations which should be handled as grievances or disputes. Grievance and dispute procedures are not designed to serve as a substitute for collective bargaining. Basic changes must be negotiated and made by agreement of the parties and not through arbitration under the grievance procedures.

Our recommendation is, therefore, that the parties include in their agreement a statement indicating that grievances and disputes shall be limited to dismissals and other disciplinary action and to matters involving the interpretation or application of the agreement, with no power to alter, amend, enlarge, or subtract from any of the contract provisions relating to hours, pay, or working conditions. With the definition of grievances and disputes and the jurisdiction of the System Board of Adjustment clear, we recommend that the contract also include a stipulation of the means for finally resolving grievances and disputes through the selection of a neutral referee to serve on the System Board of Adjustment in cases of deadlock.

20. MANAGEMENT CLAUSE AND NO STRIKE PROVISION ²²

The Company has requested that there be written into the collective-bargaining agreement: (1) A paragraph reserving to management all responsibilities and authority not expressly modified or restricted in the agreement; (2) a no strike, no lockout provision.

Such provisions are not customarily included in agreements between airlines and pilots. The management clause request was not supported by any specific evidence other than that relating to the Company's request to designate specifically the jurisdiction of the System Board of Adjustment, the purpose of which is to avoid having System Board rulings on matters not properly the subject of a grievance or a dispute. We have recommended that the Company's proposal on the grievance procedures be followed. This being so, we see no need for incorporating into the agreement a management clause as well.

A no strike, no lockout clause is taken for granted in most collective-bargaining agreements. Where the agreement specifies no definite means of concluding or settling disputes, it is understandable why the no strike, no lockout clause is omitted. Most airlines agreements do not call for the appointment of a neutral referee to serve with the System Board of Adjustment in deadlocked cases. This probably explains the absence of the clause. We are recommending in this case that the Association's request for the neutral referee be granted, and we consider the no strike, no lockout clause a normal and desirable corollary to a procedure in the nature of arbitration. This is particularly so in an essential industry. Accordingly, we recommend that a no strike, no lockout provision be written into the agreement of the parties.

21. RETROACTIVITY

The last agreement between the parties expired on July 1, 1949. Since that time the parties have been observing the terms and conditions of the expired agreement. In the interim there have been intermittent negotiations, mediation conducted by the National Mediation Board, and the proceedings before this Emergency Board.

As will be observed, it is now almost 2 years since the Company and the Association submitted proposed contract changes to each other on May 31, 1949.

The several procedures that have ensued have been protracted for an unusually long period. Some of the delays, of relatively short duration each, are chargeable to each side. The principal difficulty as it appears to us, was the importance which both sides attached to the issue over mileage determination. Apparently, other issues, im-

²² The proposal of the Company is reproduced in appendix B, page 75.

portant in themselves, could have been resolved through collective bargaining, if the Company had not insisted on having the request for mileage determination withdrawn as a condition, and if the Association had not, in turn, insisted that no agreement was possible unless the principle of mileage determination was adopted.

In general, wage adjustments awarded by boards of arbitration or recommended by fact-finding boards, are presumed to be those which the parties should equitably have agreed upon in direct negotiations. Accordingly, it is not unusual in many industries to make such awards or revisions effective as of the date of the expiration of the prior agreement. This practice has the virtue of assuring employees and their labor organizations that they will not be penalized by exercising moderation and patience through the periods necessary for collective bargaining and other processes that may be either agreed upon or required by law. In some industries, on the other hand, it is traditional to make all wage and other contract revisions effective only as of the date agreed upon or on some date in the near future. In the airline industry, and particularly in the case of the American Airlines and the Pilots Association, there has been a mixed practice, not sufficiently clear in any event to serve as a pattern of binding effect.

The most important change in which the effective date is involved is that relating to the compensation of the copilots. In the course of the pressures for and resistance to the mileage determination proposal, the improvements which the copilots have been justified in obtaining have been unduly delayed. The Board will not undertake to assess the degree of fault for which each of the parties is responsible, but it must observe that collective bargaining has not functioned as it should have, and that the copilots have suffered thereby.

A period of 23 months has elapsed since the contract expired. In view of the lack of any consistent practice in the past with regard to retroactivity and the other considerations outlined above, the Board recommends that the adjustments and compensation for copilots be made effective as of June 1, 1950. This is 11 months after the expiration date of the agreement and is about half-way between that date and the present. In using this date the Board recognizes the equity of the copilots' position with respect to wages, and at the same time assesses against both the Pilots Association and the Company equal responsibility for the futility and prolongation of the collective bargaining and other processes engaged in since July 1, 1949.

The reserve pilots, under the Board's recommendation, will have a monthly guarantee of \$725. In the year 1950 the reserve captains averaged \$10,536 in earnings. From this it would appear that relatively few, if any, of the reserve captains will have very much claim under the monthly guarantee. Nevertheless, since those who do have

such a claim are the ones who have been at substandard earnings levels and are the very ones who are in need of a monthly minimum guarantee, the Board recommends that this guarantee for reserve captains be made effective as of June 1, 1950.

The first pilots will have a slight improvement in earnings under the new method of computing gross weight pay, and this will be applicable to reserve captains, and, to a modified degree, to copilots. The Board recommends that this change become effective when the new agreement is concluded.

With respect to improved vacation and sick leave benefits, it is the Board's recommendation that they be effective for all vacations and sick leaves taken after January 1, 1951.

The Board's recommendation with respect to all other changes is that they become effective when the new agreement is concluded.

22. TERM OF THE AGREEMENT ²³

Very little was offered to this Board on the subject of the term of the agreement. The Company prefers to have the new agreement run for 3 years. The practice most recently has been to have yearly agreements. In discussions the Company pointed to the effort and time consumed in the negotiations, mediation, and Emergency Board proceedings as the reason for making the new agreement with a much longer term, and it expressed the willingness to permit wage rate reopenings at certain intervals if the Consumers' Price Index moves certain specified points or percentages.

The last agreement terminated on July 1, 1949. What has happened since then is discussed somewhat in the retroactivity issue above. For almost 2 years the parties have for practical purposes had an extension of the old agreement subject to whatever retroactive effect may be given to the new understanding. While we are hopeful that our recommendations will be accepted and will lead promptly to the making of a new agreement, some time will have to elapse before the parties can conclude their understanding, reduce it to writing, and close the matter.

Under all these circumstances, it is our view that it would be appropriate to have the new agreement run for 1 year from the time it is executed and goes into effect.

IV

RECOMMENDATIONS

In addition to the findings included in the foregoing report, this Board recommends as follows:

²³ The proposal of the Company is reproduced in appendix B, page 75.

1. *Mileage increase determination.*—That the request of the Pilots Association for monthly mileage limitation be withdrawn, but if the Company orders planes with a speed of 325 miles per hour or more, the parties thereupon undertake a joint study to ascertain what bearing such planes are likely to have on the job content of the pilots and on unemployment possibilities with the view either of reaching an understanding thereon or at least of developing facts upon which a subsequent Emergency Board or other tribunal may reach an informed judgment.

2. *Hourly pay and mileage pay.*—That the scale of hourly pay rates, devoid of the gross weight component, suggested by the Pilots Association, be substituted for the current hourly pay brackets for first pilots and that the present method of computing mileage pay for first pilots be continued.

A. That for both hourly pay and mileage pay the speeds of the respective types of planes be pegged as follows: CV-240 at 215 miles per hour, DC-4 at 205 miles per hour, DC-6 at 250 miles per hour, and DC-6B at 275 miles per hour, with the understanding that the DC-6B speed is subject to revision under the provisions of section 6 (b) of the prior agreement.

B. That the time computed shall be actual block-to-block time or schedule time, whichever is greater.

3. *Gross weight compensation.*—That the gross weight component be separately computed on a straight line basis at the rate of $1\frac{3}{4}$ cents per 1,000 pounds of certificated gross weight per hour.

4. *First pilots' monthly guarantee.*—That bid first pilots have a minimum monthly guarantee of base pay plus 60 hours of flight pay on the type of equipment the pilot is currently flying.

5. *Landing pay.*—That there be no separate or additional pay for landings.

6. *Minimum pay—irregular flying.*—That a pilot who at Company request performs or reports to perform any extra section or any nonscheduled flying, of the kinds agreed upon by the parties, shall receive a minimum of 1 hours of flight credit and flight pay at applicable rates for the equipment designated, and night or day rates shall depend on when such flights occur, or if not flown, when they were scheduled to start; and that the request of the Pilots Association for a statement of intent concerning the minimum length of scheduled trips be withdrawn.

7. *Deadhead pay.*—That there be no separate or additional pay for deadheading.

8. *Pay of reserve first pilots.*—That any pilot who flies in a given month as a reserve captain be treated that month as a reserve first pilot or captain; that reserve captains be given a monthly guarantee of \$725; and that the compensation of reserve captains should include

base pay plus their flight pay computed on the first pilot or copilot basis depending upon the capacity in which they serve on each flight.

9. *Pay of copilots.*—That copilots have a new base pay scale, with flight pay, as hereinafter specified, to be added to base pay after the second year of service.

(A) That the base pay scale be: First year \$350, second year \$400, third year \$200, fourth year \$220, fifth year \$240, sixth year \$260, seventh year \$280, eighth year and thereafter \$300; upon promotion from copilot to first pilot the individual should continue to progress on his existing base pay scale.

(B) That, starting in the third year of his employment as copilot, the copilot receive, in addition to his base pay, flight pay, including all the components or elements of flight pay paid to the first pilot, computed in the same manner, except that the copilots' flight pay shall be 55 percent that of the first pilot.

(C) That, starting with the third year, copilots shall have a monthly guarantee of base pay plus 60 hours of flight pay on the type of equipment they are currently flying.

10. *Hours of service.*—That pilots should not be scheduled for more than 14 consecutive hours on duty in any 24 hours, except in an emergency when it may be 16 hours; that all pilots be given a minimum of four separate periods each month of not less than 48 consecutive hours each at their home base, free of all duty; that the contract contain a clear definition of what should be deemed on-duty time and what should be excluded, such determination to be based on time actually used or required and not on arbitrary figures.

11. *Vacations.*—That a pilot's vacation pay should be based on the average of his monthly earnings during the 6 preceding months in which he was on pay status; the minimum vacation pay should be the proportionate part of the monthly guarantee, if any, to which his status at the time of taking his vacation entitles him; that pilots receive a minimum of 48 consecutive hours free from duty before beginning a vacation; that the 3-week vacation allowance start after 12 years of continuous service; that no extra vacation allowance be given in lieu of holidays; that, for the purpose of computing allowable monthly flight time, a pilot be credited with 2 hours and 40 minutes for each day of vacation in the month in question.

12. *Sick leave.*—That sick leave be accumulated at the rate of $1\frac{1}{6}$ days per month of service up to a maximum of 84 days; that for service rendered up to January 1, 1951 the present maximum of 60 days under existing Company policy be applicable, to which shall be added credits for service since that date on the basis herein set forth subject to the over-all maximum of 84 days; that sick leave pay and credit against flying hours be computed in the same manner as recommended for vacation pay; that other details affecting sick leave be incorporated

into the agreement substantially along the lines of the published sick leave policy of the Company.

13. *Furlough allowance*.—That, after 2 years of employment, all pilots be entitled to receive furlough pay up to a maximum of 3 months of base pay, but that no allowance shall be given for furloughs of less than half a month; that furloughs, under the intent of this recommendation, should not include those occasioned by resignation, retirement, or the voluntary act of the individual employee, dismissal for cause, revocation of the Company's operating certificate or certificates, or cessation of work caused by a strike or picketing; that if a pilot is recalled and then furloughed again within 6 months of the time the prior furlough terminates, the one 3-month maximum allowance shall continue to be applicable, but if the subsequent furlough commences more than 6 months after the prior one terminates, the full 3-month maximum allowance shall again be available; that the furlough provision be conditioned on the acceptance of the new pay formula for copilots, in which a new base pay scale is included.

14. *Expenses away from base*.—That no meal allowance be given to pilots at their home base; that pilots on duty continuously between 8 p. m. and 2 a. m., or between 11 p. m. and 5 a. m., and who are away from their home base at the time for the midnight meal, receive an allowance of \$1.25 for such midnight meal; that the meal allowance be: Breakfast \$1, lunch \$1.25 and dinner \$2; that the provision in the July 1, 1948 contract stipulating that the Company reimbursement for expenses shall not exceed the maximum established in the agreement itself without the approval of the Company, shall remain unchanged.

15. *Training pay*.—That when the Company initiates a training program requiring pilots to be relieved of scheduled flight duties, those pilots on a regular bid status who become engaged in such training shall receive base pay plus flight pay either on the basis of the trips lost or else at the rate of their minimum guarantee, whichever is higher; that a pilot who fails to meet the Company's or the Government's standards of proficiency and is therefore given additional training, shall receive only his base pay; that no additional compensation be given for routine training which does not require the removal of a pilot from his normal, income-producing flying.

16. *Selection of trip assignments*.—That the contract remain unchanged on the subject of selection of trip assignments.

17. *Operation of new type aircraft*.—That the pilots' request in respect to the operation of new type aircraft be withdrawn.

18. *Physical examinations*.—That a pilot may request a review of a medical examination within 30 days of either the first or any subsequent medical examination which the pilot may request in which he is disqualified and if the medical review board upholds the employee,

then he should be reimbursed for his lost earnings back to the time of his most recent disqualification by the Company doctor.

19. *Grievances and disputes.*—That the parties include in their agreement a statement indicating that grievances and disputes shall be limited to dismissals, other disciplinary action, and to matters involving the interpretation or application of the agreement, with no power to alter, amend, enlarge, or subtract from any of the contract provisions, particularly those relating to hours, pay, or working conditions; and that the contract also include a stipulation of the means for finally resolving grievances and disputes through the selection of a neutral referee to serve on the System Board of Adjustment in cases of deadlock.

20. *Management and no-strike provisions.*—That no management clause be written into the contract; but that there should be a no-strike, no-lockout provision included in the agreement.

21. *Retroactivity.*—That the adjustments in compensation of pilots be made effective as of June 1, 1950, except that until the revised method of computing gross weight pay, which includes the revised scale of hourly pay rates becomes effective for first pilots, the hourly pay and gross weight shall be computed as provided in the agreement of July 1, 1948; that the improved vacation and sick leave benefits be applicable to vacations and sick leaves taken after January 1, 1951; and that all other recommended changes, including the revised method of computing gross weight pay, become effective when the new agreement is concluded and put in force.

22. *Term of the agreement.*—That the new agreement run for 1 year from the time it is executed and goes into effect.

23. *Preparation of new agreement.*—That since this Board has laid down only general principles or guides for the parties, the parties should promptly undertake through collective bargaining to agree upon specific contract provisions in line with the recommendations made; to be included, together with provisions on which the parties have already reached an understanding, in a complete agreement to govern their relations for a period of 1 year thereafter.

Respectfully submitted.

DAVID L. COLE, *Chairman.*

FRANK P. DOUGLASS, *Member.*

AARON HORVITZ, *Member.*

APPENDIX A

TEXT OF REQUESTS OF AIR LINE PILOTS ASSOCIATION

The numbers within the parentheses refer to the sections of the foregoing report in which the proposals are discussed

MILEAGE INCREASE DETERMINATION

(III—1)

A. MONTHLY MILEAGE

The mileage a pilot may fly each calendar month shall be the sum of the basic monthly mileage and the mileage increase for the equipment flown during such month, computed as follows:

1. The basic monthly mileage for all pilots shall be based on DC-3 equipment for 85 hours at 160 miles per hour which equals 13,600 miles.

2. The increased mileage which a pilot may fly shall be based upon 50 percent of the additional miles which would be flown in 85 hours at the speed of the equipment flown, computed by the following formula:
$$\text{Mileage increase} = 85 \frac{(\text{speed} - 160)}{2}$$

3. For purposes of this agreement, pilots' monthly mileages on the DC-4, CV-240, DC-6 and DC-6B shall be as follows:

$$\text{DC-4} = 13,600 + 85 \frac{(205 - 160)}{2} = 15,512 \text{ miles.}$$

$$\text{CV-240} = 13,600 + 85 \frac{(240 - 160)}{2} = 17,000 \text{ miles.}$$

$$\text{DC-6} = 13,600 + 85 \frac{(250 - 160)}{2} = 17,425 \text{ miles.}$$

$$\text{DC-6B} = 13,600 + 85 \frac{(275 - 160)}{2} = 18,488 \text{ miles.}$$

4. A pilot shall not be scheduled to begin a trip when his total monthly mileage will be exceeded when he completes one-half of such trip, provided that when he reaches such half way point and has not exceeded his monthly mileage, he may return to his base station and any additional mileage flown during any calendar month will be credited to his mileage for the following calendar month, and shall for pay and mileage credit purposes be deemed to have been flown during such calendar month, and provided further that a pilot shall not exceed two times his monthly mileage in any two consecutive calendar months.

5. The first aircraft flown by a pilot during any calendar month shall establish such pilot's monthly mileage. For each hour flown during the month in an aircraft which flies less miles per hour than

the initial aircraft, the pilot's monthly mileage shall be reduced by one-half the difference in the miles flown per hour in each aircraft. When the second aircraft flown covers more miles per hour, one-half the difference of the miles flown per hour in each aircraft shall be added to the pilot's monthly mileage.

For example: First aircraft flown—DC-4 at 205 miles per hour, monthly mileage=15,512; second aircraft flown—DC-6 at 250 miles per hour; therefore, for each hour in DC-6, add $\frac{(250-205)}{2}$, or 22½ miles; 10 hours flown in DC-6—new pilots' monthly mileage=10×22½, or 225 miles plus DC-4 monthly mileage of 15,512=new mileage of 15,737.

B. GENERAL

1. When a change in calendar date occurs enroute on any flight, the date on which the flight originated shall be considered the date on which the flight was made and to which date all time and mileage for the flight, for rates of compensation purposes only, shall be credited.

2. When the scheduled block-to-block time for a particular type aircraft is found in actual operations to be either insufficient or excessive, hearings shall be granted at the request of the pilots for the purposes of determining whether or not adjustments should be made in such schedule block-to-block time.

3. For daily flight time posting purposes, the time for which the pilot is paid shall be used.

FIRST PILOTS' HOURLY COMPENSATION

(III—2)

A. HOURLY COMPENSATION

In addition to base pay, each first pilot, or reserve pilot when flying as a first pilot, shall receive hourly flying pay at rates based upon the speed of the equipment flown and whether such flying is day or night as follows:

	Day flying per hour	Night flying per hour
Under 125 miles per hour.....	\$4.00	\$6.00
125 up to but not including 140 miles per hour.....	4.20	6.30
140 up to but not including 155 miles per hour.....	4.40	6.60
155 up to but not including 175 miles per hour.....	4.60	6.90
175 up to but not including 200 miles per hour.....	4.80	7.20
200 up to but not including 225 miles per hour.....	5.00	7.50
225 up to but not including 250 miles per hour.....	5.20	7.80
250 up to but not including 275 miles per hour.....	5.40	8.10
275 up to but not including 300 miles per hour.....	5.60	8.40
300 up to but not including 325 miles per hour.....	5.80	8.70

B. SPEED FOR HOURLY COMPENSATION PURPOSES

The speeds for hourly compensation purposes of first pilots, and reserve first pilots when flying as first pilots, shall for DC-3 equipment be not less than 160 miles per hour, for DC-4 airplanes not less than 205 miles per hour, for CV-240 airplanes not less than 240 miles per hour, for DC-6 airplanes not less than 250 miles per hour, and for DC-6B airplanes not less than 275 miles per hour.

C. COMPUTATION OF TIME FOR HOURLY COMPENSATION PURPOSES

1. In determining the hours of first pilots, and reserve pilots while serving as first pilots, for compensation purposes, the actual time from block-to-block shall be used on all flights. This figure shall hereinafter be designated "Hours Flown."

2. In computing the pay for night flying, the actual night hours shall be used as defined in section 2, paragraph K, and when changes in regional standard time occur during the flight, the regional standard time at the station of last departure shall be used in computing the day and night flying time for that leg of the flight.

FIRST PILOTS' MILEAGE COMPENSATION

(III—2)

A. MILEAGE COMPENSATION

A first pilot and reserve first pilot when flying as first pilot, shall receive mileage pay at monthly mileages, of up to and including 10,000 miles; 10,000 to 12,000 miles, inclusive; and in excess of 12,000 miles, respectively, 2 cents per mile for each mile per hour in excess of 100 miles per hour during the first 10,000 miles flown, thence $1\frac{1}{2}$ cents per mile for each mile in excess of 100 miles per hour flown between 10,001 miles and 12,000 miles, inclusive; thence 1 cent per mile for each mile per hour in excess of 100 miles per hour flown in excess of 12,000 miles, such mileage pay to be computed on a "no reverting" basis as follows:

$$\frac{\text{Speed}-100}{\text{speed}} \text{ times } 10,000 \text{ miles (or less, if flown) times } 2 \text{ cents}$$

plus

$$\frac{\text{Speed}-100}{\text{speed}} \text{ times } 2,000 \text{ miles (or less, if less than 12,000 flown)}$$

times $1\frac{1}{2}$ cents

plus

$$\frac{\text{Speed}-100}{\text{speed}} \text{ times miles in excess of } 12,000, \text{ if any, times } 1 \text{ cent}$$

equals

mileage pay to be paid.

B. SPEED FOR MILEAGE PAY PURPOSES

The speeds established and stipulated in this paragraph, for mileage pay computation purposes, shall for Douglas DC-4 aircraft be 205 miles per hour; for Convair 240 aircraft, 240 miles per hour; for Douglas DC-6 aircraft, 250 miles per hour; and for Douglas DC-6B aircraft, 275 miles per hour.

C. COMPUTATION OF TIME FOR MILEAGE PAY PURPOSES

For the purpose of determining the mileage to be used in mileage pay computation for first pilots, and reserve first pilots when acting as first pilots, the "Hours Flown" as determined in section 4, paragraph C-1, of this agreement shall be multiplied by the established speed of the equipment flown.

(III-3)

For the purpose of determining the mileage to be used in mileage pay computation for first pilots, and reserve first pilots when acting as first pilots, the "Hours Flown" as determined in section 4, paragraph C-1, of this agreement shall be multiplied by the established speed of the equipment flown.

FIRST PILOTS' GROSS WEIGHT COMPENSATION

First pilots and reserve first pilots when serving as first pilots, shall be paid in addition to the other rates of compensation stipulated in this agreement, 1 mill per mile for each 6,000 pounds of the maximum certificated gross weight of aircraft, for each mile flown during any month. The speeds used in determining the miles flown under this paragraph shall be 160 miles per hour for the DC-3, 205 miles per hour for the DC-4, 240 miles per hour for the CV-240, 250 miles per hour for the DC-6, and 275 miles per hour for the DC-6B.

Example: CV-240 at max. cert. gross wt. of 40,500 lbs.

$$\$0.001 \times \frac{40,500}{6,000} = \$0.0068 \text{ per mile gross weight compensation.}$$

FIRST PILOTS' MONTHLY GUARANTEE

(III-4)

All first pilots holding currently effective first pilot bids shall receive a minimum monthly guarantee consisting of their currently applicable base pay plus 75 percent of their maximum monthly mileage on the equipment such pilots would normally have flown during the month, consisting of hourly pay, mileage pay, gross weight pay, and landing pay, at applicable rates in this agreement.

LANDING PAY

(III—5)

Pilots will be paid \$1 per landing for all scheduled and emergency landings above 60 in any calendar month.

MINIMUM PAY—IRREGULAR FLYING

(III—6)

A. IRREGULAR FLYING

A pilot who at company request performs or reports to perform any extra section flying or any nonscheduled flying, as specified in (new section 17) paragraph A of this agreement, shall receive pay for not less than 3 hours of flying at applicable rates for the equipment flown and when the flying time of such flight or flights is less than 3 hours, the time shall be computed as an extension of the final portion of the flight.

B. OBJECTIVE IN ESTABLISHING RUNS

The Company and the Association shall endeavor to establish and maintain trips of at least 5 hours of flying, straightaway or turn-around, for the purpose of improving the working conditions of the pilots.

DEADHEAD PAY

(III—7)

When a pilot is assigned by the Company to deadhead to a station for the purpose of being scheduled out of that station as a pilot, or from a station after having flown into that station as a pilot, such deadhead time shall be credited for hours of service and pay purposes under the terms of this agreement and will be considered to have been accumulated on the type of aircraft to which such pilot is currently assigned. Such time shall be deemed to be "hours flown" and shall be compensated for at applicable rates for day flying for first pilots as stipulated in (new sections 4, 5, and 6) of this agreement and at applicable rates for copilots as stipulated in (new sections 11, 12, and 13) of this agreement.

PAY OF RESERVE FIRST PILOTS

(III—8)

Any pilot not holding a first pilot's bid who serves in the capacity of first pilot during any part of a calendar month shall be designated as a reserve first pilot for purposes of this section, and shall receive

first pilot's base, hourly, gross weight, landing, and mileage pay while serving as such first pilot, provided that all reserve first pilots shall receive a minimum monthly guarantee of not less than maximum copilot base pay, plus an amount of \$250.

COPILOTS' BASE PAY

(III—9 (A))

A copilot shall receive a monthly base pay based upon length of service with the Company as a pilot, not less than the following:

	<i>Per month</i>
First year:	
First 6 months of service.....	\$325
Second 6 months of service.....	350
Second year:	
Third 6 months of service.....	375
Fourth 6 months of service.....	400
Third year:	
Fifth 6 months of service.....	425
Sixth 6 months of service.....	450
Fourth year:	
Seventh 6 months of service.....	475
Eighth 6 months of service.....	500
Fifth year:	
Ninth 6 months of service.....	525
Tenth 6 months of service.....	550

COPILOTS' HOURLY PAY

(III—9 (B))

A. HOURLY PAY

In addition to base pay, each copilot shall receive hourly flying pay at the rate of 80 cents per hour for day flying and \$1.20 per hour for night flying on DC-4, CV-340, DC-6 and DC-68 equipment.

B. COMPUTATION OF TIME FOR HOURLY PAY PURPOSES

1. In determining the hours of copilots for hourly pay purposes, the actual time from block-to-block shall be used on all flights. This figure shall hereinafter be designated "hours flown."

2. In computing the pay for night flying, the actual night hours shall be used as defined in section 2, paragraph K, and when changes in regional standard time occur during the flight, the regional standard time at the station of last departure shall be used in computing the day and night flying time for that leg of the flight.

COPILOTS' MILEAGE PAY

(III—9 (B))

A. MILEAGE PAY

A copilot in addition to base and hourly pay shall receive mileage pay at monthly mileages, of up to and including 10,000 miles; 10,000 to 12,000 miles, inclusive; and in excess of 12,000 miles, respectively, 1 cent per mile for each mile per hour in excess of 100 mph during the first 10,000 miles flown, thence $\frac{3}{4}$ cent per mile for each mile in excess of 100 mph flown between 10,001 and 12,000 miles, inclusive; thence $\frac{1}{2}$ cent per mile for each mile per hour in excess of 100 mph flown in excess of 12,000 miles, such mileage pay to be computed on a "no-reverting" basis as follows:

$\frac{\text{Speed}-100}{\text{speed}}$ times 10,000 miles (or less, if less flown) times 1 cent plus.

$\frac{\text{Speed}-100}{\text{speed}}$ times 12,000 miles (or less, if less than 12,000 flown) times $\frac{3}{4}$ cent plus.

$\frac{\text{Speed}-100}{\text{speed}}$ times miles in excess of 12,000, if any, times $\frac{1}{2}$ cent equals.

mileage pay to be paid.

B. SPEED FOR MILEAGE PAY PURPOSES

The speeds established and stipulated in this paragraph, for mileage pay computation purposes, shall for Douglas DC-3 aircraft be 160 mph, for Douglas DC-4 aircraft, 205 mph; for Convair 240 aircraft, 240 mph; for Douglas DC-6 aircraft, 250 mph, and for DC-6B aircraft, 275 mph.

C. COMPUTATION OF TIME FOR MILEAGE PAY PURPOSES

For the purpose of determining mileage to be used in mileage pay computation, the "hours flown" shall be multiplied by the speed of the equipment flown as stipulated in subparagraph B above.

COPILOTS' GROSS WEIGHT PAY

(III—9 (C))

Copilots shall be paid in addition to the other rates of pay stipulated in this agreement, $\frac{1}{2}$ mil per mile for each 6,000 pounds of the maximum certificated gross weight of aircraft, for each mile flown during any month. The speeds used in determining the miles flown under this paragraph shall be 160 mph for the DC-3, 205 mph for the DC-4, 240 mph for the CV-240, 250 mph for the DC-6 and 275 mph for the DC-6B.

Example: CV-240 at maximum certified gross weight of 40,500 pounds

$$=\$0.0005 \times \frac{40,500}{6,000}$$

=\\$0.0034 per mile gross weight pay.

HOURS OF SERVICE

(III—10)

A. 85 HOURS MAXIMUM

Eighty-five hours shall constitute the monthly maximum for pilots.

B. NOTIFICATION

1. The Company shall maintain a standard method of notifying the pilots of the scheduled departure time of their trips. When the scheduled departure time is appreciably delayed, pilots shall be notified as far in advance as is practicable, consistent with the circumstances. At originating stations, every effort shall be made to promptly notify pilots of any cancellation, delay, or deferment of their trips.

2. The Company shall post projected crew assignments on all regularly scheduled trips not less than 5 days in advance of the departure of such trips, except when such postings are prevented by circumstances beyond the control of the Company. Such postings shall be made available to the pilots for initialing, and such initialing shall be deemed to be notification of trip assignment. In any event all pilots shall be furnished with adequate notification of the departure time of their trips. A pilot on a regularly scheduled sequence of trips shall not be removed from such sequence except in cases of irregularity of scheduled operations or unforeseen emergencies, which necessitate such removal.

3. No pilot shall be required to keep the Company advised of his whereabouts on his days off, or while on vacation.

4. It shall be the responsibility of a pilot who is unable to report for duty to notify, as far in advance as possible, the local manager of operations or his designated representative of this fact, giving the reason for his inability to report for duty.

5. This agreement contemplates that pilots shall devote their entire professional flying service to the Company, except that nothing in this agreement shall be construed to prevent any pilot from affiliating with the military services of the United States.

C. ON DUTY TIME

1. Pilots shall be considered to be on duty under the following conditions:

(a) From 1 hour before the scheduled departure of the trip until 30 minutes after the scheduled arrival of the trip at the terminating station. For the purpose of this paragraph, on-duty time shall include and mean scheduled, extra section, miscellaneous flights, and deadheading as defined in (new section 16) of this agreement.

(b) During such time that a pilot is at a layover or intermediate station, unless such layover is in excess of 8 hours and there are suitable sleeping and sanitary facilities provided at the airport.

(c) During such time that a pilot is at a layover or intermediate station, unless such layover is in excess of 10 hours and transportation and hotel facilities are provided.

2. The Company shall make every effort to schedule pilots in such a manner that they will not be required to be on duty for more than 12 consecutive hours in any 24-hour period.

3. A pilot shall not be scheduled to be on duty in excess of 14 consecutive hours in any 24-hour period.

4. A pilot who flies any scheduled, extra section, charter, contract, or other revenue-producing flights, who is scheduled to be on duty for 8 hours or less, shall be compensated for a minimum of 4 hours of flying at his applicable rates for the trip or trips which he is scheduled to fly and when the scheduled flying time is less than 4 hours, such time shall be computed as an extension of the final portion of the trip flown.

5. A pilot who flies any scheduled, extra section, charter, contract, or other revenue-producing flights, who is scheduled to be on duty in excess of 8 hours but less than 12 hours, shall be compensated for a minimum of 5 hours of flying at his applicable rates for the trip or trips which he is scheduled to fly and when the scheduled flying time is less than 5 hours, such time shall be computed as an extension of the final portion of the trip flown.

6. A pilot who flies any scheduled, extra section, charter, contract, or other revenue-producing flights, who is scheduled to be on duty in excess of 12 hours, shall be compensated for a minimum of 7 hours of flying at his applicable rates for the trip or trips which he is scheduled to fly and when the scheduled flying time is less than 7 hours, such time shall be computed as an extension of the final portion of the trip flown.

7. All time for which a pilot is compensated, under the provisions of this section, shall be credited against his monthly flying.

D. RESERVE STANDBY

1. A pilot shall not be scheduled to be on reserve standby duty in excess of 12 hours in any 24 consecutive hour period.

2. A pilot may not be scheduled to be on reserve standby during more than 7 calendar days in a calendar month.

3. A pilot shall be compensated at applicable rates for day flying for the lowest paying equipment for which he is standing reserve and shall receive credit for flight time purposes for 1 hour of flying for each 6 hours, or at the rate of 10 minutes for each hour of standby reserve duty; provided that when a pilot is assigned to fly at any time during his standby reserve period, the actual flight time accrued shall be in addition to pay and flight time credit received for any standby reserve duty.

E. OFF DUTY TIME

A pilot shall receive a minimum of 48 consecutive hours at his base station free from all duty with the Company each 7 consecutive days.

VACATIONS

(III—11)

A. VACATION PERIOD

Pilots shall become eligible for and receive vacation allowances, with pay, in accordance with the following:

1. The calendar year will be used for computing vacation allowances.

2. A pilot who, as of January 1 of any year, has had less than 1 year of continuous service with the Company shall become eligible for a vacation on the basis of $1\frac{1}{6}$ days for each full month of service and any resulting fraction of one-half or greater shall be considered a full day.

3. A pilot who, as of January 1 of any year has had 1 year of service with the Company shall receive 2 weeks of vacation and pilots with more than 1 year of service with the Company, as of January 1 of any year shall receive an additional 2 day's vacation for each year of service in excess of 1 year cumulative up to and including 22 days.

4. A pilot shall, in addition to provisions of paragraph 3 above, receive 7 days, with pay for the following recognized holidays; i. e., New Year's Day, Washington's Birthday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, and Christmas, and such additional 7 days will be considered as a unit and as an extension of the regular annual vacation period.

5. A pilot shall have a minimum of 48 consecutive hours free from all duty with the Company before he begins any vacation period.

B. VACATION PAY

All pilots while on vacation shall receive the average monthly earnings based on the 6 preceding full months during which such pilots flew in regular operation, provided that no pilot on vacation shall receive less than the monthly guarantee to which his status entitles him under the provisions of this agreement.

C. VACATION NOTICE

The Company shall, on the fifteenth day of November of each year, solicit vacation period preferences for the succeeding year. A pilot shall be permitted to select a vacation period in the order of system seniority within his pilot status at the station at which he is based. The Company shall when possible post the vacation assignments as indicated on the pilots' vacation period preferences on the first day of December of each year, but not later than the fifteenth day of December of such year. Any pilot taking a vacation shall be given not less than 30 days written notice in advance of the beginning date of his vacation, provided that during the months of January, February, and March of any year the Company shall give as much prior notice of vacation as is practicable, and such notice shall be not less than 15 days. When a vacation period is assigned it will not be changed except in cases of unforeseeable emergency. When a pilot's vacation period is changed in accordance with the provisions of this paragraph, he shall be permitted to make a selection of another vacation period from the periods of time available within the same calendar year.

D. DEFERRED VACATIONS

Vacations shall not be cumulative and a vacation for which a pilot becomes eligible on January 1 of any year shall be forfeited unless taken during that year; *Provided*, That a pilot may be requested by the Company to forego his vacation if such request is in writing, and in such event, if the pilot has not received his vacation by the end of the year, he shall be entitled to said deferred vacation during the succeeding calendar year.

E. EFFECT OF LEAVES ON VACATIONS

A pilot who takes a leave or leaves of absence which exceeds, or the total of which exceeds, 60 calendar days during any calendar year shall have his vacation allowance for which he becomes eligible on the following January 1, reduced by one-tenth for each 30 days of said leave or total of such leaves in excess of 60 days; *Provided however*, No deductions from vacation allowances shall be made for leaves of

absence granted due to injury sustained while on duty; or for leaves to represent the American Airlines pilots for grievance and collective-bargaining purposes, provided that representatives for grievances shall be members of the Adjustment Board or the pilot representative stipulated in (new section 36), paragraph A, subparagraph 4 of the agreement.

F. PAY FOR ACCRUED VACATION

A pilot who has completed 6 months continuous service with the Company and resigns (with 2 weeks' notice), or is granted military leave of absence, or is furloughed by the Company due to reduction in force shall receive pay at his applicable rate for any vacation allowance for which he becomes eligible on January 1 of the year in which the resignation, military leave, or furlough occurs, and which he has not yet received. All vacation accrued since January 1 shall be paid on the basis of the applicable days, prorated, for each full month of service.

G. RECALL FROM FURLOUGH

A pilot furloughed and recalled to work during the same calendar year shall accrue vacation allowance from the date of reemployment in accordance with the applicable provisions of paragraph A of this section.

H. FRACTIONS OF DAY OR MONTH

Fractions of a day or calendar month which equal or exceed one-half shall be considered a full day or month respectively. Other fractions shall not be considered.

I. PRO RATA MILEAGE ACCRUAL

A pilot shall be credited with one-thirtieth of his monthly mileage for the equipment he would have flown for each day he is on vacation.

SICK LEAVE

(III—12)

During the period of this agreement, pilots shall be entitled to the following sick leave benefits:

A. RATE AND AMOUNT OF ACCRUAL

All pilots shall accrue sick leave credit at the rate of 2 days for each month of service as a pilot with the Company, provided that

such accrued sick leave credit shall not exceed 60 days on or prior to July 1, 1949. Pilots shall thereafter continue to accrue sick leave credit at the rate of 2 days of such credit for each month of service with the Company as a pilot, provided that at no time shall the aggregate of such accrual exceed 84 days. For sick leave accrual purposes, one-half of a calendar month or more of service shall be considered as a full month, and less than one-half of a calendar month shall not be considered.

B. BEGINNING AND TERMINATION OF SICK LEAVE

In the event a pilot becomes sick or is injured, he shall be granted sick leave beginning with the date he is first unavailable for schedule as a pilot and terminating with the date such pilot is again available for active service as a pilot. A pilot shall be charged 1 day of sick leave credit for each day he is on sick leave.

C. SICK LEAVE PAYMENTS AND POSTING

1. A pilot who has been awarded a regularly scheduled sequence of trips shall receive full pay at applicable rates for the scheduled flight time of the trips he was caused to miss during any period of sickness or injury.

2. A pilot who does not hold a regularly scheduled sequence of trips shall receive for each day on sick leave, base pay plus flying pay at day rates for $2\frac{1}{2}$ hours of flying on the fastest type equipment on which he is currently qualified.

3. A pilot on sick leave shall post the flying time for which he was paid during periods of sick leave in the same manner as though he had actually performed such flying, provided that the total compensation paid to a pilot during any month in which sick leave is taken shall not exceed the amount such pilot would have earned for flying his regular schedule during such month.

4. A pilot who is on sick leave during any month and makes up a portion of his time lost shall have his sick leave credited for 1 day for each $2\frac{1}{2}$ hours of flying or major fraction thereof that he makes up.

D. CANCELLATION, LEAVES, ADDED SICK LEAVE

All credit for sick leave will be canceled if employment ceases, and no payment for accrued sick leave credit will be made thereafter. If the Company at any time at its discretion grants additional sick leave or assistance to any employee, it shall not constitute a precedent requiring additional sick leave or assistance in any other case.

FURLOUGH ALLOWANCE

(III—13)

A. ALLOWANCE RATES

If a pilot is furloughed, he shall thereafter be paid a monthly amount equal to sixty percent (60%) of his average monthly rate of earnings, of the twelve (12) months of employment prior to being furloughed. The maximum length of time during which such payments will be made will be in accordance with the following scale:

Length of service:	Period of payment (months)
1 year and less than 2 years.....	6
2 years and less than 3 years.....	12
3 years and less than 5 years.....	18
5 years and less than 10 years.....	36
10 years and less than 15 years.....	48
15 years and over.....	60

B. LUMP SUM AT EXPIRATION OF RECALL RIGHTS

If at the end of 3 years the pilot has not been rehired, he shall receive, in addition to the foregoing, an amount of \$1,000.

EXPENSES AWAY FROM BASE

(III—14)

When pilots are away from their base stations on regular or special duty, they shall receive expenses as follows:

A. LODGING

1. Pilots when at their regular layover station shall be furnished suitable lodging in a suitable location.

2. Pilots when at other than their regular layover station shall receive reasonable actual expenses for lodging consistent with the lodging conditions encountered.

B. MEALS, MIDNIGHT LUNCHESES, AND GRATUITIES

1. Pilots on duty, in flight, or at layover stations, shall be reimbursed for meals at the following rates:

Meal	Rate	Time (local standard)
Breakfast.....	\$1. 25	0600 to 0800
Lunch.....	1. 75	1100 to 1300
Dinner.....	2. 25	1700 to 1900

2. All pilots on duty between the hours of 2200 and 0200 shall be reimbursed for midnight lunch in the amount of \$1.25.

3. There shall be added to all meals allowances stipulated in this paragraph 10 percent for tips.

4. No reimbursement shall be made for meals when regular meals are available to the pilots without charge, provided that between-meal snacks or comparable parts of meals shall for the purposes of this Section not be considered as regular meals.

C. TRANSPORTATION

1. At points other than a pilot's base station, where ground transportation is not made available by the Company, pilots shall be allowed actual necessary expenses incurred for transportation between the airport and the hotel or regular lodging.

2. Pilots traveling under Company orders shall be furnished Company passes for the trip or reimbursement for actual transportation expense should it be necessary to use transportation other than Company aircraft.

TRAINING PAY

(III-15)

A. FIRST PILOT

When the Company initiates a training program requiring pilots to be relieved of scheduled flight duties, first pilots and reserve pilots attending shall be paid $\frac{1}{30}$ of their minimum monthly guarantee for each day absent from schedule.

B. COPILOT

When the Company initiates a training program requiring pilots to be relieved of scheduled flight duties, copilots attending shall be paid \$5 per day plus base pay for each day absent from schedule.

SELECTION OF TRIP ASSIGNMENTS

(III-16)

A. TRIP SELECTION

Trip assignment shall mean a trip or trips allocated at a base station and flown therefrom, and the corresponding return trip or trips. All trip assignments shall be prepared by the Company from the flight time allocated each base station and submitted to the local pilots' scheduling committee for examination and recommendations. The sum total of all trip assignments to be flown from a base station by the pilots at such base station shall be posted not less than once during

each 30 days for selection by such pilots. The trip assignments flown by all pilots from their base stations shall be allocated in accordance with their system seniority at such base stations, and such allocation procedure shall be exercised in the following sequence within the following pilot classifications as stipulated below:

1. First pilots holding bid status at the base station.
2. Reserve first pilots holding copilot bid status at the base station.
3. Reserve first pilots with no bid status at the base station (eligible for first pilot flying only, in this classification).
4. Copilots holding bid status at the base station.
5. All other pilots not holding bid status.

B. EXCEPTION

Irrespective of the provisions of paragraph A of this section, when a copilot holding reinstatement rights is transferred to another base station in nonbid status, by the reverse order of system seniority rule, he may select trip assignment in accordance with his relative system seniority at the base in classification 4 if his seniority merits.

OPERATION OF NEW TYPE AIRCRAFT

(III—17)

The operation of any new type air line aircraft or modification or replacement of power plants, resulting in a change of speed bracket in airline aircraft currently in operation at the time of the signing of this amendment shall be made the subject of an amendment to this agreement, which amendment shall include rates of compensation, rules, and working conditions for the pilots flying such aircraft, and such amendment shall be concluded before the aircraft is flown in regular scheduled operation.

GRIEVANCES AND DISPUTES

(III—19)

The Company and the Association desire to amend in certain respects the agreement dated May 15, 1939 covering the establishment and maintenance of a system board of adjustment as follows:

(m) When a deadlock occurs in a case referred to the Board, it shall be the duty of the Board to endeavor to reach a decision, and, failing in this, to endeavor to agree within 30 days upon a procedure for breaking such deadlock. In any case where the said System Board of Adjustment becomes deadlocked and unable to reach a

decision upon a method for breaking the deadlock within the above-prescribed 30 days, either the Company or the Association may petition the National Mediation Board for the appointment of a neutral referee to sit with the System Board of Adjustment as a member thereof. Such Board of Adjustment, as then constituted shall consider the dispute pending before it, and a majority vote of the Board shall be final, binding, and conclusive between the Company and the Association and anyone they may represent having an interest in the dispute; and the award will be on the specific question or questions that caused the deadlock and which are before the Board for a decision; and such award will not extend beyond any such question or questions and shall constitute and be limited to an affirmative or negative award only or a degree of each to form one award, and shall not extend beyond such award into the problems of the Company, or the Association, or the industry. In case either the Company or the Association fails to petition the National Mediation Board within 30 days after the 30-day period prescribed in this paragraph for breaking deadlocks, the matter in question shall be deemed by all parties concerned to be ended and no action thereon shall be taken thereafter by either party.

APPENDIX B

TEXT OF REQUESTS OF THE COMPANY

The numbers within the parentheses refer to the sections of the foregoing report in which the proposals are discussed

FIRST PILOTS HOURLY PAY

PEGGED SPEEDS

(III—2 (A))

(b) (4) Mileage used in mileage pay computations for first pilots and reserve pilots, when serving as first pilots, will be determined by multiplying the speed determined under paragraphs (1) and (2) of this section by the total number of scheduled hours flown block-to-block. Actual time from block-to-block shall be used when flights operate over routes where schedules have not been established by the Company.

Computation of Time

(III—2 (B))

(A) HOURLY PAY

(1) In determining the hours of first pilots and reserve pilots when serving as first pilots, for hourly pay purposes only, the scheduled time from block-to-block shall be used on flights over routes where schedules have been established by the Company. Actual time from block-to-block shall be used when flights operate over routes where schedules have not been established by the Company.

VACATIONS

(III—11)

(a) (4) As of January 1 of each year, a pilot who has had 12 years or more of continuous service with the Company shall become eligible for a vacation of 3 weeks each year.

TRAINING PAY

(III—15)

When the Company initiates a training program requiring pilots to be relieved of scheduled flight duties, first pilots attending shall be paid \$15 per day plus base pay for each day absent from schedule.

PHYSICAL EXAMINATIONS

(III—18)

Any pilot who is removed from flight duty for failure to pass a Company physical examination may, at his option have a review of his case, provided he requests such review within 30 days of notice of his failure, in the following manner:

(f) If the opinion of the board of three medical examiners upholds the employee's case he shall be paid for such time lost in an amount which he would ordinarily have earned had he been continued in service during such period.

GRIEVANCES AND DISPUTES

(III—19)

(7) After the appeal provisions hereinbefore provided have been complied with, further appeal by the pilot, if made, shall be to the "American Airlines Pilots' System Board of Adjustment" as provided for in the agreement between American Airlines, Inc., and the Air Line Pilots in the service of American Airlines, Inc. as represented by the Air Line Pilots Association, International, covering the establishment and maintenance of a System Board of Adjustment, dated May 15, 1939, provided such appeal is made within 30 days from the date of receipt by the pilot, or his duly accredited representative, of the decision of the vice president—operations; and *Provided further*, That the System Board of Adjustment can take jurisdiction. All submission to the System Board of Adjustment shall be made in conformity with paragraph (h) of the Adjustment Board agreement.

Any pilot, or group of pilots, hereunder, who believes that an injustice has been done with respect to any matter covered by this agreement shall be entitled to file a grievance within 7 days of the date such alleged injustice has taken place or has been ascertained by such pilot. The procedure to be used under such circumstances shall be the same as that set forth in section 30 hereof.

SYSTEM BOARD OF ADJUSTMENT

(e) The Board shall have jurisdiction over disputes between any employee (other than a probationary employee) covered by the pilots' agreement and the Company growing out of grievances concerning dismissal or other disciplinary action or out of the interpretation or application of any of the terms of the pilots' agreement. The Board

shall have no power to render decisions the effect of which would be to add to, subtract from, amend, or modify the rates of pay, rules of working conditions covered by existing agreements between the parties hereto.

(m) In the event of a deadlock in the case of any dispute properly before it, it shall be the duty of the Board to endeavor to agree, within 30 days from the date of such deadlock, upon a procedure for breaking such deadlock. A majority vote of all members of the Board shall be competent to reach such agreement, and the action of the Board, operating under such procedure, shall be final and binding upon the parties hereto.

If after expiration of the said 30 days the deadlock is not broken, or such case is not otherwise disposed of, either party may notify the other in writing that the services of a referee are desired. Within 10 days after such notification, the members of the Board will select a referee from the panel of 5 potential referees, such panel to be hereafter agreed to by the parties hereto. The referee so selected shall sit with the Board as a member thereof in the subsequent consideration and disposition of the case. Said panel of 5 potential referees will be set up by mutual agreement between the parties hereto at as early a date as practicable after the signing of this agreement, and changes in said panel may be made by mutual agreement of the parties hereto.

Within 30 days after the selection of the referee, as provided above, the Board and the referee shall consider and review the prior record in the case, and may call such additional witnesses and receive such additional evidence as the Board may deem necessary. Either party may make written request to the Board for the privilege of presenting additional witnesses or documentary evidence and the Board, with the referee, may in their discretion permit such presentations. The decision of the Board shall be rendered within 10 days after the close of the hearing, and a majority vote of the members of the Board, including the referee, shall be necessary to reach a decision which shall be final and binding upon the parties hereto.

The expenses and reasonable compensation of the referees selected as provided herein shall be borne equally by the parties hereto. The time limits specified in this section may be extended by mutual agreement of the parties to this agreement.

Note.—The Company's proposal of a provision for breaking a deadlock is contingent upon acceptance of other proposed amendments clarifying the grievance procedure, in particular paragraph (e) defining the jurisdiction of the Adjustment Board, rights of management clause, and no strike clause.

RIGHTS OF MANAGEMENT

(III—20)

The responsibilities and authority of the Company not expressly restricted or modified elsewhere in this agreement are reserved exclusively to the Company so as to leave in its discretion among other things, the conduct of its operations and the direction of those who work for the Company.

NO STRIKE, NO LOCKOUT

(III—20)

It is understood and agreed that during the term of this agreement the Company will not lock out any pilot covered hereby and the Association will not authorize or take part in any strike or picketing of Company premises until the procedure for settling disputes as provided herein and as provided by the Railway Labor Act, as amended, have been exhausted.

TERM OF CONTRACT

(III—22)

(Company requests a 3-year contract beginning and effective with the date of signing.)

APPENDIX C

POSITION OF THE PILOTS ASSOCIATION IN SUPPORT OF ITS REQUEST FOR MILEAGE INCREASE DETERMINATION

The Association supported this request for mileage increase determination with many reasons and with a great amount of data, evidence and argument. Broadly, there are three bases upon which the Association rested these requests. As planes have become progressively faster, larger, and more complicated, the Association urges:

(1) the pilots have not shared in the greatly increased productivity and economies that have resulted; (2) their work has become increasingly burdensome, with a job content so enlarged as practically to amount to new jobs; (3) because of the vast technological changes and greater productivity, pilots have suffered a great loss in job opportunities, stability, and tenure, to the detriment not only of the pilots, but to that of the national welfare as well, in violation of the policy of the Civil Aeronautics Act of 1938.

The rise in productivity was demonstrated in numerous ways. See, for example, table I in the foregoing report. This shows how greatly the speed, range, size, and payloads have grown between 1930 and 1951. In 1933, immediately before the National Labor Board issued decision 83, which has served as the framework for pay purposes and monthly flying hours ever since 1934, the Curtiss Condor was in common use. Its cruising speed was 167 miles per hour, in turn a great jump over its predecessors, the Ford 5ATC and the Boeing 40 B-4, which cruised at 122 and 125 miles per hour. The Condor had a gross weight of 17,500 pounds, a payload of 2,600 pounds, a range of 716 miles, and could carry 15 passengers. The improvements in all respects were substantial when the DC-3 came into use in 1936, but the contrasts with the present models are even more extreme. There are planes now which cruise at 300 miles per hour, with ranges of 1,400 to 4,500 miles, with payloads of 8,000 to 30,000 pounds and normal passenger capacities of 40 to 75.

The effect of the changes in equipment were shown by the Association in terms of pilot compensation per dollar of operating revenue, per revenue passenger-mile, and per revenue ton-mile. Pilot compensation per revenue passenger-mile declined almost 50 percent between 1939 and 1950, per revenue ton-mile over 50 percent, and per dollar of operating revenue over 40 percent.

The Association also pointed out that ton-miles per hour payload were 73 in 1930 in the Boeing 40 B-4, 164 in the Ford of 1931, and that this important measure of plane capacity is 1,206 on the CV 240,

2,157 on the DC-6 and that the ton-miles per hour of the DC-6B are 2,844.

From 1945 to 1950, the Association finds that productivity, measured by passenger-miles per crew-hour, rose sharply, although it was relatively static in the 1942-45 period. From 1942 to 1950 the average increase was 18 percent per year.

With respect to the future, the Association sees a relatively early introduction of turbo-prop engines, since the CV 240, the DC-6B and others are advertised as being capable of using them. This would result again in a great increase in speed and in a rise of 63 percent in ton-miles per hour, according to the Association's figures. The Association also predicts that jet planes may soon be in use, since they are scheduled to be in use in Great Britain before the end of 1951, and Congress has appropriated \$12,000,000 for the development of jets for airline use. Speeds up to 500 miles per hour are likely with jets, in the Association's opinion.

Despite this great increase in productivity, the Association contends that first pilots on American Airlines work as long as ever, at a much more difficult tempo, and that their earnings since 1939 have not even kept pace with the rise in the cost of living. The earnings of top first pilots on the CV 240 is only 28 percent over that in 1939 on the DC-3, the only plane then used, and that of the DC-6 pilot 50 percent above that on the DC-3 in 1939. Copilots have done only slightly better, percentagewise, since 1939. From 1939 to October 1950, the Consumers' Price Index of the B. L. S. rose 56 percent, and the average hourly earnings in all manufacturing industries rose 131 percent.

The second broad ground relied on by the Association is that the pilots' work has become so much more burdensome as practically to constitute a new job.

It is the pilots' contention that their job content has been greatly enlarged. Within the past few years the pilots have had to fly about 8,000 miles more each month. This has required more trips and longer trips, with more calculations and necessary decisions, more weather, more take-offs and landings. As planes have increased their speed and altitude, more adverse weather conditions have been encountered, and there is a greater likelihood of running into weather problems, and greater danger of damage because of the speed at which the turbulent areas are approached. At higher altitudes there are more electrical disturbances which interfere with the functioning of the plane's instruments.

In the meantime, the Association contends, planes have become increasingly complex. There is a greater frequency of reporting in, the number of communications devices and channels has risen greatly,

and the total number of instruments and controls has grown to such an extent that the manufacturers are finding it difficult to provide the space in the cockpit in which to locate them. Between Washington and New York, reports must be made now every 3.3 minutes as compared with 6.5 formerly. Whereas the 1930-35 model planes had 49 to 149 instruments, controls, and fuses, the DC-6 now has 693, and the current Boeing 377 has 964. These require checking, monitoring, and many must be manipulated; and the pilots must be familiar with all of them. The pressure systems on modern high altitude aircraft have also added to the pilots' duties and hazards. As a whole, the modern plane is faster, more critical, and less stable than the DC-3. The wingloading factor has risen substantially, and the landing speeds have gone up accordingly. The DC-3 landed at 70 miles per hour; the DC-6 lands at 100, the CV 240 and the DC-6B at speeds over 100 miles per hour.

The pilots' problems have been magnified also by the large increase in traffic density and by the saturated condition at terminals. Formerly practically all lines were flying DC-3's with the same speed and characteristics. Now there are various planes with different speeds and varying flight characteristics, thus increasing the hazard of collisions. In the 3 years after 1946 the density rose by 60 percent. These conditions have been accompanied by a general lowering of minimum standards for landings and take-offs and by great pressure on the part of the airlines to complete and meet schedules. At most airports the minimums are now a 300-foot ceiling and three-quarters of a mile visibility. All this adds up to a great elaboration and enlargement of the holding and approach procedures in the course of which the pilots and copilots must work with great concentration, at an accelerated tempo, and with a myriad of details to cover. While engaged in such procedures, they must be familiar with general and local rules and ordinances, must know the capacities of the various runways, must be alert for possible itinerant airplanes, and must make all moves in accordance with the time limitations imposed by control. They must also reckon with normal and abnormal weather conditions and be prepared at all times to leave their "fix" and move on to an alternate airport.

The pilots emphasized the attitude of the airline itself in pressing for the completion of trips on schedule and the fullest utilization of pilots up to the maximum of 85 hours of flying per month, claiming that this has added tension to their work and has decreased their opportunities for undisturbed rest and relaxation, since they are constantly subject to call to fill in up to their full 85 hours.

The third general ground of the Association for the M. I. D. and its related requests is the adverse effect which the greater speed

and size have had on their job stability, promotional opportunities and on the national policy in favor of training and maintaining a good reserve of qualified pilots for the sake of the national defense.

The A. L. P. A. laid a great deal of stress on the decrease in the number of pilots on the American Airline since 1946, as well as on the number of furloughs and the deterioration of pilots' positions on the seniority roster since that time. It ascribes these undesirable consequences to the modernization program of the Company, which has brought about the complete replacement of DC-3's with larger and faster planes, principally the CV-240 and the DC-6. It emphasized the seriousness of this situation to this group of highly skilled professionals, a group of men who must constantly be in perfect physical condition and who are subjected to a long and rigorous period of training, with semiannual reexaminations with respect both to their physical condition and their skills and qualification to continue to fly as airline transport pilots.

The Association asserts that in 1946 this airline had 1,146 pilots, and in 1949 only 713. In the same period revenue passenger-miles rose from 1.3 billion to 1.57 billion, and revenue ton-miles from 152 million to 200 million, while seat-miles, a measure of the capacity of the equipment, increased from 1.6 billion to 2.4 billion. From 1949 to 1950 all these figures advanced further, but the number of pilots went only to 756, still about 35 percent below 1946. The following table shows these figures:

	Revenue passenger- miles (add 000)	Seat-miles (add 000)	Pilots employed
1946.....	1,307,908	1,603,158	1,146
1949.....	1,569,460	2,434,061	713
1950.....	1,807,883	2,638,244	756

¹ Year 1950 estimated by Association.

The Association's calculation shows that if this airline were still using only DC-3 planes, its 1950 volume of traffic would have required the services of three times as many pilots as it employed.

Measuring the number of pilots by a different method, the Association reported that in the 10 years starting with 1940 the number of pilots on this airline rose by 87 percent, but in the same period passenger-miles increased 497 percent and cargo ton-miles 680 percent. The pilots believe that if turbo props and jets come into general use, the present traffic could be handled with probably 60 percent less pilots than are now on active duty.

The pilots complain that since 1946 they have been subjected to several furloughs and that their seniority security and promotional

opportunities have deteriorated. From 1940 through 1945 a copilot found he could expect promotion to captain within $1\frac{1}{2}$ to 3 years. In 1947 it became $4\frac{1}{2}$ years, and now it is about 8 years. Whereas the entire seniority roster of first pilots and copilots had 1,275 names on it in 1946, in 1950 there were only 816, which means that over 400 were eliminated mainly by the process of being bumped off by the more senior pilots as jobs became scarcer. The total seniority of captain and copilot in the cockpit is now over 13 years, on the average; during the war it was as little as 2 years.

The Association urged, moreover, that its request for mileage increase determination was in keeping with the policy declaration contained in the Civil Aeronautics Act of 1938, which states in section 2 :

The encouragement and development of an air-transportation system properly adopted to the present and future needs of the foreign and domestic commerce of the United States, of the Postal Service, and of the national defense.

It called attention to the provisions of the act which authorize the Civil Aeronautics Board to subsidize air carriers by setting their compensation for mail service, which may be at different rates for the several carriers. It particularly emphasized the test spelled out for setting such rates in section 406 (b), as follows :

* * * the need of each such air carrier for compensation for the transportation of mail sufficient to insure the performance of such service, and, together with all other revenue of the air carrier, to enable such air carrier under honest, economical, and efficient management, to maintain and continue the development of air transportation to the extent and of the character and quality required for the commerce of the United States, the Postal Service, and the national defense.

It is the view of the Pilots Association that its M. I. D. proposal would result in the training and employment of a larger group of transport pilots, who in an emergency could fly 85 hours or even more per month, making available for military transport or other war service flying a substantial reservoir of qualified pilots around whom could readily be built an efficient air transport system. They point to the experience in World War II as an illustration of such possibilities and of their willingness to cooperate in times of need, since they did not then resist the increase in monthly flying from 85 to 100 hours. In fact, they assert that the airlines have the duty under the act of following a course of the kind suggested. They say that the millions spent by the Civil Aeronautics Board in helping develop the airline industry makes it obligatory for the air carriers now not to engage in a false economy at the expense of the national defense.

Finally, the Association feels that the profits of this Company in 1950 (approximately \$20 million before taxes) and the current trend of earnings, judging by the amount of traffic, are ample to meet the

pilots' request without endangering or unduly impairing the Company's financial position. It is the pilots' contention that they have not shared fairly in the Company's past earnings and particularly not in the economies resulting from the great improvements in productivity. Accordingly, they feel that their current request for adjustments in the number of hours of flying per month is fully justified, as a means by which they may share in these benefits.

APPENDIX D

POSITION OF THE COMPANY IN OPPOSITION TO THE REQUEST FOR MILEAGE INCREASE DETERMINATION

The Company vigorously opposes the request of the Association for a monthly mileage increase determination. The Company prefers to call it a mileage limitation and also labels it a featherbedding device to increase employment, which the Company says is a discredited and undesirable technique, calling attention to the report of the Emergency Board in the railroad firemen's Diesel case rendered on September 19, 1949.

The Company points out that requests of this kind have been made by the pilots on several occasions in the past before a variety of forums and that they have always been rejected. The only partial exception was the original limitation of 85 hours of flying in a month which was set by the National Labor Board in decision 83 in 1934. That limitation was based on medical testimony and other considerations before that Board. As a matter of fact, the pilots then proposed a monthly limitation of 10,000 miles, which would have meant that today a DC-6 pilot could fly only 40 hours in a month and a pilot on a 300-mile per hour plane only 33 $\frac{1}{3}$ hours. In 1946 before the TWA Emergency Board the Pilots Association suggested a monthly limitation of 24,000 miles for the Constellation (which would also apply to the DC-6) and of 22,000 miles for the DC-4, as compared with the actual capacity of the DC-6 to fly only 21,250. Even this modest mileage limitation was rejected as not necessary to avoid unemployment.

In 1947 the pilots urged the C. A. B. to lower the 85-hour maximum, but after hearings participated in by the Association, the examiner, Merrill Armour, found no considerations of safety or fatigue to warrant reducing this maximum. In 1948 the Association negotiated an agreement with this airline, and no mileage limitation was included, although by that time the impact of the modern planes was quite evident. In its 1950 contract with Pan American Airways no limitation was placed, even though an hourly base of 70 hours was worked out for pay purposes which resulted in a salary increase.

The Company pointed out that in no country is there a limitation even as low as 85 hours per month. Alaska permits 100 hours, in the form of 300 hours for 3 months; Mexico has a 100-hour maximum; Great Britain allows 125 hours, and no other country has any limitation.

Moreover, the Company urged, this proposal finds no support whatever on the basis of safety or fatigue. No board or body has ever found that hours beyond 85 would cause excessive or harmful fatigue, and in the 1947 C. A. B. case and in the present case no medical testimony was offered to support such a contention. During the war when the maximum was raised to 100 hours, there was no evidence of such fatigue or any impairment of safety by reason thereof. In fact, the Company contends, quite contrary to the arguments of the Association, piloting has become more and more safe over the years.

The pilot fatality rate was 28.2 pilots per 1,000 per year, in 1932; in 1949 it was down to 1.1 pilots per 1,000 per year, and the premium above normal life insurance rates charged airline pilots is now only \$2.50 per \$1,000 which is identical with that charged housepainters, as compared with \$7.50 charged railroad trackwalkers, section men and laborers on wrecking and work trains, and \$5 for freight brakemen and other railroad employees. In 1931 the extra premium on pilots was \$50 per \$1,000 of insurance. While the pilots complain of hazards in high-altitude planes and that there was greater stability in the DC-3, between 1936 and 1946 there were 10 instances in which the older planes flew into mountains, but since 1946 not a single high-altitude plane has done so. The Company also stresses the fact that modern high-altitude planes are not confined to established airways and therefore are in a much better position to fly either above or around storm areas.

The Company cautioned the Board to differentiate between theoretical and practical speeds. It pointed out that the significant time is that from block to block, i. e., from the time the plane begins to move away from the ramp to the time it is secure at the ramp at its destination. Thus, while average cruising speed has risen since 1939 by 89 miles per hour or 68 percent (from 187 to 276 miles per hour), block-to-block speed has gone up in the same period by only 32 miles per hour, or 20 percent (from 155 to 187 miles per hour).

The Company claims that the benefits of the greater productivity have not been retained by itself, except to a minor degree. The first pilots have shared to a considerable extent by virtue of the speed and weight factors in their pay formula and through the general increases granted. Other employees of the Company have also shared in the benefits; the Company's figures show that since 1940 39.1 percent of the savings through increased productivity have gone to all employees, including the pilots; 25.8 percent has gone to customers, including the Postal Service, through reduced rates. Increased costs have taken 24.1 percent and 12.7 percent was used for additional taxes. Only 6.3 percent has been retained by the Company in the form of added profits.

The Company claims that despite the profitable years of 1949 and

1950, its returns have been low. From 1946 to 1950 it earned only 3.7 percent on its net worth as compared with 15.5 percent for leading manufacturers, and in 15 years had 5 years of net loss. In order to modernize its fleet it had to raise \$80 million in 1946—\$40 million on 20-year, 3 percent debentures which have a first claim on earnings, and \$40 million on preferred stock, which had a cumulative dividend rate of 3½ percent, thus subordinating the position of the common stockholders. Its dividends for approximately 15 years have averaged only 25 cents per share. It also insists that its earnings are in fact less than reported because the price of new equipment is greater than the amounts reserved for depreciation.

It maintains that its rate policy has been sound, that it has substantially reduced its cargo rates—from 59.49 cents per ton-mile in 1939 to 22.32 cents in 1950, its mail carrying rate from \$1.86 to 59 cents, while its passenger revenue per ton-mile has risen only 8½ percent—from 53.18 cents to 57.91 cents. Its revenue per ton-mile for cargo, mail, and passengers combined has declined in the 11 years from 65.87 cents to 51.45 cents. In the same period railroad passenger rates have risen about 40 percent. The result has been that the airline industry's passenger traffic has risen in comparison with passenger traffic on the railroads from 3.7 percent in 1939 to 29.3 percent in 1950, and with reference to first class passenger traffic from 9.1 percent to 82.3 percent. From 1945 to 1950 railroad passenger-miles declined from 86.3 billion to 29.6 billion while air passenger travel rose from 3.3 billion to 6.6 billion. From 1946 to 1950 air cargo ton-miles increased by 200 percent while air cargo rates were reduced approximately 30 percent.

The Company asserts that the reduction of 34 percent in the number of pilots it employs from 1946 to 1950 was due to overmanning in 1946, as reflected in the abnormally low utilization of its pilots (59 hours) to a 6 percent decrease in revenue plane-miles to the failure of new business to materialize and to other factors; 1946, it insists, is an unfair base year with which to make comparisons, because in that year the Company's military contracts were terminated, it had a large number of pilots in training awaiting delivery of new planes, which were delayed. In 1946, the Company says, the representative of the Pilots Association also testified, in the T. W. A. Emergency Board case, that that year was an abnormal one. Using any normal year before the war, it is clear, according to the Company, that employment opportunities of pilots are constantly improving. Since 1939, for example, the number of pilots on this airline has increased from 279 to 756 (171 percent), despite the greater speed and size of its planes. On March 31, 1951, a further substantial increase was

noted—838 pilots plus 48 pilots in military contract service, plus about 300 flight engineers, or a total of 1,198 cockpit crew members.

The Company's witnesses expressed the opinion that the mental and physical load of the pilots is well within their capacity, that while certain detailed duties have been added, they now have a far greater degree of safety and reassurance, and that the number of items with which they must be familiar does not accurately reflect their workload, since in the four-engine craft they now have a flight engineer to assist them, and because the various devices do not necessarily require any more attention than the 65 items in a modern automobile.

With regard to additional weight and speed in the future, the Company gave numerous facts leading to the conclusion that there will be no turbo-prop or jet airplanes in use on this or other domestic airlines for 5 years at least, since none have been fully developed and no known orders have been placed for such equipment. Past experience demonstrates that it would take at least that period of time to have such planes in commercial use. It maintained also that weight is now practically limited to 150,000 pounds at most because airport runways with few exceptions are not yet stressed for even this weight, and the cost of providing adequate runways to carry craft of 150,000 pounds would be about \$62.5 million.

The Company also stated that none of its pilots have been furloughed since December 1948, and that it has been engaged in a hiring and training program for new copilots for some time.

The airline disagrees sharply with the Association as to its responsibility for national defense under the Civil Aeronautics Act. It maintains that other industries and occupations are also important in the national defense but no one suggests such industries employ people who are not needed against the contingency they will be valuable when the public need arises. Air carriers, it points out, are explicitly required by the act to have "honest, economical, and efficient management." The fact is that this airline and the other three large domestic lines are now self-supporting and receive for carrying mail only their usual service charge of 60 cents per ton-mile which includes no element of subsidy. All authoritative spokesmen for the Government have consistently held that the airline companies are expected to become and remain self-supporting, which policy is in sharp conflict with the Association's thought that expense in the form of unnecessary pilots' salaries for the purpose of creating a "pilot reservoir" need not be spared.

