

ATLAS AIR PILOTS SET RECORD STRAIGHT

In recent press releases, both Atlas Air and Amazon have accused the union representing the Atlas Air and Southern Air pilot groups of misrepresenting the facts surrounding current working conditions. AAWW management doubled down on this falsehood by, ironically, releasing a statement called "Facts vs Myths." If you like reading fiction, you may enjoy Atlas Air's "Facts vs Myths," but if you like hard facts and want to understand the true Atlas Reality, please consider the following:

<http://www.atlasairworldwide.com/2019/05/atlas-air-sets-record-straight/>

Atlas Reality: The terrible working conditions at Atlas Air and Southern Air need no exaggeration from the union or the pilots to "leverage negotiations," as the company contends, because the facts speak for themselves. More facts about the reality of working conditions at Atlas Air and Southern Air can be found at:

<http://www.pilotsdeservebetter.org>

Atlas Reality: Safety is not just a buzzword used to mollify and placate regulators and customers. At Atlas Air, safety is compromised in various ways, and includes inadequate training and poor oversight of maintenance.

► **Training:** For years, the company has pushed back and fought with the FAA over implementing an acceptable Advanced Qualification Program (AQP) like every other industry standard carrier already has done. AQP is accepted as a best-of-breed training methodology in the industry. AQP has been shown to increase safety and efficiency of the operation. Instead, Atlas has engaged in an unprecedented crew force expansion relying on outdated training and checking protocols long abandoned by most other airlines. The decreasing experience levels of new hires results in increasing training failure rates and is not a statistical aberration, but a clear and alarming trend. Most new hires are unprepared for this antiquated, self-study style of training as they transition to actual line flying. The current approach to training means higher failure rates and increased costs. More time is spent on actual line flying training which is a clear safety issue. Management's unwillingness to work with the FAA and union in this effort has left the training department without the tools to accommodate the decreasing experience of new hire pilots. Implementation of AQP would result in an improved, safer training experience.

► **Maintenance:** The company touts "Safety, Security and Compliance" as one of their "core values" but the reality is anything but that.

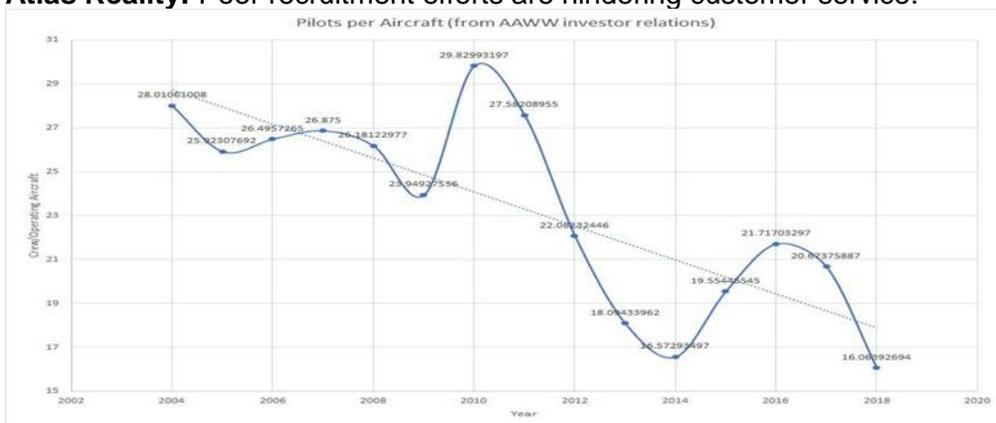
Atlas Air and the union are both in possession of several documented reports from Atlas pilots who have personally witnessed and endured harassment from line mechanics. There are also reports of maintenance managers threatening crews. The "culture" in place is all about saving money and keeping airplanes moving.

Quite often pilots are effectively "bribed" with \$50 meal vouchers into performing maintenance work outside their training or into overlooking discrepancies—all in order to keep the flights operating. Atlas doesn't want to spend money on replacing broken parts and will ignore the items in question. Often a discrepancy is carried several flights until a pilot discovers it in the course of his normal duties.

Atlas Reality: Safety is also compromised by inadequate scheduling and management is not making consistent or meaningful efforts to fix it. It is problematic enough that Atlas is operating within the confines of outdated scheduling rules—particularly as the carrier has, according to its senior executives, undergone a transformative change in its business operations during a severe, worldwide shortage of qualified and available pilots. But the record number of grievances filed year after year shows the extent to which the company violates the contract on a nearly daily basis. Further complicating scheduling problems is the fact that Atlas uses two different sets of regulatory rest and duty-time rules for pilots (passenger vs cargo). Pilots can—and often do—fly both passenger and cargo flights on the monthly schedules, and those flights are subject to different rest requirements. This creates wildly inefficient crew schedules and unnecessary obstacles for recovery during irregular operations. The scheduling program used by crew scheduling is supposed to ensure crew members remain legal under this unnecessarily complex system. Incredibly, however, scheduling conflicts (“flags”) are often ignored and crewmembers are put in jeopardy of being in violation of federally mandated rest and duty rules issued by the FAA if they accept an illegal trip pairing.

Atlas’s outdated scheduling rules (all developed prior to the changes in federal rest and duty-time rules noted above and all developed prior to Atlas Air’s dramatic change in its business operations) in the current contract permit unlimited changes to crew members’ schedules. This results in disrupted rest and increasing instances of pilot fatigue. The human body can only handle so much disruption to its natural rhythm. Even if a crew member doesn’t fly much over the course of a trip, the constant flip flopping of circadian rhythm, 24-hour rest periods and the sheer length of the trip (often 17 days or more) is fatiguing in itself. Poor scheduling rules also allow inefficiencies to compromise the operation. This reality is evidenced by the more than 100 uncovered flights every month.

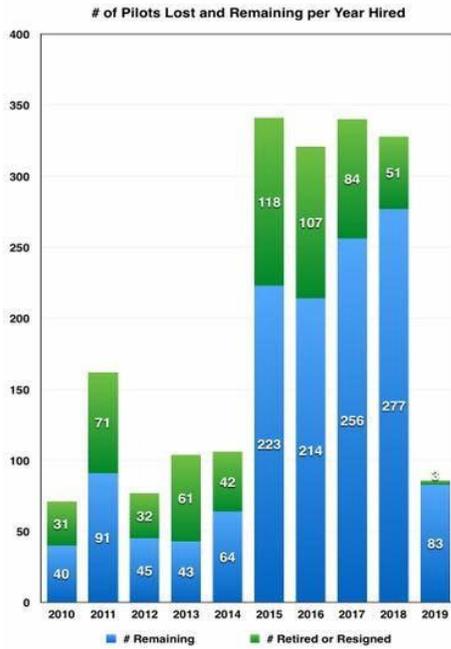
Atlas Reality: Poor recruitment efforts are hindering customer service.



The graph above shows how the overly aggressive expansion at Atlas has impacted the count of available pilots per aircraft. The data is taken from Atlas Air’s own investor relations information.

Indeed, the company has overpromised and is underdelivering. All the customers suffer, not just Amazon. Monthly new hire targets are consistently not met and are documented. Attrition rates for the last several years exceed 30%. Some years it’s greater than 50%. Atlas Air has multiple aircraft sitting idle—a fact rarely, if ever, publicly discussed by Atlas. Illegal outsourcing has been proven and adjudicated in the union’s favor but continues every day. When the company outsources this flying, our customers are not receiving what they bargained for and Atlas Air loses revenue they could be earning on these flights. Documented delay codes are often attributed to "awaiting first available crew," leaving the schedule in a constant documented state of chaos.

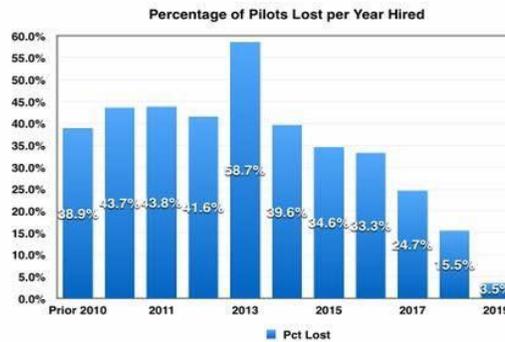
These next graphs (taken from Atlas Air seniority lists) illustrate the worsening problems with pilot retention and recruitment that Atlas Air denies. The net gain in pilot staffing during the period depicted increased by four despite hiring over 300 during the same time period.



Pilot Attrition by Year Hired

Year Hired	Total Hired	# Remaining	# Retired or Resigned	Pct Lost
Prior 2010	684	418	266	38.9%
2010	71	40	31	43.7%
2011	162	91	71	43.8%
2012	77	45	32	41.6%
2013	104	43	61	58.7%
2014	106	64	42	39.6%
2015	341	223	118	34.6%
2016	321	214	107	33.3%
2017	340	256	84	24.7%
2018	328	277	51	15.5%
2019	86	83	3	3.5%

Data Source: Atlas Air Seniority List (31 March 2019)





Atlas Air Manning Update (31 Mar 2019)

- 21 Pilot Gains (B747--16, B767--5), 19 Pilot losses
- 0 B747 Capt Awards, Junior 747 CA hired Mar 2015
- 13 B767 Capt Awards, Junior 767 CA hired Mar 2016
- 86 Total Unavailable Pilots (LMED--62, MIL--19, LOA-- 2, MGMT--3)
- Defining B747 Pilot to Aircraft Ratio > 24 as Status Green
- Defining B767 Pilot to Aircraft Ratio > 18 as Status Green
- Crew Ratio Status: B747 is Yellow (23.1), B767 is Yellow (16.2)

Monthly Pilot Gain/Loss and Total Manning

	New Hire	Retire or Resign	Net Pilot Gain/Loss	Total Pilot Manning
Mar				1681
Apr	33	14	19	1700
May	35	12	23	1723
Jun	31	10	21	1744
Jul	26	20	6	1750
Aug	14	29	-15	1735
Sep	0	13	-13	1722
Oct	0	8	-8	1714
Nov	14	12	2	1716
Dec	25	17	8	1724
Jan 2019	24	18	6	1730
Feb	41	19	22	1752
Mar	21	19	2	1754
Total	264	191	73	

Data Source: Atlas Air Seniority Lists (Last 12 months)

Manning Percentage by Aircraft and Crew Position



Atlas Reality: Atlas Air pilots have not had an amended contract in more than 1,000 days. Atlas Air and Amazon both claim they are eager for a new, improved contract, but their actions do not yet match their words. The truth is that the annual pay raises received by the pilots are incremental longevity increases agreed to eight years ago in the outdated contract. Those do not reflect current "market rates" for crew in similar operations and aircraft. Negotiated increases in pay over the life of the contract were well below the cost of inflation and ended when the contract became amendable in 2016. It's true the company negotiated with the Southern pilots to raise the pay of 200+ Southern crew members to the same level as the Atlas pilots in 2018. The union proposed that Atlas and Southern take that step in early 2016, but Atlas and Southern refused to do so, and instead chose to use Southern pilots as fodder and bargaining leverage to force a new substandard contract on the Atlas/Southern combined pilot group.

The Atlas contract's wages and benefits are substandard and obsolete, but, as outdated as they are, they are better than what the Southern pilots had to endure for many years until Atlas finally heeded the union's advice in 2018 (the Southern contract was negotiated during the carrier's 2012 bankruptcy). In the meantime, the 1800 crew members at Atlas Air continue to labor under a contract that is itself obsolete and without any improvements in their wages and benefits for several years. They have received no pay proposals by the company even though the union has agreed to meet "anytime, anywhere." And, despite moving the Southern pilots up to the Atlas pilots' wages and benefits, the Atlas and Southern pilots collectively are all still grossly underpaid.

Atlas Reality: Atlas is deliberately delaying the negotiating process. The fact is, Atlas only cares to negotiate 3.5 days per month on average. This pace is inadequate to complete a new contract in an expeditious manner. Up until recently, the company has repeatedly shown up unprepared and without any substantive proposals to present to the pilot group. Many times, they have been late or had to leave early from the negotiations. This is not respectful of the union volunteers' time and does nothing to advance the progress of contract negotiations. In fact, every proposal presented by the pilots to the

company was returned to union negotiators with current language of the existing contract. This type of gamesmanship is what the company is describing as “negotiating with the union.” Atlas Air and its negotiators refuse to discuss any articles of the new contract that contain anything related to pay and quality of life issues. These improved articles would truly make Atlas competitive in the currently tight pilot market. Below is an update on the progress:

Atlas Negotiations Chart

Updated May 24, 2019

	Remaining	Proposed	Tentative Agreement	Status
Article 1 - Recognition & Scope		Jan. 2018		Union
Article 2 - Definitions				
Article 3 - Compensation				
Article 4 - Profit Sharing				
Article 5 - Travel Expenses				
Article 6 - Gateway Travel				
Article 7 - Vacation		Oct. 2017		Company
Article 8 - Deadheading		Oct. 2017		Company
Article 9 - Miscellaneous Flying			Jan. 2016	
Article 10 - Management & Non-Flying Duty			Aug. 2017	
Article 11 - Training		Nov. 2016		Company
Article 12 - Hours of Service		Nov. 2017		Union
Article 13 - Leaves of Absence		Mar. 2016		Company
Article 14 - Sick Leave		Aug. 2017		Company
Article 15 - Physical Standards			Aug. 2017	
Article 16 - Workers' Compensation Benefits			Jul. 2017	
Article 17 - Missing, Internment, Hostage			Jul. 2017	
Article 18 - Union Representation			Jan. 2016	
Article 19 - Discipline, Discharge & Probation			Aug. 2017	
Article 20 - Grievance Procedure			Feb. 2016	
Article 21 - System Board of Adjustment			Feb. 2016	
Article 22 - Seniority			Jan. 2016	
Article 23 - Furlough and Recall			Apr. 2018	
Article 24 - Filling of Vacancies			Sep. 2017	
Article 25 - Scheduling		Oct. 2017		Company
Article 26 - General		Sep. 2017		Company
Article 27 - Insurance Benefits				
Article 28 - Retirement				
Article 29 - Union Security & Check-off			Feb. 2016	
Article 30 - Uniforms			Aug. 2017	
Article 31 - Reserve Crew Members			Mar. 2019	
Article 32 - New Equipment				
Article 33 - CRAF & Hostile Area Operations		Sep. 2017		Union
Article 34 - Duration				
Article 35 - Letter of Agreement				
Total TAs:	15			
Awaiting Company Pass:	7			
Awaiting Union Pass:	3			
Remaining:	10			

Atlas Reality: A federal court did not make any final ruling holding that the union and the pilots had engaged in an “illegal” work slowdown; it only issued a preliminary injunction in favor of the company on only 3 of the 6 accusations that it had made against the union and the pilots. That ruling is now on appeal to the Court of Appeals and a decision is expected in the near future. During the injunction hearing, Atlas presented false evidence and testimony attempting to demonstrate the pilots had illegal faked sick calls and fatigue calls. The union refuted each and every one of the approximately 30 “examples” of the sick and fatigue calls presented by the company and the company quickly conceded that its examples of illegal activity were not true. Its efforts to deceive the judge only demonstrate the extraordinary lengths the company will go to portray a false picture of reality. Even the Senior V. P. of Flight Ops stretched the truth to its limit by stating “there is no on time at Atlas Air” when referring to delayed block out times. We think their customers would disagree with him and so would the FAA who mandates a certificate holder runs and maintains a schedule based on time.

Atlas Reality: Customer operations share the same office space in Atlas Air offices, begging the question: Who has operation control as required by federal aviation regulations? There are numerous reports by flight crew members of flights being dispatched by “Atlas Air” without alternate airports. Delays and cancellations are apparently determined by “customer requests.” On certain routes, fuel loads are being determined by Amazon and DHL. Flight crew members often find themselves having to answer to two different authorities while at work.