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BEFORE THE

NEUTRAL PANEL CONVENED PURSUANT TO LETTER #50

Richard Bloch, Robert Harris, Fredric Horowitz,

Neutrals

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In re: :

Delta Air Lines, Inc. :

and :

Air Line Pilots Association :

International :

----- x

Washington, DC

Friday, March 17, 2006

REPORTED BY:

CARMEN SMITH

1 Arbitration on Friday, March 17, 2006, in
2 Washington, DC, at J.W. Marriott, 1331 Pennsylvania
3 Avenue Northwest, Washington, DC 20004, at 9:09
4 a.m., before CARMEN SMITH, a Notary Public within
5 and for the District of Columbia, when were present
6 on behalf of the respective parties:

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Pages 889-904 have been removed from this version of the transcript because they cover the **CONFIDENTIAL SESSION** that was invoked during testimony.

1 Let's take a break and then we'll begin

2 with the union's case.

3 (Recess from 9:25 to 9:45 a.m.)

4 MR. BLOCH: On the record, please.

5 MR. WINSTON: When Ms. Carolan was

6 testifying, there was a statement by Mr. Gallagher

7 with regard to stipulating as to company filings

8 with the SEC. I provided a copy of an SEC filing to

9 Mr. Gallagher, dated March 25, 2003, and we'd like

10 to have this admitted as ALPA Exhibit 41.

11 (ALPA Exhibit 41 identified.)

12 MR. GALLAGHER: No objection.

13 MR. BLOCH: Thank you. It will be

14 admitted.

15 (ALPA Exhibit 41 received.)

16 MR. WINSTON: Just so I understand, this

17 was the SEC filing that I was representing in the

18 cross-examination of Ms. Carolan.

19 MR. BLOCH: Thank you very much,

20 Mr. Winston. Are you ready to proceed?

21 MR. WINSTON: Yes, we are. The Air Line

22 Pilots Association calls as its first witness

1 Captain Dennis Dolan.

2 Whereupon,

3 DENNIS J. DOLAN

4 was called as a witness and, having first been duly

5 sworn, was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. WINSTON:

8 Q Captain Dolan, would you please state your

9 complete name for the record, please?

10 A Dennis J. Dolan.

11 Q And Captain Dolan, do you currently hold a

12 position with ALPA?

13 A Yes, I do.

14 Q What position do you hold?

15 A I'm the first vice president.

16 Q And how long have you held that position?

17 A I've held that position since 1999.

18 Q And the top position at ALPA is the

19 president position?

20 A Yes, it is.

21 Q And is the first vice president position

22 the second-top position at ALPA?

1 A Yes, it is.

2 Q And you were a commercial pilot?

3 A I was.

4 Q And when did you commence as a commercial
5 pilot?

6 A I was hired by Western Airlines in
7 September of 1976 and came over to Delta Air Lines
8 in the merger in 1987.

9 Q And when did you retire?

10 A I retired September 1 of 2005.

11 Q And that was from Delta Air Lines?

12 A Yes, it was.

13 Q And are you familiar with the governing
14 ALPA structure at Delta?

15 A Yes, I am.

16 Q And could you please describe to the panel
17 how that governing structure works, beginning first
18 at the local level and then building up to the
19 master executive committee level?

20 A Sure. The structure is based upon pilot
21 bases, and at each pilot base, the pilots there
22 elect what's called a local executive council. And

1 the representatives at the local executive council
2 level will be a captain representative, a first
3 officer representative and a secretary treasurer.

4 And amongst those, the pilots then elect a
5 chairman of the council, a vice chairman of the
6 council. That's at the local level. And they're
7 responsible for the local issues for pilots at that
8 particular base.

9 Then all the pilot bases of a particular
10 carrier are put together into what's called the
11 master executive council. So it would be the same
12 for each one of the bases. Then the master
13 executive council elects their own officers, which
14 would be the chairman, vice chairman and secretary
15 treasurer.

16 Q Okay. And are there also MEC committees,
17 master executive council is called -- is generally
18 referred to as the MEC; correct?

19 A Yes, it is.

20 Q And are there MEC committees?

21 A Yes, there are.

22 Q Could you name a few of them and describe

1 their function?

2 A Sure. There's, of course, the negotiating
3 committee, which negotiates pilot working agreement
4 and any other types of side letters of agreement
5 between the company and the Delta MEC. There is the
6 scheduling committee, which works closely with the
7 company to develop schedule -- to develop and
8 implement scheduling rules for the pilots and to
9 ensure that the rules that are published are in
10 accord with the pilot working agreement.

11 There's the strategic planning committee.
12 The strategic planning committee functions, as you
13 would think a strategic role of planning different
14 types of events for the MEC. They focus on what
15 type of negotiation strategy we should see in the
16 future, where the industry is headed in the future.
17 They focus on international issues with their
18 respective alliance and code share partners.

19 Then there's a strike preparedness
20 committee, which in the event the MEC determines
21 that there may be a need to do an industrial type of
22 action, the strike preparedness committee is charged

1 with preparing to do that by opening strike centers
2 and communicating with the pilots and coming up with
3 a plan of how that would be executed.

4 Q Do each of the MEC committees operate
5 subject to MEC direction?

6 A Yes, they do.

7 Q Okay. Now, apart from serving as the
8 first vice president, could you describe to the
9 panel what other positions you've held at ALPA,
10 starting with your earliest position you've held,
11 then working through chronologically to the first
12 vice president position?

13 A Sure. Back in 1979 and '80, I was a
14 member of my local communications committee at the
15 local domicile in Minneapolis for Western Airlines.
16 Then in 1986 and '87, I worked as a technician,
17 advising the Western merger committee in the
18 Western/Delta merger.

19 In 1987 I was elected to the Delta
20 negotiating committee and served in that position
21 until 1990. In 1990 I was appointed to the national
22 ALPA strategic planning committee, on which I still

1 serve and I'm the chairman of that particular
2 committee at this time.

3 In 1992 I was elected as the first officer
4 and vice chairman representative for Council 44 in
5 Atlanta and served in that capacity for two years.

6 Then I was elected to a Delta MEC contract
7 administration committee chairman, served in that
8 position from 1994 to 1996. And during that time
9 frame, I was also elected as the executive vice
10 president at national ALPA from 1994 to 1996.

11 In 1996, I was elected Delta MEC chairman,
12 served in that position from 1996 to 1998. And then
13 in the ALPA election cycle for national officers, I
14 was elected in October of 1998 to begin my term as
15 first vice president January 1, 1999. I'm still
16 serving in that position.

17 I was appointed to be the chairman of the
18 land and hold short, it's abbreviated LAHSO,
19 operations committee. I was also appointed the
20 chairman of the national air space modernization
21 oversight committee at national ALPA.

22 I'm currently serving as a chairman of the

1 ALPA security task force and also as the chairman of
2 the ALPA MANPAD task force. I think that's all.

3 Q What does MANPAD stand for?

4 A Manned portable air defense system, a
5 shoulder-fired weapon used against aircraft by, in
6 our context, by terrorists against airliners
7 potentially.

8 Q And given all the positions you hold, you
9 also have time to hold positions with IFALPA as
10 well?

11 A It's relative whether I have time or not
12 but yes, I do hold positions with ALPA as well.
13 IFALPA is the International Federation of Airline
14 Pilot Associations, and it's an organization that
15 represents over 100,000 pilots in 95 countries
16 worldwide.

17 Mission is to be the global voice of
18 pilots on safety and security issues. It was formed
19 back in 1948, in response to the formation of the
20 International Civil Aviation Organization, or ICAO,
21 as that's known in the international arena.

22 And we -- as the name states, we're a

1 federation and not a union, so we represent member
2 associations and not individual pilots but
3 collectively there's over 100,000 pilots represented
4 by IFALPA.

5 Q Now, the collective bargaining agreement
6 between Delta and ALPA is oftentimes referred to as
7 the pilot working agreement or the PWA?

8 A That's correct.

9 Q And do you know when the first agreement
10 between Delta and ALPA was negotiated?

11 A I believe it was 1941.

12 Q Okay. And since then, it's been changed
13 through successor agreements through renegotiations?

14 A Yes, it has.

15 Q And just real briefly, letter of agreement
16 46 where there's been some testimony about that
17 already, could you just briefly describe what letter
18 of agreement 46 is?

19 A Letter of agreement 46 was a comprehensive
20 concessionary agreement that was made between Delta
21 and the Delta MEC worth approximately \$1 billion a
22 year over five years.

1 Q And during the negotiations of letter of
2 agreement 46, did you address the Delta MEC?

3 A I did.

4 Q And where and when was that?

5 A It was at a Delta MEC meeting in Portland,
6 Oregon in August of 2004.

7 Q And did you first provide them with a
8 report?

9 A I did. Normally, when I go to a regularly
10 scheduled meeting, I provide a report to the MEC to
11 account for the activities that I've been engaged in
12 as the first vice president and also as the
13 president of IFALPA.

14 Q Okay. And did you provide additional
15 information to them other than your regular report?

16 A I did. I spoke to the MEC chairman, John
17 Malone, and setting the stage for this, I asked
18 him -- I told him that I felt that the MEC was
19 really struggling with their decision on letter of
20 agreement 46. I could tell there was a lot of angst
21 and a lot of pressure on them.

22 And I asked John after my report if I

1 could have a point of personal privilege to perhaps
2 give them a little bit of a motivational speech, and
3 he said that I could.

4 Q So that was the speech that you provided?

5 A Well, I actually told the story about one
6 of my combat experiences, which I don't normally
7 like to do, for a couple of reasons. One, they're
8 very personal, and secondly, they always come across
9 as self-aggrandizing in my opinion.

10 But I have to say that these experiences
11 taught me an awful lot not only about myself but
12 about situations in life that I faced during my
13 lifetime.

14 And I agree that there are probably some
15 times when it's appropriate to relate stories like
16 this, and I thought that this was one of them. And
17 I can probably count on one hand how many times I've
18 stated publicly these types of stories, so it is a
19 bit difficult for me. But I felt that it was
20 something that I could do to relate to them. And he
21 agreed for me to do that.

22 Q Okay. And what was the story that you

1 relayed to the MEC?

2 A Well, it's going to take me a few minutes
3 to do this, but basically, I flew the F-4 Phantom in
4 combat in Vietnam, and the airplane was designed as
5 an interceptor and fighter. And it was used in a
6 fighter/bomber role there. This was back in my
7 first tour in 1969 to 1970 when I was based in Chu
8 Lai; Chu Lai is a little air base about 50 miles
9 south of Danang, which is probably a better landmark
10 for everyone.

11 There were three fighter squadrons there
12 in the First Marine Air Wing, and we had what was
13 called an alert pad, alert 5 pad, or hot pad as it
14 was known there, which means that we had two
15 airplanes 24 hours a day ready to react to critical
16 situations. And we manned that -- we rotated
17 between each of the fighter squadrons, but it was a
18 five-minute alert where you were expected to be
19 actually airborne from five minutes when you were
20 given the call that there was a need for the
21 services.

22 We had some trailers where we stayed, ate,

1 slept and sat around in our flight gear ready to go.

2 And, in fact, we could get the airplanes airborne in

3 five minutes because they were all ready.

4 We got a call March afternoon, I remember

5 it was March, my birthday is in March, right before

6 my 24th birthday, ironically 30 years ago to this

7 day, probably a few days before this.

8 In any case, we scrambled out, got the

9 airplanes airborne and immediately contacts what was

10 then known as Danang DASC, direct air support

11 center. They controlled all the air support in the

12 First Corps of South Vietnam. So they gave us the

13 coordinates of the target and we started heading up

14 there, contacted the airborne forward air

15 controller, FAC, and he began briefing us about this

16 situation.

17 He said that it's a troops in contact

18 situation, where we have a Marine squad of 12 men on

19 the ground here that were out doing reconnaissance

20 in the middle of the night, their position was

21 compromised and now they have been chased by a

22 company-size North Vietnamese unit, company-size

1 unit, who have pushed them into this tree line
2 backed up against a stream. And they have got no
3 place to go.

4 So he said it's a pretty critical
5 situation. Then he said what type of ordnance are
6 you carrying, and we said well, we have six Mark 82
7 SnakeEye bombs and four 500-pound napalm canisters.
8 And he said well, we won't be using the napalm today
9 because the troops are too close.

10 And I said well, how close are they? And
11 they said they're 100 feet away.

12 So that sort of raised the hackles on the
13 back of my neck. And the normal distance that you
14 would operate when you're operating close to troops,
15 the rule of thumb was 100 feet for each 100 pounds
16 worth of bomb. So for a 500-pound bomb, the closest
17 you would want to be would be 500 feet. So
18 basically they were right on top of them.

19 And I came back to him, and I said could
20 you confirm that you said 100 feet? And he said
21 that's correct, 100 feet.

22 Then he asked me a question I wasn't quite

1 ready for. He said can you do this? And at the
2 time I had over 200 missions day, night, all sorts
3 of weather. And my answer immediately was sure, I
4 can do it.

5 Then he asked me another question that I
6 wasn't ready for at all. And he said what about
7 your wingman? So that gave me a little pause for
8 thought, and I said to myself, he's been here about
9 three months, he's got about 50 missions, but I've
10 seen him work before, and I know he's qualified. So
11 I came back and I said to him, sure, he can do it
12 too. He wouldn't be here if he wasn't qualified.

13 And he said okay. Well, here's the
14 situation. And he explained where the troops were,
15 where the enemy force was, and he said I'm not going
16 to mark the target yet until we're ready to actually
17 drop the bombs. He said I want the SnakeEye bombs
18 one at a time. Normally you drop them in pairs.

19 Now, just to explain what a SnakeEye bomb
20 is, it's a normal 500-pound bomb fitted with special
21 fins that when it's released from the airplane, the
22 fins deploy and it retards the speed of the bomb

1 immediately so that the bomb, when it strikes, the
2 airplane is far enough away from the impact of the
3 bomb so that the airplane won't be in the
4 fragmentation pattern of the bomb. Otherwise, if
5 you did just drop the slick bomb, it would blow up
6 right under the airplane and you'd be the target.

7 So the SnakeEye bombs were also designed
8 for low-angle, low-altitude, high-speed release,
9 which was the most accurate delivery that you could
10 make with the 500-pound bomb.

11 That's what we needed here, because of the
12 close proximity to these troops.

13 So he said I want the bombs one at a time,
14 we're not going to use the napalm, they're too
15 close. And I said okay.

16 And then he said I want you to do the
17 run-in heading from north to south, before we get
18 started here, he said I want you to positively
19 identify where the friendlies are. And the way I
20 want you to do that is to fly over their position,
21 which I'll describe to you, and he said the
22 commander on the ground will signal you with a

1 signal mirror.

2 Now, he also said that the commander on
3 the ground was whispering into the radio about his
4 position, because that's how close the enemy was.

5 So I said okay. So he described the
6 position, and I thought to myself, this ought to be
7 interesting, trying to pick out a signal mirror
8 going 450 knots, looking down into the trees. But
9 it was a nice, clear day, and surprisingly to me, I
10 flew over the position he described and it was very
11 evident the signal mirror was quite easy to see.

12 I told him I had the signal mirror in
13 sight and that we were ready to proceed. We got set
14 up. I told the wingman, I said, look, when we get
15 to the bottom, if you're not set up exactly right,
16 don't drop the bomb. We'll come back and do another
17 pass. But, you know, we have to be absolutely
18 right-on accurate on these deliveries. He said he
19 understood that.

20 So the FAC said okay, I want you to get
21 set up in your pattern. When you're on the base leg
22 for your first roll in, he said, you call me and

1 I'll mark the target, and then I'll call your drop,
2 which we did. I said go ahead, shoot the -- the FAC
3 would shoot a smoke rocket on the ground where he
4 wanted you to drop and then he'd call from where the
5 smoke rocket hit and say drop here or drop there.

6 So we did that, he shot the smoke rocket,
7 and he said okay, hit my smoke. And I said the
8 smoke is in sight. He said you're clear and hot.

9 So for the next 20 minutes, we worked the
10 target over, and we did, I think, a very good job of
11 it. At the end of the 12 -- well, six passes each,
12 he came back up and said message from the ground
13 commander for you. And I said what's that? And he
14 said Sierra Hotel, we're out of here, and Semper Fi.

15 And I said well, message back to him,
16 Semper Fi as well. And that was the story I told.

17 Q Why did you tell the MEC this story?

18 A Well, I thought there were a lot of
19 analogies in this story to what they were going
20 through and what I'd gone through at other times in
21 my life. First of all, what I said to them was,
22 look, just like these Marines on the ground were

1 depending on me, the Delta pilots and their families
2 are depending on you to do the very best you can
3 under the circumstances that you face.

4 I said this is going to require a lot of
5 judgment, it's going to require your absolute
6 concentration, just like it did for me, blanking out
7 everything else and concentrating on what I had to
8 do that was in front of me at the moment. That's
9 what you have to do.

10 This is the type of situation that
11 leadership counts, and you're elected for your
12 leadership. That's what the pilots were counting on
13 you to do. I said this is no different than what
14 you do every day as a professional pilot. It
15 requires you to assess the situation. There's risks
16 involved in these situations. You need to take --
17 make a risk analysis and use your best judgment.

18 I said above all, you have to do the right
19 thing.

20 I said the other thing I want to leave
21 with you here is that this is a volunteer job for
22 you. It was a volunteer job for me to be in the

1 airplane that I was in that day. But volunteer jobs
2 don't -- they disappear as volunteer jobs after a
3 certain point.

4 What you have to understand is when you
5 get to a certain point, you can't unvolunteer. And
6 I hearkened back and say when the FAC asked me can
7 you do this, there was only one answer that I could
8 give, and that's yes, I can.

9 So I thought there were a lot of analogies
10 in here for them that they needed to concentrate on
11 what they were doing, they needed to assess the
12 risks in what they had in front of them, and they
13 needed to use their best judgment just like they do
14 every day piloting airplanes.

15 Q In your view, would these same principles
16 of judgment and assessing risks apply to the current
17 negotiations with regard to the MEC and the Delta
18 pilots and whether this involves whether to enter
19 into a consensual agreement, whether it involves
20 whether to reject the company proposal or whether it
21 involves the issue of whether to strike in the event
22 that the PWA is rejected?

1 A I absolutely agree that it applies in this
2 situation just as much or more than the one with
3 letter of agreement 46.

4 Q Now, when did you join the U.S. Marines?

5 A I joined in 1967 and served until 1976.

6 Q And how many combat tours did you have?

7 A I had two tours, total of 333 missions.

8 Q Both were in Vietnam?

9 A Yes, they were.

10 Q Just very briefly, you said you flew 330
11 missions. Apart from the story you just told, could
12 you just briefly describe the type of flying you
13 performed for the U.S. Marines during your tours?

14 A Well, the first tour was a ground-based
15 tour at Chu Lai, as I stated before, and we did
16 close air support, which is the type of mission that
17 I just described, direct air support missions, going
18 out to a hard target like a railroad yard or
19 structures. There were interdiction missions, the
20 famous Ho Chi Min Trail, where you would try to
21 disrupt the traffic up and down there by taking out
22 bridges and roads.

1 There were armed reconnaissance missions
2 where you would go out with certain ordnance loads
3 and look for targets of opportunity, armed
4 reconnaissance escort missions where someone else
5 was actually doing that, where you would protect
6 them.

7 There were barrier combat air patrols,
8 which is fleet air defense on the carrier. When we
9 worked on the carrier, that's one of the missions
10 that we had, a little bit different than land based.
11 And also MiG cap missions, which we did mostly over
12 North Vietnam off the carrier.

13 Q Did you ever have to land an aircraft on
14 an aircraft carrier in turbulent water?

15 A Yes.

16 Q Okay. Could you just briefly describe to
17 the panel what that entails?

18 A Well, that's probably one of the most
19 demanding things that I've ever done, certainly in
20 aviation it was the most demanding thing, requires
21 absolute concentration. You just need to blank out
22 everything else that you're doing and concentrate on

1 being able to bring the airplane into a position
2 where you can make a safe landing.
3 And once again, no matter how hard you
4 work, depending on how rough the water is or what's
5 going on, especially if it's at night, it's a very
6 difficult thing to do. No one is ever comfortable
7 under those circumstances, and it requires a lot of
8 work and concentration. But the fact that you've
9 trained well for it and you know what you're doing
10 and you feel confident that you can do it helps a
11 lot. But it's difficult.

12 Q Okay. Now, you're the chair of the ALPA
13 security task force?

14 A Yes, I am.

15 Q Okay. And what is the ALPA security task
16 force?

17 A Well, the ALPA security task force was
18 formed in response to the terrorist attacks on
19 September 11, 2001. The security task force
20 initially was set up to deal with all the myriad of
21 security issues that came about as a result of the
22 September 11 attacks.

1 Our national security committee at the
2 time of September 11 was a fairly small committee,
3 and so we immediately knew that we had to have a
4 much larger umbrella group to deal with these
5 issues. And that's what the genesis of the security
6 task force was.

7 Q And when was the security task force
8 initiated?

9 A The security task force was initiated on
10 September 13, 2001.

11 Q Okay. And what type of security issues
12 does the ALPA security task force address?

13 A Well, at the time, there were a number of
14 immediate issues that arose, hearkening back to
15 them, Captain Woerth, the president of ALPA, was
16 appointed to rapid response team by Secretary of
17 Transportation Mineta. They identified a number of
18 issues that needed to be addressed, for example,
19 hardening cockpit doors, that was one. Common
20 strategy was another one. At the time we began
21 talking about the federal flight deck officer
22 program, which is arming pilots was another one.

1 We began to deal with all of these
2 different issues.

3 Q What is common strategy? What does that
4 mean?

5 A Well, please understand that some of these
6 issues on security are what the Transportation
7 Security Administration calls security-sensitive
8 issues, and I can't get into a lot of detail on
9 them.

10 But basically, the common strategy deals
11 with how you respond to a hijacking. There was a
12 common strategy in effect on September 11, but
13 obviously, the one that was in effect then became
14 pretty much mooted as a result of the way that the
15 attacks were conducted on September 11. So we
16 needed to develop a whole new strategy.

17 Q Okay. And do you also work on the issues
18 pertaining to air marshals?

19 A We did. The federal air marshal service
20 was expanded quite a bit after September 11. ALPA
21 has always had a good working relationship with the
22 FAMs, we still do. They are now in charge of the

1 federal flight deck officer programs. So we do have
2 a ver close working relationship with them.

3 Q Using the new common strategy program as
4 an example, could you explain how the ALPA task
5 force has worked with the U.S. government on the
6 various security issues, but focusing on the new
7 common strategy program?

8 A Shortly after September 11, my
9 recollection is that perhaps it was a week or 10
10 days, we received a call at ALPA from then-FAA
11 administrator Jane Garvey, asking would ALPA be
12 willing to lead a task force or a group to develop a
13 new common strategy. And we said certainly, we
14 would do that. So I was given the task to chair
15 this meeting.

16 What we did was we brought together many
17 different types of stakeholders in the industry. We
18 brought together other pilot unions, flight
19 attendant unions, members of the FBI, CIA, a number
20 of different security agencies. We brought together
21 representatives of the carriers, of the ATA, the FAA
22 of course. My recollection was the meetings that I

1 chaired, there were probably 50 or so people in the
2 room.

3 We had a good, open debate, very thorough
4 discussion about how we should proceed. It was -- I
5 told them at the very beginning, this is a
6 consensus-driven process, in my opinion. We need to
7 come out of here with everybody agreeing that this
8 is what we need to do.

9 It took us a while to get everybody to
10 that point, but after about four meetings and about
11 three months, I think, within 90 days we had a new
12 common strategy that was developed and implemented.

13 Q Would you explain to the panel how these
14 various new security measures have affected pilot
15 lives?

16 A Well, they have completely changed pilots'
17 lives. Since September 11, I think everybody
18 probably, even the general population, everybody's
19 lives have been changed. But specifically for
20 pilots, it required a lot of new training, it
21 required new procedures, new operational procedures
22 in some cases. We had to develop different

1 strategies for dealing with different situations in
2 the airplane. And it's affected all of them.

3 Most of the problem -- most of the
4 programs were mandatory. The FFDO program is an
5 exception, it's a voluntary program. So that
6 particular program doesn't affect every pilot.

7 Q And that's the armed pilots program?

8 A That's correct.

9 Q And could you briefly describe how life in
10 the cockpit has changed for the pilots just on --
11 during their flights and prior to their flights?

12 A Sure. First of all, I think everyone has
13 a heightened level of security interest now, much
14 more so than they did before September 11, which is
15 a good thing.

16 The normal day-to-day routine in the
17 cockpit has changed, because it's very cumbersome to
18 come in and out of the cockpit now with procedures
19 that are in effect. In the past you could just
20 leave the cockpit for physiological reasons or other
21 reasons. It's much more complicated now, without
22 getting into a lot of detail.

1 We have to coordinate how that's done.
2 For example, on international flights, sometimes you
3 have three pilots in the cockpit and then one pilot
4 will leave to take a rest period. So there's a lot
5 more activity going on in there.

6 Briefings between pilots and federal air
7 marshals. In the past that was a very rare
8 occasion. That's not the case anymore. There's a
9 lot more activity along those lines. Briefings with
10 the rest of the crew about what's going to happen if
11 we have any type of incident in the back of the
12 airplane, all those need to be covered as well.

13 So it's changed -- it's changed the
14 routine of operation radically.

15 Q What type of training do the pilots
16 receive in connection with these security items?

17 A Most of the items are covered in recurrent
18 training, and upgraded on a yearly basis. Some of
19 them are one-time training perhaps, but most of the
20 time it's a matter of reviewing them at the training
21 itself as well as in the simulator, depending on
22 whether we're talking about operational procedures

1 or something else.

2 Q And does the training pertain to making
3 decisions in security-related situations?

4 A I'm sorry, could you repeat that?

5 Q Does the training pertain to pilot
6 decisionmaking in security-related situations?

7 A Yes, it does.

8 Q Okay. And other than the armed pilot
9 program, have all Delta pilots participated in these
10 programs?

11 A Yes, they have.

12 Q Now I want to switch gears here for a
13 second and back in time. 1994. Were there
14 negotiations between ALPA and Delta in 1994?

15 A Yes, I believe there were.

16 Q And did the company approach the union
17 with regard to those negotiations?

18 A Yes.

19 Q Okay. And why did the company approach
20 the union?

21 A Well, my recollection is that the Pan Am
22 acquisition took place in the early '90s, '91, I

1 believe, and the company was struggling to make that
2 acquisition profitable. We were losing a lot of
3 money on the routes at the time. And the general
4 economy turned sour, and all the rest of the
5 carriers began to lose money as well. So it was an
6 issue of losing money and revenue was pretty tight.

7 Q Okay. And in 1994, in response to the
8 company approaching the union, did ALPA provide the
9 company any wage relief?

10 A Eventually, they decided to withhold
11 implementation of the 2 percent pay raise that was
12 due.

13 Q That was due under the contract?

14 A It was due under a contract. My
15 recollection is when the Pan Am acquisition took
16 place, we negotiated I think either a one- or
17 two-year contract extension and a 2 percent raise
18 was tagged onto that. I believe that's the 2
19 percent we're talking about here.

20 Q Okay. And did ALPA later exercise an
21 option to rescind this 2 percent cut?

22 A Yes, they did.

1 Q And do you recall why that occurred?

2 A My recollection was that the senior
3 management team took some pretty heavy bonuses,
4 which I thought the timing couldn't have been worse,
5 and it was an appalling lack of leadership, in my
6 opinion, that they would do this. And it made a
7 mockery of the cliches that they had been passing
8 about for the previous two years of standing
9 shoulder to shoulder, leadership 7.5 and the shared
10 sacrifice.

11 Q And were thereafter negotiations between
12 the company and ALPA for an overall PWA?

13 A Yes, there were.

14 Q And that led to the 1996 PWA?

15 A Yes.

16 Q And what was the duration of this
17 agreement?

18 A My recollection was that it was a
19 three-year agreement.

20 Q And was this a concessionary agreement by
21 ALPA?

22 A It was.

1 Q And what was the overall amount of the
2 give by ALPA, as you recall, on an annual basis?

3 A Well, I think looking in retrospect, if
4 you factor in everything that happened, it was about
5 \$150 million a year.

6 Q Okay. And what were the elements of that
7 \$150 million a year?

8 A Well, there was the 2 percent pay cut, we
9 gave up night pay. We started contributing to our
10 medical plan. We raised the cap. We allowed pilots
11 to fly around their vacation so that they could --
12 I'm sorry, around their training so that they could
13 actually get paid for the training. That was the
14 concession in that every time you do something like
15 that, it means jobs.

16 We decreased the amount of vacation that
17 we were entitled to, and we also decreased the value
18 of the vacation day, if you will, and the vacation
19 bank. It was decreased.

20 I think the biggest concession from our
21 perspective was the implementation of the Delta
22 Express operation.

1 Q What was the Delta Express operation?

2 A Well, that was at the time called a
3 carrier within a carrier. It was an express
4 carrier, designed to protect the Florida market for
5 Delta, which was one of our most lucrative markets
6 at the time. It had its own set of work rules,
7 different pay rates, a lot of different things from
8 the mainline, including a different bidding system
9 for the monthly bids. They used a preferential
10 bidding system.

11 It was about a 30 percent degradation in
12 the rates for the positions down there.

13 Q So the Delta Express pilots were paid 30
14 percent less for flying the same aircraft than the
15 main -- than the other mainline pilots were?

16 A If you were measuring it against the
17 mainline, that's correct.

18 Q And they also had different work rules
19 that were more beneficial to the company?

20 A They were -- they were, yes.

21 Q Okay. And did ALPA receive anything in
22 return in the '96 agreement?

1 A Yes, we had a profit sharing program that
2 was implemented. We were given some stock options.
3 The stock options, while they were a good idea, most
4 of them never were in the money, so they were not
5 exercisable.

6 There were probably a few other things
7 that were given as well.

8 Q Okay. Is that unusual for ALPA to seek
9 returns when it provides a concessionary agreement?

10 A No, it's not unusual.

11 Q Okay. And did the pilots share in the
12 profit sharing?

13 A Yes, they did.

14 Q Okay. And the amount that they obtained
15 through the profit sharing, does that in any way
16 change your \$150 million figure of concession
17 provided under the '96 agreement?

18 A No, I believe factoring in everything, it
19 was about 150 million a year was the total give-back
20 for that contract.

21 Q Is it your understanding that that was the
22 company's assessment as well?

1 A That's my understanding, yes.

2 Q Now, did the company's financial situation
3 change after ALPA entered the 1996 PWA?

4 A Yes, it did.

5 Q And did it -- did the financial situation
6 improve or get worse?

7 A It improved dramatically.

8 Q And who was the CEO when the 1996 PWA was
9 entered?

10 A Mr. Ron Allen.

11 Q And did he soon thereafter leave the
12 company?

13 A My recollection is that he left in July of
14 1997.

15 Q And do you recall what type of severance
16 package and other benefits he received upon leaving
17 the company?

18 A It was a very lucrative package worth, my
19 recollection is, about \$25 million, included an
20 office and a secretary, paid for his country club
21 dues and a number of other perks along with
22 compensation.

1 Q Okay. Now, just focusing for a short
2 while on the nonpilot employees at Delta, did these
3 employees receive wage increases after ALPA entered
4 into the 1996 PWA?

5 A Yes, I believe they received several wage
6 increases.

7 Q Were they spread out over
8 the '96, '97, '98 period?

9 A Yes, I think they received a wage increase
10 in all three of those years, '96, '97 and '98.

11 Q Now, focusing on Delta management, did the
12 officers and executives at Delta receive any wage
13 and benefit increases after ALPA entered into the
14 1996 PWA?

15 A My recollection is that they received
16 substantial bonuses, wage increases, stock options
17 and other compensation.

18 Q Okay. Now, after ALPA entered the 1996
19 PWA, did Delta issue or buy back any company stock,
20 do you recall?

21 A I believe they did begin buying some
22 company stock back, yes.

1 Q Okay. And would this have been a Delta
2 board of directors decision?

3 A Actually, I think it was a management
4 decision, but it was approved by the Delta board.

5 Q Now, after ALPA entered the 1996 PWA, did
6 ALPA ever approach the company regarding reopening
7 the PWA?

8 A Yes.

9 Q And --

10 MR. SIMON: Chairman Bloch, if I might,
11 should we pause for a moment until our absent member
12 returns? I think we would prefer that.

13 MR. BLOCH: I have no objection if you
14 wish to do that.

15 MR. SIMON: Thank you.

16 MR. BLOCH: Let's take a brief break,
17 please.

18 (Recess from 10:22 to 10:33 a.m.)

19 MR. BLOCH: Let's proceed, please.

20 BY MR. WINSTON:

21 Q Before the break, captain Dolan, you
22 mentioned that ALPA approached the company regarding

1 reopening the PWA?

2 A That's correct.

3 Q And who was it that was directed to

4 approach the company?

5 A I was directed as the MEC chairman by the

6 MEC to approach the company.

7 Q Okay. And just before we talk about your

8 approach to the company, what was the basis for

9 ALPA's request that the PWA be reopened?

10 A Well, the company had begun to make

11 considerable profits at the time, and also we felt

12 that the assumptions upon which the agreement was

13 based, the '96 agreement, had changed dramatically,

14 that we had been told it would be a long struggle to

15 recover, and the recovery was happening much

16 quicker.

17 Q Now, who did you approach in the company?

18 A I spoke to Mr. Allen.

19 Q And what time period is this?

20 A This would have been March of 1997.

21 Q Okay. And what happened?

22 A Well, I came to him, and we had a meeting

1 in his office. And I explained to him just what I
2 said to you, that we felt that the -- first of all,
3 the turnaround at the company was much more dramatic
4 than anyone had expected and that the assumptions
5 that we based the agreement on had changed and that
6 we would like to consider opening the contract for
7 the purpose of the company reinstating the 2 percent
8 pay cut that we had taken.

9 Q Okay. And what was Mr. Allen's response?

10 A Well, we had a discussion about that, and
11 we went back and forth a bit. And I explained to
12 him that the company never hesitated in the past to
13 come to ALPA whenever they thought they had a need
14 or there was some change of circumstance, and that
15 this was an opportunity for us to do the same thing.

16 And while we had just gone through a
17 process that was unsuccessful in that regard, when
18 the company came to us, there had been other
19 examples where the company had come to ALPA,
20 primarily in the 1980s at least a couple of times,
21 where we did, in fact, open the contract and give
22 some relief that was needed.

1 At the end of the day he basically just

2 smiled and said a deal is a deal.

3 Q He refused to reopen the contract?

4 A He refused to reopen it.

5 Q And did you have any similar discussions

6 with Mr. Mullin?

7 A I did.

8 Q And Mr. Mullin was the CEO that held that

9 office after Mr. Allen?

10 A Yes, he was.

11 Q Okay. And when did you have these

12 discussions with Mr. Mullin?

13 A That would have been shortly after

14 Mr. Mullin came to Delta, which would have been in

15 the probably October of '97 time frame.

16 Q And what did Mr. Mullin say in response?

17 A Well, we -- it was a bit of a different

18 discussion with Mr. Mullin, because he didn't have

19 the history at Delta that Mr. Allen did. So we went

20 much deeper intellectually and philosophically about

21 how things had been done here in the past, we talked

22 about Delta family and other things like that.

1 And at the end of the day, I was unable to
2 convince him as well. I told him I thought that
3 I -- that he had a very special opportunity to
4 reinvigorate a lot of spirit into the pilots and
5 show some real leadership by doing something like
6 this, because he was in a unique position to kind of
7 mend some of the fences. But obviously, at the end
8 of the day, his answer was pretty much the same as
9 Mr. Allen, that a deal's a deal.

10 Q And did the company eventually restore the
11 2 percent wage cut?

12 A Yes, they did.

13 Q Okay. What time period was that?

14 A My recollection is it was in early 1999.

15 Q Okay. And what was the agreement with
16 regard to restoring the 2 percent wage cut?

17 A Well, my recollection is that in return
18 for doing that, we went away from the profit sharing
19 program to a bonus program for the pilots.

20 MR. WINSTON: I have no further questions.

21 MR. BLOCH: Thank you, Mr. Winston.

22 Mr. Gallagher, any questions for the

1 witness?

2 MR. GALLAGHER: We have no questions of

3 this witness, Mr. Chairman, but I would like to

4 borrow his tie for the remainder of the day.

5 MR. BLOCH: You can negotiate that

6 outside. We charge extra for that.

7 (Laughter.)

8 MR. SIMON: Can we negotiate over the use

9 of the tie?

10 MR. BLOCH: By yourselves.

11 Mr. Dolan, thank you very much.

12 THE WITNESS: Thank you.

13 (Witness excused.)

14 MR. WINSTON: ALPA calls as its next

15 witness Captain Kim Welch.

16 Whereupon,

17 KIM WELCH

18 was called as a witness and, having first been duly

19 sworn, was examined and testified as follows:

20 DIRECT EXAMINATION

21 BY MR. WINSTON:

22 Q Captain Welch, were you employed as a

1 Delta pilot?

2 A I was.

3 Q When did you commence flying with Delta?

4 A 1977, January 1977.

5 Q And how old were you at the time?

6 A 30.

7 Q And have you held any positions within

8 ALPA?

9 A I have.

10 Q Okay. Could you go through a
11 chronological history, starting at the first
12 position you held with ALPA?

13 A Yes. In early spring of 1997, I was
14 recruited to come into the office and write a
15 scheduling manual for the pilots. In those days our
16 scheduling procedures were often not written down,
17 not easy to interpret, not easy to get consistent
18 interpretations of from the company and from ALPA's
19 scheduling experts. So it was desired that we have
20 a book for the pilots that the company could agree
21 with. I was recruited to write that in the spring
22 of 1997.

1 Q What position did you subsequently hold
2 with ALPA?

3 A Following that, I was made vice chairman
4 of scheduling, MEC scheduling committee, through the
5 balance of the year of 1997 and into 1998. In
6 July/August time frame of 1998, I was made chairman
7 of the scheduling committee. By virtue of that
8 position, that gave me a quasi-seat at the
9 negotiating table for the contract 2000
10 negotiations, because we attempted so many radical
11 changes of the scheduling system in our contract.

12 Following the ratification and
13 effectiveness of contract 2000, I stopped ALPA work
14 for a while, went back to the line, flew the line
15 through late 2001 and 2002. I returned to ALPA work
16 in August of 2003 as the executive administrator for
17 the new administration.

18 I held that position until I retired on
19 June 1 of 2005.

20 Q Now, have you heard the term
21 "post-retirement pilot"?

22 A I have.

1 Q Okay. And what is a post-retirement
2 pilot?

3 A I was a post-retirement pilot, and that
4 was a term used to apply to pilots that were a
5 product of an extraordinary agreement that we made
6 with the company. Unprecedented as far as I know in
7 U.S. airline annals. And that was the agreement
8 that gave the company the right to offer
9 post-retirement employment to pilots who had taken
10 early retirement and were still legal to fly by FAA
11 standards, not yet reached age 60.

12 And the company could offer those pilots
13 on a random basis post-retirement employment in
14 order to fill the gaps in the senior categories, as
15 the pilots were retiring early, with little notice,
16 difficulty in predicting the need and then training
17 replacements for those pilots on a short-term basis.
18 And the post-retirement pilots were intended to fill
19 that gap.

20 Q Now, were you involved in the negotiations
21 of letter of agreement -- I'm sorry.

22 The PRP letter of agreement, the letter of

1 agreement that permitted the PRPs, that was letter
2 of agreement 45?

3 A Letter 45, it was.

4 Q And were you involved in the negotiations
5 of letter of agreement 45?

6 A I was not at the table. I was in the ALPA
7 strategizing sessions and behind the scenes.

8 Q At what time period was letter of
9 agreement 45 entered?

10 A It was negotiated through the late summer
11 and fall of 2004 and entered into in September, I
12 believe, 2004.

13 Q Now, there was a letter of agreement 45
14 was addressing a problem of number of pilots
15 retiring early?

16 A Yes.

17 Q Okay. And in your view, why were so many
18 pilots retiring early during this time period?

19 A In my view, they were -- during that time
20 period, they were mostly frightened into retiring
21 early. We were -- in ALPA we were very concerned
22 and took these concerns to the company that the CEO,

1 Mr. Grinstein, was making public statements that our
2 retirement plan was in jeopardy. "Dire straits" was
3 a term he used at one time. And this was well
4 before -- over a year before the company entered
5 bankruptcy.

6 Each time that he would make a statement
7 like that, I remember once to a group of pilots and
8 another time to a group of analysts, the office
9 would be flooded with calls from senior pilots,
10 frightened to death over losing a portion of their
11 retirement, losing the opportunity to retire.

12 Although we did our best at ALPA to
13 reassure the pilots during that time frame, there
14 was, in fact, building toward a significant number
15 of pilots taking early retirement.

16 Q Now, apart from allowing PRPs to fly
17 the -- to come back and fly aircraft for Delta, how
18 else did letter of agreement 45 try to address the
19 large number of pilots retiring early?

20 A The ability to have the post retirement
21 pilots come and fly was the company's, in effect,
22 side of the agreement. Our side of the agreement

1 was what we had requested on numerous occasions was
2 some reassurance to the pilots that they weren't
3 going to wake up one morning and read that their
4 plan had been terminated and they could no longer
5 retire with their lump sum. So that our side was a
6 guarantee by the company that they would not file
7 for termination or notice of termination, I believe
8 was the technical term, prior to 1 February of 2005.
9 And additionally, they would guarantee that any
10 pilot who retired no later than 1 January of 2005
11 would, in fact, receive his lump sum.

12 Q And did those provisions, in your view,
13 reduce the number of early retirements?

14 A Well, they certainly appeared to.
15 Anecdotally, we had 265 pilots go out in June 1 of
16 2004. The figures never reached double digits
17 again, through the summer and fall, until the flood
18 on December 1 that, in my view, was caused by letter
19 46 and independent of the letter 45 arrangements.

20 Q Did you retire early?

21 A I did.

22 Q When was that?

1 A June 1, 2005.

2 Q And why did you retire early?

3 A For my family. And it was not an easy
4 decision. If I had not retired early, I would be
5 sitting in front of you as a senior international 76
6 pilot at Delta, that's something that a pilot waits
7 his entire life to achieve a position like that. I
8 would be going to Rome or Stuttgart on Tuesday,
9 Wednesday and Thursdays. And it was something I
10 loved to do and it was difficult to give up.

11 If the financials were the only question,
12 then I would have stayed and gladly accepted the
13 annuity that would result from the PBGC takeover of
14 our plan. The difficulty is there are no survivor
15 benefits to the PBGC annuity. I could retire as
16 scheduled on 1 August of 2006, and before my first
17 check came from the PBGC, get run over by a truck
18 and my family would have nothing.

19 So out of a sense of responsibility for my
20 family, in order to provide for them, I retired
21 early so that I could take my lump sum.

22 Q Now, you indicated before that you were

1 flying as a PRP pilot?

2 A I was.

3 Q And you're no longer flying as a PRP

4 pilot?

5 A No, I was released by the company on

6 December 1, 2005.

7 Q Now, when did you learn to fly airplanes?

8 A I started flight training in the U.S. Navy

9 in 1968, June of 1968.

10 Q Okay. Could you describe to the panel the

11 type of training you received in the military?

12 A Well --

13 Q That was in the Navy, you said?

14 A In the Navy, yes. We considered that

15 military.

16 (Laughter.)

17 Q I think there's a split back here.

18 MR. HARRIS: Is there a single pilot on

19 the seniority roster who didn't come out of the Navy

20 or the Marines?

21 THE WITNESS: Very few.

22 The Navy prided -- they prided

1 themselves -- they took pride on high-pressure
2 training. The idea was that if you could not only
3 learn to fly to their standard but learn to do it
4 under considerable amount of pressure, that that was
5 what they were looking for in the military pilot, to
6 be able to react, be able to make decisions under
7 pressure.

8 Because the war was going on at that time,
9 we worked -- the training process went on seven days
10 a week, 365 days a year. Abandoning the normal
11 class system, we would go through and graduated to
12 class. As soon as you could qualify, you were given
13 your wings and shipped off.

14 My training at that time included carrier
15 qualification, both single and multiengine aircraft.
16 The most demanding flying that I have ever
17 experienced in my life, ironically, it was in my
18 first year of flying.

19 Typically, these days, when the FAA comes
20 to check us out, when I checked out on the 767 ER
21 and had the type rating ride, the FAA criteria for
22 air speed control, for example, is plus or minus 10

1 knots from my target speed. And carrier
2 qualification, I was judged plus or minus 1 to 2
3 knots flying. And that's the kind of training we
4 went through.

5 Q And could you briefly describe your
6 service in the military?

7 A I flew the Lockheed P-3, an antisubmarine
8 aircraft, land-based aircraft. However, with what
9 was going on in Southeast Asia and the fact that the
10 North Vietnamese certainly had no submarines, we
11 abandoned that traditional aircraft, abandoned that
12 base and flew out of Southeast Asia, had two tours
13 there and then had a third tour split between south
14 Aleutian Islands in Alaska.

15 In Vietnam we flew out of a base called
16 Cam Ranh Bay. We had a couple of missions. We
17 patrolled the coast of South Vietnam to intercept
18 and stop something known as infiltrator trawlers.
19 They were ships, shampan, junks, small shipping
20 vessels that were used to smuggle arms and supplies
21 down through the sea and land on the beach, because
22 captain Dolan and his compatriots were doing such a

1 good job on the Ho Chi Min Trail.

2 We also flew missions over the north. The
3 Navy launched what was known as alpha strikes from
4 the carriers in the Tonkin Gulf, in which they were
5 assembling of a very large number of aircraft to go
6 over North Vietnam, to attack ground targets.

7 Our aircraft was equipped with very
8 sensitive electronic countermeasure detection, gear
9 that was -- had the capability of analyzing and
10 locating antiaircraft missile sites. That was an
11 issue in that war, because the North Vietnamese very
12 spritely put the antiaircraft missile sites in
13 trucks and moved them around at night from day to
14 day.

15 We would fly north, pick up a MiG cap that
16 Captain Dolan referred to. In fact, I might have
17 flown his wing without realizing it. Picked up an
18 escort of Phantoms, from the carriers on the Tonkin
19 Gulf and go north ahead of the alpha strike in order
20 to locate and type the antiaircraft missions that
21 were on site that day.

22 Q What type of missions did you fly from the

1 Aleutian Islands?

2 A In the Aleutians, ironically,
3 surprisingly, it was probably the more terrifying to
4 the pilots of the flying that I did in my career.
5 We flew out of the small base in the Aleutian chain
6 known as Adak. Along with Iceland, probably famous
7 for having the worst weather in the world. We would
8 fly west from the Aleutian chain to the Russian
9 coast, inside the Kamchatka Peninsula, took about
10 4-1/2 hours to get over there across the north
11 Pacific. I did this in January, February and March
12 of 1977, or excuse me, 1973.

13 And we would fly inside the Kamchatka
14 Peninsula on antisubmarine patrol and return to Adak
15 after approximately a 12-hour flight. And the
16 stressful part of that was when we returned to Adak,
17 there was no place else to land. Even taking into
18 account the variable and very severe weather we
19 would encounter, it was a matter of landing there or
20 nowhere.

21 Q And were you -- when you were on these
22 missions, were you at the time sort of intercepting

1 Soviet MiGs at that time?

2 A Intercepted by Soviet MiGs. We were the
3 interceptees, yes.

4 Q And how close did the Soviet MiGs come to
5 your plane?

6 A In close formation, a few feet, 10, 15, 20
7 feet.

8 Q Okay. And was there one time on one of
9 these flights where you came back to the Aleutian
10 Islands area and you had to find an alternate field
11 and you basically ran out of gas?

12 A We came back one night to Adak and were
13 incapable of landing due to the weather or to my
14 abilities, one or the other.

15 (Laughter.)

16 In desperation, started for Elmendorf Air
17 Force Base in Anchorage and realized we did not have
18 enough fuel to go there, put out a distress call on
19 the emergency frequency that the military uses and
20 were answered by a place in central Alaska, the
21 Aleutian chain, called Cold Bay, a civilian field.
22 It was a refueling stop for Flight Tag airlines when

1 they flew the polar routes.

2 Got to Cold Bay, made the first approach

3 and weren't able to land due to the weather, made

4 the second and landed and were running out -- ran

5 out of gas before we could get into the ramp.

6 Q When did you leave the military?

7 A In May of 1973.

8 Q And you were hired by Delta in 1977, I

9 think you said?

10 A Technically, I think I considered I was

11 hired by them in 1973 because they offered me a job.

12 They just never called me to come to work until

13 1977.

14 (Laughter.)

15 There was a fuel shortage, the first one

16 in the early Air Brasilia wars in summer of 1973.

17 By the time they called and said your class is going

18 to start, it was January of 1977.

19 Q Do you know the number of pilots that

20 Delta hired in 1977?

21 A Approximately a thousand.

22 Q Okay. And now, what was the first

1 aircraft you were trained at Delta?

2 A I trained as second officer on the 727,
3 which at that time was the only new hire position
4 for Delta.

5 Q And how often have you trained at Delta
6 for different aircraft in your career?

7 A My best count is 13 initial qualifications
8 at Delta, to be a little over -- a little less than
9 once every two years.

10 Q And what aircraft were you flying as a
11 PRP?

12 A 767 ER, ER stands for extended range.

13 Q And what routes were you flying?

14 A As a PRP, mostly trans-Atlantic, some
15 Caribbean and South America.

16 Q Okay. Now, could you describe your 767
17 captain training at Delta with regard to the number
18 of days and what you had to learn in order to be
19 properly trained as a 767 captain?

20 A Yes. When -- the last time I went through
21 the 767 school, the full school, was following the
22 completion of contract 2000 in the fall of 2001.

1 And it was still done the traditional way. As I
2 understand it now, the training has been shortened
3 and compacted a great deal, or actually turned into
4 a situation where they send a CD to the pilot's home
5 and tell him to learn it before he comes to work.

6 When I trained, the training lasted about
7 5-1/2 weeks. There were two weeks of a ground
8 school with a ground school instructor, learning the
9 mechanical systems of the aircraft, the procedures
10 of the aircraft. That two weeks would culminate
11 with an oral examination, possibly with the FAA
12 sitting in. It was their choice, but certainly done
13 by a designee -- Delta captain or Delta pilot who
14 was a designee of the FAA to administer the oral
15 examination.

16 Upon successful completion of that, we
17 would go into the procedures trainers for several
18 more -- these are nonmotion simulators, several more
19 sessions of learning the procedures associated with
20 that aircraft, and finally into the simulators for
21 six or seven simulator sessions with a Delta pilot
22 as an instructor. And that's where we would

1 practice the emergencies, routine procedures,
2 routine emergencies, which sounds like a
3 contradiction, but it's not because there are
4 routine emergencies. And then the more significant
5 emergencies, practice those procedures for handling
6 those. And in with a check ride for a type rating
7 of the aircraft. And about the sixth or seventh
8 week.

9 Q And where are you located when you're
10 being trained?

11 A Training is in Atlanta, and I lived in the
12 Atlanta area.

13 Q Do many pilots live in the Atlanta area?

14 A A fair number, but a great number live
15 elsewhere in the country, so they're away from home
16 living in motels while they're doing that training.

17 Q Okay. Now, is there any type of special
18 international flying training that you went through?

19 A Two additional courses for an
20 international pilot at Delta. One is called ocean
21 flying, and it's a course in the very exact ocean
22 navigation procedures that are necessary. Because

1 when we fly the north Atlantic, we are flying in the
2 1950s as far as the FAA and air traffic control is
3 concerned. There is no radar coverage in the north
4 Atlantic. So the tracks across the Atlantic are a
5 grid separated vertically and horizontally, very
6 precise, and it is necessary to make the check
7 points on those tracks very precisely at exactly the
8 time you predict and tell the air traffic control
9 folks you're going to make them.

10 Navigational errors are taken very
11 seriously in the north Atlantic, and so there is a
12 course to teach us those procedures.

13 In addition, at the time I went through
14 for an Atlanta ER captain, there was mountain flying
15 school, which was to describe the special procedures
16 for flying deep into South America, because vast
17 parts of the South American continent are without
18 alternate air fields or without air traffic control.
19 So that takes special procedures.

20 In addition, probably the most significant
21 thing in mountain flying is that a good number of
22 the routes that we fly down to South America were an

1 aircraft to encounter a depressurization situation,
2 anywhere else in the field you could go down to 2000
3 feet where passengers are breathe, there are
4 extended periods in those routes where you cannot go
5 that low. We have to learn procedures for dealing
6 with that.

7 Q Why does the company use a pilot as a
8 simulator instructor?

9 A Very simply, because the simulator is
10 flight instruction. A lot of people aren't aware
11 these days that a pilot goes all the way through to
12 his FAA rating and receives his FAA rating without
13 flying the actual airplane. It's all done in a
14 simulator. And because it is that type of
15 instruction, it takes a pilot to give it.

16 Q Okay. Now, when you train for flying a
17 particular aircraft, can you turn around the
18 following month and bid on a different aircraft
19 under the PWA?

20 A No, there's currently a two-year freeze
21 before you could move to another aircraft that
22 requires training.

1 Q Do you know the number of daily departures
2 that Delta has?

3 A The last number that I had in my head was
4 approximately 2500.

5 Q The number of daily block hours?

6 A Again, approximation of 10,000 hours a
7 day.

8 Q Okay. And could you explain to the panel
9 what a rotation is?

10 A A rotation is the term that we in our
11 pilot working agreement give to a series of flights
12 that are defined on each end, on the first end by
13 the pilot reporting for the first time coming from
14 home and reporting to work, until he is released to
15 return to home again. It could be one day, to
16 destination and back to Atlanta, to Paris and back,
17 or it could be five days of crossing back and forth
18 from Atlanta to Paris, Cincinnati to Paris, to
19 Atlanta. From the time he reports from home until
20 the time he is released to go home.

21 Q When was your last rotation?

22 A My last rotation was Rome, Italy trip,

1 Atlanta, Rome, Atlanta.

2 MR. WINSTON: Just to explain to the
3 panel, the issues that are going to be addressed
4 with regard to pilot pay that Captain Welch is going
5 to be addressing where he is going to describe his
6 own rotation and he is also going to describe duty
7 rigs. The reason we're going through this is
8 because the issue of how pilots are paid and for
9 what they are paid for, and the duty rigs are all
10 part of the section 1113 negotiations and are all at
11 issue here.

12 BY MR. WINSTON:

13 Q Okay. Now, using your last rotation as an
14 example, could you --

15 MR. GALLAGHER: Mr. Chairman, if I may,
16 we're prepared to stipulate to duty rigs, and I
17 think that the board members are all aware of
18 what -- how pilots are paid. If that would help.

19 MR. WINSTON: I don't think so, because
20 we're going to be going into testimony with regard
21 to some underlying factors with regard to some of
22 these duty rigs and how pilots are paid.

1 MR. BLOCH: Good try.

2 MR. HARRIS: Good try.

3 BY MR. WINSTON:

4 Q Using your last rotation as an example,
5 could you please explain how a pilot prepares for a
6 trip and flies the rotation and for which portions
7 of the rotation, using your last rotation as an
8 example, you were paid for and for which portions of
9 your rotation that you were not paid for?

10 A Yes. On my last trip, the Rome rotation,
11 I left home approximately 1:30 in the afternoon, had
12 a 15:45, or 3:45 p.m. sign-in requirement to sign in
13 with Delta by that time. With the traffic in mind
14 and with the very significant lack of predictability
15 of our employee buses, I like to arrive at the
16 employee parking lot an hour ahead of time. So
17 that's what I did.

18 Took the bus over to international
19 operations in concourse E and signed in at the
20 computer there. Shortly after that, probably 15 or
21 20 minutes ahead of deadline. Printed off the
22 flight plan material for our flight, which would run

1 40 to 50 pages, off the printer of flight plan data,
2 weather, notice to airmen, that sort of thing, air
3 field alerts. And then met my fellow crewmen in the
4 room dedicated to our flight. We did navigation
5 training, we introduced ourselves, did the
6 navigation training a -- excuse me, navigation
7 planning that was necessary for our flight, to do
8 the charts. We still do our own charts at Delta.

9 Prepared those and discussed the weather
10 and things of operational considerations that would
11 affect our flight. We walked down the hall and met
12 with the flight attendant crew primarily to go
13 through security brief, to discuss the security
14 procedures we will be using on our flight, because
15 we change from flight to flight, and whatever
16 specific concerns we may have for that particular
17 flight.

18 Then we went upstairs to the gate, to the
19 aircraft, assuming that it has arrived and is there.

20 One of the first officers goes outside,
21 does the external walk-around, the mechanical
22 inspection of the aircraft. One does the flight --

1 preflight preparation required of the flying first
2 officer, the one sitting in the seat, the right
3 seat, when we take off. And the captain generally
4 then would do the security -- there's additional
5 security checklist that must be completed and signed
6 off once he reaches the aircraft.

7 There's -- if applicable, there will be
8 briefings with law enforcement officers who are
9 armed, with federal air marshals if they are on
10 board.

11 Briefings with the agent for any
12 particular unusual circumstances of that flight.
13 And then it takes probably 30 to 40 minutes to enter
14 the flight plan into the aircraft's computer, get
15 all that entered, double-check with the other
16 pilots, which we do very stringently,
17 double-checking each other. That takes up just
18 about the entire hour and a half of preflight time
19 or report time that is required of us prior to
20 departure.

21 Up until that time, there has been no pay.

22 When the --

1 Q Let me just stop you for a second. So in
2 other words, from the time you checked in until the
3 time that -- up until the point you've just
4 described, you were not paid for that time?

5 A That's correct. When the tug driver asks
6 me to release my brakes so he can push me back out
7 of the gate, that's when the pay clock starts for a
8 trip like that, for an international trip.

9 At that time we're about 9-1/2 hours away
10 from Rome. We climb out. Captain Dolan mentioned
11 the security procedures have become quite onerous.
12 It used to be that was the relaxing time to fly.
13 Once we got airborne, we figured the major part of
14 the work had been done. It was a very relaxing
15 situation prior to 9/11. Now it's a good deal less
16 so, a lot of stress involved, tension with the
17 security procedures.

18 With an international crew, there are
19 three pilots, two to be actually occupying the seats
20 and a third to rotate through, with rest. Rotation
21 takes place approximately every three hours. That
22 rotation requires a good deal of complex security

1 procedures to be done correctly. Each time a pilot
2 needs to get up and go back due to physiological
3 needs or to get a cup of coffee or to ask a flight
4 attendant to bring him a cup of coffee, it is a
5 significant security hassle. That's what occupies
6 our time on the way over.

7 It takes about 9-1/2 hours to reach Rome,
8 get there approximately 8:00 in the morning Rome
9 time, land, into the gate. From the time we get
10 into the gate, it's about an hour before we get
11 outside the terminal. We have to wait for the
12 passengers to deplane, go through our post-flight
13 procedures, mechanical checks, that sort of thing,
14 then clear immigrations in Italy, walk out to the
15 bus.

16 Q Can I just stop you for one second, which
17 is, when did your pay cease?

18 A When I set the brakes in the gate in Rome.

19 Q Okay. So all -- once you set the brakes,
20 the period after that that you've been describing,
21 you weren't paid for?

22 A That's correct.

1 Q Okay. Continue, please.

2 A About another hour on the bus ride into
3 Rome on a weekday. If you're lucky enough to be
4 there on a weekend then it's considerably quicker.
5 And arrive at the hotel about 9:00 in the morning,
6 wait another hour and a half for them to have the
7 rooms cleaned, because we're going to occupy the
8 rooms of the departing crew. We sit around the
9 lobby, so about 11:00 we get to our rooms.

10 We'll be meeting and gathering again at
11 7:30 the next morning to take the bus back out to
12 the airport. Hour back out to the airport in
13 rush-hour traffic, preflight procedures are about
14 the same as I described before, except in Rome, you
15 do them in the airplane because there's no other
16 place to do them, as far as preparing our navigation
17 charts, that sort of thing.

18 We prepare, and when the scheduled
19 departure time comes, tug driver asks me to release
20 my brakes, I do, and the pay starts again for that
21 flight.

22 Q So for the period of time when you set

1 your brakes, the entire time when you laid over in
2 Rome and also, of course, when you did your
3 postflight work and again when you did your
4 preflight work, prior to releasing the brakes in
5 Rome for the return flight, you were not paid for
6 that period?

7 A That's correct.

8 Q Okay. And what time period is that?

9 A About 24 hours. Typical Europe layover is
10 24 hours.

11 Q Okay. And then you proceed back to the
12 U.S.?

13 A Head back, about 11 hours on average from
14 Rome, arrive in Atlanta 2:00, 3:00 in the afternoon.
15 Identical postflight procedures and seeing people
16 off the aircraft, packing up our bags, that sort of
17 thing.

18 Ironically, when we come back to the
19 United States, it takes at least twice as long to
20 clear immigrations and customs as it does in any
21 country in Europe. Usually a typical would be an
22 hour and a half from the time we block in to the

1 time I can be on the bus going back to employee
2 parking lot, primarily due to customs immigration
3 hassles and the like.

4 Q How many hours were you paid for that
5 trip?

6 A Approximately 20.

7 Q And from the moment that you checked in on
8 the first day to the moment that you checked out at
9 the end of the rotation, how many hours transpired?

10 A Approximately 48.

11 Q Now, I mentioned before duty rigs. In
12 generic term, what are duty rigs?

13 A Duty rigs are minimum pay guarantees that
14 are conceived with an eye towards biasing the
15 company to schedule us efficiently, so that they are
16 less likely to schedule inefficiently and, in
17 effect, give away our time.

18 Q Okay. And there's something in the PWA
19 called the duty period credit?

20 A Yes, there is.

21 Q What is that?

22 A A duty period is a defined term, from the

1 time a pilot checks in at the beginning of the day
2 until the time he is released to nonflight duty at
3 the end of the day. It can be an entire rotation
4 itself or it could be from the time I check in in
5 Atlanta to the time I am released in Rome. That's a
6 duty period.

7 Q And what is the duty period credit?

8 A The pilot received no less than one hour's
9 pay for each two hours contained in the duty period,
10 from report to release.

11 Q What's the rotation credit?

12 A Rotation applies to the entire rotation
13 that I mentioned earlier, from the time I report
14 from home until the time I'm released to home, could
15 be one day, it could be six days. But that rotation
16 minimum pay is one hour of pay for every 3-1/2 hours
17 during the rotation.

18 Q And who is it that schedules the duty
19 period and the rotations?

20 A The company has absolute control over that
21 schedule.

22 Q And why were duty rigs included in the PWA

1 or why were they important to ALPA to be included in
2 the PWA?

3 A Again, to bias the company towards
4 efficient scheduling. The pilot's nightmare is to
5 be scheduled for a 36-hour layover in Jackson,
6 Mississippi, if he gets no pay if he doesn't have
7 duty rigs. He gets paid for the hour to Jackson and
8 the hour back but nothing in between if the rigs
9 aren't in place.

10 Q Is there minutes under?

11 A Yes, minutes under is simply the
12 difference between the scheduled time for a leg,
13 scheduled nine hours and 30 minutes from Atlanta to
14 Rome, if I completed it in 9 hours and 20 minutes,
15 10 minutes early, then that would be 10 minutes
16 under. Under our contract, I would still get paid
17 as if I had taken the full amount of time, the full
18 9 hours and 30 minutes.

19 Q Why is minutes under important to ALPA?

20 A Well, it's important to us because we need
21 to be able to forecast what we are going to be paid
22 for a given leg. We also think that it's important

1 that the minutes under continue to be paid the way
2 they are, because it is tremendously in the
3 company's interest that the pilots are certainly
4 making every attempt to get there early if they can.

5 And it would be certainly paradoxical if
6 by attempting to get there early, saving the company
7 money in fuel, salaries and that sort of thing, for
8 everybody concerned, if that meant we cut our own
9 pay by arriving early. So it's a significant issue
10 to us.

11 Q Is there something called the rotation
12 guarantee?

13 A The rotation guarantee, again I described
14 the rotation from the time a pilot reports from home
15 until the time he's released to home. Once on a
16 regular line pilot now, not applied for reserve, but
17 a regular line pilot who has bid his schedule for
18 the month, once a rotation is placed on his
19 schedule, then the rotation guarantee says he will
20 make no less than the amount that was scheduled for
21 that rotation.

22 Q And why is that important to the pilots?

1 A That is important because the company
2 completely controls the completion of that rotation.
3 The company is free to reroute, to change legs. The
4 company is free to cancel legs and leave a pilot
5 sitting in Atlanta rather than going to Orlando and
6 back in the middle of his rotation.

7 If that was -- there was not a rotation
8 guarantee, a pilot would have no way to predict or
9 control his income for the month.

10 Q And is there something called the duty
11 period average?

12 A That is another duty rig. That's, again,
13 to bias against inefficient scheduling, at the end
14 of the month, it's a look-back rig. At the end of
15 the month, the pilot can count the duty periods he's
16 actually worked, and be paid no less than five hours
17 and 15 minutes for each of those duty periods in
18 sum, just to make sure he hasn't been flying just to
19 Augusta and back and sitting around a period of
20 time.

21 Q A duty period is a day?

22 A From the time a pilot reports in for that

1 particular day to the time he's released that

2 particular day.

3 Q And I don't think there's a duty rig, but

4 there's something called open time?

5 A Yes, open time is time that needs to be

6 flown for which there is no assigned pilot.

7 Q Okay. And do management pilots ever pick

8 up open time?

9 A They do.

10 Q And why do they pick up open time?

11 A First, they are management pilots but they

12 are still flying pilots, and they pick it up in

13 order to keep their flying skills sharp. Secondly,

14 over the past few years, there have been many

15 occasions where there were not enough pilots on the

16 Delta seniorities to fly all the time. So any

17 management pilot that was qualified was needed to

18 fly open time.

19 Q Does a line pilot get paid when management

20 pilots pick up the open time?

21 A A regular line pilot does, yes.

22 Q Why does ALPA want a line pilot to be paid

1 if a management pilot picks up the open time?

2 A First and foremost, by virtue of the PWA,

3 that time belongs to the pilots of Delta Air Lines.

4 And while the management pilots are still on our

5 seniority list and technically a Delta pilot, they

6 are being paid a salary, they are not being paid by

7 the hour for what they -- their pay does not swing

8 how much they fly.

9 So if a management pilot was free to pick

10 up a trip that a regular line pilot would like to

11 fly in order to increase his pay, that would be in

12 effect reaching right into the pocket of a pilot on

13 Delta's seniority list.

14 Q Okay. Just going through a couple of

15 other pay items in the current book, there's

16 something called international pay?

17 A Yes.

18 Q Okay. And what is international pay?

19 A When I retired, it was six hours -- \$6 per

20 hour for captains and \$4 per hour first officers, I

21 believe 1150 reduced it further.

22 Q What's the purpose of international pay?

1 A To compensate for the extra complex
2 procedures and the complex operating environment of
3 international operations.

4 Q And there's also something called night
5 pay?

6 A There is.

7 Q And can a pilot get both international pay
8 and night pay?

9 A No, if a pilot is drawing international
10 pay, he's not paid night pay.

11 Q And there are pilots that also hold
12 reserve position?

13 A Yes.

14 Q And what type of pay guarantee does the
15 reserve have?

16 A Current, I believe under letter 46 now,
17 it's 70 hours, a flat 70 hours pay for reserve
18 guarantee.

19 Q Okay. And reserve pilot is on call?

20 A He is.

21 Q And there's a long call and short call?

22 A Under our basic contract, the reserve

1 pilot is on call 18 days a month, and he defaults to
2 long call, which means -- in so many words, he has
3 nine hours to respond to a company contact, attempt
4 to contact him. For eight of those days, he can be
5 placed on short call. In that case, he has
6 approximately two hours to respond to company
7 contact.

8 Q Now, if a pilot loses his job, are his
9 skills readily transferrable to a nonpilot job, his
10 pilot skills?

11 A No, not at all. We all heard Mr. Bastian
12 talk about leaving Delta, going to another company
13 and coming back to Delta as CFO. If I had left
14 Delta as a senior international captain, if I wanted
15 to come back a month later, I would have come back
16 as a junior pilot on the seniority list.

17 Q And if a pilot today seeks employment at
18 another airline, are there jobs available in your
19 understanding?

20 A There's some hiring going on, some limited
21 hiring.

22 Q If they're hired, they would be hired at

1 the bottom of the list?

2 A The bottom of the list.

3 Q Now, just to go through some of the issues

4 that pilots are confronted with with regard to legal

5 requirements, are there various laws that govern a

6 pilot's flying?

7 A There certainly are.

8 Q Okay. And just going through some of the

9 issues, a pilot needs a pilot license; correct?

10 A Yes, he does.

11 Q Is that controlled by government

12 regulation?

13 A The FAA, federal aviation regulations.

14 Q Is pilot training also government

15 regulated?

16 A It is regulated and overseen by the

17 Federal Aviation Administration.

18 Q And do pilots deal with medical issues

19 also that are regulated by the government?

20 A Certainly. They must possess an FAA

21 medical certificate, and for a captain, that means a

22 medical examination every six months. The

1 examination itself is not particularly onerous, but
2 the key there is something that could be next to
3 meaningless or certainly no more than an
4 inconvenience to a nonflying person can cost a pilot
5 his career.

6 Q Could you give some examples of that?

7 A Certainly. High blood pressure requiring
8 medication, insulin-dependent diabetes,
9 deterioration of vision. From a personal
10 perspective, in my mid-40s, I had a cholesterol
11 spike. I was strongly advised by my personal
12 physician to go on the prescription cholesterol
13 medicine, statins that they give out these days.

14 However, through my contact with ALPA
15 aeromedical and Dr. Hudson, I was aware that first,
16 I would need what is called a certificate of
17 demonstrated waiver from the FAA to be allowed to
18 take the medicine in the first place, and then every
19 six months, being a patient taking that medicine, I
20 would undergo extra liver function tests to see what
21 effect the medicine was having on me. And in
22 Dr. Hudson's ways, it is very unlikely -- I was 45

1 at the time -- that I would go through 15 years of
2 that and pass each time and be able to keep flying.

3 So therefore, instead of taking the normal
4 miracle drug treatment for my cholesterol like any
5 gate agent or any baggage loader could or any
6 executive vice president, instead I went to
7 nonprescription medical and other -- nonprescription
8 medicine and other means to try to control it.
9 That's very typical for an airline pilot.

10 Q Do pilots have to -- are they subject to
11 drug and alcohol tests as well?

12 A We are, random drug and alcohol test, as
13 well as for cause, which I would hope would never
14 come up. Delta chooses to do their drug and alcohol
15 testing after we complete a series of flights, which
16 is -- always been curious to me. But we're subject
17 to that.

18 In fact, there have been some -- at least
19 one false positive that took a pilot out of the
20 cockpit for months before we were able to establish
21 that it was a false positive.

22 Q We've already reviewed security issues.

1 Are there also FAA limits on the number of hours
2 that a pilot can fly in any time period?

3 A There are. There's a series of increasing
4 numbers over time.

5 Q What are those, if you can recall?

6 A For a domestic pilot, there's eight hours
7 between rest periods, 30 hours in seven days, 100
8 hours in a calendar month and 1000 hours in a
9 calendar year.

10 Q And are those limits any different under
11 the PWA?

12 A They are not.

13 Q Okay. And is there a mandatory retirement
14 age for pilots?

15 A A pilot may not fly on his 60th birthday.

16 Q Now, were you involved in the negotiations
17 of what's generally referred to as contract 2000?

18 A I was.

19 Q Okay. And that's the 2001 PWA?

20 A Yes.

21 Q Okay. And before or during the
22 negotiations for this contract, did you hear any

1 comments from management regarding company plans for
2 pilot pay in contract 2000?

3 A Yes, I was present when the then CEO
4 Mullin said that we were the best pilots and we
5 expected to be paid the best, have the best pay
6 among U.S. airline pilots. Another phrase that he
7 used talking to ALPA representatives was "top pay
8 for top performance."

9 Q Okay. And Terry Erskine was the lead
10 negotiator for the company?

11 A Yes.

12 Q Okay. And did you hear him make any
13 comments with regard to pilot pay and what the
14 company's expectations were?

15 A I did. It was not unusual during that two
16 years or so of negotiations, while we were
17 discussing the various portions of the contract, for
18 Mr. Erskine to say you know you're going to get top
19 pay, so let's just get down to how we're going to
20 divide it up in this contract.

21 Q Okay. And you understood top pay meaning
22 within the airline industry?

1 A I did.

2 Q And prior to the commencement of the
3 negotiations or during the negotiations, did the
4 company make any comments regarding the skills of
5 the Delta pilots in connection with these
6 negotiations?

7 A It was not unusual, and if I remember
8 specifically, one letter telling us that we were the
9 best pilots in the country.

10 Q Now, turning your attention to the events
11 of 9/11, were you part of any effort by the union to
12 provide assistance to the company following
13 September 11?

14 A I was.

15 Q And who was the MEC chair at the time?

16 A Captain Chuck Giambusso was the chair. He
17 contacted me. I was in training, going back to the
18 line after having finished the negotiations.

19 Captain Giambusso contacted me from Salt
20 Lake City, where he was stuck because the airline
21 system was shut down in the country, and directed me
22 to contact my counterpart, David Watson at crew

1 resources, and tell him that whatever the company
2 needed in terms of contractual relief, to get the
3 airline -- the phrase we used was "to stand up the
4 airline," again, to get it flying again when the
5 grounding was over, that we would be glad to
6 deliver.

7 And he told me he was giving John Malone
8 the same message to take to his counterpart, who he
9 was Terry Erskine, head of labor relations.

10 Q What position did Captain Malone hold at
11 that time?

12 A I'm sorry, he was chairman of the
13 negotiating committee.

14 Q And did you contact Mr. Watson?

15 A I did.

16 Q And what did you tell him?

17 A I told him that we stood ready to give
18 them any relief necessary to help the airline stand
19 up again.

20 Q Okay. And what response did you get?

21 A No help was required.

22 Q And do you know whether Mr. Malone had a

1 similar conversation with Mr. Erskine?

2 A We met at the end of that day, and he told
3 me that he'd gotten the same response, that they did
4 not require any contract relief from us.

5 Q Did you report back to captain Giambusso?

6 A I did.

7 Q What occurred?

8 A He asked me what I thought, and I said
9 they're wrong, they're going to have significant
10 difficulties. He asked me for technical
11 explanation. I gave it to him, and he directed me
12 to go back again and make the attempt.

13 Q What was the technical explanation?

14 A Well, the duty rigs that we described
15 earlier, where a pilot is being -- is earning one
16 hour of credit for every 3-1/2 hours of time that he
17 is on duty, those clocks were ticking while pilots
18 were grounded all over the country, all over the
19 world, sitting in hotels in Ann Arbor, in San Diego
20 and Europe, wherever.

21 And nobody knew how long the grounding
22 would last, but those pilots in likelihood would

1 return to Atlanta having picked up seven hours plus
2 for each day they sat on the ground.

3 Because the rules of our contract are that
4 a pilot may not depart his base once he's
5 accumulated 75 credit hours for the month and may
6 not pick up extra time once he's accumulated that
7 amount of time, we knew we were going to have a very
8 difficult time completing the schedule at the end of
9 September.

10 Q Okay. And you said Captain Giambusso
11 indicated that you should contact Mr. Watson again?

12 A He said I should go back and explain
13 specifically my concerns instead of just offering
14 generic help.

15 Q What did you do?

16 A Went back. Mr. Watson wasn't in his
17 office. I had a quick conversation with one of his
18 assistants, Bob Stevens, and left a note to the
19 effect of the concern that I just outlined.

20 Q Okay. And was there any company response?

21 A The next day I got a call from the office,
22 again I was in training, I got a call from the op

1 office saying the company wanted to meet.

2 Q What day was this, do you recall?

3 A I believe Friday morning is when we got

4 the call. September 11 was Tuesday.

5 Q Correct.

6 A Friday morning we got the return call

7 saying they would like to meet, and we actually met

8 on Saturday morning, plus or minus a day.

9 Q Okay. And who was there for the company

10 and who was there for ALPA?

11 A For ALPA, myself, Captain Malone, First

12 Officer CHRIS Renkel, one of the attorneys, probably

13 Kevin Fitzpatrick, an attorney. For the company,

14 Mr. Watson, Ms. Carolan, Captain Bushy, I believe,

15 who was chief pilot at the time of the airline, and

16 maybe one or two other players.

17 Q Okay. And what did the company ask for?

18 A Well, it's more -- easier to say what they

19 asked for, we did not consider workable. We weren't

20 resistant to what they were asking for. We didn't

21 think it was a good solution. We told them that.

22 We didn't think it addressed their needs, and we

1 didn't think it was a workable solution. So we gave
2 them our suggested solution. We met, we caucused,
3 discussed their request and came back with our
4 suggestion instead.

5 Q Did the company agree with your proposal?

6 A They took it intact, complete.

7 Q Specifically, what was the ALPA proposal
8 that was made in order to assist the company?

9 A I may miss a few of the issues, but the
10 primary issues were that the PWA restrictions that
11 did not allow a pilot to fly away from his base on
12 another rotation when it exceeded the cap of 75
13 hours, would be lifted.

14 The restriction that did not allow a pilot
15 to pick up open time, that is time for which there
16 was no pilot to fly, after he had accumulated 75
17 hours, that restriction would be lifted. And
18 because that would produce pilots with a lot of time
19 in the month of September, we lifted similar
20 restrictions for the month of October, so that that
21 time carrying forward wouldn't also void them from
22 flying schedules in October. That was the gist of

1 the solution.

2 Q Did this solve the company's problem?

3 A It appeared to.

4 Q Okay. And in this meeting, did ALPA ask

5 for anything in return?

6 A We did.

7 Q And what did you ask for?

8 A Well, Captain Giambusso had actually been

9 specific in that there would be no quids. We didn't

10 consider this a quid. We considered this just a

11 commonsense solution.

12 When the airline system was grounded

13 throughout the country, all the pilots who would

14 have flown flights after the grounding, they were

15 pay-protected by our contract. Pay was not an issue

16 for them. But there were a small number of pilots

17 who were on the way to work on September 11, either

18 to sign in for flights, which turned out not to fly,

19 because of the grounding, we didn't fly, or to come

20 to training.

21 The technicality of our contract was since

22 those flights weren't actually canceled yet, those

1 pilots are going to have the pay for those rotations
2 or for that training subtracted from their pay, and
3 they probably couldn't get there and the flight
4 wouldn't have gone anyway.

5 We thought a commonsense solution was we
6 ask the company in return for us standing up the
7 airline and waiving those portions of our contract
8 for two months, we asked the company they
9 pay-protect those few pilots who were on their way
10 to work or training on the 11th of September.

11 Q What was the company's response?

12 A They said no.

13 Q And why did the company say no?

14 A The phrase that was used was we have other
15 constituencies. We took that to mean they were
16 afraid they were going to have to do the same thing
17 for the flight attendants if they did it for the
18 pilots. Our response was it wasn't negotiable.

19 Q And did the company eventually agree?

20 A They did.

21 Q Were there pilots furloughed for the

22 company following September 11?

1 A There were.

2 Q Do you recall how many?

3 A The total furlough number eventually
4 reached 1060. The first tranche was stopped short,
5 what we referred to as FM-1 was stopped short by
6 system board ruling. And then in the early spring
7 of 2003, when the Iraq war started up, by sheer
8 coincidence, the exact number that had been stopped
9 short, and that ruling that was added as a new
10 furlough called FM-2 because of the Iraq war.

11 Q FM stood for force majeure?

12 A Force majeure 1 and 2, yes.

13 Q Have all the furloughees been recalled?

14 A They have not.

15 Q Prior to the company announcing the
16 furloughs, did the company meet with the union in
17 order to tell --

18 A Not to my knowledge --

19 Q The union that it was going to be
20 furloughing the pilots?

21 A Not to my knowledge.

22 Q Now, between the period of time of

1 September 11 and the period we were just talking
2 about until letter of agreement 46, were there other
3 agreements that ALPA entered in order to assist the
4 company?

5 A Yes, there were a dozen or so that we
6 entered into in that period of time, and various
7 things such as making the military air charters
8 possible under our contract, correcting a very
9 outdated letter that made civilian reserve air fleet
10 mobilization possible, under our contract, providing
11 for expedited training for pilots, providing for
12 money-saving -- company saving money on pilots when
13 there were temporary overages in categories. That
14 pretty much covers the gamut of the type of thing we
15 did.

16 Q Okay. And I think there was testimony
17 from Ms. Carolan that said that the training relief
18 that was provided by ALPA was limited to new hires.
19 Do you recall that?

20 A I recall her saying that the back side of
21 the clock, midnight to 5:00 a.m. training, was
22 allowed under those agreements for new hires, which

1 wasn't quite accurate. That letter was called the
2 early retirement backfill letter, to cure -- this
3 was to address the company's initial issue of we're
4 getting two and three days' notice that senior
5 pilots are going to retire. And the parts of our
6 PWA that require 30 days' notice to put a new pilot
7 under training, even longer notice to post those
8 positions, those vacancies for bid, we developed
9 some procedures to short-circuit those procedures so
10 the company could move pilots into training more
11 quickly.

12 Of course, there weren't any new hires to
13 be put to training on the back side of the clock.
14 They could always be done, training on the back side
15 of the clock in our agreement. What we did was
16 allow some additional training of established pilots
17 to be done in the middle of the night. Also, the
18 company could use those facilities more efficiently
19 and complete the training more efficiently.

20 Q Okay. Now, turning letter of agreement
21 46, what was your position at ALPA at the time
22 letter of agreement 46 was negotiated?

1 A I was executive administrator of master
2 executive council.

3 Q Letter of agreement 46 is the \$5 billion
4 concessionary package; correct?

5 A It is.

6 Q And the company provided its first
7 proposal to ALPA in the spring of 2003? I think
8 this has already been testified to?

9 A Early spring, yes, to the best of my
10 knowledge.

11 Q Around that time, and there's already been
12 testimony and we have ALPA Exhibit 41, there were
13 announcements regarding the SERPs and the executive
14 bonuses. Was there also an announcement around that
15 time with regard to how the company calculated
16 bonuses?

17 A Yes. To the best of my knowledge, this
18 came with the revelation of the previous year's
19 financial results for the company. And it was
20 explained, and as I read it in the Atlanta General
21 Constitution, I'm not an economist or financial
22 analyst, but it was explained that the existing

1 bonus formula for Delta executives would not pay for
2 2002 because it was based on profits. And so --

3 MR. GALLAGHER: Mr. Chairman, I'm going to
4 object to the reports based on what he read in the
5 newspaper. I've been very patient and not objecting
6 to most of this testimony. But there have to be
7 some Rules of Evidence.

8 MR. BLOCH: Mr. Winston, I am inclined to
9 agree with that. I think in terms of if we were
10 simply looking for the reaction of this witness to a
11 particular report, that's one thing. But if it is
12 reported, in technical terms, for proving the truth
13 of the matter asserted, then we need direct
14 evidence.

15 MR. WINSTON: Okay. I'll move on.

16 BY MR. WINSTON:

17 Q Now, did ALPA provide counterproposals
18 during letter of agreement 46?

19 A We did.

20 Q Okay. And did ALPA offer the amount that
21 the company requested in concessions?

22 A No, we did not.

1 Q And why didn't it?

2 A Well, it wasn't an easy decision. I can't
3 stress enough that we don't take our futures lightly
4 and we don't play frivolously with whether or not
5 there will be a company for us to work for in the
6 future. We're tied to this company. Every one of
7 us who were involved in these decisions are tied to
8 it until age 60 or early retirement, whichever comes
9 first.

10 And so it took a significant amount of
11 thought and study, but the bottom line was -- and we
12 went to our -- returned to our professional --

13 MR. GALLAGHER: Mr. Chairman, I'm going to
14 object again for lack of foundation. This witness
15 was not a member of the negotiating committee, has
16 not testified that he was at the bargaining table.

17 MR. WINSTON: Well, let's just establish
18 that.

19 BY MR. WINSTON:

20 Q Were you involved in formulating the ALPA
21 negotiating position in letter of agreement 46?

22 A I was, during the period of spring and

1 summer of 2003, the MEC was stretched thin on
2 scheduling expertise. And I was asked to come back
3 and join the negotiate -- not join it as a member
4 but to accompany the negotiating committee both in
5 the office in internal deliberations and
6 occasionally at the table during these talks.

7 MR. BLOCH: I think you may testify, then.

8 BY MR. WINSTON:

9 Q Continue, please.

10 A I was going to say, we involved the ALPA
11 professionals, economic financial analysis
12 department, in whom we have utmost confidence. And
13 specifically, the decision came down to a meeting
14 here in Washington in which the case was made that
15 the company was asking for a number of years of
16 concessions while only giving us a two-year business
17 plan. And beyond that, the plan they gave us
18 forecast break-even in 2004, this is June of 2003
19 we're talking about, time frame. It forecast
20 break-even in 2004 and profits in 2005.

21 So we certainly didn't see the need to
22 give the amount of financial concessions they were

1 asking for, especially in light of the fact that we
2 had been informed by Mr. Erskine that as soon as the
3 financial part was done, they would come back for
4 work rules concessions. So we didn't think it was
5 warranted under the financial information they
6 supplied to us.

7 Q And who was the CFO at the time at the
8 company?

9 A I've forgotten her name.

10 Q Michelle Burns?

11 A Ms. Burns, yes.

12 Q Did Mr. Grinstein make any comments to
13 ALPA regarding the company's financial numbers?

14 A He did. When he took over leadership of
15 the company in the late fall/early winter of 2003,
16 one of the first comments he made was that he did
17 not have confidence in those numbers that we had
18 been supplied.

19 Q Now, in connection with the negotiations
20 for letter of agreement 46, did you attend any
21 meetings with company representatives regarding the
22 company's debt?

1 A I did.

2 Q Okay. And when was that? What time frame
3 are we talking about?

4 A This specific meeting was in August, and
5 the best I can maintain, it was August 16 of 2004.

6 MR. BLOCH: Let me just get a sense at
7 this point, Mr. Winston, how much longer on direct
8 do you anticipate? Because if it's going to be
9 substantial, then we'll just take a little break.

10 MR. WINSTON: It's probably about
11 another -- could be up to 45 minutes. Do you want
12 to take a break?

13 MR. BLOCH: I think what we'll do -- yes,
14 let's take a brief break and then we'll take a lunch
15 break somewhere around 12:30.

16 (Recess from 11:37 a.m. to 12:04 p.m.)

17 BY MR. WINSTON:

18 Q I would like to first revisit the issue of
19 bonuses. We're offering the testimony not for the
20 truth of the matter asserted but rather for the
21 effect that it had on ALPA, on the MEC, what was
22 being announced at the time.

1 MR. HARRIS: Jack, can you stipulate that
2 the pilots sort of were upset by the bonus to
3 Mr. Allen?

4 MR. GALLAGHER: I'll stipulate to what the
5 company -- you know, what the company filed with the
6 SEC.

7 MR. WINSTON: It's not lengthy testimony.

8 BY MR. WINSTON:

9 Q Mr. Welch, Captain Welch, was there a
10 company announcement that you read about with regard
11 to how they calculated bonuses? And this is in the
12 time period of the spring of 2003?

13 A Yes, there was.

14 Q And what was the announcement that was
15 made?

16 A That the bonus formula would be rewritten
17 and rather than pay a bonus based on profits, it
18 would pay a bonus based on cost reductions. It was
19 ironic that the first one of this -- that came to
20 our general knowledge at the time that we had called
21 the MEC into special session to try and convince
22 them to pass one of the side letters that was going

1 to make things easier for the company, this earlier
2 retirement back fill letter, and it was particularly
3 galling for the pilots because, in effect, that
4 meant that our leadership and our direct leadership,
5 senior VP flight operations, could receive a bonus
6 that increased with each pilot that was furloughed.
7 And it made the negotiating environment -- the
8 environment of convincing MEC that we needed to make
9 these concessions, very, very difficult.

10 Q Okay. Prior to the break, you indicated
11 that you attended a meeting in or about August 16,
12 2004 with company representatives regarding the
13 company's debt?

14 A Yes.

15 Q Okay. And do you recall who attended for
16 the company?

17 A For the company, to the best of my
18 recollection, it was Mr. Palumbo, the CFO;
19 Mr. Bastian; Mr. Kruse; Ms. Carolan and Mr. Brill.

20 Q Do you recall who attended this meeting
21 for the union?

22 A Representing ALPA was myself, Mr. Bill

1 Elliott, an ALPA staff attorney, Captain O'Malley,
2 who at that time was chairman of the strategic
3 planning committee, Captain Mischker, which was
4 chairman of the retirement insurance committee,
5 Mr. Gene Weil, consultant for financial matters for
6 ALPA, and two others, Liz Spear and David Krieger
7 from ALPA financial analysis.

8 Q Who was the purpose of this meeting?

9 A The company had requested a meeting in
10 order to brief us on a coming debt exchange, this
11 being late in the summer of '04, that they were
12 going to propose as part of the package to try and
13 avoid bankruptcy that would be part of the total
14 package that included our concessionary agreement.

15 Q And the company made a presentation
16 regarding this debt exchange?

17 A Yes, on the amount, the time line, how it
18 would take place, that sort of thing, the deadlines
19 for closing.

20 Q And were there any follow-up questions
21 after the company's presentation?

22 A Yes. And by way of context, the follow-up

1 question came because we were very concerned at that
2 point on two scales with the pace of negotiations.
3 Number one, that they seemed to be dragging on and
4 on and on and we had been promised that this
5 structural review would be completed. And the
6 deadline for that had been slipped a number of
7 times.

8 At the same time --

9 Q The company structural review?

10 A The company structural review.

11 Mr. Grinstein was putting pressure, through Captain
12 Malone, MEC chairman, who I was assistant to, saying
13 we need to get these negotiations going, we need to
14 get something done here. And yet at the worker bee
15 level, where we could get something done, the
16 information we needed simply wasn't there.

17 We had made it clear we needed this new
18 plan, we needed the structural review to be complete
19 before we could get into substantive negotiations.
20 So on that score, we were concerned with the pace.

21 And then from a more personal point of
22 view, we were concerned because it was not unusual

1 for us to be cast as the ones who were dragging our
2 feet, in the press and other venues. So we wanted
3 to know what -- how did the pilots fit into this
4 time line.

5 So the question was asked by Mr. Elliott
6 specifically how do the pilots, the agreement with
7 us, how does that fit into your time line for the
8 closing of this debt -- this debt restructuring.

9 Q And who responded to the company?

10 A Mr. Palumbo.

11 Q What did he say?

12 A He said, and it's almost an exact quote if
13 not an exact quote, the last thing we need right now
14 is to deal with the pilots.

15 Q What was your understanding as to what he
16 meant by that?

17 A Well, we were stunned at first. But we
18 absorbed his statement and decided what he must mean
19 is because it is very important for all those pieces
20 to come together in a tight choreography, that the
21 pilot agreement not come before the debt
22 restructuring is complete.

1 So the other stakeholders say, well, the
2 pilots are going to carry this ball, we won't need
3 to, and that sort of thing, that the time line was
4 very tight, and therefore, we understood that. But
5 that certainly raised the question of why the public
6 perception was that we were dragging our feet.

7 Q Now, you indicated before that ALPA was
8 repeatedly asking the company to provide a business
9 plan and financial data supporting their request of
10 ALPA?

11 A Continually.

12 Q Okay. And that was a request for the \$1
13 billion?

14 A (No verbal response.)

15 Q That was yes?

16 A I'm sorry. That was a request for \$1
17 billion a year. It was a \$5 billion package.

18 Q Correct. And did the company ever provide
19 the business plan and financial data supporting
20 their \$1 billion a year request?

21 A Yes, the five-year plan came late in the
22 summer of '04.

1 Q And how many years were covered by the
2 business plan?

3 A Five years.

4 Q And how many years in concessions were
5 sought by the company?

6 A Five.

7 Q And after the company provided the
8 five-year business plan and its other financial
9 data, what happened?

10 A The pace of the negotiations picked up
11 significantly.

12 Q Okay. And I think letter of agreement 46
13 was entered -- was TAed in late October 2000 --

14 A Late October.

15 Q 2004?

16 A Yes.

17 Q Now, part of letter of agreement 46
18 included the bankruptcy protection letter?

19 A Yes.

20 Q And what is your understanding as to how
21 the -- what the bankruptcy protection letter
22 provides?

1 MR. GALLAGHER: Objection, Mr. Chairman.

2 Lack of foundation.

3 To the best of my knowledge -- and I may

4 be wrong, but it can certainly be established --

5 this witness was not involved in any direct

6 negotiations with the company. So what his personal

7 understanding would be is irrelevant. But since the

8 association has made this a linchpin of the case, I

9 think the Rules of Evidence should be followed on

10 any interrogation about that issue.

11 MR. WINSTON: Let me establish some

12 background, then, on that.

13 BY MR. WINSTON:

14 Q Mr. Welch, what positions did you hold at

15 this time with ALPA?

16 A I was executive administrator and that's

17 assistant to the MEC chairman.

18 Q Okay. And were you tasked with the duty

19 of providing an explanation of letter of agreement

20 46 including the bankruptcy protection letter to

21 pilots and to MEC members?

22 A I was tasked with that duty after it

1 became effective. Prior to it becoming effective, I
2 was present not at the table but in the building and
3 then in all the strategy sessions in the last two or
4 three days of round the clock -- actually, all the
5 sessions I was always there, and the strategy
6 sessions Delta held -- or ALPA held.

7 But I was in Herndon, finishing up this
8 agreement, round the clock the last two or three
9 days, I was in every internal strategy session,
10 speaking with the negotiators, speaking with the
11 chairman, speaking with various committee chairmen
12 whose issues were being raised as we made our
13 strategy and in fact established what our position
14 would be and what we would require in the agreement.

15 MR. BLOCH: I'm not particularly troubled
16 by some lack of exposure on the part of the witness,
17 if your purpose is to try and flesh out what ALPA
18 came to the table -- its expectations.

19 I have some considerable reservation about
20 the witness testifying as to what it means, as
21 opposed to what ALPA intended it to mean.

22 MR. WINSTON: Well, I think the witness

1 could testify as to what ALPA's understanding of
2 what the BPL is. He was someone who participated in
3 the negotiations, strategized with the ALPA
4 negotiators, including with regard to the BPL, and
5 also --

6 MR. BLOCH: I have no problem with that.
7 You may continue on that line.

8 MR. GALLAGHER: As long as it's clear,
9 Mr. Chairman, that this witness is not testifying
10 about anything that was communicated with the
11 company.

12 MR. BLOCH: I accept that as well, and
13 that should be made clear, and then hearkening back
14 to what I'd mentioned a moment ago, obviously, that
15 the ultimate conclusion as to what it should be
16 interpreted as meaning is for the board.

17 BY MR. WINSTON:

18 Q And what is your understanding as to how
19 the bankruptcy protection letter works?

20 A In generic terms, we saw it as answering
21 the terrific fear of the MEC members and the pilots
22 about the company getting this agreement, completing

1 the agreement and letter 46, and then coming back
2 for what we termed a second bite at the apple. It
3 was meant to address that concern.

4 So what we were striving to achieve and
5 what we understood that we achieved -- what we
6 understood we achieved was the fact that after
7 signing letter 46 and giving up the \$5 billion
8 package, you know, approaching 50 percent of our
9 contract, that if the company was going to come to
10 us in an 1113 proceeding or come to the court in an
11 1113 proceeding in order to achieve further
12 concessions in our contract, that would have to meet
13 a test, a financial test, they couldn't do it just
14 because they decided they wanted more. There was a
15 specific and defined financial test.

16 If they fell below that financial
17 benchmark, if they met that financial test, they
18 could, in fact, seek 1113 relief from our contract,
19 as amended.

20 Beyond that, if they fell below that
21 financial threshold, below that floor, they would
22 meet with us first to see if we could come up with

1 ways we could help, a suggestion, which was often
2 the case, more often than not we could come up with
3 a better way to solve that issue. And then if we
4 could not, they could seek 1113 relief from our
5 contract, but only to the extent necessary to solve
6 the financial shortfall that they found themselves
7 in and against the defined term.

8 That was our understanding, that was what
9 we went for. We wanted -- we knew we could never
10 say if we give you letter 46, you will never seek
11 relief from our contract. But we could control the
12 entry into that seeking of relief and then the
13 amount of relief that was sought. That's what we
14 sought to do in letter 46 -- excuse me, in the
15 bankruptcy protection letter.

16 Q Which is part of letter of agreement 46?

17 A Yes, it is.

18 MR. WINSTON: Excuse me for one second.
19 I'd like to introduce as ALPA Exhibit 42 a document
20 called negotiator's notepad, dated October 29, 2004.

21 (ALPA Exhibit 42 identified.)

22 BY MR. WINSTON:

1 Q Could you identify this document, Captain

2 Welch?

3 A Yes, this is a negotiator's notepad that I
4 participated in writing immediately following the TA
5 letter 46.

6 Q So you drafted this document with others?

7 A Yes, with others.

8 Q What is a negotiator's notepad?

9 A Simply -- a communication with the pilots
10 to let them know, bring them up to date on what is
11 happening in our negotiations.

12 Q And does this document on page 2 reference
13 the bankruptcy protection letter?

14 A It does.

15 Q And does it describe it in any way?

16 A Let's see, in the lead-in paragraph, it
17 describes it as an attachment covering important
18 changes.

19 Q Okay. And why is it that the negotiator's
20 notepad, which is dated --

21 MR. GALLAGHER: I'm sorry, may I
22 interrupt? I can't find that language in there. I

1 just want to make sure I've got --

2 MR. WINSTON: Right here (indicating), top
3 of page 2, third line from the top on page 2.

4 MR. BLOCH: That's the reference to
5 additional attachments?

6 THE WITNESS: Yes, sir.

7 MR. WINSTON: Correct.

8 BY MR. WINSTON:

9 Q And one of the attachments is the
10 bankruptcy protection letter?

11 A Yes, it is.

12 MR. BLOCH: Attachment 28-1.

13 MR. WINSTON: Correct.

14 BY MR. WINSTON:

15 Q And why didn't the negotiator's notepad
16 provide a fuller explanation of the bankruptcy
17 protection letter?

18 A Well, if you'll indulge me a little bit of
19 a description of what was going on there, we
20 finished TA letter 46 late in the evening one
21 evening, I can't give you the dates. Captain Wykoff
22 I'm sure will be able to, but it's lost to me, and

1 then went into a 2:00 a.m., 3:00 a.m., 4:00 a.m.
2 meeting in the morning with the MEC to get them to
3 approve it, explaining it to them, explaining the
4 provisions of the letter.

5 And then headed to Dulles. We were in
6 Herndon for these discussions. We headed to Dulles
7 and flew home to Atlanta, I to Atlanta, Captain
8 Wykoff went to Cincinnati.

9 We'd been up all night. When I got to the
10 office in Atlanta, this had to be produced. Captain
11 Wykoff was doing the cover letter that you read
12 here, and Captain Pinho and I was, vice chairman of
13 the MEC, were working on the bullet points.

14 It's only five pages long, as you will
15 see. There's a limit to how much productive
16 information you can give to a pilot at any given
17 time in terms of making him understand what is
18 important and what is not. We found out if you put
19 out a 10- or 15-page document, there's going to be
20 some limit to the utility of a document like that.

21 So we needed to keep it brief,
22 particularly something like attachment 28, the

1 bankruptcy protection letter, certainly did not lend
2 itself to bullet point excerpts.

3 You gentlemen have read through that
4 letter. It's extremely complex. And I wouldn't
5 have begun to attempt to bullet point it. The best
6 thing we thought we could do was to reference it in
7 this notepad as being important, something they
8 needed to have in their possession if they were
9 going to properly interpret what was going on. And
10 then we made it available to them.

11 A copy of letter 46 that we produced to go
12 on that Web site that very weekend, same weekend
13 this was e-mailed to every single pilot, the e-mail
14 told them the full text of letter 46 was on the Web
15 site in a PDF file that included letter 28 -- excuse
16 me, attachment 28-1.

17 Q Now, did you field calls from pilots or
18 MEC members or both with regard to what the
19 bankruptcy protection letter meant?

20 A I did. We were on a very tight
21 ratification time line, unprecedented for Delta
22 ALPA. I can't speak for other units, but we were

1 going to open the ballot on March 1 and close it on
2 March 11.

3 Q March 1 or --

4 A Excuse me, November 1 and close it on
5 November 11. We knew that the calls would come
6 flooding in, and in addition, the MEC members, who
7 needed to talk to their pilots, wanted further
8 information, expansion about what they had heard in
9 the middle of the night up there in Herndon.

10 So I was designated within the office
11 staff, especially because I would be there every
12 day, I live in Atlanta so I didn't have to commute
13 into the job, be the person to take the calls from
14 pilots and take the personal visits and calls from
15 MEC members and explain to them what letter --
16 attachment 28-1 achieved for us.

17 Q What did you explain to pilots and to MEC
18 members as to what the bankruptcy protection letter
19 meant?

20 A I explained to them that once we ratified
21 this as a group and entered into these concessions
22 in our contract, that the company could not come

1 back in bankruptcy for further concessions unless
2 they met a financial test, which was defined in
3 letter 28.

4 And if they met that test, then they would
5 have to consult with us, and we would have our shot
6 at giving them the best way we thought to solve the
7 problem, but that if that didn't happen, we weren't
8 able to do it consensually, then the limit on their
9 ask, the limit of what they could come after in 1113
10 procedure, was the amount necessary to solve the
11 shortfall as defined in the letter, that they did
12 not have open-ended access to our contract again
13 under the terms of the bankruptcy protection letter.

14 Q Did you also advise pilots and the MEC
15 members that the bankruptcy protection letter was on
16 the Web site and that they should review the
17 document on the Web site?

18 A I'm sure I said that to every pilot that I
19 talked to. In addition, that went out in the cover
20 letter to the negotiator's notepad.

21 Q Okay. Now, switching gears, going back to
22 a time when you were flying prior to your

1 retirement, did you ever experience an emergency
2 while you were flying?

3 A I experienced many minor emergencies,
4 that's what we train for, what the airplanes are
5 equipped for, things like generator failure,
6 electrical failures, hydraulic failures, that sort
7 of thing, is something that not just Delta pilots
8 but all airline pilots are trained and equipped to
9 deal with those on a routine basis.

10 Q Did you have a more major emergency?

11 A I did.

12 Q Could you explain what happened?

13 A In December of 1991, I was departing
14 Washington National Airport in an MD-88, fully
15 loaded at maximum gross weight. And shortly, just a
16 few seconds after rotating, experienced a very loud
17 explosion. I veered to the left, and indications of
18 the fire and engine failure in our left engine.

19 Q So what did you do?

20 A We handled the emergency. We kept the
21 aircraft under control and even managed to comply
22 with the complex Washington departure procedures.

1 When you're taking off to the north of Washington
2 National, departure procedures are very exact
3 because of the proximity to the White House and the
4 Capitol.

5 In this case, we had the added burden of
6 calming our passengers because they could all hear
7 the explosion, they could hear the fire alarm going
8 off in the cockpit. Calmed the passengers and
9 informed the flight attendants as to what was
10 happening, got the aircraft under control. And
11 informed air traffic control, flew over to -- made a
12 decision to fly to Dulles, because of the larger,
13 wider runways. And lack of congestion, making the
14 access of crash fire and rescue equipment to our
15 aircraft easier. And we landed at Dulles.

16 MR. WINSTON: First I'd like to move the
17 admission of ALPA Exhibit 42, the negotiator's
18 notepad.

19 MR. GALLAGHER: No objection.

20 MR. BLOCH: It will be admitted. Thank
21 you.

22 (ALPA Exhibit 42 received.)

1 MR. WINSTON: I think it's actually a
2 company exhibit as well. And I just wanted to show
3 the witness one further document and then I'm
4 finished, which is the bankruptcy protection letter,
5 which would be -- we would mark as ALPA Exhibit 43.

6 (ALPA Exhibit 43 identified.)

7 MR. BLOCH: I assume there's no objection
8 to 43?

9 MR. GALLAGHER: No objection.

10 MR. BLOCH: It will be admitted.

11 (ALPA Exhibit 43 received.)

12 MR. WINSTON: No further questions.

13 MR. BLOCH: Thank you very much. Let's
14 recess, please.

15 MR. GALLAGHER: We can excuse this
16 witness, Mr. Chairman. We have no questions for
17 this witness.

18 MR. BLOCH: Very well. Thank you very
19 much, sir. Appreciate your help.

20 (Witness excused.)

21 MR. BLOCH: Good. We'll reconvene in an
22 hour, please.

1 (Whereupon, at 12:28 p.m., the hearing was
2 recessed, to be reconvened at 1:30 p.m. this same
3 day.)

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1 AFTERNOON SESSION (1:33 p.m.)

2 MR. BLOCH: I think we're ready to

3 proceed.

4 MR. WINSTON: Air Line Pilots Association

5 calls as its next witness Captain Don Wykoff.

6 Whereupon,

7 DON WYKOFF

8 was called as a witness and, having first been duly

9 sworn, was examined and testified as follows:

10 DIRECT EXAMINATION

11 BY MR. WINSTON:

12 Q Captain Wykoff, by whom are you employed?

13 A Delta Air Lines.

14 Q And since when?

15 A Since June 1988.

16 Q And what is your current position you hold

17 as a pilot with Delta?

18 A I'm currently a Cincinnati-based 767

19 captain.

20 Q And have you held any positions within

21 ALPA?

22 A I have.

1 Q Could you please describe the positions
2 you held in chronological order, commencing with the
3 first position you held?

4 A Sure. From late 1990 to the middle of
5 1999, I was a Cincinnati-based our LEC scheduling
6 committee chairman. Even a little bit later in 1999
7 I was appointed to ALPA's national flight time duty
8 time committee. And then -- at which I still
9 currently serve on that committee and now for the
10 last -- just coming up on one year as the chairman
11 of that committee.

12 And November of 2001 I assumed the role of
13 MEC scheduling committee chairman. And then I was
14 elected to the MEC negotiating committee chairman
15 position in August of 2003. I served in that
16 position until May of 2005.

17 I currently, since October of 2005 to the
18 present date, serve as the MEC strategic planning
19 committee chairman.

20 Q Okay. Now, what process does the ALPA
21 Delta negotiating committee follow in conducting its
22 negotiations?

1 A We have a time-honored process that the
2 committee uses, basically, to handle the business,
3 and that is it's outlined in a concept of we
4 receive, analyze, direct, negotiate and then ratify.
5 Each one of those steps, if there is a request upon
6 the union for any kind of concession or any other
7 needs, a lot like what you heard Captain Welch talk
8 about, the committee meets with our counterparts at
9 the corporation and will receive what the request
10 is.

11 They will then go back and as a committee,
12 and using our additional resources, professionals,
13 Counsel, et cetera, analyze what the request is so
14 that we can present it to our governing body, which
15 Captain Dolan talked about being the master
16 executive council, the MEC, the representatives
17 elected by the pilots from each base. Will present
18 what the request of the union is, with any
19 supporting information, to be able to help them
20 further analyze and deliberate, have a discussion on
21 what that request is.

22 Q "Them" being the MEC?

1 A The MEC, yes, sir. And after that has
2 taken place, if the governing body directs the
3 committee to engage in negotiations, they will
4 outline how they want the negotiations conducted, to
5 what level, and then the committee will then engage
6 the company's negotiating committee and commence
7 negotiations.

8 Q Now, do you hold any national ALPA
9 offices?

10 A Yes. As I spoke of, in late 1999, I was
11 appointed to the national flight time duty time
12 committee, still on the committee but currently as
13 the chairman since about one year ago.

14 Q When did you initially learn how to fly an
15 airplane?

16 A I grew up around general aviation. I was
17 weaned on small airplanes in the general aviation
18 community, and in fact, got my pilot's license,
19 private pilot's license, in general aviation as soon
20 as I could, which was at age 17, soloed at age 18,
21 and I've been flying airplanes ever since.

22 Q Did you have any military training as

1 well?

2 A Yes, I was commissioned through the Air
3 Force ROTC program from the University of
4 Cincinnati, served on active duty from 1980 until
5 June of 1988, when I was hired at Delta. And
6 actually left active duty but was commissioned into
7 the Air Force Reserve, and I served there until
8 coming up on four years ago, when I retired after 23
9 years of duty.

10 Q Now, could you describe the type of flying
11 you performed for the Air Force?

12 A My first assignment following
13 undergraduate pilot training, as I remained as a
14 T-38 instructor, where I was responsible for
15 executing the syllabus with new students, to
16 instruct them to achieve their wings and move on to
17 further assignments.

18 Following that assignment, I was assigned
19 as an F-16 pilot, and I served in the Pacific
20 theater at Quinson Air Base and back in continental
21 United States Nellis Air Force Base, which is in
22 Las Vegas, Nevada, and from there when I was hired

1 at Delta, I joined the Air Force reserve and was
2 with the 89th Fighter Squadron at Wright Patterson
3 Air Force base in Dayton, Ohio.

4 Q And did you have missions that you flew
5 over the Yellow Sea in the Pacific?

6 A When we were stationed at Quinson -- the
7 fighter squadron that's in the United States, their
8 role is one of the first ones is mobility to pick up
9 and move to a theater of operation. When we were
10 flying in Quinson, we were in our theater of
11 operation, in our -- specifically the theater was in
12 defense of the Korean Peninsula and other Pacific
13 theaters, as required.

14 So we had a wide variety of missions. We
15 did everything from intercept Soviet aircraft over
16 the Yellow Sea that were on electronic intelligence
17 gathering missions, from Russia, and also we
18 operated in demilitarized zone between North and
19 South Korea in a show of force, as well as general
20 preparation, combat readiness exercises, et cetera,
21 on the peninsula.

22 Q Okay. When you were flying these

1 missions, could you discuss briefly the types of
2 decisionmaking that you had to make and risk
3 assessments?

4 A Well, when we were over -- when you're
5 over there, you're not actually in combat like
6 Captain Dolan spoken of with a lot of -- however, we
7 were up in a fairly hostile area, particularly in
8 the DMZ. We dealt with flying live munitions as a
9 show of force, actually having, you know, the North
10 Korean radar sites would illuminate you with their
11 radar systems, as if you were being tracked.

12 Additionally, when we were out on
13 intercept missions against the Soviet aircraft out
14 over the Yellow Sea and et cetera, we would be
15 flying with live munitions. So we were constantly
16 on the watch for if there's any hostile actions
17 taken against us, things along those lines. So it
18 was a little bit different than combat preparations
19 in the continental United States, as we were dealing
20 a lot more with live munitions on the airplane and a
21 little more -- a little closer to a hostile
22 environment.

1 Q Do you know, over the years, the
2 approximate percentage of Delta pilots that had
3 flying experience from time spent in the military?

4 A It's changed a little bit. I was hired in
5 1988, as I spoke of earlier, and we were probably
6 very deep into the 90 percentile of previous
7 military pilots. And with the downsizing of the
8 military over the years and then here in recent
9 years, when we were hiring, the percentage dropped a
10 little lower.

11 I would estimate that we were probably in
12 the mid-'80s on military-trained pilots.

13 Q Okay. And other than the military, where
14 else does Delta hire from?

15 A Delta has a really great track record of
16 hiring great pilots from a wide variety of places,
17 from the military, and there's just been some
18 outstanding pilots that have been hired from other
19 areas with equally challenging flying, from the
20 corporate ranks to commuter ranks, freight
21 operations in the middle of the night, et cetera.
22 We've been very fortunate to have a very qualified

1 cadre of pilots.

2 Q Does Delta teach employees who otherwise
3 don't know how to fly, how to fly an airplane?

4 A No, they hire pilots and then they train
5 them in the particular aircraft they're going to
6 fly.

7 Q Okay. And how many -- how often have you
8 received training to fly an aircraft at Delta?

9 A I think it's been -- I've been through six
10 what we call long schools, initial qualification
11 schools. One was when I was hired, the very first
12 one, as a 727 second officer, which was fairly
13 traditional at that time frame. Shortly thereafter,
14 I went and checked out as an L1011 second officer.
15 And then from there an MD-88 first officer, 767
16 first officer and then back as captain on the same
17 two airplanes, the MD-88 and the 767.

18 Q Okay. Now, you heard Captain Welch
19 testify about what training entails at Delta, so I
20 don't want to reiterate the same points. But is
21 there new, more recent training program that Delta
22 has initiated? And how does that differ from the

1 training experience that Captain Welch described?

2 A Well, basically, if we kind of think of it
3 as a footprint, how long it takes to accomplish the
4 training, that footprint has been shortened as it
5 relates to how much time is spent in Atlanta in the
6 training center.

7 Traditionally, there's been right around
8 two weeks of what we call ground school, learning
9 the systems, some of the basic systems of the
10 aircraft, and that particular training now is
11 accomplished on DVDs where it can be done as home
12 study, prior to showing up at the training center
13 for three to four days roughly of additional ground
14 school, basically to kind of validate your systems
15 knowledge and get into procedure trainers before you
16 get into the simulator phase. It's shortened the
17 footprint at the training center particularly for
18 those of us not based in Atlanta.

19 Q Does that make it easier or more difficult
20 for a pilot?

21 A It can be a little more difficult, just
22 from the standpoint of if you were in Atlanta, let's

1 say, as a Cincinnati-based pilot and I went out to
2 check out a new airplane, I went down to become a
3 767 captain or MD 88 captain, I might be down there
4 for a month, maybe five weeks, and obviously while
5 I'm at the training center and training, I'm not out
6 flying my previous aircraft.

7 Now since I'm going to be doing some of
8 that training at home and really the lion's share of
9 the academic training, you're learning your new
10 system potentially while you're flying your old
11 aircraft at the same time. Because depending on how
12 the scheduling goes, you can literally finish up
13 flying, have a short period of time to report for
14 school and then be expected to have the systems
15 knowledge to continue the rest of the training.

16 Q Now, could you explain to the panel the
17 bidding system for changing aircraft for pilot
18 bidding?

19 A Yeah, we call that the advanced
20 entitlement system or kind of a surplus and vacancy
21 bids. We have -- we have no shortage of names for
22 things in the aviation business, so this isn't any

1 different.

2 Essentially, once the requirements for new
3 positions are created, the company will place a bid
4 out for these new positions. And we are a
5 seniority-based driven system, so using your system
6 seniority, you can place a request for one of those
7 positions, if you will, in other words, insert a bid
8 for one of the new positions. And seniority
9 dependent, be awarded that, depending on whom else
10 in the system is trying for the same spot. And it's
11 based on your system seniority. And it's probably
12 the most generic explanation of it.

13 Q And at Delta, is that a fast progression
14 to move up to higher paying positions?

15 A It depends. It really -- it's totally
16 dependent on a couple of variables. One is if the
17 airline is in a growth mode. New aircraft is coming
18 on, increase in block hours, which really drives
19 pilot requirements, for the most part. And then as
20 we saw here in the past few years also, if there is
21 a large wave of retirements, whether on time or
22 early, that will also drive a requirement for

1 somebody to back-fill those positions.

2 So it's really dependent.

3 Q What's the current situation at Delta, as
4 far as how fast a pilot can move up to a higher
5 paying position?

6 A It's pretty slow right now.

7 Q Okay. And why is that?

8 A Well, we're not taking delivery of new
9 aircraft. We don't have a significant increase in
10 block hour flying. And now that we're in the
11 situation we are, pilots are not retiring, we don't
12 have a wave of early retirement, so there's no
13 vacancies created through the retirement program.

14 Q Okay. Now, won't that change when the
15 company adds and expands international flying?

16 A If it changes any at all, it would be very
17 little. And the reason is what we're doing is we're
18 taking those aircraft and shifting them from
19 domestic flying or wide body 767 flying, shifting
20 them from domestic to international flying. And if
21 there's a requirement for a relief pilot, that's
22 pretty much the growth that would be moving around.

1 But it's probably just moving things

2 around and shift from the domestic to the

3 international, for the most part.

4 Q Now, at Delta currently, what is the --

5 the best as you know, what is the least number of

6 years of service for a captain?

7 A I believe we have a handful of 1997 hires

8 that are flying in a junior narrow body captain

9 position and a handful of '96s, but that's really

10 about it. So you're right around the nine-year

11 point.

12 Q Okay. And you fly, you said, as a 767 ER

13 captain?

14 A Not -- I'm not an ER captain. I just fly

15 in the domestic system.

16 Q Okay. And when was the most recent

17 rotation you flew?

18 A Well, rotation is -- you know, when we do

19 ALPA work, there's many times, particularly when

20 we're very busy like we are now, it's not --

21 depending on your job, not a lot of flying. So the

22 last four-day trip that I flew was carried over from

1 November into December. And since then I've flown
2 some one-day trips and had my recurrent training to
3 maintain qualification. So the end of November was
4 my last full trip.

5 Q Okay. Excuse me for one second.

6 MR. WINSTON: I'd like to mark as ALPA
7 Exhibit 44 a one-page document dated March 12 -- no,
8 that's wrong.

9 BY MR. WINSTON:

10 Q This is the flight schedule that you were
11 just mentioning, the four day schedule?

12 A Yes, correct.

13 (ALPA Exhibit 44 identified.)

14 BY MR. WINSTON:

15 Q Could you explain to the panel what this
16 document -- well, first of all, could you identify
17 what this document is?

18 A Yes. This is my rotation from the
19 November 27 -- and I was mistaken before when I
20 thought it was a transition trip, it actually was
21 all in the end of month November. And it was flown
22 on November 27. It's rotation number 6152 out of

1 the Cincinnati domicile. And Captain Welch spoke to
2 kind of generically about his trip to Rome, but he
3 stated when he got to the airport of printing out
4 his rotation. What you have here is what would be
5 printed out before the rotation, you know,
6 commenced.

7 So what you have in front of you,
8 basically, other airlines refer to them as a pattern
9 to pattern of the flights that you fly. It's just a
10 description of the flying over the four-day period
11 that I was scheduled to do.

12 Starting off, just to run you through
13 this, is up on the top line over in the right-hand
14 corner, it has the check-in time, which Kim Welch
15 talked about for his trip. Mine was 1942, 7:42:00
16 p.m. and reported an hour prior, domestically we
17 report one hour prior to our push-back time. And
18 many of the same things done, but not a lot of the
19 additional paperwork, et cetera, accomplished since
20 it's a domestic flight.

21 Report to the gate and accomplish all the
22 preflight duties to be in place, and checklist

1 complete for a 20:42, or an 8:42 departure, in this
2 particular case from CBG, Cincinnati, to DEN,
3 three-letter identifier for Denver International
4 Airport.

5 A nine-hour layover and then back, and you
6 will notice over on day column there's A, B, C and
7 D, it equates to day 1 through 4 of the particular
8 pattern of flying. And basically, the description
9 of the four days of flying through there.

10 Down on the bottom you will see a line
11 that reads "totals." And the total is 21 hours,
12 that's the pay.

13 Q Those are the number of hours you were
14 paid for?

15 A That was the number of hours that I was
16 scheduled to be paid for, which included 20 hours
17 and 38 minutes of block time, and that is, as
18 Captain Welch spoke of, the time the tug pushes the
19 aircraft back until you set the brakes at the
20 destination airport at the gate.

21 Then the .22 CR is there are 22 minutes of
22 credit, based on various trip or duty credits, trip

1 and duty rigs that Captain Welch spoke of in his
2 testimony.

3 Q Okay. Now, does this document also
4 indicate the number of hours from the commencement
5 of the rotation until the end of the rotation?

6 A It sure does. And there's -- the TAFB is
7 time away from base. That was 72 hours and 33
8 minutes. And that is from the report time on the
9 very first leg to the release time on the very last
10 day.

11 Q Okay. So the total time of the rotation
12 was 72 hours and 33 minutes, and you were paid for
13 21 hours of that 72 hours and 33 minutes?

14 A That's correct.

15 Q Now, what would happen if there were no
16 duty rigs? What are the potentials here with regard
17 to your schedule?

18 A Well, there's a variety of things that can
19 happen, from a duty rig standpoint, which is the
20 protections, the minimum amount of pay you get for a
21 duty period, which would be each one of these days.

22 And then there's another one that really moves over

1 to the time away from base number, which is what we
2 call a trip rig, or rotation credit. We really
3 refer to it as a trip rig. That's one-hour pay for
4 every 3-1/2 hours away from home.

5 Where that one in particular would be, is
6 look at B day on this rotation, 6152, and let's say,
7 for example, the middle two legs, Flight 1157 from
8 Atlanta to Savannah, which is SAV, and back to
9 Atlanta on 825. You could have a period in there
10 where an amount of that flying time is removed and
11 it's just a lot of sit-around time. Or even a
12 scenario where you would take -- fly back on Flight
13 432 on B day but not go out again until C day, on
14 Flight 489, so you literally had a very long layover
15 in Atlanta.

16 And without a trip rig, you would
17 literally be in a hotel away from home but not
18 producing any pay for yourself, if you will, you
19 would not be paid for that time, without those
20 protections. So as Captain Welch talked about, what
21 it really is is it's a balance to the operational
22 needs and also a quality of schedule for the pilots.

1 And that's the importance of those rigs.

2 MR. WINSTON: I would move the admission
3 of ALPA Exhibit 44.

4 MR. GALLAGHER: No objection.

5 MR. BLOCH: Thank you.

6 (ALPA Exhibit 44 received.)

7 MR. HARRIS: I can't resist. You're
8 dual-qualified in 757 and 767?

9 THE WITNESS: Yes, sir. As a domestic
10 pilot, I actually fly three different models of the
11 767 and 757.

12 BY MR. WINSTON:

13 Q Now, contract 2000, do you have an
14 understanding with regard to what ALPA's position
15 was concerning pay in entering into the negotiations
16 for contract 2000?

17 A Well, there's the expectation that there
18 was going to be a fairly significant pay raise, as
19 well as productivity enhancements, as we moved
20 forward in negotiating that contract.

21 Q Well, what was the expectation of hefty
22 pay raise based on?

1 A In the previous three contracts
2 negotiated, two of them were concessionary, and
3 Captain Dolan talked about one of them in 1996. And
4 the previous ones when obviously I was pretty new in
5 the industry. But looking back over the previous
6 three, two of them were concessionary.

7 So I think the expectation was that, given
8 the profitability of the corporations in the
9 late '90s and bringing on new, very efficient, very
10 productive airplanes, that both of those things
11 should be recognized in the future pay rates.

12 Q Okay. I'd like to address some of the
13 scope provisions under contract 2000, which
14 continued into the future. And these scope
15 provisions are the subject of the section 1113
16 negotiations as well.

17 So let's start out with section 1 E, what
18 was then 1 E of the contract, which was the minimum
19 block hours. Could you describe what that provision
20 provided?

21 A The minimum --

22 Q First of all, let me just stop you. Was

1 that 1 E new to contract 2000?

2 A 1 E was new to contract 2000.

3 Q What did the minimum block hour provision
4 provide?

5 A What it really provided in the most basic
6 form was job protections and was the number of pilot
7 flying jobs and then also a career expectation.

8 Q And how did it provide that type of job
9 protection and career progression?

10 A As I spoke of earlier, the number one
11 driver to the number of pilot jobs is the number of
12 block hours flown at an airline. So when you had a
13 baseline level established contractually, that was
14 essentially getting much closer to a baseline number
15 of pilot jobs that would be involved with that
16 contract.

17 And then additionally in contract 2000,
18 those numbers increased over the life of the
19 contract. So once again, because the block hour
20 number was increasing, there was the expectation of
21 career progression as well.

22 Q Okay. And did the PWA provide that that

1 provision could be renegotiated?

2 A Yes, it did.

3 Q And under what circumstances could it be

4 renegotiated?

5 A For the most part, there were economic

6 triggers that could force renegotiation of that, the

7 primary pieces.

8 Q And was that provision renegotiated?

9 A Yes, it was.

10 Q Were you chair of the negotiating

11 committee at the time it was renegotiated?

12 A I was.

13 Q Okay. And what was the result of the

14 renegotiations or these negotiations to renegotiate

15 the minimum block hour?

16 A There was a meet and confer with the

17 original language to set new numbers on that. And

18 we essentially accomplished that when we negotiated

19 letter of agreement number 29, which was the

20 domestic code share arrangement with Continental and

21 Northwest.

22 What we did in that was is we set, instead

1 of one block hour per year, we set a series of block
2 hours for that particular year that were the number
3 to hit, if you will, but they were based on the
4 company's financial performance.

5 Q Okay. And is there something also in 1E
6 called the plan percentage?

7 A Yes, it is.

8 Q And what is the plan percentage?

9 A Basically, what that says is that it also
10 is part of our contract in the scope provisions, is
11 the ability for the company to outsource, if you
12 will, or contract small jet flying. And that number
13 basically set the relationship between the number of
14 mainline block hours and the number of small jet
15 flying block hours.

16 Q Why is that important to the pilots?

17 A The importance there is, is as the numbers
18 fluctuate either up or down, that there remains a
19 balance between the connecting traffic and the
20 traditional mainline flying.

21 Q And was this provision also renegotiated?

22 A That was negotiated as part of letter 29

1 as well.

2 Q Was that triggered by the same economic
3 parameters as the minimum block hours?

4 A That's correct.

5 Q Was that also reestablished based on some
6 type of link to the company's profitability?

7 A Absolutely. Just as there were a list of
8 block hours that was tied to company performance,
9 there was also an associated percentage number as
10 well.

11 Q Now, what type of smaller type of jets
12 have Delta pilots at the mainline flown in the past,
13 let's say, 25, 30 years or so at the mainline?

14 A Well, they currently fly a 737-200, which
15 is configured for about 99 airplanes. But in the
16 past, in fact Delta was a launch customer in 1965
17 for a DC-9-10, which configured in a two-class
18 configuration, held 78 people, and retired that
19 aircraft in 1974. But from 1967 to about 1992, flew
20 the DC-9-30, which held right around 100 people in a
21 two-class configuration as well.

22 Q Now, what did contract 2000 provide

1 regarding small jets flown at the DCI carrier?

2 A Contract 2000 basically allowed, you know,
3 pretty much an unlimited number of 50-seat airplanes
4 but did put a cap on 70-seat aircraft. I believe
5 the number was -- I'm trying to remember, 52,
6 something along those lines.

7 Q 57?

8 A 57, yeah. That's a lot of numbers
9 floating around there. I got all the DC-9 numbers,
10 by the way.

11 (Laughter.)

12 57. And it could be increased up to 70,
13 based on a block hour increase. As the company grew
14 the mainline, there were triggers that allowed
15 additional 70-seaters to be brought on. I think it
16 was up to 75. I think I said 70, but up to 75.

17 Q Okay. And the number of 70-seaters
18 permitted later increase?

19 A Yes. In the negotiations for letter 46,
20 they increased as well.

21 Q Okay. And what did that agreement -- what
22 did letter of agreement 46 permit with regard to

1 70-seaters?

2 A It would go to 120, and I believe it was

3 120.

4 Q Or 125?

5 A Yeah. What he said. 125.

6 (Laughter.)

7 But you could go up to 150, but once

8 again, it was based on increased flying at the

9 mainline, which was never -- never achieved. So

10 basically had a limit of 125.

11 Q And today under the current PWA, if a

12 79-seater is flown by or for Delta, who must conduct

13 that flying?

14 A Mainline pilots.

15 Q Now, what is code sharing with foreign

16 carriers?

17 A It's where a Delta passenger will be

18 placed on a foreign carrier's aircraft, say

19 traditionally maybe we would fly a passenger to

20 Atlanta and maybe they get on an Air France flight

21 or we fly them into New York and they get one of our

22 code share partners' flights over to Europe.

1 They're basically booked through the Delta system
2 and are a Delta passenger but placed on a code share
3 carrier's flight, for the international flight.

4 Q Okay. And are there any restrictions on
5 the company entering foreign code share agreements?

6 A No, as long as we maintain a base level of
7 international flying, wide-body flying for
8 ourselves. Ask that's in section 1F.

9 Q So what does section 1F provide?

10 A It provides the expectation of a set
11 amount of international flying, and if that's not
12 achieved, then an additional amount of international
13 code cannot be placed on any of the code share
14 carriers.

15 Q Okay. So it sets a minimum of certain
16 type of large-body flying by the company?

17 A Correct.

18 Q And why is the provisions provided in
19 section 1F important to the pilots?

20 A Well, two basic reasons. The flying that,
21 for example, the -- the type of trip that Captain
22 Welch described is the premium flying. We had the

1 expectation we'd like to have that flying, because
2 we don't want our passengers just continually being
3 placed on a code share carrier for that type of
4 flying.

5 So there's a balance in the ability to
6 place it on some markets, but the expectation is
7 when we get to certain levels, that a Delta pilot
8 ought to be flying a Delta passenger on a Delta
9 aircraft.

10 Q What is domestic code share?

11 A Pretty much as the name says. It's a code
12 share arrangement on a domestic flight. And in this
13 case our arrangements are via letter 29 and a
14 memorandum of understanding or letter 46 for
15 arrangements with Continental, Northwest and Alaska.

16 Q What do those provisions provide with
17 regard to the domestic code share?

18 A Number one thing it does is it -- it's
19 really formulated around reciprocity. In other
20 words, we don't want all Delta passengers, from a
21 pilot perspective, being placed on either a Delta --
22 or excuse me, a Northwest, Continental or Alaska

1 flight.

2 So, for example, there would be limits and
3 kind of a leveling mechanism built into the contract
4 there that would say how many flights they can do
5 from a code share perspective and how many we can.
6 Probably the best example of how the whole piece
7 would work is, we use this as an example.

8 As we were negotiating the arrangement,
9 was if you had a passenger that was leaving Savannah
10 and going to Fargo, he's going to fly from Savannah
11 to Atlanta on a Delta flight and going to fly from
12 Minneapolis to Fargo on a Northwest flight, and from
13 Atlanta to Minneapolis he could fly either on a
14 Northwest or on a Delta flight. We wanted to make
15 sure we had levels of reciprocity on that as well.

16 Q Okay. Now, letter of agreement 46, what
17 was your position at ALPA at the time this agreement
18 was negotiated?

19 A I was chairman of the MEC negotiating
20 committee.

21 Q Now, I'm not going to go through material
22 that we covered with Captain Welch with regard to

1 letter of agreement 46, but one area that wasn't
2 touched upon, or a few areas. First of all, were
3 there any changes in management during the
4 negotiation of letter of agreement 46?

5 A Kim Welch kind of talked about the time
6 line that rolled around from the spring of 2003
7 until we consummated the letter of agreement. And
8 as we entered into calendar year 2004, there was a
9 change of senior leadership at the corporation.
10 Mr. Grinstein came in as CEO, and we had a change
11 with the chief financial officer, HR, a change in
12 labor relations, basically a new team that moved
13 forward in the senior executive ranks.

14 Q And what impact did this have on the pace
15 of negotiation, if you recall?

16 A Well, they slowed, as with anything that
17 would come in. As Captain Welch talked about, there
18 was a strategic review that started from that
19 transition and lasted through pretty much the middle
20 of the summer of 2004. And basically, there were no
21 negotiations through that time, because we were
22 waiting for the strategic review to be completed,

1 and then also allowing time for a business plan to
2 be developed that we could negotiate to.

3 Q Okay. Now, you heard on cross-examination
4 Ms. Carolan state that the company provided data to
5 ALPA during these negotiations. Isn't that correct?

6 A Yes, we received a lot of information
7 along the way. The problem that we had, and through
8 particularly -- right prior to the transition
9 period, was that each of the requests, in our
10 opinion, were never justified with any economic data
11 to support the level of concession being requested.

12 Q Did the company eventually provide you
13 with data supporting their request?

14 A Yes, in early September of 2004, we were
15 briefed on the five-year business plan that came out
16 of the strategic review. And as following the same
17 process, we -- I described earlier, we analyzed that
18 with our financial experts and began negotiations,
19 and ultimately winding up in a \$1 billion per year
20 concession over five years.

21 Q You said 1 billion; right?

22 A 1 billion.

1 Q And that was a five-year agreement;

2 correct?

3 A Five-year deal.

4 Q Okay. Now, 1 billion per year for five

5 years, do you know what percent of the entire value

6 of the PWA this represented?

7 A It's probably right around 45 percent, 46

8 percent of the value.

9 Q Okay. And could you describe some of the

10 principal concessions and provisions of letter of

11 agreement 46?

12 A The first was a 32-1/2 percent reduction

13 in hourly wage rate. The second was a soft freeze

14 of the defined benefit plan, establishment of a

15 defined contribution plan.

16 There were changes to our medical

17 benefits, and basically best described as additional

18 premium exposure for the pilot group.

19 Q What do you mean by additional premium

20 exposure?

21 A It basically -- we were -- in addition to

22 a hefty 32-1/2 percent pay cut, the pilots, as they

1 elected different medical plans, had higher premiums

2 for those particular --

3 Q Higher medical premiums that they had to

4 pay?

5 A Higher medical premiums, that's correct.

6 Q Before you go on, just going back to

7 pension, you said there was a soft freeze?

8 A Soft freeze of the defined benefit plan.

9 Q Okay. And I think that was previously

10 described as meaning that you didn't accrue

11 additional years?

12 A That's correct.

13 Q Okay. And was there a soft freeze at this

14 time for the nonpilot pension plan?

15 A Not that I'm aware of.

16 Q Okay. Now, how did this soft freeze and

17 the institution of a defined contribution plan, how

18 did that affect the pilots?

19 A Well, it affected -- the total value of

20 the retirement plan was reduced, kind of the target

21 that we established. The previous plan on the

22 defined benefit plan was 60 percent of your final

1 hour journey. And this plan was targeted to right
2 around 50 percent, came in just a little bit south
3 of that, about 49-1/2 percent roughly, would be the
4 target benefit between soft frozen defined benefit
5 plan and the newly created defined contribution
6 plan.

7 So in the most generic of terms, there was
8 a reduction in the total retirement benefit for the
9 pilot.

10 Q Okay. And what other changes were
11 instituted under letter of agreement 46?

12 A Well, we -- as we moved through this whole
13 phase, we took a legal hard look at pilot
14 productivity, and there were some significant --
15 there were very significant productivity
16 enhancements, so the corporation, as it related to
17 pilot productivity, we took a hard look at how the
18 airline was manned, how we were bidding our monthly
19 schedules and how many pilots that we had sitting in
20 reserve, right at -- meaning ready to take on flying
21 as it was required to keep the integrity of the
22 airline moving.

1 And, you know, traditionally, we've held
2 about -- for every 100 lines of what we call regular
3 lines of time, 100 pilots that have a schedule
4 premonth, we would run 34 or 35 percent reserve
5 coverage. And we negotiated to a target of right
6 between 14 and 15, about 14-1/2 percent. So it was
7 a significant reduction in the number of pilots
8 required to accomplish the reserve duties.

9 Q Okay. Were there also concessions in the
10 vacation area?

11 A We reduced the value of each day of
12 vacation.

13 Q What does that mean?

14 A You had seven days of vacation before you
15 hit 3 hours 15 minutes for each day. That created a
16 vacation bank that you used to bid for your
17 vacation. That was reduced to 2 hours 45 minutes.
18 So it was 30-minutes per-day reduction.

19 Q So if you took a vacation day, instead of
20 being paid for 3 hours 15 minutes of time, you would
21 be paid for 2 hours 45 minutes of time?

22 A Right. And that combined with the new

1 preferential bid system created some efficiencies as
2 well.

3 Q And you talked about some of the scope
4 concessions with the increase in the number of
5 70-seaters that were permitted. Were there also
6 scope gains for ALPA under letter of agreement 46?

7 A We had a few. We worked to looking at the
8 future and what might be out there. We achieved
9 some fragmentation and successorships and gains in
10 the scope areas, the two primary ones that come to
11 mind right now.

12 Q Were there also additional protections
13 with regard to if the company entered into profit
14 sharing agreements with other carriers?

15 A Yeah, there were. I know we worked on
16 that specific area as well.

17 Q Now, what was the purpose of letter of
18 agreement 46 as the company described it, to the
19 ALPA side of the negotiating table?

20 A That was very specifically that this
21 was -- this was a total restructuring effort. This
22 was a -- this wasn't any kind of Band-Aid to go and

1 try to accomplish anything for a short period of
2 time.

3 This was to go out and attack all of the
4 pieces that were out there affecting the airline
5 industry, everything from Internet pricing to
6 low-cost carriers to carriers that have restructured
7 either in or outside of bankruptcy.

8 This was to position the company to be
9 extremely competitive coming out of the
10 restructuring effort. I believe that was best
11 described as we've heard about a million times, do
12 it once and do it right.

13 Q And this is what the company stated at the
14 negotiating table?

15 A That's correct.

16 Q What did the company state with regard to
17 what would happen with USAirways, in their view?

18 A Well, their view was that they were going
19 to go away, but it didn't really matter because
20 someone was going to backfill it anyway, whether it
21 be someone gaining their assets through
22 fragmentation or another LCC moving into those

1 markets.

2 Q So they were anticipating further
3 competition from either USAirways or a substitute?

4 A That's correct.

5 Q Now, Ms. Carolan, in her declaration,
6 indicated that pilots are able to increase the
7 number of hours and days that they work in order to
8 make up for some of these hefty wage cuts that they
9 took under letter of agreement 46.

10 Do you think that that's accurate, or will
11 continue?

12 A I haven't seen any of the supporting data
13 to really be able to tell if it's accurate from the
14 declaration. However, my initial view would be that
15 it's probably not a long-term situation. 2005, as
16 it was, was a transition year from an old agreement
17 to a new agreement, and work rules, making different
18 category -- different positions the proper size with
19 the new work rules and efficiencies, don't turn on
20 like a light switch. They take time to implement.

21 And in those time frames, particularly
22 when we had the early retirement, when we were

1 backfilling those positions with PRPs, we were in a
2 place where it was costing more for some of that
3 flying, but it was a temporary situation. And I
4 think over time -- and you combine that with any
5 further concession, there's just not going to be the
6 flying time that you're going to be able to squeeze
7 to inside of your FAR limits to make up those kind
8 of pay cuts.

9 Q So your view is there won't be as much
10 open time for pilots to pick up in the future?

11 A That's what's out there right now.

12 Q And are there any limits to the number of
13 hours that a pilot would be able to pick up in order
14 to compensate for wage cut?

15 A There's a finite -- there's a ceiling on
16 the amount of flying that you can pick up, because
17 there's domestically a federal aviation regulation
18 that limits you to 1000 hours of block time in any
19 calendar year.

20 Q Okay. And are there Delta pilots that are
21 bumping up against these limits?

22 A We have had some in the past when we were

1 in this transition period that we had some pilots
2 bumping up against those limits.

3 Q Okay. Now, ALPA obtained some returns in
4 letter of agreement 46; is that correct?

5 A Yes, we did.

6 Q Okay. And did they receive stock options?

7 A Yes.

8 Q Okay. And do you know what the value of
9 those stock options are today?

10 A Zero.

11 Q And they also had profit sharing; correct?

12 A That is correct.

13 Q And do you know what extent the pilots
14 have received profit sharing under letter of
15 agreement 46?

16 A We haven't received any profit sharing.

17 Q Captain Wykoff, I want to show you what
18 we've previously marked as ALPA Exhibit 43. It's
19 entitled "bankruptcy protection letter."

20 A Thanks.

21 Q Do you recognize this document?

22 A Yes, I do.

1 Q What is it?

2 A It's titled "the bankruptcy protection
3 letter." It's attachment 28-1 to the letter of
4 agreement 46.

5 Q Okay. And who participated on the two
6 sides in the negotiation of this document?

7 A From the ALPA side it was myself and
8 Mr. Abram, counsel, and on the company side, it was
9 Mr. Kruse and Ms. Carolan.

10 Q Okay. And what did the ALPA side of the
11 table say to the company with regard to what it
12 needed in the bankruptcy protection letter?

13 A Probably the best way we described this,
14 and really continued on the way we described it to
15 our MEC, the pilot group, anybody that was to ask,
16 was we were in a position --

17 MR. GALLAGHER: Mr. Chairman, I'm going to
18 object to compound questions or compound answers in
19 this area, since the association has made it a
20 linchpin of their case. I'd like to know who said
21 what to whom and clearly distinguish what was said
22 to the company versus what was said within ALPA.

1 MR. WINSTON: The question was what was
2 said to the company.

3 THE WITNESS: Okay. At the --

4 MR. GALLAGHER: The answer was beginning
5 to go way beyond that.

6 MR. BLOCH: Well, if you can confine
7 yourself to the question asked.

8 And you can pursue those other issues on
9 cross, if necessary.

10 Do you want to restate the question for
11 the witness please, Mr. Winston?

12 BY MR. WINSTON:

13 Q Okay. What did the ALPA side of the
14 negotiating table state to the company side of the
15 negotiating table? And to the extent to accommodate
16 Mr. Gallagher's request, if you could identify who
17 said what.

18 A To the best of my recollection, what I
19 said to our company counterparts was that this deal,
20 a billion dollars per year, total of \$5 billion
21 package, is a very risky proposition for our pilot
22 group, because we don't know, after -- we had spent

1 a lot of time running through a total restructuring
2 effort, and setting ourselves up to be extremely
3 competitive in the future.

4 But we did not want to, as a labor
5 organization -- just as any other organization would
6 not want to expose themselves to -- right after we
7 consummate this deal, to turn around and then have
8 the corporation file for bankruptcy and be subject
9 to the entire process that goes on there, after we
10 had already done this significant deal.

11 And we needed to develop a method through
12 a bankruptcy protection letter to protect the
13 association and the pilots from the second bite of
14 the apple. I know it's been stated there in kind of
15 a simplistic view in earlier testimony, but in
16 reality, that's exactly what we were opened up for.

17 So we wanted to, and through negotiations,
18 set up a way that we recognized, as Captain Welch
19 said, that we were not going to get an agreement
20 that said if the corporation filed for bankruptcy
21 following letter 46, that we were not going to be
22 looked at or be protected from that process

1 whatsoever.

2 But we needed assurances in this process
3 that if the corporation were to file for bankruptcy,
4 that there would be a process where we would go
5 through and we would review what was the problem.

6 Because we were talking, once again, about
7 a total restructuring effort here. And the next
8 piece that went along here wasn't going to be
9 another restructuring process, because this could
10 just be endless. So we needed a backstop here, but
11 we recognized there could be problems in the future.

12 What we did is set up the metrics that are
13 defined in the bankruptcy protection letter,
14 material shortfall or covenant protections, and we
15 recognized that we might have to participate as part
16 of but not as the sole participant in addressing
17 those concerns.

18 That is what -- that is why we needed to
19 do this letter, to protect the total restructuring
20 effort that we were undertaking.

21 Q Okay. And in your view, what is it that
22 the bankruptcy protection letter provides?

1 A In my view --

2 MR. GALLAGHER: Once again, can we
3 distinguish between what was communicated to the
4 company versus his subjective understanding?

5 MR. WINSTON: I'm asking him now -- he
6 just provided his testimony with regard to what was
7 stated to the company, at least his initial
8 testimony with regard to that. And now I'm asking
9 him his view as to what the bankruptcy protection
10 letter provides.

11 MR. BLOCH: That's fine. I do think it's
12 appropriate to distinguish between what was
13 communicated versus what was assumed on one party's
14 part.

15 BY MR. WINSTON:

16 Q Okay.

17 A The best way to describe this, in my
18 opinion, about what we tried to do here, what -- our
19 intent of this particular attachment, this
20 bankruptcy protection letter, is really pretty
21 simple.

22 We were going to build a house and call it

1 letter 46, but it needed to sit on something,
2 because it could just fall apart in the future under
3 an 1113 process. And this foundation, we were going
4 to build this building called letter 46, is the
5 bankruptcy protection letter. Without it, without
6 this protection that is in here, there was going to
7 be no letter 46.

8 We weren't going to have this building sit
9 on any foundation, it wasn't going to get built to
10 begin with. So when I describe about what I feel
11 this letter is, that's exactly what it is. It's the
12 linchpin for us to be able to negotiate and complete
13 a complete restructuring agreement with the
14 corporation. And without this letter, that would
15 not have occurred.

16 Q And how did -- in your view, how does the
17 BPL work?

18 A The BPL works basically along these lines.
19 If a material shortfall, as defined in the letter of
20 agreement, were to occur, there is a consultation
21 period for where the data that is causing this is
22 presented to the association, they would have 30

1 days to review that data, the association, come up
2 with an alternative plan.

3 If that was not going to work and the
4 company subsequently had to file an 1113, had to
5 file for bankruptcy, an 1113 was filed, then the
6 agreement between the two parties was really pretty
7 simple.

8 Our participation in the subsequent
9 bankruptcy proceeding was going to be to only --
10 only for the amount to remedy the amount of the
11 material shortfall or any covenants that were
12 associated with any debtor in possession financing,
13 and equally important in that was that we were not
14 going to be the sole participants in remedying the
15 material shortfall or the covenant, but we were
16 going to be part of a total piece of that. In other
17 words, all of the other pieces, as it's stated in
18 the language, will be taken into consideration for
19 the amount of our participation.

20 Q Okay. Now, did you communicate that to
21 the company side of the table, as to what you needed
22 in the BPL with regard to how you just described how

1 the BPL worked?

2 A Yes, counsel and I described what we
3 needed to do to be able to build this foundation
4 that I spoke of when I kind of painted that picture.

5 Q Now, when was the BPL negotiated?

6 A The BPL was negotiated in the -- in what
7 I'll call the end game, let's say the last three,
8 four, five days of negotiations for letter 46.

9 Q And do you know who reviewed the BPL for
10 the company?

11 A My understanding that beyond -- obviously,
12 beyond the folks that we directly negotiated with,
13 senior management, general counsel at the airline.
14 And we were aware that, as has been mentioned here
15 earlier, that bankruptcy counsel was retained. And
16 since this dealt with bankruptcy, they were also
17 aware of this letter and had the opportunity to
18 review it.

19 Q Okay. And that's bankruptcy counsel for
20 the company?

21 A Correct.

22 Q And do you know who reviewed it for ALPA?

1 A The negotiating committee, our MEC
2 chairman and administration, including Captain
3 Welch, and our counsel and advisors.

4 Q Now, letter of agreement 46 was subject
5 to -- after there was a tentative agreement at the
6 end of October of 2004, it was subject to MEC
7 approval and to pilot ratification?

8 A That's correct.

9 Q Do you know when the MEC met to review
10 letter of agreement 46?

11 A They met hours after we had a tentative
12 agreement on the letter with the company's
13 negotiating team, which was on October 27.

14 Q Okay. And was there a slide show
15 presentation and an overall presentation by the
16 negotiating committee to the MEC with regard to
17 letter of agreement 46?

18 A That's correct.

19 MR. BLOCH: At this point, Mr. Winston, I
20 think we're just going to take a brief break for our
21 afternoon break. Let's reconvene in about 10
22 minutes.

1 (Recess from 2:28 to 2:50 p.m.)

2 MR. WINSTON: We'd like to mark as ALPA

3 Exhibit 45 a document, multipage document, states

4 "section 1" on the first page.

5 (ALPA Exhibit 45 identified.)

6 BY MR. WINSTON:

7 Q Captain Wykoff, could you identify this

8 document, please.

9 A These are a hard copy of the slides that

10 the negotiating committee briefed the MEC on

11 concerning the tentative agreement of letter 46 late

12 in the evening on October 27, 2004.

13 Q Could you turn to the second-to-last page,

14 please? And in bold at the top it says "other"?

15 A Yes.

16 Q Do you see that?

17 A I do.

18 Q And the first bullet point, what does that

19 reference?

20 A It's stated "bankruptcy protection

21 letter." This is one of the pieces, just a bullet

22 item for one of the pieces that we briefed the MEC

1 on, amongst the others here.

2 Q Okay. And who provided the briefing with
3 regard to the bankruptcy protection letter to the
4 MEC?

5 A I did.

6 Q And what did you tell the MEC with regard
7 to the bankruptcy protection letter?

8 A Told them as far as the bankruptcy
9 protection letter went, we felt, as a committee and
10 counsel, that this met their needs concerning a
11 second bite at the apple. In other words, the
12 governing body directed the committee to go out and
13 achieve protections in the event of a bankruptcy
14 subsequent to the ratification of letter of
15 agreement number 46, and we would have some
16 protections.

17 And I basically laid them out as I did
18 before, that I described that the concepts of the
19 material shortfalls that's written in the letter,
20 they had the language in front of them. And I
21 walked them through the language, describing
22 basically the same kind of visual that I explained

1 on what I felt when I was asked, I felt the
2 bankruptcy protection letter did, that this was the
3 foundation that we could place this concessionary
4 agreement on top of, that it would provide
5 protections for the pilot group, that we should
6 enter into this agreement with this letter in place
7 now, with an agreement between the parties, because
8 what the letter would do for them is establish via
9 the language that's written in the letter what the
10 material shortfall was or, if there was a problem
11 with one of the covenants, with debtor in possession
12 financing, what our role in -- after that
13 edification -- in other words, we would find out
14 about that, we would be presented with the
15 information, we'd have a 30-day period to review the
16 information and provide our solution to it.

17 But more importantly, with the whole
18 piece, that if we were put in this position and a
19 subsequent bankruptcy filing was made, then what
20 our -- since we had already participated via letter
21 46 in a total restructuring of the airline, then if
22 we found ourselves in this situation, our role in

1 dealing with the material shortfall or the covenant
2 was only dealing with that, not dealing with any
3 other external factor.

4 We had dealt with those relative to the
5 restructuring agreement. We were going to deal
6 with, as part of a complete solution -- in other
7 words, considering all the other actions taken by
8 the corporation to fix the material shortfall or the
9 covenant problem, we would participate in that. But
10 we would not have a complete second bite of the
11 apple taken on us following this agreement.

12 Q And that's a section 1113 filing?

13 A Correct.

14 Q When you're talking about the
15 restructuring agreement, you're talking about the
16 overall letter of agreement 46?

17 A That's correct, letter 46.

18 Q Was there also -- were there any questions
19 and answers with regard to the bankruptcy protection
20 letter by the MEC?

21 A Absolutely. The MEC is very good at doing
22 due diligence and asking about what things mean.

1 And the primary reason is they need to be educated
2 on this. Because the way our system works is we go
3 out and do this work on their behalf and they ratify
4 it, and then they need to be conversant in this
5 product to be able to explain it to their pilot
6 group. So yes, we spent some time on the bankruptcy
7 protection letter.

8 And in the Q&A session with the MEC, the
9 majority of the questions were answered by counsel.

10 Q And so we won't go into that, since that's
11 considered privileged.

12 Would -- now, was there also a road show
13 for the pilots with regard to letter of agreement
14 46?

15 A Yes, there was. Shortly following the
16 MEC's ratification, the language was prepared along
17 with the negotiator's notepad, which we saw earlier.

18 And that was distributed to the pilot group,
19 including all of the attachments to letter 46.

20 The pilot group had the opportunity to
21 take a look at those prior to us doing what we call
22 a road show, which in this particular case with the

1 compressed ratification time line, is we rented
2 space in the Georgia Convention Center by the
3 airport, had pretty close to a thousand pilots and
4 family members attend. And we briefed how we got,
5 including some economic background, got to the point
6 where we were able to negotiate this letter of
7 agreement.

8 We presented that -- a fairly lengthy
9 presentation, and we also taped and webcast that to
10 the other bases, just given the time constraints.

11 Q Okay. And were there -- was the
12 bankruptcy protection letter discussed during that
13 road show?

14 A It was not briefed as a particular item en
15 route, and that was a judgment decision that the
16 committee made -- there's a lot of information.
17 Letter 46 is not a thin document. It covered a lot.
18 It's a total restructuring agreement. And there's a
19 finite amount of time that we could spend. We
20 wanted to be able to have plenty of time for
21 questions and answers, so we could really get to
22 anything that the pilots want to get.

1 And additionally, the starting point --
2 and this is the way I started the briefing when it
3 got to my part after the master chairman's remark,
4 economic and financial analysis and industry update
5 portions of this briefing, is I said the starting
6 point for this briefing, for you in attendance and
7 out in the pilot group, is that you have reviewed
8 letter 46 and all the attachments, you've read the
9 negotiator's notepads, you've read the other
10 communications leading up to that. This is the
11 starting spot. Now we're going to run you through
12 the real bulk of the contractual changes. And
13 that's what we did.

14 Q Okay. And was there Q&A regarding the
15 bankruptcy protection letter?

16 A There was very -- I don't think there was
17 anything that wasn't touched in Q&A, and that
18 includes the bankruptcy protection letter.

19 Q And did you answer the question with
20 regard to the bankruptcy protection letter?

21 A I answered some and counsel answered some.

22 Q Okay. And the ones that you answered, did

1 you describe how the bankruptcy protection letter
2 worked?

3 A I tried to describe it so that you could
4 get a grasp -- it's a thick -- it's a very technical
5 document, and I tried to break it down so that the
6 pilots who were going to vote on this agreement, to
7 accept it or not, would be able to understand that
8 what we were doing was protecting -- we were
9 entering into a risky scenario here, and we wanted
10 to have some protections so that they, you know,
11 wouldn't come under full force of an 1113
12 subsequently.

13 Q Okay. Is that how you described it to the
14 pilots?

15 A Yes.

16 Q Okay. And did you also field calls as
17 Captain Wykoff did from pilots and from MEC members
18 regarding the bankruptcy protection letters as well
19 as other subjects?

20 A Yeah, Kim answered a lot of calls as the

21 EA --

22 Q EA is what?

1 A Executive administrator, master chairman's
2 executive administrator. And just as Captain Welch
3 did, we all who were familiar with and had some
4 working knowledge of the document spent time with
5 both the MEC members and other pilots answering
6 their questions on it.

7 Q And were some of those questions with
8 regard to the bankruptcy protection letter?

9 A A lot of them were.

10 Q Okay. And what did you -- how did you
11 describe the document when you were asked questions
12 with regard to the bankruptcy protection letter?

13 A I tried to handle it the same way, I did
14 initially kind of setting the table with the MEC
15 on -- conceptually. And, you know, I didn't really
16 try to work through every little nuance, but what I
17 tried to do was to give them a framework, the pilot
18 that would call in, some comfort that we established
19 an agreement here with the bankruptcy protection
20 letter that would not allow them to get -- get bit
21 again, second bite of the apple, if an 1113 was
22 filed, that the concept was letter 46 that you're

1 going to vote on is the total restructuring deal,
2 and if we had to come back, the same concepts that
3 I've briefed about we're talking about a material
4 shortfall, which you can read the definition of in
5 there, or a covenant in debtor in possession
6 financing, that we weren't going to be dealing with
7 the full -- you know, the full force of an 1113,
8 we're going to deal with those pieces, and we're
9 going to be -- we're going to deal with it in the
10 context of being part of a total solution to it, not
11 the only solution to it.

12 Q Now, after letter of agreement 46 was
13 ratified, did the company make any statements on
14 whether it was meeting its business plan which form
15 the basis of letter of agreement 46?

16 A Right afterwards, everything was on target
17 on the business plan, but obviously, as we've heard,
18 later in that calendar year, and as I was leaving
19 office, fuel was becoming a problem, continuing to
20 be a problem.

21 Q And did the company make any statements
22 with regard to that?

1 A Around what time?

2 Q I was going to ask you what time you --

3 with regard to the --

4 A It was pretty much in the -- probably in

5 the spring time frame, maybe a little bit before, if

6 I remember correctly. I can't remember the exact

7 date of when --

8 Q Of 2005?

9 A Of 2005.

10 Q Just one further question with regard to

11 vacation under letter of agreement 46. Do you want

12 to restate what the concession was?

13 A The beauty of working with all of these

14 guys in the black suits is when you make a mistake,

15 you get instant feedback.

16 I guess it wasn't instant enough that they

17 jumped on the table when I said it, but I was in

18 error when saying that we reduced the vacation value

19 to 2:45. It went from 3:45 to 3:15. That was the

20 correction.

21 MR. WINSTON: I have no further questions.

22 MR. BLOCH: Thank you, Mr. Winston.

1 Off the record for a moment.

2 (Discussion off the record.)

3 MR. BLOCH: Back on the record.

4 I think we are going to call another

5 witness, as I understand it.

6 MR. GALLAGHER: Before we do that,

7 Mr. Chairman, I would like to ask on the record for

8 a copy of the tape of the webcast meeting of the

9 Georgia Convention Center that the witness spoke of.

10 I think that would substantially facilitate my

11 ability to prepare for cross-examination.

12 MR. BLOCH: Mr. Winston, is that possible?

13 MR. WINSTON: We don't have a copy of that

14 right now.

15 MR. SIMON: We'll arrange to get it to

16 you, Jack, when we can, probably Monday morning.

17 MR. GALLAGHER: If a phone call could be

18 made, it could be FedEx'd for Saturday delivery.

19 And that would give me the time to review it before

20 Monday morning and be effective.

21 MR. SIMON: I'm told we're -- we don't

22 have access to it over the weekend.

1 MR. WINSTON: We'll get it to you as soon
2 as we can.

3 MR. GALLAGHER: The ALPA field office in
4 Atlanta isn't open at 3:00 in the afternoon?

5 MR. WINSTON: We've made an effort to get
6 a copy of it. We haven't yet obtained a copy of it.
7 We don't have a copy.

8 MR. GALLAGHER: Can we see if they have --

9 MR. SIMON: The fact is I'm informed that
10 it was done by a third party. ALPA doesn't have
11 access to it. We have to get access to it. We'll
12 get access to it as soon as we can. If Jack had
13 wanted it earlier, he should have asked for it.

14 MR. BLOCH: I will, in any event, give you
15 time to review it when you have your hands on it.

16 MR. GALLAGHER: Thank you very much.

17 MR. BLOCH: All right. Thank you.

18 MR. HERMAN: Good afternoon, gentlemen of
19 the panel. My name is Peter Herman, I'm also with
20 Cohen, Weiss and Simon representing ALPA. And we'll
21 take advantage of this little opportunity to put on
22 one more witness, another witness here. So we'll

1 call Captain John LaBarre.

2 Whereupon,

3 JOHN LABARRE

4 was called as a witness and, having first been duly

5 sworn, was examined and testified as follows:

6 DIRECT EXAMINATION

7 BY MR. HERMAN:

8 Q Captain LaBarre, by whom are you employed?

9 A Delta Air Lines.

10 Q What is your position with Delta?

11 A I am currently a Cincinnati-based MD-88

12 captain.

13 Q And when did you start with Delta as a

14 pilot?

15 A In August of 1990.

16 Q And can you tell us very briefly, before

17 you started with Delta, your educational background

18 and your military experience?

19 A I was born and raised in Wisconsin,

20 attended the University of Wisconsin, where I

21 completed a bachelor's degree in 1982. After

22 graduation, shortly thereafter, joined the United

1 States Navy and completed eight years of service as
2 a naval officer, naval aviator. I flew the P-3
3 Lockheed Orion, antisubmarine warfare aircraft,
4 based in Brunswick, Maine. After that I was a
5 flight instructor in the training command in Corpus
6 Christi, Texas, and I left naval service in May of
7 1990.

8 Q When did you begin in Delta, again?

9 A In August of 1990.

10 Q At the time you were hired by Delta Air
11 Lines, did you have offers from other airlines?

12 A Yes, I did.

13 Q Why did you pick Delta?

14 A Subsequent to leaving the naval service,
15 many of us were investigating careers outside the
16 Navy. And so many of my predecessors in the
17 squadron in the Navy had already left. There's a
18 lot of communication amongst us about the airlines,
19 the industry, who the best carriers were. And at
20 that time Delta was number one on my list and many
21 other people as well.

22 Q And can you tell us, again briefly, from

1 when you started with Delta, what aircraft have you
2 flown and what have you checked out on?

3 A In 1990, everyone started out as second
4 officers on Boeing 727s, and I did that based in
5 Boston for three years. After that I took a bid to
6 the MD-88 first officer position in Cincinnati,
7 where I was first officer for a little over six
8 years.

9 And I went to the Boeing 757/767 domestic
10 category as a first officer, for about 20 months,
11 when I got a bid to the captain position back on the
12 MD-88 again. And I checked out in late August of
13 2001 at my first flight as a new captain, just the
14 week before September 11.

15 Subsequently the downturn in the industry,
16 I was displaced back to Boeing 757 first officer
17 again. And after two years, August of 2004 I was
18 able to check out again as captain on the MD-88,
19 where I am now.

20 Q And I want to direct your attention,
21 Captain LaBarre, to November 11, 2003. At that
22 point in time, what equipment were you flying?

1 A This was subsequent to my displacement
2 from captain on the 88, I was flying a Boeing 757
3 and 767 domestic as first officer. I had been a
4 captain for 12 months previous to that.

5 Q And that day were you scheduled to fly a
6 trip from Atlanta to BWI, Baltimore?

7 A That's correct.

8 Q Okay. Can you tell us about that flight
9 and what happened on it?

10 A I was on a four-day rotation that left
11 November 9. This was day three. And the captain,
12 which was Ted Bode, who has subsequently retired,
13 had flown us from New Orleans to Atlanta on a very
14 early morning flight, and then it was my turn. It's
15 our custom to -- alternate the pilot flying and
16 pilot monitoring duties. We switched airplanes in
17 Atlanta after we arrived. And it was my turn to
18 fly, as stated.

19 So we got out to the airplane, met the
20 flight attendants, Captain Bode's custom was for if
21 it was the first officer's turn, then he would do
22 the exterior preflight inspection of the aircraft,

1 which he did. I got settled into the cockpit and
2 proceeded to load the flight plan.

3 Q You may have told us this already, but
4 what kind of an aircraft was that on that particular
5 flight?

6 A This was a Boeing 757, single aisle,
7 narrow body.

8 Q And what were the -- approximately how
9 many passengers were aboard that day?

10 A We were planning on having and did have
11 approximately 130 passengers, plus four flight
12 attendants and two pilots.

13 Q And approximately what's the capacity of
14 that airplane?

15 A Approximately 180 passengers.

16 Q Continue.

17 A Captain Bode came back on board after his
18 exterior preflight inspection, and he informed me
19 that he had found what he thought was perhaps a fuel
20 leak on the left engine and some other kind of fluid
21 that had residually leaked on the right engine
22 pylon, which is the structure that attaches the

1 engine to the wing.

2 So he said he was going to call a
3 mechanic, which he did, and some maintenance men
4 came out, mechanics came out, and inspected. They
5 decided that they would run the engine at the gate,
6 the left engine, to check it for a fuel leak, which
7 they did. They did not find any fuel leak.

8 And they also would actuate the right
9 engine thrust reverser, which is a hydraulically
10 actuated apparatus on the right engine. And by
11 pressurizing the right hydraulic system, they could
12 actuate that thrust reverser and check it out, which
13 they did, and did not find any discrepancies.

14 So they signed off the logbook and
15 returned the aircraft to service and the captain and
16 I completed our checklist and boarded the passengers
17 and pushed back from the gate.

18 Q And what happened then?

19 A So we taxied out and took off, completed
20 all our checklists in accordance with normal
21 operating procedures. It was a very nice day, and
22 the weather was anticipated to be very nice. And it

1 was my turn to fly. At 10,000 feet I engaged the
2 autopilot and continued to fly along our route of
3 flight.

4 At the various layers of air traffic
5 control, we were given step climbs up to about
6 31,000 feet. And in the vicinity of Spartanburg,
7 South Carolina, the master caution light came on,
8 which is a light that says perhaps a system is
9 malfunctioning. It was for the right hydraulic
10 pressure.

11 We have a digital readout of that
12 indication. It indicated a very low pressure and
13 very low quantity. And I continued to fly the
14 airplane and take over air traffic control
15 communications. Captain Bode got our reference
16 manual out and proceeded with the checklist.

17 And almost at that same time, the cabin
18 air phone chime went off, which is the flight
19 attendant calling up to the cockpit, and our flight
20 attendant in charge, Laura Wilson, called and said
21 we've had people that said there's some sort of
22 fluid, they can see fluid on the right wing of the

1 aircraft.

2 And I said yeah, we're working through
3 this problem with our right hydraulic system right
4 now, but I don't think it's going to be, you know, a
5 tremendously bad situation. We have two other
6 hydraulic systems. So I told her that we would get
7 back to her as soon as we had the procedure
8 completed.

9 So Captain Bode continued with the
10 procedure, it's not a very long procedure. In the
11 meantime I talked with air traffic control, who had
12 subsequently cleared us higher. We're still
13 proceeding to Baltimore. And we -- Captain Bode
14 said I'm going to call our flight dispatcher, see
15 whether or not he wants us to proceed to Baltimore.

16 He did that. The conversation basically
17 was that we were going to turn around and go back to
18 Atlanta and land back at Atlanta.

19 So we informed air traffic control, and
20 they gave us a vector while they recomputed a flight
21 plan for us, routing back to Atlanta. And once we
22 got that information, we started to program our

1 computer.

2 About that time the flight attendant
3 called again and said more people are concerned
4 because there's a tremendous amount of fluid and it
5 appears to be raining off of the right wing.
6 There's more fluid than before.

7 And a lot of this happened, it seems, as I
8 recall it, very -- in close time compression, but
9 the flight management computer indicated a fuel
10 disagreement. And I had never seen this message
11 before.

12 I immediately looked at our fuel quantity
13 indicators, and when we leveled off, we had
14 approximately 7000 pounds of fuel in the left wing
15 and 7000 pounds in the right wing.

16 Subsequent to the hydraulic system problem
17 that we had and with the fuel disagreement light,
18 when I looked at the fuel quantity indicators, there
19 was about 2000 pounds of fuel in the right wing now.
20 And I'm somewhere around 6500 pounds in the left
21 wing.

22 And I immediately thought that, you know,

1 we have a massive fuel leak, it correlated to what
2 the flight attendant had said to us, it correlated
3 to what the flight management computer said, as well
4 as the indication on the fuel quantity gauges.

5 We both came to the conclusion that we
6 have to get on the ground as soon as possible,
7 because this massive fuel leak could potentially
8 catch on fire.

9 So as far as the dispatcher knew, we were
10 headed back to Atlanta. In this situation Captain
11 Bode informed air traffic control that we needed to
12 declare an emergency and land at the nearest
13 suitable field. I asked him if he wanted to fly the
14 airplane. He said no, keep on flying the airplane.
15 And we started to get vectors from air traffic
16 control, and I performed an emergency -- basically
17 emergency descent. The thing in my mind was we
18 wanted to get on the ground as soon as possible with
19 the airplane.

20 Also, since I was concerned about fire, I
21 was very anxious to get the right engine shut down.

22 Q Could you just tell us a little more why

1 you were concerned about the possibility of
2 in-flight fire?

3 A Well, when we're flying normally, the
4 engine is on fire, but it's a controlled fire. And
5 if the fuel leaked in the wrong area and we didn't
6 know where it was actually leaking from, it could
7 ignite. It seemed to be, from the report from the
8 back of the airplane, that there was a lot of fuel
9 leaking out, and that correlated to the 5000 pounds
10 difference here between just maybe five and 10
11 minutes.

12 So as the pilot flying, I was focused on
13 getting the engine shut down, because it was either
14 going to become a controlled shutdown where we
15 decided when it was going to be shut down, or it was
16 simply going to run out of fuel and flame out.

17 The fuel leak checklist that Captain Bode
18 as a pilot monitoring was accomplishing was a very
19 lengthy checklist, because it assumes that it wants
20 to prove that you actually have a leak. We felt
21 pretty confident we had one, and we quickly got to
22 the shutdown of the engine.

1 And I was in the descent using the
2 autopilot, which was working somewhat more
3 sluggishly for some reason, I'm not sure why. But
4 at 25,000 feet, I decided to disconnect the
5 autopilot and fly the aircraft manually from that
6 point.

7 We were near Charlotte, North Carolina,
8 and air traffic control said that would be the
9 nearest suitable field. We agreed on that. We
10 asked air traffic control to pass along to the
11 company that we're diverting to Charlotte, with a
12 massive fuel leak. And they said they would do
13 that.

14 They gave us basically a 360-degree turn.
15 During this time, Captain Bode talked to the flight
16 attendants and he made a public announcement --
17 announcement to the people, to let them know what
18 was going on, and that the possibility of
19 evacuation, once we were on the ground, was a
20 possibility because this fuel may drip onto a hot
21 engine and catch on fire.

22 So there was a lot of division of duties

1 and things going on with the descent checklist,
2 emergency checklist, keeping the flight attendants
3 informed and talking to the people. Captain Bode
4 was handling those tasks while I flew the airplane
5 in accordance with the vectors that air traffic
6 control was giving us.

7 Once the engine was secured, we had
8 approximately 1200 pounds in the right tank and
9 about 5500 pounds in the left tank.

10 Q Can I just stop you there for a minute?

11 A Sure.

12 Q When you say "secured," what does that
13 mean?

14 A Shut down. The engine was shut down.

15 Q And I'm sure the panel knows this, but how
16 many engines are there on a 757?

17 A There are two.

18 Q So at this point, how many engines were
19 you flying with?

20 A Just the left engine was operating at that
21 time. The airplane is certified to fly on one,
22 obviously, and it does that. However, Boeing gives

1 the pilots in their handbook a limitation on the
2 fuel imbalance or lateral imbalance between the two
3 tanks, which is 1800 pounds. And at this time we
4 had exceeded that imbalance by more than a factor of
5 three.

6 And the airplane was very heavy on the
7 left wing, and now what we had was left engine only
8 and a left wing that was very heavy.

9 Because previous to the engine being
10 secured, the right hydraulic system had been shut
11 down or had failed, we also lost one spoiler of
12 three spoiler panels on each wing, on the top of the
13 wing. And those panels assist the roll control of
14 the airplane, the banking of the plane. So the roll
15 control was degraded as well.

16 Any one of these things we're trained for,
17 but you start to compound them and there's really no
18 way a person can be trained to handle the compound
19 nature of these. So we had a hydraulic failure,
20 followed by a fuel leak, engine shutdown, emergency
21 descent, the coordination duties, and then this
22 tremendous imbalance between the left and the right

1 wing in the weight. It was made worse because that
2 spoiler, that flight control, was inoperative.

3 The normal FAR that's required of a
4 spoiler, 250 knots at 10,000 feet. We declared
5 emergency, and we're allowed to bypass these in a
6 situation that requires it. So I went at a
7 continued very high rate of speed. So to get close
8 to the airport as fast as possible.

9 About 15 miles away, we were north of the
10 runway, we were going to land to the south. Captain
11 Bode had coordinated with approach control so that
12 the crash and rescue vehicles would be on the same
13 frequency as tower and we could all talk on the same
14 and they could hear us.

15 We had briefed, again, the flight
16 attendants that we were going to come to a stop and
17 that no one should evacuate unless Captain Bode gave
18 the command. His concern was that after we stopped,
19 any residual fuel, with the lack of air flow over
20 that area, might drip down onto the hot tail section
21 of the engine. And if it was still hot, and perhaps
22 catch on fire that way.

1 So we leveled off at 6000 feet, about 15
2 miles north of Charlotte, and started to slow the
3 airplane down, completed our approach checklist, and
4 configured the airplane for a single-engine
5 approach, which I had practiced in the simulator but
6 I had never done for real in any aircraft prior to
7 this.

8 My concern was as I was slowing down, that
9 I had to continue to put in more and more right
10 control input in order to maintain wings level,
11 because there was virtually no fuel in the right
12 wing, it was all in the left side.

13 As we slowed down and configured for a
14 single-engine approach, normally you use up flaps
15 30, which is a high amount of flaps for an approach,
16 but single engine we use flaps 20. In the event
17 that we have to discontinue the landing and go
18 around, there's not as much drag. So now you're on
19 one engine.

20 As we slowed down, to maintain altitude as
21 we continued towards the airport, I had to bring the
22 power up on the left engine. The auto throttles,

1 which we normally use, were inoperative because the
2 right engine was shut down.

3 Also, with the loss of the right hydraulic
4 system, we did not have automatic brakes, we had
5 manual brakes. And most of the time we use
6 automatic brakes, but manual brakes work just fine.
7 It's just another thing to think about when you're
8 coming in.

9 And as I brought the power up, in order to
10 counteract the tendency of the engine to turn the
11 airplane to the right, I had to input a lot of left
12 rudder, and the left wing was very heavy. So I was
13 adding more and more right aileron control, to the
14 point where I didn't have any more right aileron
15 control.

16 Q Could you explain very, very quickly what
17 ailerons are and what they control?

18 A Ailerons are the flight controls towards
19 the wing tips, and they bank the airplane along the
20 longitudinal axis. Coordinated with a rudder, you
21 can coordinate a turn. By themselves they will just
22 roll the airplane. This airplane had a very heavy

1 left wing, and to raise that wing, I had to put a
2 lot of ailerons control in there.

3 The trouble was as the power was on, I had
4 left rudder. It was a term that was happening
5 called cross controls. Lots of left rudder, lots of
6 right aileron. It's an uncomfortable, a
7 drag-contributing configuration for the airplane.
8 Swept wing airplanes have a tendency to stall at the
9 wing tips first. You don't want to get slow in a
10 real bad cross-controlled situation like that.

11 Q What would be the danger of that, if it's
12 stalling?

13 A Well, it would probably roll. It would
14 probably roll over or go into a steep turning dive.
15 Not necessarily a spin, but it's a possibility.

16 So we went from 6000 feet to 4000, picked
17 up the glide path, and we had cross wind of probably
18 18 knots from right to left. So that was blowing us
19 to the left. Normally, we use an aileron, again,
20 the banking of the wing, to maintain our directional
21 center line as we come into the runway. I was just
22 about all the way over at this time. But being on

1 the glide path, I was able to reduce power, and then
2 I didn't need as much rudder input.

3 So we both agreed that because of the
4 nature of the cross controlling, in order to
5 maintain control of the flight, we should fly
6 faster. The 20-degree flap approach is naturally
7 faster, but we added another 10 knots on there. We
8 didn't want to get slow in the situation.

9 Completed our landing checks, came in,
10 landed, stopped. The crash and rescue operation
11 people surrounded the airplane. Captain Bode asked
12 right away whether or not they had any indication of
13 fire. They said no, which -- are you going to
14 evacuate? And he said no and made a public address
15 to have everybody remain seated. They asked us to
16 secure or shut down our left engine, that they
17 wanted to know, again, what we were going to do.

18 So Captain Bode coordinated with the tower
19 and our flight operations people there in Charlotte
20 to bring out an aircraft tug and they were going to
21 tow us back to the gate. He also asked crash and
22 rescue to follow us in, in case they saw anything,

1 and if there was any problem, then we would stop and
2 evacuate the airplane. Fortunately, there was no
3 problem.

4 Q What kind of problems was he still
5 concerned about?

6 A He still thought perhaps this leak,
7 because fire rescue had said it's still leaking
8 fuel, so he asked them to follow us in case it might
9 for some reason catch on fire. We were both fairly
10 sure that having the engine shut down for at least
11 10 minutes and flying at a high rate of speed, that
12 that would have cooled it off quite a bit. It must
13 have done that. So we got towed back in, and as is
14 Delta pilot's custom, when the airplane doors open
15 and people get off, we stand at the doorway and
16 thank them for flying with us.

17 And we had -- I did that, many people were
18 very, very thankful to be there, although it wasn't
19 their destination. People -- the people in the
20 gatehouse had already coordinated with Atlanta to
21 bring another airplane and get the people on their
22 way to Baltimore.

1 MR HERMAN: Thank you, Captain LaBarre.

2 That's all I have on direct.

3 MR. GALLAGHER: We have no questions,

4 Mr. Chairman.

5 MR. BLOCH: Captain, thank you very much.

6 Appreciate your help.

7 (Witness excused.)

8 MR. BLOCH: We then will recess until

9 Monday morning. Let's go off the record for a

10 minute.

11 (Discussion off the record.)

12 (Whereupon, at 3:32 p.m., the hearing was

13 adjourned, to be reconvened at 9:30 a.m., on Monday,

14 March 20, 2006.)

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22

1 C O N T E N T S

2 WITNESS DIRECT CROSS REDIRECT RECROSS

3 TIMOTHY R. COLEMAN

4 by Mr. Span 890

5 by Mr. Simon 897

6 DENNIS J. DOLAN

7 by Mr. Winston 906

8 KIM WELCH

9 by Mr. Winston 947

10 DON WYKOFF

11 by Mr. Winston 1029

12 JOHN LABARRE

13 by Mr. Herman 1092

14 E X H I B I T S

15 NUMBER IDENTIFIED RECEIVED

16 Company Exhibit 92 903

17 Company Exhibit 93 889 903

18 ALPA Exhibit 41 905 905

19 ALPA Exhibit 42 1018 1026

20 ALPA Exhibit 43 1027 1027

21 ALPA Exhibit 44 1043 1048

22 ALPA Exhibit 45 1079