

The Facts about *Brady v. ALPA*

On January 23, 2014, ALPA reached a settlement in the *Brady v. ALPA* case. The settlement agreement is subject to court approval.

This case had been the source of many misunderstandings and misrepresentations. To set the record straight, here are the facts of the case:

- In 2001, Trans World Airlines (TWA) filed for bankruptcy. American Airlines (AMR) agreed to buy certain assets from the airline, as well as to hire certain employees (including most of TWA's pilots). These acquisitions were made when TWA was on the brink of going out of business.
- The TWA pilots, represented by ALPA, had a contract provision that would have required an arbitration process to determine the integrated seniority list (ISL). American management insisted that this right to arbitration be waived as a condition of going ahead with the deal. Also, the AMR pilots, represented by the Allied Pilots Association (APA), and not subject to ALPA Merger Policy, had a provision in their contract which gave them a unilateral right to determine the ISL. TWA had moved under bankruptcy law to void ALPA's TWA contract and was expected to be successful, leaving the TWA pilots with no right to arbitration and little negotiating leverage with which to bargain regarding the ISL. In part as a result of the AMR acquisition of TWA, Congress passed the [McCaskill-Bond Act](#) to set a standard for the ISL process in future acquisitions/mergers.
- The TWA MEC had access to and consulted ALPA's legal team and financial advisors. In addition, the MEC hired a separate team of independent legal and financial advisors to provide advice. Following discussions with all of these resources and the entire pilot group, the MEC voted to waive its right to an arbitration of seniority integration with the American pilots in order to obtain the benefits of the AMR deal. This decision ensured the AMR/TWA transaction would go forward, guaranteeing pilots' jobs while preserving the MEC's ability to negotiate with APA over the ISL.
- Later that year, during the ISL negotiations, the TWA MEC had the opportunity to obtain an ISL deal better than the one that APA ultimately imposed on them, but turned it down.
- Once the acquisition was complete, a number of the MEC members responsible for the decisions to waive their contractual protection and to turn away from the deal APA offered ultimately decided to blame ALPA giving rise to the claims asserted in the Brady case.
- Following the implementation of the APA-imposed seniority list, several former TWA pilots sued ALPA, claiming that ALPA did not throw its full support behind the TWA pilots' efforts to obtain better seniority positions.

- The case has been processed through numerous procedural steps over the past several years. In July 2011 ALPA was found by a jury to have violated its duty of fair representation, but we strongly disagree with this finding and have raised a number of legal and procedural challenges. ALPA believes that its conduct was in keeping with its legal obligations on behalf of the TWA pilot group, and that the contrary finding ultimately would not survive an appeal. The appeal process would be long and costly, and would delay even more the resolution of this matter.
- On January 23, 2014, the parties reached a settlement that we expect will be approved by the court, bringing more than a decade of legal briefings, depositions, and costs to an end. ALPA admitted no fault in connection with the settlement, and we continue to believe that ALPA's actions eventually would have been found to be both legal and proper. The settlement is a pragmatic decision to preserve the long term health of the union.

While the *Brady* case represents an extraordinary set of circumstances, ALPA is not unique in having to defend against such claims. ALPA, like all other unions (international, national, and company-based), encounters litigation from time to time, sometimes by airlines and sometimes by its own members. ALPA through its elected leadership has established a program of protections that ensured its ability to provide representation services unaffected by the unpredictable nature of such litigation. ALPA has never assessed its members to pay for damages arising from litigation, and it will not do so now.

Your union remains vigilant on your behalf and will continue our hard work preserving the integrity of your job and your paycheck.