



REPUBLIC AIR, PILOTS AGREE TO TENTATIVE THREE-YEAR LABOR PACT

News / Airlines



Regional carrier Republic [Airways](#) Holdings Inc., which has been warning for several months that it could be forced to file for bankruptcy-court protection if it can't solve its pressing pilot hiring and retention challenges, on Monday said it reached consensual agreement with its 2,100 pilots on a new three-year contract.

Republic stock jumped 73% Monday on the news to trade at US\$5.04. Its shares plunged to a low of US\$2.12 in late August and have been trading in the US\$3 range since. Republic shares traded at nearly US\$15 a share in February.

The International Brotherhood of Teamsters local that represents the pilots said it would distribute copies of the agreement to its members and hold a series of roadshows before a ratification vote, scheduled to conclude in late October. Terms of the latest deal weren't released. Leadership of the Teamsters local recommended the terms of the new accord to the pilots.

Republic, which flies on behalf of the three largest carriers in the U.S., hasn't been able to meet its schedule for those customers because it is losing so many pilots to other airlines and its recruitment pipeline has dried up because of the low pay in its existing pilot contract, which hasn't been updated in eight years. The Indianapolis-based carrier last month (August) presented its "last, best and final" offer to the pilots. But in spite of some big pay raises, the union declined to put the offer out to a membership vote.

But federal mediators helped break the stalemate, both sides said in a press release Monday. The August offer, which wasn't voted upon, was going to raise pay for new first officers by 70%, lift all first officer pay by an average of 35% and raise captain pay by 11% to 12%, Republic said at the time. It isn't known if the new accord sweetens pilot pay or improves other terms.

Capt. Jim Clark, president of the Teamsters local, said this milestone "is long overdue." The Republic pilots "deserve pay, job security, benefits and work rules that match their leadership position in our industry." Republic is the nation's second-largest regional carrier by passengers, and operates more than 1,200 flights a day with 242 planes.

"This is a positive outcome," said Matt Koscal, Republic's vice president of human resources. If the pilots approve the new contract, that could help Republic in its hiring and could allow it to negotiate from a better position with its major airline customers on how it can meet their schedules.

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