



**NATIONAL MEDIATION BOARD**  
WASHINGTON, DC 20572

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In the Matter of the Application of	47 NMB No. 4
AIRCRAFT MECHANICS FRATERNAL ASSOCIATION	CASE NO. R-7537 (File No. CR-7206)
alleging a representation dispute pursuant to Section 2, Ninth, of the Railway Labor Act, as amended	FINDINGS UPON INVESTIGATION- SINGLE CARRIER DETERMINATION
involving employees of	October 24, 2019
ALASKA AIRLINES, INC. / VIRGIN AMERICA, INC.	

This determination addresses the application filed by the Aircraft Mechanics Fraternal Association (Organization or AMFA). AMFA requests the National Mediation Board (NMB or Board) to investigate whether Alaska Airlines, Inc. (Alaska) and Virgin America, Inc. (Virgin America) (collectively the Carriers or Combined Carrier) are operating as a single transportation system for the craft or class of Mechanics and Related Employees.

The investigation establishes that Alaska and Virgin America constitute a single transportation system.

**PROCEDURAL BACKGROUND**

On December 30, 2016, pursuant to the NMB's Merger Procedures and NMB Representation Manual (Manual) Section 19.3, the Carriers notified the

Board that, on December 14, 2016, Alaska Air Group, Inc. (AAG), parent of Alaska Airlines, Alpine Acquisition Corp. (a wholly owned subsidiary of AAG at the time that has since been dissolved), and Virgin America implemented their April 1, 2016 Agreement and Plan of Merger (Merger Agreement), resulting in “AAG’s acquisition of 100 percent of the outstanding shares of Virgin America.” On August 15, 2019, AMFA filed an application alleging a representation dispute involving the craft or class of Mechanics and Related Employees at the Combined Carrier.

The Board certified AMFA as the representative of the Mechanics and Related Employees craft or class at Alaska (the legacy Alaska Mechanics and Related Employees) on March 30, 1998 in NMB Case No. R-6572. The legacy Virgin America Mechanics and Related Employees are unrepresented.

The Board assigned Norman L. Graber to investigate and requested that the Combined Carrier provide information regarding its operations. The case was reassigned to John S.F. Gross. On September 11, 2019, the Combined Carrier submitted a position statement. AMFA filed a response to the Combined Carrier’s position statement on September 18, 2019.

### **ISSUE**

Is the Combined Carrier operating as a single transportation system?

### **CONTENTIONS**

#### AMFA

AMFA states that the Combined Carrier satisfies the NMB’s requirements for a single transportation system.

#### The Combined Carrier

The Combined Carrier states that it constitutes a single transportation system within the meaning of the Board’s case law.

## **FINDINGS OF LAW**

Determination of the issues in this case is governed by the Railway Labor Act, as amended, 45 U.S.C. § 151, *et seq.* Accordingly, the Board finds as follows:

### I.

The Combined Carrier is a common carrier as defined in 45 U.S.C. § 181, First.

### II.

AMFA is a labor organization and/or representative as defined in 45 U.S.C. § 151, Sixth, and § 152, Ninth.

### III.

45 U.S.C. § 152, Fourth, gives employees subject to its provisions, “the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for purposes of this chapter.”

### IV.

45 U.S.C. § 152, Ninth, provides that the Board has the duty to investigate representation disputes and to designate who may participate as eligible voters in the event an election is required. In determining the choice of the majority of employees, the Board is “authorized to take a secret ballot of the employees involved or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives . . . by the employees without interference, influence, or coercion exercised by the carrier.”

## **STATEMENT OF FACTS**

### Background

As noted above, AMFA is the certified representative of the legacy Alaska Mechanics and Related Employees craft or class. The collective bargaining agreement (CBA) currently in effect between Alaska and AMFA has an amendable

date of October 16, 2023, following ratification of a Transition Agreement by the AMFA membership in July 2019. The CBA makes no provision for a joint collective bargaining agreement (JCBA) in the current circumstances.<sup>1</sup> An integrated seniority list was negotiated by an AMFA-represented committee and a committee representing legacy Virgin America Mechanics and Related Employees, and ratified by both groups in July 2019. It will be implemented upon issuance by the NMB of a single carrier determination and certification of AMFA as representative of the combined group of Mechanics and Related Employees at the Combined Carrier. The legacy Virgin America Mechanics and Related Employees are currently unrepresented.

Since the merger between Alaska and Virgin America, in accordance with the terms of the CBA, the maintenance operations at the Combined Carrier have remained separate, by aircraft type. The legacy Alaska Mechanics and Related Employees service pre-merger Alaska's Boeing aircraft, and the legacy Virgin America Mechanics and Related Employees service Virgin America's pre-merger Airbus aircraft.

#### Common Corporate Ownership

As a result of the implementation of the Merger Agreement, Alaska and Virgin America each became wholly-owned subsidiaries of AAG. Effective July 20, 2018, Virgin America was merged into Alaska, leaving Alaska Airlines, Inc. as the surviving corporate entity. Virgin America no longer exists as a corporation. Alaska remains a wholly-owned subsidiary of AAG, and common shares of AAG are traded on the New York Stock Exchange (NYSE) under the symbol "ALK." Virgin America shares are no longer listed on any exchange or market.

#### Common Board of Directors

The Boards of Directors for AAG and the Combined Carrier have been fully integrated, and are currently comprised of the following members: Bradley D. Tilden, Chairman; Patricia M. Bedient; James A. Beer; Marion C. Blakey; Phyllis J. Campbell; Raymond L. Connor; J. Kenneth Thompson; Kathleen T. Hogan; Susan J. Li; Eric K. Yeaman; Dhiren R. Fonesca; and Helvi K. Sandvik.

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<sup>1</sup> AMFA agrees there is no contractual provision in the CBA that imposes a JCBA, but submits that the CBA includes language addressing the parties' rights and obligations in the event of a contractually defined successorship event.

### Common Management

The Combined Carrier's senior executives and senior management teams have also been fully integrated, and have responsibilities at the Combined Carrier as follows: Bradley D. Tilden, Chief Executive Officer; Ben Minicucci, President and Chief Operating Officer; Brandon Pedersen, Executive Vice President and Chief Financial Officer; Andrew Harrison, Executive Vice President and Chief Commercial Officer; Shane Tackett, Executive Vice President of Planning and Strategy; Constance von Muehlen, Senior Vice President, Maintenance and Engineering; Andy Schneider, Senior Vice President, People; Nathaniel "Nat" Peiper, Senior Vice President, Fleet, Finance and Alliances; Ann Ardizzone, Vice President, Strategic Sourcing and Supply Chain Management; Chris Berry, Vice President, Finance and Controller; Diana Birkett Rakow, Vice President, External Relations; Ron Calvin, Vice President, In-Flight; Annabel Chang, Vice President, Bay Area; Kevin Ger, Vice President, Revenue Management; Charu Jain, Vice President and Chief Information Officer; Shane Jones, Vice President, Airport Real Estate and Development; John Ladner, Vice President, Flight Operations; Kyle Levine, Vice President, Legal, General Counsel; Wayne Newton, Vice President, Airport Operations and Customer Service; David Oppenheim, Vice President, Sales; Todd Sproul, Vice President, System Operations; Max Tidwell, Vice President, Safety and Security; Jenny Wetzell, Vice President, Labor Relations; and Sangita Woerner, Vice President, Marketing.

Seattle, Washington, the location of Alaska's headquarters, serves as the location of the Combined Carrier's headquarters.

### Financial Integration

On December 14, 2016, AAG made its first filing with the Securities and Exchange Commission as parent of both Alaska and Virgin America. AAG's filing, a Form 8-K, included a description of the closing of the merger. For a period of time thereafter, AAG reported operational results on a combined basis for Alaska and Virgin America. With its merger into Alaska Airlines, Inc. in July 2018, Virgin America ceased to exist, including with respect to financial reporting. Today, the Combined Carrier's finances are under the direction of a single officer and reported on a consolidated basis, with Alaska as the single mainline carrier within AAG.

### Centralized Control of Labor Relations

Alaska's Vice President Labor Relations, Jenny Wetzel, has responsibility and direction for all labor relations at the Combined Carrier. According to the Combined Carrier, Sonia Alvarado serves as Director of Labor Relations, Ground, with responsibilities that include the legacy Alaska and legacy Virgin America Mechanics and Related Employee craft or class. Elizabeth Ryan, previously Alaska's Managing Director-Labor Relations, now serves as the Managing Director-Labor Relations, Air, with responsibility for the Pilot and Flight Dispatcher crafts or classes at the Combined Carrier. Carmen Williams serves as Managing Director, Labor Relations, Air, with responsibility for the Flight Attendant craft or class at the Combined Carrier. Bob Hartnett, formerly Alaska's Director-Labor Relations, Ground, now serves as Director, Labor Relations, Ground with responsibility for Clerical, Office, and Passenger Service (COPS) employees, and Ramp and Stores (RSSA) employees at the Combined Carrier.

### Labor Protection Provisions and Interim Agreements for other Employees

On March 13, 2017, the Board issued a decision finding a single transportation system for the craft or class of Flight Attendants at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 25 (2017). The Association of Flight Attendants-CWA (AFA) was the representative of the pre-merger Alaska flight attendants. TWU was the representative of the pre-merger Virgin America flight attendants. AFA and TWU signed a seniority integration protocol confirming that the seniority lists for the two flight attendant groups would be merged in accordance with the AFA Constitution and Bylaws' Merger Policy. On April 18, 2017, the Board certified AFA as the representative of the Flight Attendants craft or class at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 63 (2017). A joint collective bargaining agreement (JCBA) covering the Flight Attendant craft or class at the Combined Carrier is currently in effect, with an amendable date of December 17, 2021.

On April 6, 2017, the Board issued a decision finding a single transportation system for the craft or class of Clerical, Office, Fleet & Passenger Service Employees at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 49 (2017). At that time, the International Association of Machinists and Aerospace Workers (IAM) was the certified representative of the Clerical, Office, Fleet & Passenger Service Employees at Alaska. Alaska and IAM were parties to two collective bargaining agreements governing those employees. The Alaska-IAM COPS CBA became amendable on January 1, 2019, and the Alaska-IAM

RSSA CBA (which covers Fleet Service Employees) became amendable on July 19, 2018. Virgin America had voluntarily recognized IAM as the representative of its employees in positions related to the Clerical, Office, Fleet & Passenger Service Employees crafts or classes. (Virgin America had no employees in positions corresponding to the RSSA craft or class.) On May 8, 2017, the Board certified IAM as the representative of the Clerical, Office, Fleet & Passenger Service Employees craft or class at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 97 (2017). In June 2019, Alaska and the IAM reached agreements in principle on new CBAs covering the COPS and RSSA crafts or classes. Those agreements in principle were developed into formal tentative agreements that were ratified by the IAM membership on August 27, 2019. The new COPS and RSSA CBAs will become amendable on September 27, 2024.

On May 5, 2017, the Board issued a decision finding a single transportation system for the craft or class of Pilots at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 82 (2017). At that time, the Air Line Pilots Association, International (ALPA) was the collective bargaining representative of the pre-merger Alaska pilots under a certification in NMB Case No. R-3548, and the CBA then in effect between Alaska and ALPA had an amendable date of April 1, 2018. ALPA was also the collective bargaining representative of the pre-merger Virgin America pilots under a certification in NMB Case No. R-7430, but had not completed negotiations with Virgin America for an initial CBA. On June 5, 2017, the Board certified ALPA as the representative of the Pilots craft or class at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 152 (2017). ALPA, AAG, Alaska and Virgin America negotiated a Transition and Process Agreement (TPA) that established a negotiation, mediation, and arbitration process to reach a JCBA governing the terms and conditions of employment for the Pilots at the Combined Carrier. That process was concluded, and the resulting JCBA has an amendable date of April 1, 2020. The TPA also provided a timeline and process for integration of the pre-merger Alaska and Virgin America pilot seniority lists in accordance with ALPA's Merger Policy. That process was followed, concluding in an integrated seniority list.

On June 15, 2017, the Board issued a decision finding a single transportation system for the craft or class of Flight Dispatchers at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 165 (2017). The Transport Workers Union of America, AFL-CIO (TWU) was certified on March 11, 1991 as the representative of the pre-merger Alaska Flight Dispatchers pursuant to the Board's certification in NMB Case No. R-6020. The pre-merger Virgin America Flight Dispatchers were unrepresented. On August 24, 2017, the Board certified

TWU as the representative of the Flight Dispatchers craft or class at the Combined Carrier. *Alaska Airlines/Virgin America*, 44 NMB 195 (2017). A JCBA covering the Flight Dispatchers craft or class at the Combined Carrier is currently in effect, with an amendable date of March 24, 2021.

#### Common Personnel Policies and Employee Communications

Alaska's Senior Vice President of People, Andy Schneider, has responsibility for all human resources functions at the Combined Carrier. The Combined Carrier has completed its process of harmonizing Alaska's and Virgin America's respective personnel policies and procedures, and all employees of the Combined Carrier are now subject to Alaska's People Policies.

In addition, the Combined Carrier has implemented common personnel policies and practices in the following areas: personnel and payroll systems (both systems were fully integrated in December 2017), employee identification numbers (all legacy Virgin America employees have been assigned an Alaska employee number), employee intranet and newsletter (Alaska's intranet system, [www.alaskaworld.com](http://www.alaskaworld.com), is the intranet resource for all employees of the Combined Carrier, and its newsletter is available to all employees of the Combined Carrier), employee calendars and email (all employees of the Combined Carrier have been integrated into Alaska's electronic directory, and communications and email systems), employee travel (the travel program for all employees of the Combined Carrier has been fully integrated, and all legacy Virgin America employees have been transitioned to Alaska's employee travel program), incentive rewards programs (all legacy Virgin America employees participate in AAG's Performance Based Pay plan and in Alaska's Operational Performance Rewards plan), and benefits (in 2018, all employees of the Combined Carrier participated in a single enrollment period for health and welfare benefits coverage).

#### FAA Operating Certificate and Operations

On January 11, 2018, the Combined Carrier obtained its single operating certificate from the FAA. Since that time, Flight Operations of the Combined Carrier have been fully integrated, and routes and flight schedules have been fully combined.



### Holding out to the Public

The Combined Carrier is held out to the public only as “Alaska Airlines.” Its operations have reached a level of near complete integration, there exists only a “Alaska Airlines” marketing platform, and, as of early 2019, use of the legacy Virgin America brand by Alaska has ceased.

As of December 31, 2017, all legacy Virgin America frequent flyer accounts were shut down, and no points could be earned or redeemed after that date. In early 2018, Alaska fully combined the two frequent flyer programs into Alaska’s program, and since that time all participants earn and redeem miles in that program only.

In addition, the Combined Carrier’s reservations call centers and systems have been fully integrated, providing for one reservations system, one website, and one inventory of flights for customers; gates have been co-located; customers access and print their boarding passes for flights only from Alaska’s website or airport kiosks; and boarding announcements have been combined and changed to announcements used only by Alaska. Alignment has also been achieved in areas such as boarding processes, inflight announcements and wireless access, and access to club lounges.

### Brand Elements and Livery

In March 2017, the Combined Carrier announced it would operate under the Alaska brand name, and that the Virgin America name would likely retire sometime in 2019. Beginning in January 2018, Alaska began the process of eliminating the legacy Virgin America livery from its fleet. As of June 2019, all legacy Virgin America aircraft in the Combined Carrier's fleet have been rebranded with the Alaska livery.

As discussed above, by Spring 2019, use of the legacy Virgin America brand had ceased. The Combined Carrier uses only a “Alaska Airlines” marketing platform, and continues to market itself as the “West Coast’s Premier Carrier.”

### Standardized Uniforms

All Alaska and legacy Virgin America employees wear Alaska uniforms. Prior to the merger announcement, Alaska was in the process of redesigning its

employee uniforms. Once the design is complete, all Alaska and legacy Virgin America employees will wear the new Alaska uniforms.

## **DISCUSSION**

### I.

#### The Board's Authority

45 U.S.C. § 152, Ninth, authorizes the Board to investigate disputes arising among a carrier's employees over representation and to certify the duly authorized representative of such employees. The Board has exclusive jurisdiction over representation questions under the RLA. *General Comm. of Adjustment v. M.K.T. R.R.*, 320 U.S. 323 (1943); *Switchmen's Union of N. Am. v. NMB*, 320 U.S. 297 (1943). In *ALPA v. Texas Int'l Airlines*, 656 F.2d 16, 22 (2d Cir. 1981), the court stated, "the NMB is empowered to . . . decide representation disputes arising out of corporate restructurings."

### II.

#### Single Transportation System

Manual Section 19.4 provides that: "Any organization or individual may file an application, supported by evidence of representation or a showing of interest . . . seeking a determination whether a single system of transportation exists."

In *Trans World Airlines/Ozark Airlines*, the Board cited the following indicia of a single transportation system:

[W]hether a combined schedule is published; how the carrier advertises its services; whether reservation systems are combined; whether tickets are issued on one carrier's stock; if signs, logos and other publicly visible indicia have been changed to indicate only one carrier's existence; whether personnel with public contact were held out as employees of one carrier; and whether the process of repainting planes and other equipment, to eliminate indications of separate existence, has been progressed.

Other factors investigated by the Board seek to determine if the carriers have combined their operations from a managerial and labor relations perspective. Here, the Board investigates whether labor relations and personnel functions are handled by one carrier; whether there are a common management, common corporate officers and interlocking Boards of Directors; whether there is a combined workforce; and whether separate identities are maintained for corporate and other purposes.

14 NMB 218, 236 (1987).

The Board finds a single transportation system only when there is substantial integration of operations, financial control, and labor and personnel functions. *Southwest Airlines/AirTran Airways*, 43 NMB 120 (2016); *Delta Air Lines/Northwest Airlines*, 36 NMB 36 (2009); *Burlington N. Santa Fe Ry. Co.*, 32 NMB 163 (2005); *Huron & E. Ry. Co., Inc.*, 31 NMB 450 (2004). Further, the Board has noted that a substantial degree of overlapping ownership, senior management, and boards of directors is critical to finding a single transportation system. *Precision Valley Aviation, Inc., d/b/a Precision Airlines & Valley Flying Serv., Inc., d/b/a Northeast Express Reg'l Airlines*, 20 NMB 619 (1993).

The Board has already found that Alaska and Virgin America are a single transportation system with regard to the Flight Attendants craft or class; the Clerical, Office, Fleet & Passenger Service Employees craft or class; the Pilots craft or class; and the Flight Dispatchers craft or class. *Alaska Airlines/Virgin America*, 44 NMB 25 (2017); *Alaska Airlines/Virgin America*, 44 NMB 49 (2017); *Alaska Airlines/Virgin America*, 44 NMB 82 (2017); *Alaska Airlines/Virgin America*, 44 NMB 165 (2017). Since those decisions, the Combined Carrier has obtained a single operating certificate from the FAA, Virgin America has ceased to exist as a carrier or corporate entity, and the Combined Carrier has achieved complete integration in nearly all aspects of its operations. There is no reason not to find a single transportation system for the employees at issue in this case.

The Combined Carrier (operating as Alaska Airlines) is a wholly-owned subsidiary of AAG. Virgin America no longer exists as a carrier or corporate entity. Bradley D. Tilden serves as Chairman of the AAG and Combined Carrier Boards of Directors. The Combined Carrier has common management, including its CEO, CFO, Treasurer, Corporate Secretary and numerous Vice Presidents. The finances of the Combined Carrier have been fully integrated, are under the direction of a single officer, and are reported on a consolidated basis. Virgin America no longer exists as a corporation, including with respect to financial

reporting. Labor relations at the Combined Carrier is under the direction of a single executive and under the control of a single management group. Notably, with the exception of the Mechanics and Related Employees craft or class, JCBAs and seniority integration agreements (or new CBAs) have been implemented for all of the Combined Carrier's other represented employees. As for the Mechanics and Related employees, a seniority integration agreement has been reached, and is awaiting implementation. In addition, personnel and human resources functions have been consolidated under the direction of a single Senior Vice President, and policies, procedures, and systems have been aligned and integrated.

The Combined Carrier has assigned a lifetime Alaska employee number to all legacy Virgin America employees, created a common employee directory, provided all legacy Virgin America employees with Alaska employee badges, made the Alaska newsletter application available to all legacy Virgin America employees, and aligned employee travel programs and privileges.

The Combined Carrier received a single operating certificate from the FAA in January of 2018, and has since fully integrated all routes, schedules, and flight and in-flight operations. All customer operations have also been fully integrated, including reservations call centers and frequent flyer programs. The Combined Carrier has also co-located gates, ticket counters, and offices at airports where Alaska and Virgin America had separate operations. The Combined Carrier markets itself only as "Alaska Airlines," all legacy Virgin America aircraft have been rebranded in Alaska livery, and all other vestiges of the Virgin America brand have ceased to exist.

Based upon the application of the principles to the facts established by the investigation, the Board finds that the Combined Carrier is a single transportation system for representation purposes in the Mechanics and Related Employees craft or class.

## **CONCLUSION**

The Board finds that the Combined Carrier is operating as a single transportation system for representation purposes under the RLA. Accordingly, AMFA's application in File No. CR-7206 is converted to NMB Case No. R-7537. Pursuant to Manual Section 19.6, the investigation will proceed to address the representation of this craft or class. Any Intervenor has 30 days from the date of this determination to file an application supported by a showing of interest of

at least 50 percent of the single transportation system in accordance with Manual Sections 19.601 and 19.603. The participants are reminded that under Manual Section 19.7, existing certifications remain in effect until the Board issues a new certification or dismissal.

By direction of the NATIONAL MEDIATION BOARD.

A handwritten signature in black ink that reads "Mary L. Johnson". The signature is written in a cursive, flowing style.

Mary L. Johnson  
General Counsel