

JetBlue Pilot Vote Ends Run as Biggest Nonunion Airline

By Mary Schlangensteen and Michael Sasso Apr 22, 2014 5:27 PM ET

[JetBlue Airways Corp. \(JBLU\)](#) pilots voted to join the Air Line Pilots Association, ending the carrier's status as the biggest U.S. airline without a union and erasing a gain in the stock.

Collective bargaining may bring higher costs as New York-based JetBlue negotiates pay rates and work rules to cover all its pilots. Now the fifth-largest U.S. carrier, JetBlue began flying in 2000 and has long cast itself as a model of labor relations in an industry known for discord.



Photographer: Craig Warga/Bloomberg

At least 50 percent of JetBlue Airways Corp.'s

ALPA won the support of more than 70 percent of eligible pilots, according to the union. Once the National Mediation Board authorizes the group as the pilots' representative, JetBlue and the union will organize committees to craft a contract, Chief Executive Officer Dave Barger said.

JetBlue's culture will "no doubt" change as management and the pilots adapt to having a union, said [Jerry Glass](#), a former US Airways human resources executive who now runs consultant F&H Solutions Group in [Washington](#). Reaching a contract agreement may take two to three years, he said.

While unionized pilots or mechanics at small carriers often seek compensation equaling those of peers at major airlines, those demands will have to be tempered, Glass said. American Airlines Group Inc., United Continental Holdings Inc. and Delta Air Lines Inc. are each about five times larger than JetBlue by traffic.

"If their expectations are that you pay me exactly what they pay Delta and American and United, you need to look at other factors," Glass said.

Stock Drops

JetBlue [fell](#) 1.9 percent to \$8.59 at the close in [New York](#). The shares rose as much as 2.1 percent earlier, then tumbled after Washington-based ALPA commented on the balloting.

In addition to seeking a negotiated contract, the JetBlue employees wanted to join other ALPA pilots in lobbying the government on industry issues, union President Lee Moak said on a conference call. The union represents almost 50,000 pilots at 31 airlines in the U.S. and [Canada](#).

“If you’re not at the table, you’re probably on the menu,” Moak said. “They decided to organize so they were at the table.”

While the vote may disappoint JetBlue’s executives, who often refer to the value of their “direct relationship” with employees, it shouldn’t significantly affect profits, shareholders or airline policies, said [Kevin Crissey](#), who runs Skyline Research LLC in Mahwah, [New Jersey](#).

No Leverage

“It doesn’t seem like they’ve used the lack of a union against the pilots,” Crissey said.

The airline said today it has 2,529 pilots, while ALPA said the total was more than 2,600.

The representation election was the third such vote by JetBlue pilots, who turned down the creation of an independent bargaining unit in 2009 and again in 2011. The International Association of Machinists and Aerospace Workers couldn’t muster enough support in 2006 to organize baggage handlers.

“JetBlue pilots have voted for ALPA representation so that we have the ability to improve our professional careers,” said Gustavo Rivera and Rocky Durham, co-chairmen of the organizing committee at the airline. “We also want to work with management to ensure we continue to contribute positively to JetBlue’s success.”

At least 50 percent of JetBlue’s pilots had to support the union before the [National Mediation Board](#) agreed to set the election.

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