



OTE FOR ALPA

What Is the Major Contingency Fund and How Is It Used by ALPA Members?

The Major Contingency Fund (MCF) provides financial resources to ALPA pilot groups during advanced stages of negotiations and strikes. It helps to pay for major communications initiatives such as Family Awareness, Strike Preparation, and Pilot-to-Pilot®* activities.

MCF funds supplement normal MEC income, providing the “crisis financing” ALPA pilot groups need to sustain their activities. The MCF was created in 1985 at a special meeting of ALPA’s Board of Directors following the United pilots’ strike “to build the financial strength and resources of ALPA to provide the strongest and most effective union . . . on matters of urgent concern to the membership.” Airline managements know that more than \$86 million is available to ALPA groups—large or small—giving added meaning to ALPA’s strategy of “Strength From Within.”

The cost of contract negotiations, including necessary communications initiatives, can be significant. For example, during 1998 alone, the negotiations and strike at Northwest cost in excess of \$20 million, including \$5 million from the MCF. More resources were available to the Northwest pilots if needed. During 2005 and 2006, the Mesaba MEC spent nearly \$3.5 million for its negotiations, bankruptcy litigation, and strategic communications programs, including \$2.3 million from the MCF. Total cost of ALPA’s efforts to defend the Mesaba pilots, including staff time, easily exceeded \$5 million.

In the past five years alone, more than \$30 million was authorized for use by ALPA’s pilots, with more than \$14 million to pilots of express carriers.

*Information provided by:
ALPA’s Finance Department*