



Highlights of [GAO-03-652](#), a report to the Chairman, Committee on Commerce, Science, and Transportation, U.S. Senate

### Why GAO Did This Study

Labor negotiations in the airline industry fall under the Railway Labor Act. Under this act, airline labor contracts do not expire, but instead, become amendable. To help labor and management reach agreement before a strike occurs, the act also provides a process—including possible intervention by the President—that is designed to reduce the incidence of strikes. Despite these provisions, negotiations between airlines and their unions have sometimes been contentious, and strikes have occurred.

Because air transportation is such a vital link in the nation's economic infrastructure, a strike at a major U.S. airline may exert a significant economic impact on affected communities. Additionally, if an airline's labor and management were to engage in contentious and prolonged negotiations, the airline's operations—and customer service—could suffer.

GAO was asked to examine trends in airline labor negotiations in the 25 years since the industry was deregulated in 1978, the impact of airline strikes on communities, and the impact of lengthy contract negotiations and nonstrike work actions (such as "sickouts") on passengers.

[www.gao.gov/cgi-bin/getrpt?GAO-03-652](http://www.gao.gov/cgi-bin/getrpt?GAO-03-652).

To view the full product, including the scope and methodology, click on the link above. For more information, contact JayEtta Z. Hecker at (202) 512-2834 or [HeckerJ@gao.gov](mailto:HeckerJ@gao.gov).

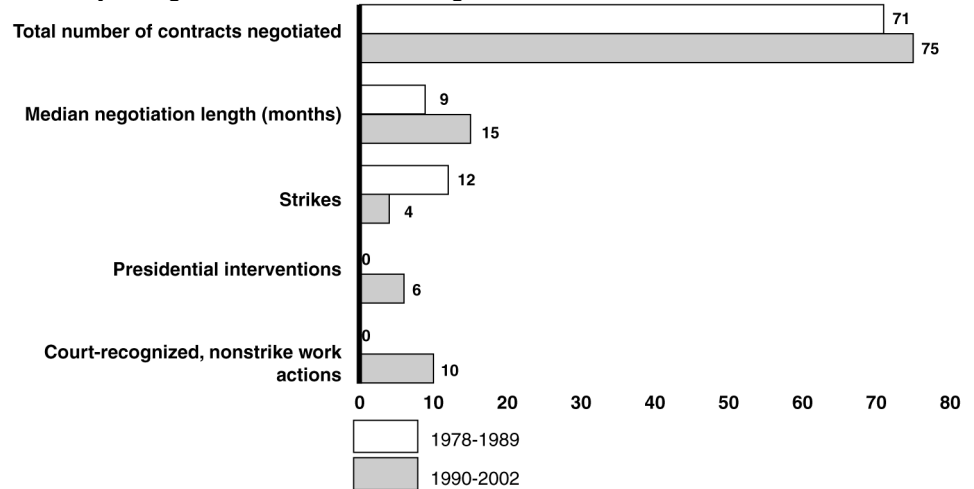
## AIRLINE LABOR RELATIONS

### Information on Trends and Impact of Labor Actions

#### What GAO Found

Since the airline industry was deregulated in 1978, the average length of negotiations has increased, strikes have declined, and nonstrike work actions (e.g., sickouts) have increased. After 1990, the median length of time needed for labor and management at U.S. major airlines to reach agreement on contracts increased from 9 to 15 months. Of the 16 strikes that occurred at those airlines since 1978, 12 occurred prior to 1990, and 4 occurred subsequently. All ten court-recognized, nonstrike work actions and all six presidential interventions occurred since 1993.

Summary of Negotiation Trends Since Deregulation



Sources: GAO analysis of airline, union, and NMB data.

Airline strikes have had obvious negative impacts on communities, including lost income for striking and laid off workers, disrupted travel plans, and decreased spending by travelers and the struck airline. However, such impacts have yet to be thoroughly and systematically analyzed. The potential net impacts of a strike on a community would depend on a number of factors, such as availability of service from competing (nonstriking) airlines and the length of the strike. For example, of two recent strikes, one lasted 15 days and one lasted 24 minutes.

GAO's analysis indicates that passenger service has been affected more adversely by nonstrike work actions than by an increase in the length of negotiations. Generally, but not always, as negotiation periods increased, there has been a slight decline in on-time flights. However, the impact of these negotiations has been unclear because the decline may also have been affected by other factors such as poor weather. By comparison, the 10 court-recognized, nonstrike work actions more clearly resulted in negative impacts on passengers, as shown through such measures as a decrease in the number of on-time flights, an increase in the number of flight problem complaints, and a decrease in passenger traffic.