



FROM THE COCKPIT: *Pilot Insights into AAWW, ABX Air Operations*

Atlas Air Worldwide Holdings (AAWW) and Air Transport Services Group (ATSG) are prominent players in the air cargo industry, delivering hundreds of thousands of goods across the world every day. AAWW's subsidiaries--Atlas Air and Southern Air —and ATSG subsidiary ABX Air do the majority of flying for German-owned logistics giant DHL. The carriers are also contracted to operate planes for Amazon Air; AAWW is on schedule to fly 60 planes for Amazon Air and ATSG is on track to fly 50 planes.

But pilots at AAWW and ATSG say years-long delays in contract negotiations and a looming global [pilot shortage](#) have driven significant staffing issues at the companies that negatively impact their ability to do their jobs. Pilots are raising concerns about these staffing challenges and believe that customers and investors should have the facts about AAWW and ATSG's operations.

Below is an outline of some of the most pressing issues at the two carriers. The data is generated by the pilots' union and based on membership information, information collected by pilots at ABX Air, Atlas Air and Southern Air and publicly available data released by the carriers.

STAFFING

For years, pilots at Atlas Air, Southern Air and ABX Air have been calling on their carriers to agree to a contract that boosts pay and benefits, defines a viable future to retain and attract pilots, and invests in training facilities and more. Pilots say that with substandard contracts, policies that push out experienced pilots and unfair working conditions, it is unclear how the carriers plan to attract and retain pilots.

Attrition and retention

At both AAWW and ATSG, attrition and retention problems are top-of-mind for pilots and executives alike.

At the beginning of 2018, Atlas Air announced that it needed to add 200 pilots to its existing pilot pool to account for expanding business. But the carrier's workplace conditions have made this goal unattainable. In 2018, Atlas Air hired 327 new pilots but lost approximately 182 and despite not reaching its goal of adding 200 pilots, Atlas Air continued to overextend its operation. The amount of wasted resources and expense to train so many pilots at no benefit to the company has distracted and drained an already stressed company. Atlas Air pilots also report that in each new class, there are a significant number of no-shows, pilots who were set to be trained but didn't show up because they found work elsewhere.

AAWW'S Southern Air has some of the most grueling work conditions in the industry which include weeks long trips across the globe. In 2018, Southern hired 37 new pilots but lost 46, ending the year in an even worse place than it began. Pilots at Southern Air previously flew exclusively for DHL, but with the addition of Boeing-737 to the Amazon Air fleet, Southern Air will now expand its customer base. This means Southern Air lost nine pilots overall in 2018 despite committing to fly an additional 20 planes for Amazon Air in the coming years.



Meanwhile, ABX Air is struggling to find high quality applicants to fill the high number of vacant jobs left open due to retirements and pilots leaving the airline. In 2018, the company lost 42 pilots.

Pay and benefits

Pilots say attrition and retention problems are exacerbated by the fact that competitors such as UPS and FedEx offer significantly better pay and benefits. A November 2018 survey of ABX Air, Atlas Air and Southern Air pilots showed that over 60 percent of respondents were seeking better opportunities at other carriers.

At AAWW and ABX Air, pilots are paid [on average 33 percent](#) behind UPS and FedEx pay. AAWW has only 35 percent deadhead pay, compared to most airline carriers which have 100 percent (deadheading is the practice of transporting company staff so that they can be in the right place to begin their duties). Vacation days are also substandard. AAWW's vacation days plateau at 21 days after 6 years of service, while most competitive airline pilots see an increase to 28+ after 15 years.

OPERATIONAL PROBLEMS

The escalating attrition and retention problems continue to stress the airlines' operations. With an increase in delays, scheduling issues and incidents, pilots believe long-term success for the carriers--including in their partnerships with Amazon and DHL--could be at risk.

Delays

With a dwindling pool of pilots, delays at both airlines have been on the rise.

According to the company's own data, prolonged delays across Atlas Air flights have increased by 70 percent since December 2016.

In the annual survey taken by pilots last November, 65 percent of respondents from Atlas Air and ABX Air said they have little faith that their carrier has enough pilots to meet the long-term needs of Amazon and its Amazon Air program.

Scheduling

Plane delays create a ripple effect--impacting the planes and staff that follow.

AAWW's chaotic scheduling practices have led to grueling hours for Atlas Air pilots, with some flying as many as 20 days a month around the globe. Countless Atlas Air pilots have been asked to fly on their off days, reaching a record 257 uncovered trips in March 2019.

Citing contract violations and forced overtime due to short-staffing, ATSG management gave ABX Air pilots no alternative but to go on strike to protect their contract in November 2016. ABX pilots are also subject to scheduling violations and pay discrepancies that cause pilots to file countless grievances to get paid properly which can take years to resolve.



Incidents

The staffing, delays, and scheduling issues have culminated in recent years to create an increase in the number of incidents that have caused disruption in these carriers' operations and raised safety concerns.

Breakdowns in AAWW's operations have worsened, as some pilots have been left without overnight lodging or transportation between their destinations.

Pilots have been pressured to fly without the basic human necessities on their planes, such as operable toilets on long intercontinental flights, toilet paper or food for the flight crews.

Contract Negotiations

ABX pilots have been in negotiations for an amended contract for over five years. In current negotiations ABX management has proposed to eliminate work rules that will negatively impact pilot pay.

Atlas Air pilots are working a substandard, seven-year-old contract that was imposed on them by an arbitrator. Atlas Air pilots have been in negotiations for an amended contract for more than three years.

Southern Air pilots have been working under a contract that was forced upon them in 2012, while Southern was in bankruptcy. In August 2018, the pilots ratified a Letter of Agreement (LOA) that raises some standards at Southern Air to be on par with those of pilots at AAWW-owned Atlas Air. Southern Air pilots also have been in negotiations for an amended contract for more than three years.