

Dots on a Map Podcast

“Let’s Talk About RJs”

Episode 4 Show Notes

Episodes 1-3 Recap

- Episode 1, “*Access. Revenue. Influence. Delta’s Partnerships Explained*,” shared a basic overview of scope, JVs and how they impact Delta pilots
- Episode 2, “*JV Negotiations Explained*,” featured a conversation on the current state of JV negotiations with the Company, focusing on the Aeroméxico JV, and why these negotiations are different than past negotiations
- Episode 3, “*Blue Skies on the Horizon?*” discussed the multi-airline joint venture referred to as “Blue Skies” involving Air France/KLM, Virgin Atlantic and Delta

Updates

- Since we discussed the Aeroméxico JV in episode 3 Delta passed the one-year anniversary of this joint venture – *Feliz Anniversario!*
- In that year we’ve seen a good balance of growth, yet we have no agreement
- While this is good news so far and Company rhetoric is emphasizing “Delta’s future is global” and “equitable growth,” we need to codify these terms in the PWA

Let’s Talk About RJs

- Welcome today’s guest speaker, Captain Evan Baach who works with the Communications Committee and flew for SkyWest for eight years
- It says Delta on that jet, but who’s flying it?
- Delta currently operates 459 regional jets flown by an array of DCI carriers, and has the following limitations:
 - 135 50-seat CRJs (max allowed with 222 76 seat jets)
 - 102 70-seat CRJs (max allowed)
 - 222 76-seat CRJs (223 max allowed by contract, but adding that additional jet triggers a mandatory reduction of 50-seat RJs to 125 on the subsequent January 1)

CRJ Time Machine

- In the 1990s, regional jets took off, redefining stage length and speed for feeder carriers
- The new 50-seat RJs, from management’s perspective, were a new tool on traditional turboprop routes; allowing frequency in smaller cities to feed into larger hubs - Legacy airline execs committed vast resources to them
- Several major airlines, including Delta, purchased stakes in regional carriers or purchased them outright as wholly-owned subsidiaries
- Over the years, at various times, Delta has owned Comair, then the largest regional airline, ASA, and today Endeavor
- NWA had owned Compass, Mesaba and Pinnacle
- In April 2000, Delta made the single largest aircraft order in history to this day: 500 RJs
- Shortly after this purchase, 9/11 happened and the industry changed; pilots were furloughed and experienced a whipsaw effect as RJs were added to the fleet, expanding DCI operations
- C2K included provisions for 70-seat RJs, and **LOA #51** allowed for 200 76-seat RJs (which was later adjusted to 223 in C2012)

Where Are We Now?

- The 50-seat product is in decline; passengers don’t like them on longer stage lengths
- The ‘mainline’ style RJ product – with multiple fare classes, onboard wifi, etc – is doing well

- Delta purchased 20 new CRJ-900s with a 70-seat configuration [[Airways Magazine](#)]
- Delta Connection will operate new 70 seat E-175SCs to be operated by Skywest [[4-Traders](#)]
- Regional fleets, however, are also governed by other PWA limitations:
 - 85% of flights must average stage length <900 statute miles
 - 90% of flying must be “hub/large city” flying
 - 6% or less can be hub-to-hub flying
 - Max takeoff weight limitations
- More large RJs!
 - Industry influencers and decision makers are publicly discussing moves to larger aircraft, including the United CEO, the Mitsubishi US CEO and investment writers [[Motley Fool](#) | [Skift](#) | [AIN Online](#) | [Flight Global](#)]
 - We believe management will seek latitude for more large RJs in Section 6
- Is it time to revisit the business case of the large RJ flying?
- The 324 51+ seat regional jets Delta operates represent more than 2,300 potential Delta pilot jobs; it’s a mainline product and should be flown by a mainline pilot

What You Can Do

- Stay informed; attend LEC/MEC meetings, let your reps know that outsourcing more Delta flying is not ok with you; make your voice heard

On the next episode of “Dots on a Map,” we’ll discuss what the history of the RJ flying can teach us about JV negotiations – stay tuned! To listen, search “Dots on a Map” in your podcast app or, if you’re on an iPhone, follow this link from a mobile device. Dots on a Map is a Delta MEC podcast series about scope topics. Every episode is also available on [DALscope.org](#).