

Change In Aviation Labor Law

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Part 1

Significant Union Bargaining Between 1978 and 2009 in Aviation Industry

Year	Events
1978	The Airline Deregulation Act was passed by Congress. The purpose of the bill was to promote competition in the aviation industry as well as eliminate monopolies in the aviation industry (Williams, 2017). Thus, the bill lowered airline prices, which increased the number of passengers in aviation.
1979	Jet fuel increased by 88%. This affected the aviation industry since the companies had already lowered the transport charges.
1980	Higher fuel prices caused companies in the aviation industry to lose. This led to a continuation of labor strife that started after the Deregulation Act (Williams, 2017).
1981	Professional Air Traffic Controllers Organization (PATCO) announced a strike. The PATCO demanded that employees' wages be increased and demanded shorter working hours (Williams, 2017). The striking air traffic controllers were fired by President Reagan. Also, the striking members were banned from being hired again. The Federal Aviation Administration (FAA) instructed all airline companies to reduce their flights by one-third.
1982	Braniff Airlines filed for bankruptcy and stopped a regulation. Also, the Braniff. Air Lines acquired Braniff Airlines' South American routes; Braniff filed for bankruptcy and ceased operations.
1985	Southwest buys the financially struggling Muse Air. Musa Air was bought by Southwest Airlines.

1986	Northwest Airlines merged with Republic Air. The government's Justice Department opposed the merger of these two countries. The merger of these to carry led to the formation of Northwest Airlines. In the same year, TWA Airlines merged with Ozark (Williams, 2017). The merger of these two led to the creation of the sixth-largest commercial air carrier.
1987	NATCA is certified as the only bargaining authority for air traffic controllers by the Federal Aviation Agency, which led to the disbandment of the PATCO. NATCA is certified as the sole bargaining unit for air traffic controllers employed by the FAA. Also, in the same year, Frontier, People Express, and New York Air merged together to form Continental Airways. Moreover, the delta corporations merged with Western Airlines. The merger of these two countries was rejected by the Supreme Court but later allowed the merger.
1988	US Air purchased PSA
1990	American Airlines acquires Eastern Airlines routes.
1991	Eastern Air Lines ceased its operations, and the airline shut down.
	Pan Am Airlines closed its operations.
1993	Southwest Airlines bought Morris Airlines. The same year, President Clinton changed President Reagan's stance of prohibiting re-hiring the traffic controllers who participated in the strike
1997	Valujet Airways merges with AirWays Corp. and becomes AirTran Airways
1999	American Airways purchased Reno Airways. Reno Airways was struggling before its sale.
2001	American Airways bought TWA Airlines.
2005	US Airways merged with the American West Airlines
2008	Delta Airlines merged with Northwest to form a strong company.

Part 2

Stages the Air Transport Sector has gone through in the Deregulation Era

Since the deregulation act, air transport has gone through some stages. In a deregulated environment, the government has no control over business entry and prices in the aviation industries. Since the deregulation era was introduced in 1978, the aviation industry has gone through expansion, consolidation, concentration, and globalization stages.

After the introduction of the deregulation act, the government increased competition in the aviation industry. Thus, it eliminated price control and market entry and exit control. Therefore, this act opened the door for companies to join the aviation industry, which in turn increased competition in the industry. The deregulation led to the expansion of the aviation industry as more airline companies joined this market. Thus, the first stage is expansion. The expansion of the aviation industry led the labor union to demand wage increments and shorter working hours.

Deregulation allowed more companies to join the aviation industry. This led to high competition in the industry as the new companies charged fares at lower prices, causing the big companies to reduce their prices (Goetz & Sutton, 2017). Due to high competition and high prices of jet fuel, the companies in the industry experienced difficulties and managed low profits. Some companies like Braniff became bankrupt (Goetz & Sutton, 2017). To avoid being outset from the industry, companies started merging. This led to consolidation in the aviation industry. Thus, the second stage is consolidation. The consolidation led to the formation of the labor union that addressed the need for air control traffic workers.

As the market consolidated and the companies merged, the companies concentrated their business focus on a certain geographical area. Thus, the third stage of the deregulation era was concentration. Companies concentrate their strategies on certain markets. This concentration helped the companies to remain competitive in the market. The concentration led to labor unions' demand for more employees in the industry (Goetz & Sutton, 2017).

The last stage that the aviation industry has gone through since deregulation is globalization. After there was a high concentration of companies in the aviation industry operating within the United States, the companies started looking to expand their services to the international market. Thus, the companies started offering international destination flights. Thus, high competition in the industry that was brought by deregulation led to globalization.

References

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