

COMMUNICATIONS WORKERS OF AMERICA

DISTRICT 2-13

1370 Washington Pike • Suite 407 • Bridgeville, PA 15017
Phone: 412-221-2525 • Fax: 412-221-4422



March 22, 2018

Piedmont Airlines
Michelle Foose, Vice President Human Resources
1000 Rosedale Ave.
Middletown, Pa., 17057-4834

Information Request

Dear Ms. Foose:

We write to request information.

As you know, the Tax Cuts and Jobs Act was enacted last year with the promise that the permanent tax cuts for corporations would raise wages and prevent the offshoring of jobs. President Trump promised that the decrease in the statutory corporate tax rate will “give the typical American household a \$4,000 pay raise.”¹ His Council for Economic Advisors reported that this permanent \$4,000 raise is a conservative number and that the raise may be as high as \$9,000.² These numbers were repeated by members of Congress throughout the legislative process on this bill.³ Job promises were also made to pass the bill. Speaker Ryan asserted that the bill “prevents American jobs, headquarters, and research from moving overseas.”⁴

These statements set forth a clear legislative intent for the Tax Cuts and Jobs Act: the corporate tax cut is supposed to trickle down to workers’ paychecks and bring jobs back to the United States. Per the bill’s proponents, enriching executives and shareholders is not the bill’s purpose.

Your lobbyists have also applauded the tax legislation, stating it “will spur a new era of job growth and economic development.”⁵

We should work together to effectuate these intents. Raising workers’ pay and stopping the offshoring of jobs are central concerns of our union and the employees we represent, and we are deeply concerned that these promises will be forgotten unless we bargain to implement

¹ <http://www.breitbart.com/big-government/2017/10/11/donald-trump-tax-reform-likely-gives-typical-american-household-4000-pay-raise/>

² <https://www.whitehouse.gov/the-press-office/2017/10/16/cea-report-corporate-tax-reform-and-wages-%E2%80%93-theory-and-evidence>

³ See, e.g., 163 Cong. Rec. S7873, H8244, S7518-19, S7535, S6990, S6443 (2017); Speaker Ryan Press Office, “New Report: Tax Reform Will Raise Wages by \$4,000 on Average,” (October 16, 2017), available at <https://www.speaker.gov/general/new-report-tax-reform-will-raise-wages-least-4000-average>.

⁴ <https://www.speaker.gov/general/policy-highlights-tax-cuts-and-jobs-act>

⁵ <https://www.businesswire.com/news/home/20171220006024/en/Airlines-America-Applauds-Historic-Tax-Reforms>

them. American Airlines gave out \$1,000 in bonuses shortly after President Trump signed the Tax Cuts and Jobs Act. One-time bonuses are no substitute for the promised \$4,000 permanent income boost.

In preparation for such bargaining, to ensure the tax cut raises wages and stops the outsourcing and offshoring of jobs, we need to understand the total benefit from the tax legislation inuring to American Airlines in general and Piedmont Airlines in particular; the extent to which that benefit is reserved or not to increase workers' wages, create jobs, or bring jobs back to the United States; and the extent to which that money has already been diverted or is planned to be diverted to anything other than raising wages or increasing employment for American workers, particularly those within our represented bargaining units. We therefore request the following information, relevant to all of the foregoing:

1. To Understand Where this Tax Money Is, How Much It Is, and Where It Is Going

- a. Please provide the estimated gains to Piedmont Airlines and its subsidiaries and affiliates from the Tax Cuts and Jobs Act over each of the next five years.
- b. Please provide the amount of planned capital investment in the United States over each of the next five years, and any documentation showing the extent to which this planned capital investment has changed since passage of the Tax Cuts and Jobs Act. Please provide the same for any planned capital investment outside of the United States.
- c. Please provide a headcount of jobs, by job title, which will be created in the United States over each of the next five years.
- d. Please provide the number of jobs previously outsourced that will be returned to the bargaining unit and the schedule for their return.
- e. Please provide the total compensation for executives for 2017 and the projected compensation for 2018, the year of and the year after passage of the Tax Cuts and Jobs Act.
- f. Please provide the projected amounts to be spent on stock buybacks and dividends from 2018 to 2022, the five years after passage of the Tax Cuts and Jobs Act.
- g. Please provide the amount spent on lobbying or public relations campaigns, including contributions to other entities engaging in such, in support of the Tax Cuts and Jobs Act or its underlying policies in general, since January 1, 2017.
- h. Please provide an accounting of the total amount of profits held overseas, the amount to be repatriated, and the total tax to be paid on that repatriation over each of the next five years.
- i. Please provide an accounting of the amount of any work contracted out domestically or offshore which is substantially similar to work performed by bargaining unit employees, and the amount of such work which will be returned to bargaining unit employees over each of the next five years.

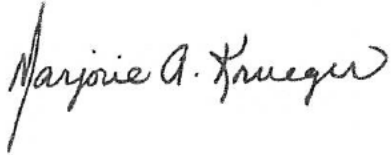
2. To Understand the Extent to Which Workers Should Benefit from this Tax Money and Establish a Baseline for Bargaining

- a. Please provide total annual gross and net cost, percent of basic gross and net payroll, and cost per hour for each category below and for each of the most recent 5 years, for non-supervisory employees. In addition, provide the number of full-time equivalents on which the data is based for each of the most recent five years.
- i. Basic wages
 - ii. Overtime payments
 - iii. Wage-related differentials (specify and provide separately)
 - iv. Other differentials (specify and provide separately)
 - v. Other payments – such as, but not limited to, bonuses, awards, incentives, commissions, profit sharing (specify and provide separately)
 - vi. Pension contributions
 - vii. Savings plan contributions
 - viii. Medical benefits
 - ix. Dental benefits
 - x. Vision benefits
 - xi. Disability benefits (provide short and long-term plans separately)
 - xii. Life insurance (provide wage-related and non-wage-related separately)
 - xiii. Other benefits (specify and provide separately)
 - xiv. Company-paid government payments (specify and provide separately)
 - xv. All components of labor costs not listed above (such as holiday gift cards, turkeys, or other miscellaneous payments; specify and provide separately)
- b. Please provide a database in Excel format including the following items for each employee in the represented unit as of 12/31/2017
- i. Unique employee identifier
 - ii. Job title
 - iii. Line of business
 - iv. Work location
 - v. State
 - vi. Zip code of work location
 - vii. Wage schedule
 - viii. Progression step
 - ix. Annual base pay rate
 - x. Annual bonus
 - xi. Full-time or part-time status
 - xii. Regular, term or temporary status
 - xiii. Normally scheduled hours
 - xiv. Pension band
 - xv. Date of birth
 - xvi. Date of hire
 - xvii. Net credited service date

If you are unable to provide the information for the entire company, we will send to another party within American.

Please have the information returned to Marjorie Krueger by April 16, 2018. If you have any questions, please contact me at [REDACTED]
[REDACTED]

Sincerely,

A handwritten signature in cursive script that reads "Marjorie A. Krueger". The signature is written in dark ink and is positioned above the printed name and title.

Marjorie A. Krueger
CWA Director of Airline Passenger Service

CC: W. Douglas Parker
Chris Shelton
Richard Honeycutt