

IFALPA CAR/SAM REGIONAL MEETING
VERACRUZ, MEXICO, 28-30 NOVEMBER 2017

REPORT FROM BRAZIL – SNA BRAZIL

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1. Executive Summary

Brazil has faced the greatest political and economic instability in its recent history. There is a deep economic and political crisis. The Brazilians workers have been most affected by these problems, especially with the recently published new labor law, which modernized the labor relationship, but somehow receded into a number of labor rights. The SNA won some victories in Congress, causing some legal mechanisms not to be applied to pilots. Moreover, SNA was responsible for the New Flight Crew Law (Law n° 13.475/2017), passed in August, after more than six years lobbying in Congress, and it comes to modernize the working relationships of pilots and cabin crew members.

2. General-Economy/Political Details

Since 2016, Brazil has experienced the greatest political and economic instability in its recent history. We had the impeachment of Dilma Rousseff, Operation Car-Wash (who denounced a scheme of payments of billions of bills involving large corporations and several political parties) and other scandals involving several politicians (ministers, deputies, senators and current President Michel Temer, ended up reporting on corruption and tip fees).

The President Michel Temer, accused of receiving BR\$20 million (approximately US\$6,5 million) in gratuitous amounts - values converted into flight hours in the 2014 campaign - in accordance with the plea bargain agreement of the criminal Lúcio Funaro, from a partnership with one of the founders of the airline company GOL, Henrique Constantino. The bribe was approved in exchange for support for the project to open the air sector to foreign capital, according to the newspaper “O Globo”.

The New Labour Law was approved by Lower House, after by the Senate and, finally, it was sanctioned by the President, on July, without a veto. It should be noted that the new law main problem is mainly insecurity, either in remuneration or in degrading work situations, promoting instability for workers in their jobs and lives. Despite of the regression in labour rights, the category of pilots and cabin crew members was able, thanks to the efforts of our union, we got some legal safeguards. In fact, our category was the only one that managed to mitigate both the losses and achieve greater success in the fight for safeguards in the aforementioned reform with the new labour law. We are very pride about that and we believe now we are in another level on political negotiations.

The New Flight Crew Law (Law n° 13.475/2017) was passed in August and it was the result of an effort of more than six years in Congress. It comes to modernize the working relationships of pilots and cabin crew members, whose regulations had not changed for more than 30 years. But above all, it will ensure greater flight safety for everyone. Among several points addressed in the text, one of the most important is the implementation of the human fatigue risk management system - which is already practiced in the most advanced countries. This will allow pilots and cabin crew members to work in better conditions and, consequently, can ensure safer flights for all.

3. General-Member Association Details:

The participation of Brazil in IFALPA had a significant growth in this year. This growth was influenced by a better organization of the technical works that are being conducted in Brazil. The synergy between the associations involved in this project (ABRAPAC, ATT, ASAGOL and SNA) could guarantee the participations of the Brazilian members in 5 IFALPA committees (PGA, HUPER, AGE, AAP and ATS).

The end of the compulsory union tax, as of November this year, will greatly affect the Brazilian unions, generating a huge loss of revenue. We estimate that our union's revenue can fall by half, because of that. It will be a great challenge for us, next year. A new associative campaign is being conducted.

4. Association Carriers:

According to ABEAR, from January to December 2016, in comparison with the same interval of 2015, Brazilian domestic aviation registered demand decline of 5.47%, supply reduction of 5.74% and a decrease of total of trips by 7.45%. Last year, Brazilian airlines carried 87.6 million passengers domestically, with a market share consisting of: GOL – 36,25%; LATAM – 35,01%; AZUL – 17,19%; and AVIANCA – 11,55%. For the international carriage of passengers, the travel volume grew by 2.54%, reaching a total of almost 7.5 million passengers boarded in 2016, with a market share consisting of: LATAM – 78,90%; GOL – 11,78%; AZUL – 9,22%; and AVIANCA – 0,10%.

Recently, the Brazilian President has sent to the Congress a law project that would liberate the opening of 100% of the capital of Brazilian airlines to foreign capital, as part of a tourism promotion package. Currently, by law, foreigners can only have up to 20% of a national airline. SNA points out that it will work to defend the inclusion of labour restrictions in the text of this bill, so as to ensure that the jobs of Brazilian pilots and flight attendants are not transferred to other countries. The effect of unrestricted capital opening, coupled with other issues such as bilateral agreements, mergers and exchanges of air traffic rights between countries, can be catastrophic, not only for the maintenance of Brazilian jobs, but for aviation as a strategic sector. There may be impacts including flight safety, as companies could hire foreign pilots with lower labour costs and whose training is unknown, without control of the Brazilian state.

5. Other Carriers: NA

6. Summary

Brazilian IFALPA has a big improvement in organization, participation in committees and local safety groups. It is exercising leadership among the industry, bringing to the table the pilot's needs and helping the development of the industry.

The SNA, along with the associations ABRAPAC, ASAGOL and ATT, in addition to numerous pilots, worked incessantly in these six years for the New Flight Crew Law approval. It was an effort of years of work in the Congress, together with the parliamentarians, making the good policy, convincing deputies and senators with technical foundations regarding our lawsuits. It is a victory won thanks to a huge effort of the category.