

The Labor Relations Advisor

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Northwest and IAM Ramp Workers Reach Agreement

Members of the International Association of Machinists (IAM) at Northwest Airlines have approved a new agreement that provides greater productivity and long-term cost cuts. The 5-year pact covers approximately 5,600 equipment service (ramp workers), and stock personnel who had rejected a previous tentative contract in March. At that time other IAM-represented workers had separately approved a similar agreement covering 7,700 agents. The deal is expected to save \$87 million annually, and the combined IAM restructuring agreements are expected to reduce costs by \$191 million per year.

The new contract will reduce base hourly pay by 11.5 percent, replacing the current court-ordered temporary pay reduction of 19 percent. Workers will receive deferred increases of 1 percent on January 1, 2008 and 1.5 percent on January 1, 2009. The pay scale will be lengthened from 5 years to 9 years for employees hired after the effective date. Shift differentials and the longevity premium were eliminated.

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TWU Withdraws From US Airways Representation Vote

The National Mediation Board (NMB) has certified the International Association of Machinists (IAM) to represent all 8,000 fleet service workers at the new merged US Airways. This action follows the Transport Workers Union's (TWU) withdrawal of its petition for an election, and extinguishes the certification held by that union as representative of the 2,500 fleet service employees at the former America West.

In early May 2006, the NMB authorized an election for the merged work group, with both IAM and TWU on the ballot. Shortly thereafter, the TWU decided to withdraw from the election, fearing the possibility that neither union would win a majority of votes. Such an outcome would have resulted in both unions losing representation rights. Both unions pledge to work together on transition issues, such as integrating seniority lists and developing a merged labor agreement. ■

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AFA, TWU Vie For Northwest Attendants

Representation of the 9,500 flight attendants at Northwest Airlines has triggered an organizing struggle between the Transport Workers Union (TWU) and the Association of Flight Attendants/Communications Workers of America (AFA-CWA), both affiliates of the AFL-CIO. Currently, the attendants are represented by an independent union – the Professional Flight Attendants Association (PFAA).

AFA-CWA began organizing the Northwest cabin crew in September 2005. Shortly thereafter, the AFL-CIO ruled that among federation unions, only AFA-CWA had exclusive rights to organize those flight attendants. On May

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AFA, TWU Vie For Northwest Attendants

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With the NMB authorized an election for Northwest attendants who could vote either to remain with PFAA or to switch representation to AFA-CWA. The NMB began balloting on June 8th and will count the votes July 6th.

In response to AFA-CWA's application for a representation election, PFAA and TWU announced an affiliation agreement contingent upon approval of the PFAA members. AFA-CWA filed a complaint with the AFL-CIO charging that TWU had violated the AFL-CIO constitution's Article XXI, which bars raiding and competition among AFL-CIO unions. On May 24th the labor federation found the TWU-PFAA affiliation agreement was in violation of Article XXI. "TWU's efforts to affiliate PFAA, and PFAA's activities in connection with the affiliation will inevitably lead to interference with [AFA's] efforts to prevail in the upcoming NMB election," AFL-CIO officials explained.

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The federation has ordered TWU to stop affiliation efforts with PFAA and to cease providing any financial or other assistance to the Northwest attendants' union. TWU was also ordered to issue a public statement in support of AFA-CWA in the upcoming NMB election. At press time, however, TWU and PFAA have announced they will continue their affiliation efforts despite the AFL-CIO order. ■

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Court OKs Excluding IBEW From Railroad Panel

A federal appeals court has ruled that a union may be excluded from full participation in an arbitration between a railroad and another union, even though the arbitration decision affects the excluded union (*Int'l Brotherhood of Electrical Workers v. CSX Transportation*, 7th Cir., No. 0502590, 5/4/06.)

The case arose at CSX where employees are represented by both the International Brotherhood of Electrical Workers (IBEW) and the Brotherhood of Railroad Signalmen (BRS). When the railroad assigned a task to an electrician represented by IBEW, the BRS objected, claiming that its collective bargaining agreement required the assignment should go to a BRS-represented signalman. CSX took the position that it could assign the work to either an electrician or a signalman. The railroad and BRS agreed to submit the dispute by a to a 3-member public law board comprised of representative of CSX and BRS, and a neutral arbitrator.

At the invitation of the arbitrator, IBEW participated in the hearing as a non-partisan third party, but claimed that the board lacked jurisdiction to interpret its labor agreement because it was not a party to the proceedings. The arbitrator sustained BRS's position that the work was properly assigned to a signalman. IBEW appealed, claiming that its exclusion from the proceedings violated the Railway Labor Act (RLA) and denied due process.

"[The RLA]...protects unions in IBEW's position through third-party participation in the hearing"

-- JUDGE RICHARD CUDAHY

Judge Richard Cudahy rejected IBEW's arguments. The plain language of the RLA "deals with arbitrations between unions and carriers, not among unions," he explained. The Judge noted that

due process in an arbitration is satisfied by a "fair" hearing -- adequate notice, a hearing on the evidence and an impartial decision. In work-assignment disputes involving more than one union, due process requires only that the additional union have an opportunity to be heard. "[The RLA]...protects unions in IBEW's position through third-party participation in the hearing," Judge Cudahy observed. ■

Northwest and IAM Ramp Workers Reach Agreement *(continued from page 1)*

Productivity enhancements reduce paid time off and provide more flexibility to meet manpower needs. The agreement will eliminate 3 holidays and reduce vacation accrual. Sick leave pay is reduced to 75 percent of pay for the first consecutive 7 paid days. The pact also expands part-time employment and increases the company's ability to outsource, potentially trimming the workforce by more than 700 jobs. In consideration of the expected job losses, the contract provides 1,000 benefit "units" of severance to be used by employees laid off as a result of the agreement, or by employees who apply for early-out. Each unit is valued at 2 times the regular severance pay.

The parties agreed to freeze the current defined benefit pension plan, substituting the IAM National Pension Plan with company contributions set at 5 percent of gross earnings. Northwest's contribution will rise to 6.5 percent if the current pension plan is terminated. The agreement also establishes a company-wide PPO health benefit plan that requires employees to pay 15 percent of the cost. Annual increases in employee premiums are capped at 8 percent (medical) and 6.5 percent (dental).

Returns include profit sharing, an incentive performance plan beginning in 2007, and an IAM unsecured equity claim of \$181 million. The deal will become effective retroactive to January 1, 2006, once all union groups at the airline either have approved new cost-savings contracts or have had changes imposed. At press time the company's flight attendants and flight simulator technicians remain the only union-represented employees without new agreements.

The IAM contract will become amendable December 31, 2010 if the company emerges from bankruptcy in 2006. Should Northwest's bankruptcy exit be delayed to 2007, the amendable date will be extended by one year. ■

Court Awards \$6 Million To UPS Driver

A Florida jury has awarded \$6 million to a former United Parcel Service (UPS) driver who alleged he was terminated in retaliation for filing workers' compensation claims. (*Thigpen v. United Parcel Serv.*, Fla. Cir. Ct., No. CACE 02013221 (11), verdict 5/12/06). The suit was filed under the state's workers' compensation law (Fla. Stats. §440.205). The award is one of the largest ever handed down in a Florida court for this kind of case.

John Thigpen had worked at UPS since 1980, and as a delivery driver since 1986. The plaintiff filed a workers' compensation claim after a 2000 ankle injury, one of seven recorded injuries he suffered during his employment with the company. In July 2001, UPS fired him for dishonesty, charging that

he had improperly delivered packages without receiving customer signatures. The driver was reinstated after filing a union grievance, but was terminated again in November of that same year for allegedly failing to deliver a box. The second termination was upheld by a joint union-company panel.

The case focused on a 2001 company e-mail that ordered managers to "target" employees for termination if they had repeated work-related injuries. The driver alleged that after the e-mail was circulated, a supervisor harassed him by continually checking that he followed proper procedures.

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– reflected the jury's belief that the plaintiff's career as a delivery driver had been ruined by his termination for dishonesty. Thigpen's attorney explained that by firing the plaintiff on these grounds, UPS had marked the driver with a "Scarlet Letter" that made him unable to find work with a comparable salary. ■

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NEWS BRIEFS...

SETTLEMENTS....IBT members at **AirTran** have ratified a new 5-year deal covering 50 stock clerks.... IAM leadership recommends ratification of two 4-year tentative contracts at **Alaska Airlines** covering more than 3,700 passenger service/clerical workers and ramp workers....By a 61 percent margin, **Delta** pilots have approved their tentative restructuring agreement saving \$280 million per year. The PBGC is opposing provisions that call for certain payments to be made to pilots should their pension plan be terminated. The agency objects to compensating pilots for losses which result from underfunding, when the PBGC must assume claims for such underfunding.... **Gulfstream** and the IBT have reached a tentative agreement covering pilots that provides wage increases and a new 401(k)....**US Airways** has reached a final merger agreement with ACSEA, an alliance between CWA and IBT, representing the merged airline's 7,700 passenger service employees and reservations agents....

REPRESENTATION....381 mechanics at **Air Logistics** have barely rejected representation by OPEIU -- 49.5 percent of the employees voted for the union....**GoJet** flight attendants have voted against representation by the IBT. Of 111 eligible voters, only 50 attendants cast ballots, with 47 of those voting for the Teamsters.... The IAM has filed for an NMB representation election for 21 flight attendants at **Gulfstream**

International....RESTRUCTURING.... **Delta** will close reservation centers in Montgomery and Miami by September, permitting the 650 affected employees to bid for jobs at other locations. The airline will shrink its operations outsourced to India due to lower call volumes, but continues to send work to vendors in Lithuania and Jamaica....PFAA-represented **Northwest** flight attendants overwhelmingly have rejected their tentative restructuring pact that would have reduced costs by \$195 million per year. The airline says it needs cuts from the flight attendants before it can implement the new pilot agreement, and is seeking to void the PFAA agreement....

MISCELLANEOUS.... At the NMB, Elizabeth Dougherty has been nominated to succeed Chairman Read Van de Water, whose term expires July 1stVincent K. Snowbarger has been named acting director of the **PBGC**, replacing Bradley D. Belt who has completed his term. Snowbarger has served as the agency's deputy executive director since November 2004.... **US airline employment** continues its downward slide for the 15th consecutive year, according to the U.S. Department of Transportation. Full-time equivalent (FTE) industry employees numbered 5.4 percent fewer in March 2006 compared to March 2005. FTE employment has dropped 7.4 percent at network carriers, 3 percent at low-cost airlines, and 1.9 percent at the regionals. ■

Labor Relations Advisor

1300 19th Street, N.W.

Suite 700

Washington, DC 20036

www.fhsolutionsgroup.com

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