



## More Mergers Cleared for Takeoff

Questions flowed in the wake of the government's approval of the \$3.2 billion merger between United Airlines and Continental Airlines, a deal that will displace Delta as the world's largest airline and trigger a series of representation elections with industry-wide implications.

For nearly 26,000 IAM members at United, Continental and Continental Micronesia the concerns revolve around job security,

representation rights and preserving contracts that have previously survived bankruptcy, recessions and multiple management changes.

Lawmakers responded by clamoring for additional oversight of the airline industry, noting how the nation's domestic carrier fleet has shrunk to just four network carriers, with the prospect of additional consolidation cutting that number even further.

Not as large but no less important, is the pending merger that would combine Atlantic Southeast Airlines and ExpressJet Airlines, where the IAM represents approximately 1,200 Flight Attendants. And, as the *IAM Journal* went to press, Southwest Airlines announced its intention to acquire AirTran.

### What's Next?

While the United-Continental merger has now been cleared of anti-trust issues and secured the approval of shareholders, it will be months before the effects of the deal become widely visible.

The official name for the new corporate entity will be United Continental Holdings, Inc., however, the two airlines will operate independently for representation purposes until the National Mediation Board (NMB) issues single carrier rulings.

Additionally, the combined airline will need to secure a Single Operating



*Houston-based Flight Attendants Nick Ruiz of Continental and Kate Romanowsky of ExpressJet joined more than 100 IAM participants from IAM Districts 141, 142 and 143 at a Transportation Merger Summit to prepare for representation elections at Delta Air Lines and the pending United-Continental merger.*

Certificate from the Federal Aviation Administration, which is not expected until 2012.

Existing labor contracts for IAM members at both carriers and their subsidiaries will remain in full force and effect while negotiations continue for updated agreements for IAM-represented Ramp, Passenger Service and others at United and IAM-represented Flight Attendants at Continental and ExpressJet Airlines.

Among the challenges for IAM bargaining committees will be to secure agreements that provide a strong foundation for negotiations in the wake of successful representation elections at the merged carriers.

### **Different From Delta**

At a recent meeting between IAM representatives and senior vice presidents of labor relations for Continental and United, company executives declared they would not follow in the footsteps of the Delta-Northwest merger.

Union representation elections are underway for more than 30,000 workers at Delta, despite fierce opposition from Delta management, nearly two years after the Delta-Northwest merger was officially completed.

During that time, Delta harassed union supporters and conducted illegal one-on-one meetings with employees while denying them the opportunity to access information about their right to join a union and bargain collectively.

### **Big Challenges**

While IAM contracts protect members' seniority rights, there are significant non-contract issues to be resolved before a merger can be called successful, including the development of a uniform policy to cover employee pass travel.

Another significant task is to create a single culture for employees of the combined carrier. Continental employees avoided the latest wave of airline bankruptcies that forcibly extracted concessions from United employees and left bitterness that will not be erased soon.

"The history of airline consolidation is littered with layoffs and reduced benefits, and confirms the need for strong, independent representation," said IAM Transportation Vice President Robert Roach, Jr. "The challenge in airline mergers is to go forward in such a way that overcomes the fears and assumptions of airline employees."



## **Amtrak Workers to Vote on Contract**

Nearly 600 IAM members employed at Amtrak, the nation's passenger rail system, will soon vote on a revised contract that includes more favorable terms and addresses members' concerns about Bank Time and other issues.

"The IAM Constitution guarantees every IAM member the right to accept or reject tentative agreements negotiated on their behalf," said District 19 President and Directing General Chairman Joe Duncan. "The new agreement for Amtrak workers addresses members' concerns without reducing benefit levels in health and welfare and provides wage increases totaling approximately 14.95 percent over five years."

Despite aging infrastructure, Amtrak is currently experiencing unprecedented passenger growth in 2010 and is poised to surpass the record of 28.7 million riders the carrier posted in 2008.