



I AM NOTICE TO EMPLOYEES

NOTEM



Manipulation in Three Acts

Perhaps you've noticed a pattern in your workplace, a formulaic presentation of certain actions and reactions. If so, you're not alone. Coincidence? We think not. Very similar circumstances have been reported at a number of hubs and sites over the past month or two. Anyway, the pattern goes like this.

Something scary happens at work. We'll call this Act I – the introduction of drama.

Now, this could be a hub-wide memo about something, say, "No cell phones during work." Or, it could be an individual incident, say, someone being overly disciplined for a relatively minor infraction. The result – the point of this exercise – is this: At the end of Act I, the whole workforce is talking about the outrage.

Then, in some public or well-publicized manner, a white knight arrives on the tumultuous scene and reverses or mitigates the outrage. We'll call this Act II. This might take the form of a high status manager reversing a stupid decision by a subordinate. Or, the manager might fix a nettlesome problem or smooth some ruffled feathers. Whatever, the result of Act II, in the parlance of stage and screen, is the introduction of the hero; the protagonist, the good cop, the friend, the fixer – the person with whom you are supposed to identify. Act II is also the cool part where you get the action scene; the confrontation or the verbal takedown of some hapless villain to the glee and satisfaction of the audience. It's the vicarious emotional catharsis all have been craving.

Act III is the return to stasis, the end of the crisis and the forbearance of drama. In this act, the audience – the workforce – allows itself to relax and drink deeply of the goblet of life's good

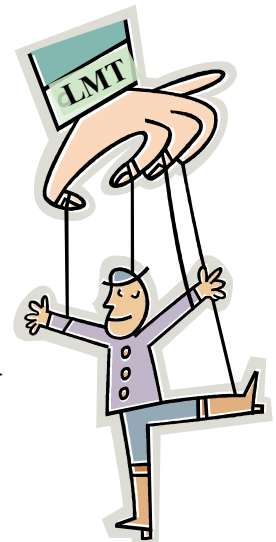
lessons. You are invited to sum up, if you will, the near catastrophe for the benefit of your wisdom.

And what, you might ask, is it exactly that this theatrical offering would have you learn? Well, the intended "lesson" goes something like this: Sure, Lockheed has some questionable authority figures that sometimes do stupid things but, never fear; there will always be a white knight to ride to your rescue.

Of course, all of this is purely a fairytale. But, you'd be surprised how effective this play's subtle message can be. But, the folks at Ogletree and Deakins aren't surprised. They use this little drama often in their "union avoidance" pro-

gram. And, to their credit, they run a very effective production which draws rave reviews from corporate sponsors – especially since they can't audition for acting talent.

If, on the other hand, you like fairytales but you don't really believe in them, you might want to stick with the proven problem solver – your union, the IAM. We don't do drama and we won't treat you like school kids on a community theater field trip. We believe Lockheed will fix your problems only when they are motivated to do so like right now – by you and your union.



IAM, your sure thing in uncertain times

Back before Lockheed Martin entered the Flight Service picture, the old NAATS FAA union asked the Department of Labor (DoL) to review the wage determination. In September 2006, the DoL issued a new nationwide wage determination for specialists. Then, after being challenged by the FAA, supported by the IAM and half-heartedly backed by Lockheed, the new nationwide wage determination went into effect. ^[1] The new formula was based on a nationwide sample of wages and employment costs instead of the county-by-county method used in the old wage determination. The new wage determination is the sole reason that anyone has received pay or benefit increases since Lockheed took over Flight Service.

The new wage determination is based on the Department of Labor’s National Compensation Survey (NCS). The NCS provides comprehensive measures of occupational earnings, compensation cost trends, benefit incidence, and detailed plan provisions and, most importantly, it’s done every year. The old county-by-county system often went several years without adjustments and there was no retroactivity when it was finally updated.

Since the NCS is published annually, your wages will change annually. Please note, we said *change*, not *increase*. The NCS can go down as well as up and, yes, your wages and benefits can go down, especially in difficult economic times like these. (See graph for historic indicators.) ^[2]

Have you heard the term “deflation?” Deflation is the opposite of inflation and is characterized by (1) an increase in purchasing power due to the falling prices, (2) decrease in wages, or slowdown in their increase, due to falling levels of employment, (3) decrease in availability of credit due to higher interest rates and restricted money supply, and; (4) decrease in imports due to lack of demand. ^[3] If you haven’t noticed, at the moment deflation is an ongoing concern for economists and financial fore-

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casters . And for you, well, all the unemployment and wage cutting so prevalent in today’s news gets factored into the NCS and brings down the wage and benefit average for everyone.

WASHINGTON, March 20 (Reuters) - *Federal Reserve Bank of St Louis President James Bullard warned on Friday that there was a genuine risk of deflation and monetary policy was focused on preventing this from taking root.*

“Deflation is a real possibility in the current environment,” Bullard said during a presentation at a workshop at the Bank of France in Paris, which was posted on the St Louis Fed website.

“An important near-term goal for monetary policy is to prevent this outcome,” he said. ^[4]

If you’re not receiving *NOTEM* via email, send a note to shantzis@iamaw.org and get the news first.

sure thing, cont.

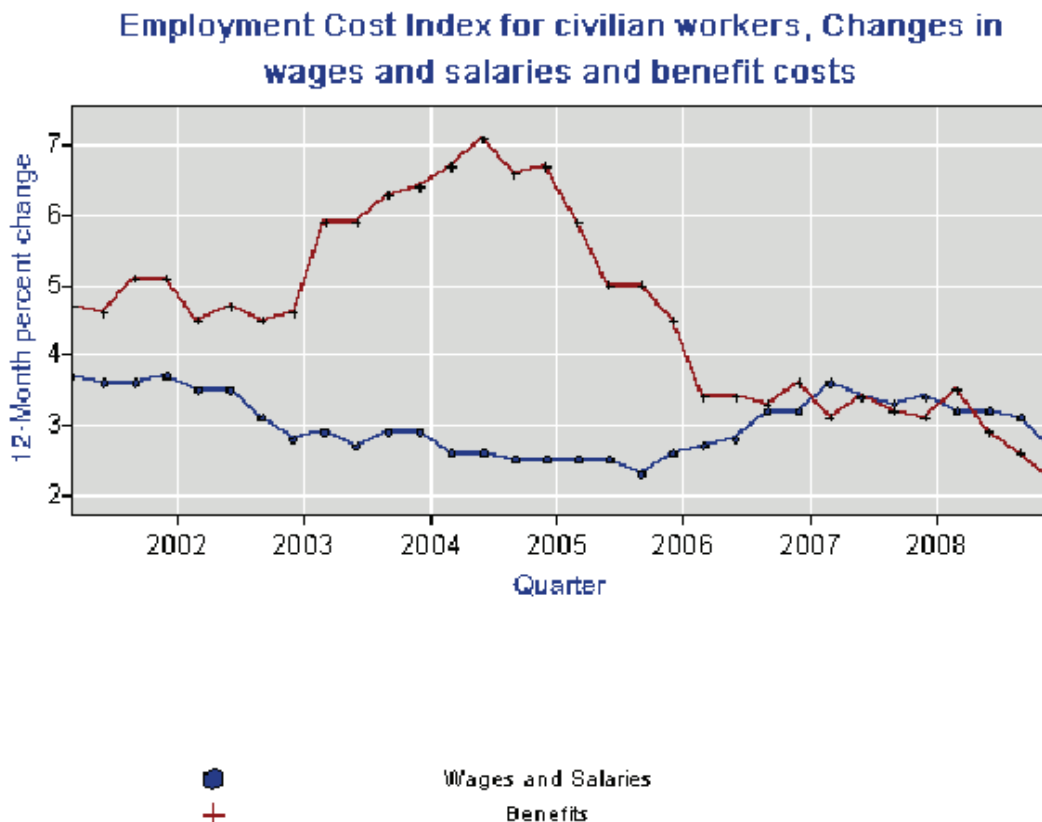
So, how should you protect yourself and your family against a regressive wage determination? Well, you could plead with Lockheed to pay you more than the wage determination but that additional amount won't be reimbursable by the FAA. So, Lockheed could either pay you more money or keep it for the corporation. I think we can safely predict Lockheed's reaction.

Or, you could vote for the IAM and have your elected bargaining team negotiate annual wage and benefit increases that you ratify by secret membership vote. Then, you can enforce these increases as part of your collective bargaining agreement. This way you get a written guarantee of what to expect. You know what to do.

Be positive, Vote Union Yes!

| Wages & Salaries | | | | | | Benefits | | | | | |
|------------------|------|------|------|------|--------|----------|------|------|------|------|--------|
| Year | Qtr1 | Qtr2 | Qtr3 | Qtr4 | Annual | Year | Qtr1 | Qtr2 | Qtr3 | Qtr4 | Annual |
| 2001 | 3.7 | 3.6 | 3.6 | 3.7 | | 2001 | 4.7 | 4.6 | 5.1 | 5.1 | |
| 2002 | 3.5 | 3.5 | 3.1 | 2.8 | | 2002 | 4.5 | 4.7 | 4.5 | 4.6 | |
| 2003 | 2.9 | 2.7 | 2.9 | 2.9 | | 2003 | 5.9 | 5.9 | 6.3 | 6.4 | |
| 2004 | 2.6 | 2.6 | 2.5 | 2.5 | | 2004 | 6.7 | 7.1 | 6.6 | 6.7 | |
| 2005 | 2.5 | 2.5 | 2.3 | 2.6 | | 2005 | 5.9 | 5.0 | 5.0 | 4.5 | |
| 2006 | 2.7 | 2.8 | 3.2 | 3.2 | | 2006 | 3.4 | 3.4 | 3.3 | 3.6 | |
| 2007 | 3.6 | 3.4 | 3.3 | 3.4 | | 2007 | 3.1 | 3.4 | 3.2 | 3.1 | |
| 2008 | 3.2 | 3.2 | 3.1 | 2.7 | | 2008 | 3.5 | 2.9 | 2.6 | 2.2 | |

Graph and data taken from Bureau of Labor Statistics Employment Cost Index (See note for link.)



Check the source

[1] Then, after being challenged by the FAA, supported by the IAM and half-heartedly supported by Lockheed . . .

<http://www.goiam.org/content.cfm?CID=11887>

Checkout Lockheed's letter to the Department of Labor dated October 27, 2006. You'll find it contained in the document titled "FAA Petition for Review" on page 44, paragraph 3. In this letter, Lockheed acquiesces to the NCS Level 11 rating for specialists but acknowledges that they could have made a case for Level 12. In significant part, the letter reads:

*"The single classification further compounded an already untenable situation. The three levels now present on the Wage Determination mirror the actual work as it is performed on this contract. **While our analysis showed the Level III to be borderline with the NCS White Collar Excluding Sales Level 12, we accept your recommendation of Level 11.**"* [Emphasis added]

At the same link you'll find IAM's "Petition to Intervene" where we argue for the Level 12 and present a detailed table for DoL's review.

[2] NCS Historical indicators

http://data.bls.gov/PDO/servlet/SurveyOutputServlet?request_action=wh&graph_name=EC_ectbrief

[3] Deflation

<http://www.businessdictionary.com/definition/deflation.htm>

[4] Federal Reserve Bank of St Louis President James Bullard warned on Friday that there was a genuine risk of deflation . . .

<http://www.reuters.com/article/marketsNews/idUSN2043001320090320>

A Note on the Vote

Don't over-think things. This is a secret ballot and there is no reason to fear signing your name as requested. If you want your vote to count, don't try to disguise your identity.

Don't editorialize on the ballot. Just mark the box Union Yes and move on. They'll be plenty of time after we win to safely editorialize about Lockheed and their operation.

Don't delay, vote today. Remember, friends don't let friends vote no.

