

CONTRACT



Suzannah Hoover

Decades of experience, top-notch training and bargaining resources go into negotiating the thousands of contracts that provide superior pay and benefits for IAM members, including some of the highest rates of pay and best working conditions for more than 9,000 IAM-represented Flight Attendants at Continental Airlines. From left, standing, Eric Ebisuya, Brian McCarthy, Donna Bratton, Wendy Kellam, Langer Herfried and Rosalie Canton. From left, seated, Adrienne Howell and Linda Nyman.

The best hope for preserving pensions, pay and benefits is having experienced representation on your side.

Tom Buffenbarger
International President

In the midst of the worst recession since the Great Depression, with businesses aggressively cutting wages, pensions and health care, how is it that 9,300 Continental Flight Attendants are poised to see their top pay rise to \$52.53 per hour, with benefits and work rules that are the envy

of their counterparts at other carriers?

The answer is not just that Continental was one of the few airlines to avoid the bankruptcy scourge of the past decade, but rather because IAM-represented Flight Attendants at Continental have repeatedly employed bargaining tactics

that resulted in compensation benchmarks for the entire industry.

A closer examination of the preparations and resources that led to the latest Continental agreement will provide insight into how the IAM approaches collective bargaining among the thousands of contracts it negotiates with employers in a wide spectrum of industries, and how members union-wide benefit from a coordinated, inclusive approach.

Members Decide

Membership involvement from the very beginning is perhaps the most critical ingredient for a successful contract negotiation.

A system-wide survey of the membership is one of the first signs that a new contract is on the horizon. These confidential bargaining surveys are conducted by the IAM Strategic Resources Department and give rank-and-file members an opportunity to express their concerns and direct the efforts of their bargaining committee.

The bargaining survey for IAM members at Continental commenced in October 2009, several months before face-to-face negotiations with the company began.

In addition to identifying the issues that members most wanted improved, the survey also provided valuable demographic information about the bargaining unit.

Flexibility

The nature of a Flight Attendant's job is being away from home. I have two kids, ages six and eight.

The work rules and the flexibility in my IAM contract allow me to adjust my schedule so I can be with my children. I love this job, but I can't imagine doing it without the flexibility in my contract.

Cari Kershaw

*Continental Flight Attendant
LL 2339H, Houston, TX*



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A contract that best serves a traditional bargaining unit is quite different from one tailored for a highly-diverse group with a workplace 35,000 feet in the air.

At Continental, members cited improved wages and flexibility among their top

concerns, along with pensions, work rules, crew rest and merger concerns.

The survey also gives the bargaining committee an opportunity to begin a dialog and interact with their members in a process that continues throughout the negotiations, the ratification vote and beyond.

"The responses from members taking part in the bargaining survey range from the eloquent and insightful to the obscure, but every single suggestion is documented and discussed," said Sheila Hammond, a 43-year Continental Airlines Flight Attendant who also sits on the bargaining committee.

A full range of communication technologies are employed to ensure members are kept up-to-date about the progress of negotiations and to give their representatives at the bargaining table the abili-



Bill Burke, Page One Photography

Research Associate Teresa Canning of the IAM Strategic Resources Department processes bargaining unit surveys that help local negotiating committees determine what issues are most important to their members. Surveys are a key step in the negotiation process.

The Education Advantage



The popular Negotiation Preparation for Bargaining Committees class at the IAM William W. Winpisinger Education Center gives IAM negotiators a powerful advantage at the bargaining table. Instructor Julie Frietchen, right, goes over negotiation strategies with the AK Steel Local 1943 Negotiating Committee from Middletown, OH. The negotiating committee for Continental Flight Attendants went through the program in 2009.

One of the keys to successful negotiations is preparation, and one of the best ways to prepare is through education. The IAM has a tremendous advantage in education with its William W. Winpisinger Education and

Technology Center in Southern Maryland. The Center has trained more than 60,000 students since it opened in 1981, and many of its courses are college-accredited.

One of the Center's most-utilized resources for training nego-

tiators is the Negotiation Preparation for Bargaining Committees program. The class trains individual negotiating committees in all aspects of contract negotiations, from surveying members to find out which issues are most important to them, to crafting a comprehensive plan of action for bargaining and then on to full battle-testing with mock bargaining sessions where committees face instructors playing the role of hardball company negotiators.

The Center also offers a wide range of contract-related courses including organizing workers, getting a first contract, advanced collective bargaining, negotiating pensions, handling arbitrations and other aspects of union activism.

"The IAM offers one of the most comprehensive training programs in the entire labor movement," said Winpisinger Center Director Chris Wagoner. "We see the results in better-prepared negotiators who can bargain better contracts in one of the most difficult economic environments in decades."

ty to speak with informed authority on behalf of their members.

"The days of posting an occasional notice about the progress of negotiations on a union bulletin board are long gone," said District 142 President and Directing General Chairperson Tom Higginbotham. "Members

expect face-to-face contact, timely web- and wireless-based communications, in addition to traditional newsletters and a presence on social networking sites."

For many members, the ability to have input in the development of a contract is second only in importance to the opportunity to exam-

ine and vote on the outcome of their bargaining committee's efforts.

Contract ratification voting for Flight Attendants normally takes place over a four- to five-week period, where members have an opportunity to attend informational meetings and ask questions about new con-

tract language.

At Continental, Flight Attendants voted in October 2010 to decline an initial tentative agreement. "Continental Flight Attendants directed our negotiating committee to continue bargaining," said Higginbotham. "We listened to our members and made the adjustments our Flight Attendants wanted."

A new agreement was reached in early 2011 that included a no-furlough guarantee, immediate raises, retroactive pay, important merger protections as United and Continental integrate their operations, profit sharing, restoration of a company 401(k) match and improved work rules.

Continental Flight Attendants voted overwhelmingly to accept the new contract in February, 2011.

Resources, Experience, Results

While the contract at Continental is among the largest of 590 collective bargaining agreements negotiated by the IAM in 2010, the same resources are available to all bargaining committees, regardless of the size of their membership.



After bargaining surveys and contract proposal forms are completed, negotiating committees come up with contract language that is used in negotiations. District 141 Assistant General Chairpersons Laura Stone, left, and Rose BradyCohen, as part of the larger negotiating committee, work on language for a new contract for the Public Contact group at United Airlines.

Soon after the membership survey is completed, the bargaining committees are given the opportunity to attend a Bargaining Preparation Class at the IAM William W. Winpisinger Education and Technology

Center in Southern Maryland.

This class, which is among the most popular offerings at the Center, is where negotiating committee members get a taste of what to expect when actual

Scheduling

Being a Reserve Flight Attendant can be difficult, but I love the way my contract allows me to pick up trips instead of just sitting at home or at the airport.

Flight Attendants at other airlines don't have anywhere near the ability to pick up trips. I also like that we have 83 hours of guaranteed flight pay each month.

Raven Pearson
*Continental Flight Attendant
LL 2339H, Houston, TX*



Bill Burke, Page One Photography

The IAM Difference at United Airlines

They may look alike, sound alike and even work together as Reservations Agents for United Airlines, but twin sisters Teresa and Monica Dean are also a compelling example of the difference an IAM contract can make.

Prior to winning IAM representation 13 years ago, Public Contact Agents at United, including Reservations agents, worked under different company-imposed pay scales, all with different wage rates and benefit plans. The scheme severely penalized new hires.

Teresa, who hired on before Monica, earned \$9.75 an hour and received a raise every six months. Monica got her job after United had created a lower-pay "C" scale for new hires. Monica earned just \$7.64 an hour and only received a raise when the airline deemed her worthy.

"It wasn't just the wage disparity," said Teresa. "I had company-paid medical and dental insurance, but Monica had to contribute to her insurance premiums. I could accrue seven weeks of vacation, while Monica only got four."

negotiations with their employer begins.

Using financial data acquired from a variety of sources, including the Securities and Exchange Commission, state and federal tax filings and public statements, IAM legal and financial experts provide bargaining committees with a detailed profile of their employer's finances.

"The financial investigation and research provided



James Fassinger

IAM Reservations Agents Teresa, left, and Monica Dean learned the value of an IAM contract after they won IAM representation at United Airlines in 1998. When non-union, Monica worked under a lower pay scale that was brought up to Teresa's level after their first contract.

The difference in pay and benefits was the reason the two sisters voted "Yes" to IAM representation in 1998. "Having the IAM is the best thing that could have happened to us," said Teresa. In the first contract after the organizing win, the IAM managed to eliminate the "C" scale, and the Dean twins now share the same wages, the same job security, identical com-

pany-paid benefits and a secure pension plan.

"With an IAM contract, management cannot change rules on a whim. And we have a grievance procedure to address work problems," said Monica. "All of us in the airline industry need the kind of independent, democratic representation only a strong union can provide. And the IAM is that union."

to our committees give them a much stronger hand at the bargaining table," said Strategic Resources Director Neil Gladstein. "We can recommend detailed proposals that we know in advance the company can afford."

This information, paired with analysis of current and future market conditions, allows bargaining committees to craft reality-based proposals regarding wages, health benefits and working

conditions.

The committees also learn to defend their proposals in mock bargaining sessions that replicate the frequently heated atmosphere that can develop at the bargaining table.

More than 70 negotiating committees have taken advantage of the Bargaining Prep program since it was first offered in 2006. As with all classes offered at the Winpisinger Center, the class

is provided to IAM members without charge.

Special Circumstances

In addition to bargaining over economics and work rules, the bread and butter of many contract negotiations, IAM members can also have issues requiring specific expertise.

The merger of United, Continental and Continental Micronesia, for example, presented negotiators with unique challenges and opportunities that could not be ignored.

As with any corporate merger, projections of increased revenue and cost savings are based in part on reducing personnel and eliminating overlapping functions.

In the wake of the merger

Democracy

I feel like the IAM is really committed to democracy. Members get to vote on every single issue – big or small – at the local level or national level. I think that's very important.

We all live in this great country. We live in a democracy. That's something that's desired in a union, as well.

Seung J. Lee

United Flight Attendant
Washington, DC



announcement, executives from the carriers projected more than \$2 billion in savings from “synergies” and streamlining of operations, but airline employees knew their jobs and careers would be on the line.

At no time since the wave

of bankruptcies in the wake of the Sept. 11th attacks has job security language in a collective bargaining agreement been more important.

The new agreement's no-furlough clause and protections for employees as

United and Continental inte-

grate their operations are key job security benefits.

Capitalizing on the merged carrier's need for a degree of labor peace, the IAM committee also secured improvements in pay rates, giving members at Continental the highest base pay rate in the industry. Flight Attendants also have the scheduling flexibility to earn more than



Michael Campbell, Page One Photography

Clout at the bargaining table must be matched by political action to keep contracts intact. IAM President Tom Buffenbarger addresses thousands of transportation workers from the IAM and other unions in the largest labor rally in Washington, DC, in decades to protest the assault on transportation and other North American workers.

Protecting Retiree Health Care



Bill Burke, Page One Photography

IAM Local 933 member David Lillie, left, testified before Congress about the personal hardship he and fellow retirees went through when Raytheon Missile Systems tried to take away their retiree health care benefits. After the IAM and the retirees took Raytheon to court, a federal judge cited strong IAM contract language and ordered Raytheon to restore IAM retirees' health care benefits.

One of the biggest assaults on working families is the corporate push to drop retiree health care benefits. When Raytheon Missile Systems in Tucson, AZ, unilaterally stripped Local 933 retirees of their health care benefits, the IAM fought back.

Courtroom experience, a legally-binding IAM contract and a full-court press on Congress combined to win a multi-million dollar legal victory that forced Raytheon to restore benefits to retirees.

In an initial court ruling, Federal Judge David Bury said

the IAM-Raytheon collective bargaining agreements “unambiguously provide vested medical benefits for retirees until age 65 at no cost” and ordered Raytheon to restore benefits.

Raytheon appealed and the 9th Circuit Court of Appeals upheld the decision that Raytheon retirees have a vested right to no-cost health insurance that Raytheon could not unilaterally take away.

The company will have to repay premiums for about 1,000 retirees and spouses, estimated to be more than \$6 million.

\$100,000 per year if they choose to.

Under the new agreement, IAM Flight Attendants at Continental would earn \$13,035.60 more per year than a United Flight Attendant with comparable seniority.

“The job security language and the pay rates were in direct response to proposals from our members who

were anxious for a measure of security as the merger moved forward,” said Higginbotham. “But getting those provisions into the contract required an experienced bargaining committee taking full advantage of all the support and resources available to them.”

While the effort to negotiate a Flight Attendant agreement at Continental

was underway, the IAM Legislative Department was working with locals and districts to secure changes to the government’s archaic voting rules for air and rail workers nationwide.

“The ability to negotiate a good contract depends primarily on experience and resources, but it’s also highly contingent on the level of union density in a particular industry,” said IAM Legislative Director Matt McKinnon. “The airline and railroad industries are still among the most highly unionized in the nation, but the National Mediation Board (NMB) voting rules have been used for years to suffocate organizing drives.”

The successful fight to revise NMB voting rules combined intensive lobbying on Capitol Hill with a grassroots campaign that sent more than 25,000 comment cards to the NMB in support of the change.

“The voting rights campaign is just one example of how we protect our members in the legislative arena,” said McKinnon. “Other campaigns include the fight to bring Occupational Safety and Health Administration (OSHA) oversight to Flight Attendant workplaces and the successful effort to extend Family Medical Leave Act (FMLA)

protection to all Flight Attendants.”

On more than a dozen occasions during the past three years, IAM representatives have been invited to testify before House and Senate Committees on matters including bankruptcy reform, pension protection, and workplace safety.

The Fight for Pensions

Few areas demonstrate the need for experienced representation better than the ongoing battles to protect union workers' defined benefit pensions.

In many non-union workplaces, it is increasingly

rare to find defined benefit pension plans at all. Most have long since been replaced by an erratic patchwork of defined contribution plans or employee-funded

savings and 401(k) accounts without the guaranteed benefits of defined benefit plans.

Thirty years ago, two out of three American workers were covered by defined benefit pension plans with guaranteed lifetime benefits. Today, it's one in five.

The airline industry has long been a bastion of defined benefit pension plans, with generations of workers retiring on secure incomes that were not subject or victim to market fluctuations.

The wave of post-Sept. 11th airline bankruptcies that began in 2002 presented airline executives with an unprecedented opportunity to shed their pension obligations, an opportunity they embraced with a vengeance.

At United Airlines, executives dumped more than \$2 billion in pension obligations on the Pension Benefit

Quality of Life



Bill Burke, Page One Photography

As an IAM-represented Flight Attendant, my contract allows me to choose how many hours I want to work. I have great flexibility.

I can work every other day or I can make all my days off come together so I can have a nice, long break and a chance to travel if I choose.

It's all about quality of life.

Ray Leon Guerrero

Continental Micronesia Flight Attendant
Local 2339G, Territory of Guam



Bill Burke, Page One Photography

The fight to preserve pay and benefits, like traditional defined benefit pension plans, includes aggressive efforts in Congress to protect workers by reforming bankruptcy laws. IAM Transportation General Vice President Robert Roach, Jr., appeared before numerous House and Senate committees to advocate on behalf of airline workers affected by the wave of airline bankruptcies and pension terminations. IAM members at airlines that declared bankruptcy were the only groups to preserve traditional pension plans.



Giving members information about tentative agreements and then the opportunity to vote to accept or reject them is the foundation of IAM workplace democracy. From left, District 142 Bargaining Committee members Sheila Hammond and Nick Ruiz answer questions from Marvin Molina about the Continental Airlines (CAL) Flight Attendant tentative agreement. CAL Flight Attendants voted to approve the agreement in late February.

Guaranty Corporation (PBGC), the federal agency that insures company-sponsored pension plans.

Nearly 50,000 United employees in every job classification turned to their respective unions for help negotiating replacement plans.

Only the IAM was able to negotiate a guaranteed defined benefit replacement plan for its 16,000 members. All the others, including the Flight Attendants at United, were offered unsecured 401(k) plans.

"It took the threat of a strike before United would agree to a defined benefit plan for our members," said Transportation General Vice President Robert Roach, Jr. "The absence of an experi-

enced union and the resolve of a determined membership would have meant the complete elimination of defined benefit pensions at United."

Return to Profitability

While the overall number of full-time workers employed directly by airlines has declined from 753,647 in 2000 to 379,335 in November 2010, profits for most network carriers are climbing. The eight largest U.S. airlines are expected to earn more than \$5 billion this year and more than \$5.5 billion next year.

Despite the influx of cash, corporate executives are fond of saying that the only real job security can be found at companies that are capable of com-

peting in a global, i.e. low-wage, marketplace.

Pundits and corporate flacks say that guaranteed pensions are a thing of the past and that companies should not be forced to provide benefits that are offered by fewer and fewer of their low-price competitors.

The race to the bottom may have many cheerleaders, but workers should not give up.

"In this environment, with corporations and right-wing politicians waging war on workers at every turn, the best hope for preserving pay, pensions and benefits lies in having sophisticated, experienced union representation on your side," said IAM International President Tom Buffenbarger.

United Continental Merger

Contracts at the Crossroads

The pending merger between United Airlines, Continental Airlines and Continental Micronesia will cause a series of representation elections at the combined carriers that will put IAM contracts covering Flight Attendants at Continental and Continental Micronesia and Public Contact, Ramp and other groups at United at risk.

The National Mediation Board (NMB), the federal agency that oversees negotiations and union elections in the

transportation industry, is currently investigating applications for single carrier status for the Flight Attendant, Ramp Service and Stores groups.

Flight Attendants at United and Ramp workers at Continental are represented by other unions.

The IAM represents Flight Attendants at Continental and Ramp and Stores workers at United.

Winners of the elections in each classification would get representation rights for the combined

group in that classification.

Applications for single carrier status for the IAM-represented Public Contact, Food Service, Maintenance Instructor, Fleet Technical Instructor and Security Guard employees at United have not yet been filed.

"The upcoming elections are critical to securing, and even improving, the better wages, benefits, work rules and democracy that IAM members have come to expect," said IAM Transportation General Vice President Robert Roach, Jr.



IAM Transportation General Vice President Robert Roach, Jr., addresses United Airlines Ramp Service workers in Chicago, IL, at one of a series of nationwide meetings about the importance of protecting IAM contracts at United, Continental and Continental Micronesia in the upcoming representation elections at the merged carriers.