



Mesaba Negotiations Update



September 23, 2006

Vol. I, Issue XIV

Mesaba Labor Coalition Conference Call Recap

The following information is intended to be a summary of information (relevant to flight attendants), presented on the All-Employee Mesaba Labor Coalition Conference Call on September 18, 2006.

Introductory Presentation

District Court Ruling: What does it mean? Will the company re-file?

- We are ready, but we see the only solution to be a negotiated one.
- The question is, will they go back to Kishel? Will they consider the court's decision and negotiate over snap-backs?

Update on NWA

- The Appellate judge reversed the decision of the bankruptcy court that had said that NWA was not entitled to an injunction. An appeal was filed last Friday, and it will probably take a good 8 weeks.
- How does it affect us at Mesaba? If NWA were permitted to engage in CHAOS, it would not likely affect Mesaba flights.

ALPA Update

- Stated that the coalition has agreed to the Health benefits package that were offered to ALPA in May.
- The ALPA MEC has made a decision to not return to the table until the company makes a substantial move.
- Still awaiting a proposal from the company

AFA Update

- 1% reduction in wages
- 2 year longevity freeze
- 15 cent reduction in per diem
- Reductions in uniform allowance, sick leave accrual, vacation credit
- AFA met with the company on Friday, September 15, 2006, to review their financial information that is subject to the confidentiality agreement. We are meeting with them later this week about health care. No new negotiations have been scheduled.

AMFA Update

- Met with the company today (September 18, 2006) to review the confidential financial information and discussed a schedule for health care discussions for later this week.

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Negotiations Update

While Mesaba Management claims to be interested in negotiating and reaching a consensual agreement, they continue to try to manipulate the legal system to their advantage. And, the NMB (National Mediation Board) isn't helping the situation either.

Your AFA negotiations team met with management last Friday, September 15, 2006. We asked when they would have a response to our proposal of June 5, 2006 and be ready to negotiate as directed by the District Court. Management told us then that the following week (which is now this week) we would get a health insurance update and then begin negotiations. However, the management team has used this opportunity to try to bolster their legal position regarding their failure to comply with the 10-day meeting rule as required for Railway Labor Act negotiations. Instead of negotiating directly with us, management is refusing to meet unless a National Mediation Board mediator is involved. Rather than putting aside this issue and meeting with us, they would rather play games and try to trick us into waiving their 10-day rule violation. What's worse, the NMB had initially suggested that all sides sign a letter reserving their rights on the 10-day rule issue, and then reversed

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Litigation Update

Instead of focusing on negotiating a consensual agreement, Mesaba Management has informed us that they are preparing to go back to court unless they get deals by September 28, 2006. They have said they will ask the judge to make a ruling by October 13th, with an imposition date of October 15th.

Mesaba Management continues to insist that they will only meet with a mediator from the National Mediation Board (See Negotiations Update for additional information) despite the fact that we continue to offer to meet with them without the assistance of a mediator, and have offered to engage in private mediation (with AFA covering the cost of the mediator). They continue to refuse to meet with us.



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course and refused to sign the letter even when AFA and Mesaba management were ready to sign and get on with the negotiations.

We cannot waive our rights to protect our contract. Under the 10-day rule, by not meeting or scheduling a meeting for more than 10 days the Company violated the rules and we were then free from further procedures under the Railway Labor Act. In other words, we're not required to engage in mediation, interest arbitration or even a 30-day cooling-off period before we exercise our right to strike. We are not going to let management, or the NMB, manipulate the process to restrict our right to strike because the threat of a strike is the only thing that will force management to negotiate fairly.

We are ready to negotiate, and would hope that management and the NMB would actually do what they say they want to do - try to reach a consensual agreement - rather than hold up the negotiations for the sake of trying to short circuit our right to strike.

Stay tuned and stay informed. The situation is very fluid and we will pass along news of any developments as they occur. Our goal remains to reach a consensual agreement, and one that we can all live with. Our unity and our commitment will ensure that we ultimately prevail.

In Solidarity,
The Negotiating Committee

MEM CHAOS™ Expo

Where: CWA Union Hall 3595 Old Getwell Road

When: Thursday September 27, 2006

Time: 12p-2p

For additional information please contact Kymberly Adrine 901-268-7147

CHAOS™ Tailgate for University of Memphis / University of TN

When: September 30, 2006, Game is at 11:00a.m.

TAILGATE WILL START AT 9:00a.m.- ?

Where: Liberty Bowl Stadium 335 S. Hollywood

Requesting donations of Cook-out items.

For further information and RSVP please contact Kymberly Adrine 901-268-7147

(NOT SO) FUN FACT:

Mesaba Management has wasted over \$8 million so far in the bankruptcy litigation.

Source: Bankruptcy court records

CWA MN/ND State Council Shows Support

On September 18 & 19, two members of the Negotiating Committee - Jason Stein and Karen Boerner - traveled to Rochester, MN to attend the District 7 Semi-Annual Conference. The purpose of the trip was to follow up on the resolution that was adopted by the CWA at the Annual Convention in July, and update the members of our current situation.



Jason Stein, Tim Lovaasen (CWA MN/ND Pres), Karen Boerner

In July we asked for the support of the 700,000 CWA members nation-wide in our fight against corporate greed. The unique thing about CWA, is that these delegates live in small towns as well as large, and provide us an opportunity to bring our message out from the hubs and into where many of our passengers live.

We were pleased to tell them about the District Court's decision that overturned the company's right to impose a contract on us without our approval. In fact, the room spontaneously erupted in applause! We also explained to them why we are not out of the woods yet, and that the company is still refusing to negotiate and now is threatening liquidation. When they heard that a new-hire flight attendant will make less than \$10,000 after paying family health coverage, they could understand our refusal to give in to the demands of Mesaba Management. In a final show of support the delegates purchased almost \$200 of CHAOS t-shirts!



Jason Stein addressing the conference

Our affiliation with CWA provides our members many benefits, some of which could come into play in the event that we have furloughed flight attendants or the company liquidates. They have committed to do whatever they can do to assist us, and we want you all to feel the security of that parachute that is out there for us.

CONTACT INFORMATION

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- CHAOS Strike Center - 877-894-8823
- CHAOS Assignment Line - 800-424-2401, ext. 735
- Weekly Hotline - 800-424-2401, press 1, then 730
- Mesaba-AFA Website - www.mesabaafa.com
- AFA Website - www.afanet.org
- Mesaba Labor Coalition - www.mesabalabor.org

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- to return to the bargaining table and that they will have a proposal and it will have a change.

Questions & Answers

Q: Does the company need the Bankruptcy Court's approval to liquidate?

A: No

Q: Will we get paid for unused sick time or vacation if the company liquidates?

A: You will not get paid for unused sick time, but you are entitled to unused vacation time for 2006, as well as what you have accrued for 2007. If the company does not have the money to pay, you will become one of the creditors and you will have a claim against the company, that will eventually get paid as the liquidation becomes final - but at that point it would likely be for less than 100 cents on the dollar.

Q: If the company chooses to liquidate, how do they notify the employees?

A: There are laws that require the company to provide a certain amount of notice. It is difficult to predict what Mesaba management will do. We expect that they would provide some notice, but in their desire for operations to run smoothly up until the end, they might take it down to the wire before they provide notification to the employees

Q: Spanjers claims that Judge Davis agreed with the Bankruptcy Court's decision that 19.4% and 6 years was necessary for reorganization. Is that true?

A: The district court uses a standard of "clearly erroneous" in order to reverse decisions of a lower court. What Judge Davis is saying is NOT that he has done his own analysis, but rather that there was no evidence that would indicate it was a clearly erroneous decision on the part of Judge Kishel.

Q: Is the DIP financing contingent on getting 19.4% from the labor groups?

A: No, it is only contingent on reaching agreements with the labor groups.

Marr, Hipp, Wang & Jones Litigation Coupon

If We Lose Two Cases, Get One Free
OR

Ask about our 19.4% Discounts

**Not Valid in U.S Courts or for Mesaba Management*

This newsletter is produced throughout the negotiations process and during the CHAOS Strike if it is necessary. Any suggestions or comments for current or future editions should be sent to a member of the Negotiations Committee.

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Rules Schmrules

By: Kay Oss

How many times in your life have you played a game wherein you were allowed to alter the rules to your advantage or not play by the rules at all? Many of us would say a few times when they were small children playing with their parents or older siblings. Key words in that sentence, “small children”. As adults are you able to do this? Much to my chagrin, I’m not either.

So why does Management believe they are allowed to alter the rules when it comes to negotiating? Let’s look a couple of things:

1. Management violated the 10 Day Rule *required* by the Railroad Labor Act by not contacting us with regard to meet. They had the option of filing for mediation within that 10 days. They filed after receiving a letter of notification of violation of the 10 Day Rule from AFA. A day late and 19.4% short, I’d say.
2. Management tried unsuccessfully to manipulate us into negotiating with a mediator from the National Mediation Board. Had we met with an NMB mediator, we would have given up our right to self help.
3. Management has refused to meet with an outside mediator. They say it’s because of cost. As our dear Bill “Python” Poerstel put it “Why would we pay for it when we can get it for free?”

Why, indeed, Mr. Poerstel. Let me explain. It was Management’s foul when they violated the 10 Day Rule. Why should the flight attendants be penalized for that?

It was Management who wanted the NMB to step in when they fouled. Why should the flight attendants suffer for that?

Here is my question, Mr. Poerstel: Why should the labor groups suffer because of the way Management does and has done business is what put us into this “bankruptcy” situation in the first place? Because rather than pay us, you can get it for free? There’s an old saying, “you get what you pay for”. Think about it.

Then again, Management has a history of spend first, ask later. One simply has take into consideration the upper and middle management teams. Capt. Ed comes to mind. They got a fantastic deal with him, didn’t they? Let’s not even broach the subject of Marr, Hip, Jones and Wang, the fabulous legal team, as I believe that might becoming a rather sore subject too. If it’s not, it should be.

I can’t even think the words Senior Leadership Team without a feeling of nausea. Leaders lead by example. Leaders play by the rules.

I think it’s time for our “Leaders” to stop behaving like spoiled, unruly two year olds and start leading or be put in the Time Out Chair.

www.mesabaafa.com

WEEKLY NEGOTIATIONS HOTLINE

1-800-424-2401, press 1, then 730

Updated every Saturday

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