



Mesaba Negotiations Update



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SPECIAL EDITION

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Management may impose cuts on October 26th!

Letter to the Mesaba Flight Attendants

Tim Evenson, AFA-CWA MEC President

Dear Members:

As you know by now, on Monday October 16 Judge Gregory Kishel of the U.S. Bankruptcy Court granted Mesaba's Sec. 1113 motion and authorized management to reject our collective bargaining agreement. I am extremely disappointed in the decision, as is the entire MEC and your negotiating team.

The court delayed ruling on management's motion seeking an injunction to prevent us from striking. Until Judge Kishel rules on the injunction he has temporarily directed the company not to reject our contract and impose their cuts to our pay, benefits and work rules. The court delayed ruling on the injunction until Monday October 23 at 1:30 p.m. If the injunction is granted management will probably implement the cuts at 12:01 a.m. central time on Thursday, October 26, 2006. Details of the cuts management intends to impose at that time are posted on our website at www.mesabaafa.com

I want to ensure our entire membership that we have fought management at every possible turn. I'm very proud of the long hours and the incredible work that has been done to defend our contract – by our Negotiating Committee, our MEC and LECs, our Committees, our staff and our outside attorneys. I'm also very proud of the flight attendant group, not only for their constant support for our negotiations, but also for their unity in the face of a year-long attack by management on our contract and our careers. AFA and CWA have committed an incredible amount of resources to assist us in this lengthy and unprecedented legal and negotiations battle – from negotiations and support staff, materials and technical support, and expert attorneys to argue our case. ALPA also committed enormous resources to this, as did AMFA.

AFA will, of course, continue to support our efforts in every possible way as the situation continues to unfold, starting with the expedited appeal that is being filed challenging the court's 1113 ruling. Our attorneys won the first appeal from the earlier 1113 ruling, and we will pursue this new appeal with the same aggressive legal approach we have taken to the entire bankruptcy case.

In addition, we will continue to work with our Labor Coalition partners, ALPA and AMFA, in order to ensure that all employees at Mesaba are treated fairly. Now more than ever we need to stay united, within our flight attendant group and with our colleagues in ALPA and AMFA.

While management may have won a couple of the legal battles, we will never give up. While our lawyers continue to argue to protect our interests in court, we'll continue to demand a contract that cushions the impact of management's outrageous demands. We will continue to fight to protect our profession and our livelihood. We will strive to limit the damage and we will rebuild to fight another day.

Our strength is in our unity. Be sure to support each other on the line in this difficult time, and fly safe.

In Solidarity,

Tim Evenson
MEC President



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- 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

Same Circus, Different Clowns

By: Kay Oss

Just how many lawyers does one (Non) Management team need to win an injunction motion? It would seem quite a few.

Along with that crack legal team I spoke of last week, a new warrior came to the battle field. Tim Thornton (of NWA fame) joined in. Good call on (Non) Management's part considering Mr. Thornton worked wonders for NWA with their flight attendant woes. Or, not. It's become very apparent many snakes want to have their fangs in this pie and Mesaba is getting more of NWA's throw backs.

What I'd like to know is where is the money coming from to pay all these fabulously "learned" people? I mean didn't Bill "The Python" Poerstel state during his road shows Mesaba was losing about one million dollars a week?

Did (Non) Management agree to give up some of their own pay in order to keep the Unions from striking? Somehow I doubt that. After all, some of them have kids in college! Perhaps, they went to Uncle Paul for the extra money.

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How Management Got to the Point of Imposing Cuts to Our Contract

And Our Continuing Fight for Fair Treatment and a Livable Contract

As you know by now, U.S. Bankruptcy Court Judge Gregory Kishel, the judge overseeing the Company's bankruptcy, has authorized Mesaba management to impose its drastic wage and benefit cuts and work rule changes. The changes he has authorized can be seen at our website at www.mesabaafa.com

What you may not know about the reasons we got to this point:

- from the failure of management to engage in good faith negotiations,
- to management's take it or leave stance throughout much of the process, and
- the unpredictable and unprecedented decisions of Judge Kishel,.

You may also not know the efforts that your Union has gone through in order to try to stop the Company and the Judge from misusing the law to destroy our contract: from the formation of the Mesaba Labor Coalition with ALPA and AMFA to the extraordinary amount of financial and legal resources deployed in the Court case, to the staff, money and materials needed for our negotiations, communications and CHAOS™ efforts.

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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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On October 13, 2005, Mesaba filed for bankruptcy. In December of 2005, they began negotiations with all the Unions, and AFA in particular, in anticipation of asking the bankruptcy court to reject our contract. The negotiations were essentially based on two tracks. First, regular, so-called "Section 6" bargaining had begun on the amendable date of the current agreement, pursuant to the Railway Labor Act. Second, simultaneously, management initiated pre-1113(c) negotiations about the need for concessions under the bankruptcy code. At that time, we let management know that for purposes of negotiations we would treat the meetings for 1113(c) as the same for Section 6 negotiations.

Over the next two months, your AFA negotiations team, with the assistance of AFA Staff Attorney Mark Stotik and AFA General Counsel David Borer, spent countless hours and days preparing, reviewing, and discussing proposals. We also spent time analyzing financial information with the assistance of Dan Akins, the expert economist hired by AFA to assist in this process. However, all the hard work went for naught as Mesaba management refused to move off of its opening proposal of 19.4% wage and benefit cuts and six-year duration.

In February, 2006, with negotiations going nowhere, management filed the first of three 1113(c) motions, in an attempt to get court authorization to reject our contracts. The hearing was extraordinarily long at 15 days of testimony and review of evidence. AFA was represented by Rob Clayman, whose law firm has handled all of the bankruptcy cases for AFA, and local counsel Joel Nesset.

Despite the misgivings about some of the Judge's rulings during the first trial, in the end the judge ruled that management had failed to meet all the requirements of the law – principally in failing to provide all the information necessary for the Unions to evaluate the proposals and properly assess the role of attrition. The court denied Mesaba's first 1113 motion and refused to allow management to reject our contract.

During that same time period, Mesaba management violated the requirements of the Railway Labor Act, failing to meet or schedule a meeting with us for a period of more than ten days. Under the law, this entitled us to go straight to the end of the Section 6 negotiations process and engage in self help, i.e. strike or CHAOS™. We told management we would continue to engage in good faith negotiations throughout this Sec. 1113 process, but reserve our right to strike. We thought this might spur the company toward a consensual agreement; unfortunately, we were wrong.

Immediately after meeting with the AFA negotiating team and economist to review the financial information that the Judge had found to be improperly withheld from us, management presented us with another proposal. A cover letter with the proposal stated management was going back to court within weeks if we did not have an agreement. Management again refused to bargain – holding firmly on a 19.4% cut for six years – and back to court we went.

The second hearing took place in late June, 2006. This time it was only three and one half days long and the Judge ruled in management's favor, granting their motion to authorize rejection of our contract. The decision was immediately appealed by our attorneys due to factual and legal errors made by Judge Kishel. The appeal was consolidated into one case for all the Unions, AFA, ALPA, and AMFA. Judge Davis of the U.S. District Court found that Judge Kishel had made significant errors in his decision, overturned the ruling and sent the case back to Bankruptcy Court. Judge Davis had found that management did not bargain in good faith when it failed to bargain about snap backs, and did not treat all parties fairly and equitably, with particular reference to the apparent possibility that MAIR would suffer no loss even while the employees were expected to take huge cuts.

Your negotiating team had been unable to bargain with management during this period, as management continued to focus on litigation rather than negotiation. They refused to meet with us without a NMB mediator, despite the fact that we had proposed several alternative ways to meet, protecting every one's legal position, including direct negotiations or the use of private mediator. They refused, so we did not bargain because meeting with an NMB mediator present would have jeopardized our position that mediation was finished due to management's violation of the ten-day rule. That, in turn, would have risked jeopardizing our right to strike.

Having had his second 1113 decision thrown out on appeal, Judge Kishel began the third 1113(c) hearing in mid-October. Management had finally moved, reducing its demands to 17.5% for five and a half years, but not nearly enough to reach an agreement. The factual and legal errors that the judge had made in the previous hearing were, in our view, compounded during this third hearing.

The most egregious result was Judge Kishel's decision that evidence of negotiations between ALPA and management about snap backs that had occurred in May – and that the company introduced in violation of a confidentiality agreement – could be attributed to the other Unions. Management consistently refused to negotiate with AFA or AMFA over snapbacks, but the court said that was okay, ignoring management's obligation to negotiate with *each* union over snapbacks. The court essentially ignored Judge Davis' concern about fair and equitable treatment vis-à-vis MAIR, saying other provisions of the bankruptcy code will take care of that question at some point.

The judge had said he was prepared to announce a decision on October 12 but delayed at the request of the Unions to allow for one last effort to negotiate a consensual agreement.

Contrary to management's position in court, over the weekend-long negotiations on October 14 - 15, significant progress was made, although no deal was reached. On October 16, Judge Kishel announced that he would again authorize the rejection of the labor agreements. On October 17, the case on management's request for an injunction to prevent the Unions from striking was heard, also by Joe Kishel. It began at 1:30 PM and ended at 8:30PM. The judge delayed his decision until October 23 at 1:30PM, also delaying when management would be allowed to impose their cuts to our wages, benefits and working conditions.

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Though Mr. Thornton fought hard to keep Mr. Spanjers off the stand, it was not to be. There were several answers of "I don't know", from Mr. Spanjers. However, his heartfelt testimony of "CHAOS™ activity is a real threat to this airline... It would be devastating" almost brought a tear to my eye. At least he spoke the truth this time.

In a rather weak attempt at justifying drastic pay cuts, Mr. Thornton asked Mr. Spanjers if Mesaba employees were "indentured servants". You will be pleased to know we are not. Mr. Spanjers said we could quit anytime we wanted to. A silly question at best. Mr. Thornton should have known indentured servants, at least, had housing and medical care.

Let's not forget Ms. Wang's brilliant testimony. She had no idea one of her named partners in her law firm, Ken Hipp, was at one time, Chairman of the National Mediation Board. She also seemed more than a little unfamiliar with the Railway Labor Act. Interesting that a labor attorney wouldn't at least have a working knowledge of the Railway Labor Act, no?

I think I'm beginning to see the reason why it's taken three attempts to get that 1113(c) Motion win and why (Non) Management is so eager to have the NMB step in.

During an on camera interview Elizabeth Costello stated, "If we don't make these labor cuts, this company will not survive." Actually, Ms. Costello, if (Non) Management chooses to pay for incompetence rather than seriously negotiate with the Unions, this company will not survive.

Note to Mr. Hipp: Please be a little more careful driving through parking ramps. I'm a flight attendant, sugar, and with the pay cuts you insist we take, I will not be able to afford repairs.

Message for (Non) Management: Marie Antoinette called. She'll be invoicing you for the use of her management techniques. Perhaps you can add it to the already existing enormous legal debt.

Until next week, I will continue to eat cake.

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While the court process was occurring, the formation of the Mesaba Labor Coalition provided an unprecedented forum from which AFA, ALPA, and AMFA were able to coordinate their efforts. We took steps to ensure that all the employees would be treated fairly, resisted management's efforts to 'divide and conquer' the employees, and worked together throughout the negotiations and litigation. We presented a united front on common issues such as duration and healthcare.

The bankruptcy court seems to have ignored the law and facts and twice delivered to management what they could not get at the bargaining table. Management has said it will impose its drastic cuts to our contracts if the Unions are prevented from striking. We continue to fight. An appeal is being filed within days and your AFA negotiating team continues to work toward a consensual deal.

WEEKLY NEGOTIATIONS HOTLINE

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

Updated every Saturday

www.mesabaafa.com

CHAOS™

CODEWORD:

The Blues

***Remember it, Watch for it,
You will know when it is time!***

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