

Issue # 52 December 30, 2009

(612-726-2230) Newsletter of the MSP ESSC Shop Committee (612-201-0383)

Blood Drive – The IAM, AFA and Red Cross will be holding a Blood Drive on January 12th and 13th in the Building C Parking Lot from 12PM to 5PM. Go to www4.givebloodgivelife.org. Then go to the right hand column and hit “Donate Blood”. Type in zip code 55450, find the event and register. You may also give blood without registering, but it helps the Red Cross if you do register.

Polar Plunge – This event will benefit the Special Olympics. Last year our IAM Team had 12 participants. This year we are hoping for over 30. We also hope to raise over \$6,000 in pledges.

The event will be held at Crystal Lake Beach at 2:30 PM. Please go to www.specialolympicsminnesota.org. Click on polar plunge. Go to the upper right and click on “find a team”. We are plunging on February 27th, South Metro. Our team name is Red Tail Flyers. Scroll down and find the person you want to donate to.

Simulator Technicians – The simulator technician classification won a victory when the National Mediation Board determined they are a class and craft separate from aircraft mechanics. Delta had sought to have them included with mechanics so that they would never reach an election for union representation. A vote should be scheduled in the next several weeks.

Altnet.org – Want to see who the ten greediest corporate executives were in 2009? Visit this site, then scroll down to December 22, 2009. Guess who was #10.

Ready Reserve – In ATL these employees will now bid on their jobs 4 times a year according to a company memo. Delta says this is partly to benefit the worker, but in reality this is so the company can manage operational needs and lower labor costs. The company offers a 2 hour computer course to learn the bidding system, unpaid of course.

Fed Appointment – Richard Anderson has been appointed to a three year term on the Board of Directors of the Federal Reserve Bank of Atlanta. Board members recommend changes in the Fed’s discount rate. They also contribute to the formulation of U.S. monetary policy through the economic information they provide to the bank’s president.

Fuel Burn – We wonder if Delta has calculated how much money is wasted on fuel burn while an aircraft waits to be parked because the company is saving money by understaffing on the ramp.

Business Tools

There was a time when bankruptcy was considered a bad thing, something to be avoided, a blemish on the name of a company. Not so in the 21st century. It is now considered a business tool. In fact, Ed Bastian, Delta executive said in May of 2009, “Bankruptcy worked for our companies. Now we stand as the strongest airline in the United States and the largest in the world.” Richard Anderson has made similar statements, calling bankruptcy a tool.

This stands in stark contrast to Bastian’s pronouncement at a Town Hall Meeting in MSP where he said the day Delta went into bankruptcy court was a sad day for the airline. “It is a sign we weren’t doing something right” he said.

Court Favors Big Airlines

It’s no wonder top execs see no shame in bankruptcy. For them it is the perfect way to drive down labor costs and enrich themselves. UCLA Law Professor, Lynn LoPucki, in his book **Courting Failure: How Competition For Big Cases Is Corrupting The Bankruptcy Courts**, says large public companies, like Delta and Northwest, enjoy an unfair advantage when they get to choose the bankruptcy court in which they file.

The result, according to Corporate Crime Reporter, is that two thirds of all billion dollar cases are filed in New York City and Delaware. Why? These courts routinely grant whatever corporate executives want – massive concessions, voiding labor contracts, ditching pensions and multi million dollar retention bonuses for executives. The 2nd Circuit Bankruptcy Court in New York, where Delta and Northwest filed, “applies a lenient standard to get out of collective bargaining obligations”, says law professor, Richard Bales in an article in the National Law Journal.

The IAM, in testimony before Congress two weeks ago, called for comprehensive reform of bankruptcy laws. General Vice President Robert Roach Jr. said, “much of the financial sacrifices employees were forced to make to save their company were diverted into the pockets of the people responsible for the company’s failure.”

Other Business Tools

Why do we raise the bankruptcy issue now? We want to make sure that there is no doubt that Delta will use any “business tool” to drive down labor costs, just as they have in the past.

Today the big issue for Delta is keeping the airline “union free”. Delta is well aware that a union victory will stand in the way of driving down labor costs and WalMartizing the airline industry. Even the granting of pay raises for Delta

employees should be seen in this light. Delta employees have seen this before. They call it “money on a string”. Give Delta employees raises when the union is knocking at the door, only to be taken back later. Business tool.

Ready Reserve – The following was sent to us by a Delta baggage handler in ATL last week after our article on Ready Reserve. “When I talk to full time ramp employees in ATL about unionizing and other issues, the first question I ask them is, “How would you feel about your son or daughter working out here on the ramp with no health insurance, no guaranteed benefits for injury, no sick time or vacation time, and most of all in a system that fosters favoritism and an unrealistic time frame to get full time? Creating a system where ready reserve works in the same position as a full time employee without the same benefits is not only unethical but immoral.”