



**AIR TRANSPORT**



**DISTRICT LODGE 142**

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November 20, 2009  
File: AWI-18

2009-94

## IAM/AIR WISCONSIN QEC ENGINE WORK UPDATE

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In accordance with Article 1D of the Labor Agreement, the Company and the Union formed a Joint Committee to deal with the potential subcontracting of a substantial amount of engine work due in the near future. Before the committee started meeting, the Company put out an **RFP** (request for proposal) to vendors. For the past two months this committee has met several times and conducted numerous conference calls.

From the very beginning the Company has been apprehensive about keeping this work in house where it belongs. Every cost analysis and estimation that the Company provided to the Union was researched and countered. The Union returned each time with sensible detailed costs and process improvements that were more accurate and reflective than the Company numbers. Each time the Union committee challenged the Company, they would come back with additional cost in manpower or process. The Union's last position would have saved Air Wisconsin \$975,000 over their projected third party cost through 2014 just by eliminating redundant functions associated with this work. The Company did not agree and still remains resistant to any change.

The Company has notified us they will be selecting an outside vendor for this work. While there is disappointment with their decision, it certainly was anticipated. The Union's position remains that our members clearly have the exceptional skills and ability to perform this work better than a third party vendor. The Union has also clearly shown our costs are more than competitive. Throughout the history of the IAM on this property, this membership has never failed when tasked with a project and this would be no different. We fully expect this to be yet another failed venture at Air Wisconsin and are looking forward to seeing that work brought back for the IAM members to perform.

Sincerely and fraternally,

James M. Samuel      Sean Ryan  
**GENERAL CHAIRMEN**

Jerry Lemke              Gary Vargo  
**NEGOTIATING COMMITTEE MEMBERS**

JMS/slb

cc: R. Roach, Jr.  
S. Pantoja  
T. Brickner  
District 142 Executive Board

opeiu #320

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