



District 142

Continental • ExpressJet • Micronesia • Gulfstream

Weekly Update



The Update Message from the International Association of Machinists and Aerospace
Workers
representing Flight Attendants in the 2339 Local Lodges

Friday, June 1, 2007

The Iraq War Funding Bill And Your Pension — After months of wrangling, last week Congress and the White House passed legislation to pay for the continuing costs of the Iraq War. What does this have to do with your pension? Tucked into the Iraq funding bill was language that will allow Continental to reduce the amount of money it pays into the Continental Airlines Retirement Plan (CARP). Last year's Pension Protection Act of 2006 (PPA) was intended to force companies to put more money into their pension plans. However, airlines successfully lobbied for an exception to these new, tighter standards. PPA included a loophole for airline plans like CARP, which provided an "extended payment plan" for pension under-funding. Airlines could take up to 10 years to fully fund their under-funded pension plans, rather than the 7 years required by PPA. The Iraq funding bill gives airlines like Continental additional wiggle room. Not only do they get extra time to fill funding shortfalls, but they will be allowed to use a higher interest rate to measure the plan's liabilities (8.5% instead of the roughly 6% required under PPA). This interest rate change will immediately make pension plans like CARP appear better funded, even as airlines will be allowed to reduce the amount of cash they put into the pension plan. Tom Higginbotham, District Lodge 142, President-Directing General Chairperson

Continental Airlines is offering all International Crew Members free immunizations for their Mumbai operations which begin this October. The IAM secured this provision for Flight Attendants years ago and can be found in the current collective bargaining agreement in Section 3 – D. 2 which states, "Inoculations recommended by an appropriate United States governmental agency for any destination served by the Company shall be made available to flight attendants without charge. Such inoculations will be provided at Company designated locations only. It will be the flight attendant's responsibility to keep her/his inoculation record current." These inoculations are recommended by the Centers for Disease Control (CDC) but are not required for crew members. To learn more about what inoculations are recommended and when and where you can receive them, refer to Inflight Bulletin # 07-33 dated May 25th, 2007.

Forty-One New Continental Flight Attendants Graduate — A class of 41 new Continental Flight Attendants graduated Thursday, in Houston. These newly graduated Flight Attendants will begin flying this June. Three of the Flight Attendants will be based in Houston, and 38 will be based in Newark.

Northwest Airlines Emerges From Bankruptcy — Northwest Airlines (NWA) today begins operating outside of bankruptcy court protection for the first time in 20 months. While the process has been full of sacrifices and difficult decisions, IAM members fared far better than other employees at the troubled carrier. The IAM is the only union at Northwest to successfully negotiate a replacement defined benefit pension plan for our members. In accordance with IAM collective bargaining agreements, Northwest will begin contributing to the IAM National Pension Plan upon emergence from bankruptcy. Important information about the plan is available at www.iamnpf.org. Many observers believed that bankruptcy marked the end of the line for the carrier's obligation to repay employees for concessions granted in 1992. The IAM continued to vigorously press its case throughout the bankruptcy court process. While it was the IAM who ultimately won this case, the victory benefits all Series C stock holders, including former IAM members and flight attendants. The IAM also represented retirees throughout the bankruptcy process, securing substantial reductions in the cost of medical insurance premiums. As a result, IAM retirees will pay only 2.5 percent of the cost of medical premiums. Retirees from other employee groups will pay from 5 percent to 25 percent of their insurance premiums for the same coverage.

Congress Passes Increase In The Minimum Wage — Washington, May 24 — Congress handed a major victory to low-income workers on Thursday night by approving the first increase in the federal minimum wage rate in a decade. By a vote of 348 to 73, the House approved the measure as part of a deal on Iraq spending. Less than two hours later, the wage increase was approved in the Senate, where it was combined with a bill providing more money for the Iraq war. That vote was 80 to 14. The measure would raise the minimum wage to \$7.25 an hour from \$5.15 in three stages over two years. Speaker Nancy Pelosi, Democrat of California, said the increase was overdue. "After 10 years of indifference," Ms. Pelosi said, "we are raising wages for the hardest-working Americans."

We would like to encourage all members to attend your Local Lodge business meeting. Each base must have a quorum to conduct business. The following is a schedule for upcoming meetings:

Newark: Tuesday, June 12th, 3:00 p.m. at the Doubletree Airport Hotel.

Cleveland: Thursday, June 14th, 1:00 p.m. at 669 North Rocky River Drive.

Houston: Tuesday, June 19th, 1:00 p.m. at 15710 JFK Blvd.

Guam: Wednesday, June 20th, 4:00 p.m. at the Airport Conference Room.