



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

Friday, April 9, 2010

United Airlines and US Airways are once again in merger talks and it's the third time in a decade that they have tried to make a deal.

United has made it very clear that it would prefer to merge with Continental.

Among the United/US Airway deal's skeptics is Robert Roach, general vice president of the International Association of Machinists, the largest union at both United and US Airways. "This could be speculators pushing up the price of the stock, or it could be a ploy to get Continental to make a move on United," Roach said in an interview. "There's been a lot of integration between Continental and United," he said, noting their extensive code-share agreement and global anti-trust immunity, both of which followed United's invitation to Continental to join the Star Alliance.

Roach said he spoke Thursday with executives of Continental, who told him they were surprised to learn of the US Airways/United talks in The New York Times. Last month, Continental CEO Jeff Smisek said that if conditions warranted, he would resume the consolidation discussions with United that broke off two years ago. A Continental spokesman declined to comment.

A union spokesperson from the Association of Flight Attendants, which represents flight attendants at both carriers, indicated that she was skeptical of this merger deal. "I'm not so sure this is real," she said, adding that US Airways shareholders benefitted from the story and that Continental may be forced to show its hands.

In a post Thursday on Swelbar.com, Bill Swelbar, research engineer at MIT, also questioned the merger talk. "I think the labor issues are insurmountable," he said. In the merger between Delta and Northwest, "Delta was blessed with a pilot group that understood things needed to be in place on day one," said Swelbar. "If the template is Delta/Northwest, United/US Airways is anything but." Also, he said, a US Airways/United merger would face regulatory barriers in Washington, where US Airways dominates Reagan National airport while United dominates at Dulles.

In a report issued Thursday, UBS analyst Kevin Crissey noted that for United, Continental is "probably a better alternative" than US Airways. "We expect United to also speak with Continental," he wrote.

As with negotiations, the Union is here to dispel rumors and deliver facts. Providing accurate and verifiable information is one of the IAM's most important jobs. Pursuing the truth takes a little extra time and effort, but our members expect nothing less.

UAL offers flight attendant raises, with a catch

United offers flight attendant raises to Continental levels, if it gets concessions

United Airlines said on Monday it would bring its flight attendants up to the pay scale of their counterparts at Continental Airlines in exchange for changes in work rules.

Airline labor negotiations are often a tug-of-war over wages versus benefits and work rules, which both sides value as much as straight cash.

Some experienced flight attendants would get raises of more than 10 percent if they were brought up to the pay of those at Continental, wrote Doug McKeen, United's senior vice president for labor relations, to the head of the airline's flight attendant union. In exchange, United wants concessions such as more flexibility over which hotels flight attendants stay at, and reductions in benefits earned by flight attendants who trade away their flying time.

The letter said United was proposing to use Continental's contract "as a basis" for a new agreement at United. It said United was ready for discussions focused on the Continental contract, or other talks "to move the negotiation forward in a positive way."

United has not made a formal wage proposal, said Greg Davidowitch, the head of the United branch of the Association of Flight Attendants-CWA, in a prepared statement.

URL: <http://www.google.com/hostednews/ap/article/ALeqM5hX-nA9pUsiQK47XGf7mWsQ9XXCfAD9ET4CK00>

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

Newark: Tuesday, April 13, 2010, 3:00 p.m. at the Renaissance Newark Airport Hotel

Houston: Tuesday, April 20, 2010, 1:00 p.m. at Houston Airport Marriott Hotel

Guam: Wednesday, April 21, 2010, 4:00 p.m. at the Airport Conference Room

Cleveland: Thursday, May 13, 2010, 1:00 p.m. at 669 North Rocky River Drive