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NWA warns employees against picketing on outsourcing

BY JENNIFER BJORHUS
ST. PAUL PIONEER PRESS

Northwest Airlines is threatening to discipline or fire union employees if they disparage the company in an informational picketing campaign about offshore outsourcing planned for July 2 at the Minneapolis-St. Paul International Airport.

Members of the Aircraft Mechanics Fraternal Association Local 33 and the Professional Flight Attendants Association are planning to picket outside the ticketing area to raise awareness of the company's practice of having overseas and third-party repair stations do maintenance on Northwest aircraft.

But a June 18 letter from airline management to the mechanics union, which AMFA posted on its Web site Wednesday, warns of serious consequences.

"Any suggestion that safety or security has been compromised at Northwest is both false and highly damaging to Northwest's business," Northwest labor relations vice president Julie Hagen Showers said in the letter.

The picketing might violate the company's rules that employees not disparage the safety, security or quality of the airline's operations, she said. The picketing also could constitute using "public economic coercion" to get Northwest to scale back outsourcing, violating the Railway Labor Act, she said.

"Please be aware that the company will view any disparaging comments regarding the safety, security, or quality of the company's operations as a serious violation of the rules described above," she said in the letter. "AMFA or PFAA-represented employees who engage in such rule violations will be subject to discipline up to and including discharge."

AMFA Local 33 president Jim Atkinson said that Northwest's move was confusing, and that the unions haven't decided whether to cancel the picketing. The union was still in the process of gathering names of employees who planned to join the picket and had about 50 names.

"I'm very upset by it," Atkinson said. "It certainly seems to take away your constitutional rights."

Northwest on Wednesday declined comment beyond Showers' letter.

The contract that Northwest has with its mechanics allows the Eagan, Minn.-based company to spend about 38 percent of its aircraft maintenance costs on outside vendors. Until recently, the company has been under that limit. But with all the layoffs of mechanics in the past few years, it is bumping against the outsourcing spending cap this year, the union has said. Northwest uses a Singapore company called ST Aviation Services Co. to maintain some of its of DC-10s and 747s.

Major U.S. airlines outsourced anywhere from 33 percent to 79 percent of their maintenance costs to third-party vendors in 2002, according to a 2003 report from the U.S. Department of Transportation's Office of the Inspector General. The trend is increasing as airlines try to cut costs. The report says Northwest outsourced 44 percent of maintenance costs in 2002, but the company disputes that figure.



NORTHWEST AIRLINES®

Julie Hagen Showers
Vice President
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June 18, 2004

Jeff Mathews
Airline Contract Administration Coordinator
AIRCRAFT MECHANICS FRATERNAL ASSOCIATION
2950 Metro Drive - Suite 301
Bloomington, MN 55425

Dear Mr. Mathews,

I am in receipt of a posting from AMFA Local 33 webpage, alerting employees to "informational picketing" scheduled for Friday, July 2, 2004. The bulletin specifically states that the picketing will be "conducted "in coordination with the Professional Flight Attendants Association ("PFAA") and will highlight the safety and security threats posed by Northwest Airlines [sic] practice of outsourcing maintenance to foreign repair stations." This announcement raises two serious concerns to Northwest. Our first concern is that AMFA and PFAA members may be putting their careers at risk, because disparagement of the safety, security, or quality of Northwest's operations constitutes a violation of Northwest's Rules of Conduct for Employees. Our second concern is that AMFA risks violation of the Railway Labor Act by the use of public economic coercion to secure your "goal to diminish Northwest's reliance on outsourcing maintenance." while such outsourcing is expressly permitted by the contract to which AMFA is a signatory.

Disparagement Violates Northwest's Rules of Conduct

As you know, both safety and security are paramount concerns in today's airline industry - both for the passengers and the carriers. One of Northwest's guiding principles is "Never Compromise Safety." The Company adheres to this principal both in its domestic and international, internal and external maintenance programs, all of which have been approved by, and are subject to continuing oversight by, the FAA. Moreover, every major air carrier in the United States engages in similar maintenance outsourcing, most to much higher degrees. In addition, security is also a high priority at Northwest, and is also subject to extensive government regulation by the FAA and



the TSA. If AMFA has information about any real threat to the safety or security of Northwest's operations, we urge you to share that information with Northwest as soon as possible.

Any suggestion that safety or security has been compromised at Northwest is both false and highly damaging to Northwest's business. The introduction of unfounded safety and/or security concerns to the public domain can have only one purpose and effect--to deter passenger air travel on Northwest. In this context, we want to provide fair notice to both AMFA and PFAA that disparagement of the safety, security, or quality of Northwest's operations, would constitute a violation of Northwest's longstanding Rules of Conduct for Employees of Northwest Airlines (Rules 24 and 30). Such conduct would, therefore, subject any Northwest employee responsible for that conduct to discipline up to and including discharge. The United States Supreme Court has upheld discharges under similar rules, finding that employees owe a duty of loyalty to their employer and are subject to discipline for disparagement of the products or services of their employer, or to hamper the business. IBEW v. NLRB (Jefferson Standard Broadcasting), 346 U.S. 464 (1953). While the Railway Labor Act protects certain union activities, it does not license activists to violate their duty of loyalty to their employer or to violate Company rules with impunity.

AMFA's Attempt To Pressure Northwest To Change Contractually Permitted Practices Violates The Railway Labor Act

As AMFA is well aware, (1) Northwest's maintenance outsourcing practices are clearly permitted by the terms of the Northwest-AMFA Agreement, and (2) that Agreement is not currently open for re-negotiation. AMFA has conceded, and arbitrators have recently found, that Northwest is not in violation of those contractual provisions. Yet the obvious and intended consequence of AMFA's proposed "informational picketing" is to exert economic pressure on Northwest by deterring passengers and thereby further AMFA's "goal to diminish Northwest's reliance on outsourcing maintenance." Such economic pressure tactics constitute impermissible "self-help" in violation of the status quo provisions of the Railway Labor Act. See Delta Air Lines, Inc. v. ALPA, 238 F.3d 1300 (11th Cir. 2001), United Air Lines, Inc. v. IAM, 243 F.3d 349 (7th Cir. 2001), ALPA v. United Airlines, Inc., 802 F.2d 886, 906-07 (7th Cir. 1986), and Summit Airlines, Inc. v. Teamsters, 628 F.2d 787, 795 (2d Cir. 1980).

Please be aware that the Company will view any disparaging comments regarding the safety, security, or quality of the Company's operations as a serious violation of the Rules described above. AMFA or PFAA-represented employees who engage in such Rule violations will be subject to discipline up to and including discharge. In addition, the Company reserves all of its rights to prosecute AMFA's violations of the Railway Labor Act.

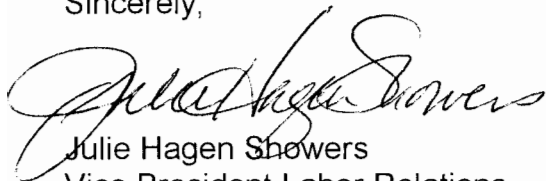
Letter to Jeff Mathews

June 18, 2004

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Mr. Mathews, I assume the Association's goal is to protect the jobs of its members, not endanger them, and I urge you to advise your colleagues accordingly.

Sincerely,

A handwritten signature in black ink, appearing to read "Julie Hagen Showers". The signature is written in a cursive style with a large initial "J".

Julie Hagen Showers
Vice President Labor Relations

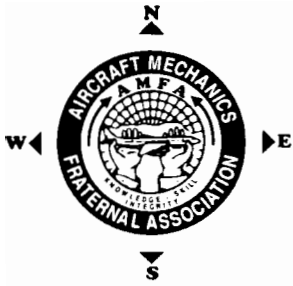
cc:

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June 25, 2004

VIA US Mail & Facsimile

Ms. Julie Hagen Showers
Vice President Labor Relations
Northwest Airlines, Inc.
Department A1170
2700 Lone Oak Parkway
Eagan, MN 55121

Dear Ms. Showers:

I am in receipt of your letter dated June 18, 2004, in which the Company threatens to discipline AMFA Members at Northwest Airlines for communicating with the flying public concerning aviation safety and security issues.

Please be advised that, notwithstanding these threats, AMFA Local 33 members will engage in informational picketing, as planned, on July 2, 2004. These members will be exercising their fundamental rights under both the United States Constitution and the Railway Labor Act.

Contrary to your allegations, AMFA Members at Northwest have no desire to inflict economic harm on their employer. Nor will they be asserting, on July 2, that Northwest's operations are currently unsafe. They will, however, communicate to the public their conviction that the industry-wide trend toward the outsourcing of aviation maintenance to foreign facilities is harmful to both American workers and the safety and security of American aviation.

Sincerely,

Jeff Mathews
AMFA / NWA ACAC