

IAM
Air Transport District 143 ✈️
Flashpoint

Long-Awaited Award Issued in Alaska Airlines Ramp Subcontracting Case

After nearly five years of litigation, Arbitrator John LaRocco issued his final award in the Alaska Airlines ramp subcontracting case. Because the final award fails to hold Alaska Airlines accountable for its contract breach, the Union is profoundly disappointed with the Arbitrator's Award and has dissented from it.

The Award does not return the Seattle ramp work to Alaska employees represented by the IAM, does not reinstate all IAM-represented employees who lost their jobs, and does not make all employees whole for their losses.

In reaching his decision, the Arbitrator accepted Alaska Airlines' argument that its current subcontracts are "qualitatively different" than the subcontract it made with Menzies to take over ramp operations in May 2005. Thus, although the Arbitrator held that he did not have jurisdiction to consider the details of the allegedly new and different subcontracts, the Arbitrator decided that he could not award the standard remedy that the Union sought returning the parties to the positions they held in May 2005 before the subcontracting commenced.

Instead, the Arbitrator directed that Alaska "cease and desist from engaging in any subcontracting which violates the Agreement." He also noted that "The Company runs a real risk if it continues to outsource Seattle ramp work. A future System Board of Adjustment could find that the Company again violated Article 2B(5)."

The Arbitrator also held that all "IAM-represented employees adversely affected by the subcontracting out of the Seattle ramp work on May 13, 2005, **who did not enter into a VSI agreement**, are entitled to back pay without interest through the date of [the Award.]" These employees are entitled to back pay if "they were furloughed or suffered a diminution in compensation as a result of the improper subcontracting." This group of eligible non-ramp employees includes those who were "bumped" by a ramp employee who would have been laid off due to the wrongful subcontract. The Union is currently in communications with the Company to determine which employees, who did not sign the VSI, are eligible for a back pay award.

Workers who signed the VSI agreement are not eligible for back pay unless they successfully challenge the validity of the VSI agreement and petition the Board within three years of the date of the Award. The Board held that an "individual who obtains a ruling voiding the VSI agreement or the release therein joins the group of grievants who did not enter into VSI agreements."

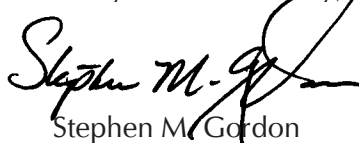
Finally, the Board recognized that the unique subcontracting language in the collective bargaining agreement forced the Union to incur "extraordinary expenses [in pursuing the grievance] which justifies some compensatory award." The Board directed the Company and the Union to ascertain the amount of damages due to the Union.

The Union is very disappointed that although the Arbitrator held that Alaska Airlines breached the contract, Alaska will be allowed to continue subcontracting the Seattle ramp work and will not be required to make all the impacted workers whole.

This Award is binding and final.

In accordance with the District 143 Bylaws, copies of this Award and the redacted Liability Award are being mailed [by Friday, February 12, 2010] to your local lodge recording secretary, shop committee... and stewards of the ASA COPS and RSSA contracts.

Sincerely and in solidarity,



Stephen M. Gordon
President/Directing General Chair



UNION LABEL



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