

IAM

September 24, 2008

Northwest Airlines

08-10

Air Transport District 143

FOCUS

QSA Lawsuit Dismissed

On September 22, 2008, United States Magistrate Judge Paul J. Komives issued a decision in the lawsuit brought by a group of QSAs against District 143 and the IAM International in a case called *Merritt, et al. v. IAM*. In a 50-page ruling, the Magistrate Judge issued a recommendation that the entire case be dismissed. The Plaintiff QSAs had alleged that the Union breached its duty of fair representation in its handling of the QSA pay scale in the Section 1113 bankruptcy agreement and in negotiating the 2000 QSA Accretion Agreement. The Court found that these claims were untimely under the six-month statute of limitations applicable to fair representation claims. The Court also concluded that the claims were meritless. The Court fully rejected the QSAs' argument that they should have gotten pay raises during the bankruptcy proceedings when everyone else took a pay cut. With respect to the bankruptcy agreement, the Court found that "the Union's reasoned decision...based on the economic realities of NWA's financial condition, the inexact fit of QSAs into existing pay scales, and the desire to spread the cost of the wage concessions evenly...does not constitute a breach of the duty of fair dealing." As for the QSAs' attack on the original agreement reached for them in 2000, known as the Accretion Agreement, the Court concluded that because Northwest Airlines, Inc. had refused to reopen the COFPS agreement early at that time to include QSAs, the Union had no real bargaining leverage to use and was left to negotiate the best deal that it could. Again, the Court emphasized that the IAM did not breach its duty to QSAs in any way.

In a rare move, the Court granted the motion of the IAM for sanctions against the QSAs' attorneys for failing to properly investigate the facts of the lawsuit before filing it. The Court found that they included in the lawsuit a large number of individuals who either never worked as QSAs or did not work as a QSA during the time period relevant to the case. The Court characterized their lack of investigation as a shotgun approach to litigation and found that they should pay a portion of our attorneys' fees and costs as a sanction in order to deter similar conduct in the future by the attorneys involved. Under court rules, Plaintiffs may file objections to the Magistrate's recommendations with the United States District Court and can appeal thereafter to the U.S. Court of Appeals for the 6th Circuit. Carmen Parcelli, a partner in the Washington, D.C., law firm of Guerrieri, Edmond, Clayman and Bartos who worked on the case with Joe Guerrieri, did an excellent job in representing us; and they both are optimistic that we will prevail if the case is appealed.



08-021

In solidarity,

Stephen M. Gordon

President/Directing General Chair

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