

Los Angeles
World Airports

April 29, 2013

Los Angeles City Council
200 North Spring Street, Room 395
Los Angeles, California 90012

Honorable Councilmembers:

RE: CF13-0285, Los Angeles International Airport Specific Plan Amendment
Study, Response to Planning & Land Use Committee Questions

LAX

LA/Ontario

Van Nuys

City of Los Angeles

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Mayor

Board of Airport
Commissioners

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Gina Marie Lindsey
Executive Director

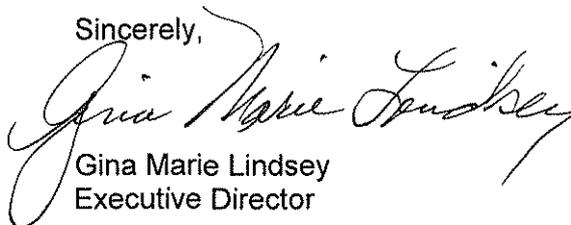
During its hearing on the referenced Council File, the Chair of the Planning and Land Use Management Committee requested that LAWA provide a report on an ongoing employer-labor dispute at Los Angeles International Airport.

The dispute between Aviation Safeguards, an airline contractor at LAX, and SEIU/United Service Workers West started in December 2011. LAWA has no direct contractual relationship with Aviation Safeguards, but the Board of Airport Commissioners and LAWA have been called upon to ensure that Aviation Safeguards is in compliance with all City ordinances and policies related to its workers. As a result, we have been following this matter closely and have attached a chronology of events in this dispute.

Since November 2012, the Mayor's office has been facilitating a direct dialogue between Aviation Safeguards and SEIU USWW. The parties have held several sessions of negotiation and have now reached an agreed upon framework in the form of a Memorandum of Agreement (MOA) that resolves existing legal disputes, brings AVSG back to the negotiating table with other union employers, maintains a competitive environment for the service providers and quality service for the airport and travelers. We are pleased to report that the MOA has been finalized and executed effective April 23, 2013.

We look forward to discussing this with the City Council.

Sincerely,


Gina Marie Lindsey
Executive Director

Attachment



Chronology of Events Regarding SEIU and Aviation Safeguards at LAX

December 2009 - SEIU/United Service Workers West (USWW) and Aviation Safeguards (AS) enter into a four year agreement.

June 6, 2011 - Los Angeles World Airports (LAWA) issues a Non-Exclusive License Agreement (NELA) to AS to provide baggage handling, passenger screening and security to airlines at LAX. The agreement is valid from July 20, 2011 to July 19, 2016.

December 2011 - AS notifies SEIU that they have received a decertification petition signed by the majority of the AS employees in SEIU's LAX bargaining unit. The letter states that pursuant to that petition a majority of those bargaining unit employees no longer want to be represented by SEIU. AS says that they no longer recognize the validity of the union's collective bargaining agreement.

December 30, 2011 - AS notifies their employees that the collective bargaining agreement with SEIU is terminated.

The termination of the agreement means that the Living Wage Ordinance exemption is no longer valid and AS becomes subject to LWO applies under the terms of its NELA.

Employees are notified by AS that all employees for who health benefits costs were paid by AS will remain covered through January 31, 2012. AS states that effective February 1, 2012 all employees are eligible to receive at least the minimum City of Los Angeles living wage of \$14.97, minus the cost of whatever, if any, health care premiums are applicable to coverage elected. AS says that the hourly rate will be no less than \$14.97 for employees who waive coverage.

January 3, 2012 - USWW submits a petition to the National Mediation Board (NMB) requesting mediation to resolve the dispute between AS and SEIU/USWW

January 31, 2012 - AS declines the NMB offer to facilitate mediation, saying that the NMB did not have jurisdiction in the matter.

May 30, 2012 - The City's Bureau of Contract Administration (BCA) conducts an audit of AS wage records. The audit determines that AS was in compliance with the Living Wage Ordinance (LWO) for employees receiving health benefits but finds that AS is not in compliance with the LWO for those who declined health benefits and sends a notice to correct.

June 28, 2012 - BCA, after further review of AS documents and discussion with AS, finds that AS is still not in compliance with the LWO and sends a second notice to correct.

August 2012 - SEIU asks that LAWA cancel AS's NELA for the LWO non-compliance. LAWA responds that AS has responded to the BCA's audit and that BCA was working with the City Attorney to make a final determination on AS LWO compliance. Upon that determination, LAWA would then take any appropriate enforcement action against AS.

October 4, 2012 - BCA, after further review of AS documents and discussion with AS, finds that AS is still not in compliance with the LWO and sends a final notice to correct.

November 29, 2012 - BCA, after AS agrees to change their LWO policy, finds AS to be in compliance with the LWO.

February 2013 - BCA finds that AS is in compliance with the Service Worker Retention program after AS begins to provide passenger services previously provided by another firm.

April 2013 - Preliminary reviews by BCA indicate that AS did take the necessary steps to pay the correct living wage to those employees opting out of company health care coverage as well as the correct living wage to those employees choosing to participate in the health care plan. AS also appears to be in compliance with the LWO since the April 1, 2013 end of open enrollment date.

April 2013 - AS and USWW settle dispute by executing agreement to provide a framework that will lead to high paying jobs with benefits for the workers, a competitive environment for the service provider, and quality service for the airport and travelers.