



# Department of Justice

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FOR IMMEDIATE RELEASE  
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**JUSTICE DEPARTMENT CLEARS THE WAY FOR MACHINISTS UNION  
TO RETAIN DIRECTORS ON BOARDS OF TWO COMPETING AIRLINES**

WASHINGTON, D.C. -- The International Association of Machinists can appoint union members to the boards of two competing airlines--Northwest Airlines Corporation and Trans World Airlines Inc.--under a proposed agreement announced today by the Department of Justice's Antitrust Division.

To get the Division's approval, the union agreed to certain competitive safeguards, including a prohibition on the exchange of sensitive business information.

The agreement was in a proposed consent decree and civil antitrust suit filed by the Department today in U.S. District Court in Washington against the union and three of its officials. The proposed consent decree would permit union representatives to sit on the boards of Northwest Airlines and TWA.

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Anne K. Bingaman, Assistant Attorney General in charge of the Antitrust Division, said, "The settlement preserves the union's ability, through its board representatives, to protect the financial interests of its members as stockholders of their airlines, while insuring that competition between TWA and Northwest will not be adversely affected. This settlement demonstrates that the benefits of employee ownership of airlines can be achieved without risking harm to consumers."

The antitrust suit alleged that the defendants violated Section 8 of the Clayton Act, which prohibits the same person from serving as an officer or director of competing companies.

According to the Department, two union representatives sat on TWA's board and one sat on Northwest's board. The machinists union secured board representation when the union members acquired stock in both airlines for wage concessions.

Today's proposed consent decree would settle the suit against the 492,000-member union and the other defendants, Tom Ducey, former secretary and treasurer of the IAM; William O'Driscoll, chairman of IAM District 142; and William W. Winpisinger, former president of the IAM. The union is headquartered in Upper Marlboro, Maryland.

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Ducy serves on Northwest's board, while O'Driscoll and Winpisinger serve on TWA's board.

Today's settlement allows the IAM to continue to name directors to the boards of Northwest and TWA, but establishes a "fire wall" between the IAM representatives. The proposed consent decree prohibits the directors from exchanging confidential information and restricts communications between IAM representatives relating to competitively sensitive subjects such as pricing. The settlement also provides that the IAM require future IAM airline board representatives to abide by the decree.

To become effective, today's decree must be approved by the court following expiration of a 60-day comment period in compliance with the Antitrust Procedures and Penalties Act.

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