Mechanics Dispatch
Teamsters United. United We Win.

April 22, 2015
Negotiation Update

The parties met in Fort Lauderdale during the week of April 20th as directed by the NMB. Immediately prior to arriving in FLL, the IBT leadership was informed by the mediator that he had directed the Company to not present a proposal this week and that the agenda for the session would be:

1. Complete the economic analysis of IBT March proposal
2. Industry comparisons presented by each side
3. TeamCare discussion

While the Committee was extremely disappointed with the last-minute directive the mediator gave to the Company, the Committee complied with the orders of the mediator rather than abandon the process. The Committee's expectation was to fully utilize the week to anticipate and strategize for the Company's expected next pass. It is the goal of this Committee, with the backing of the IBT, to achieve an industry-leading contract.

In meetings with the Company, Union economist Dan Akins gave a "State of the Industry" presentation, which includes our ranking in the industry based on our proposal in relation to our major competitors. This corroborates and supports our current proposal as reasonable, in-line with the industry, and one that achieves our goal of providing an industry leading agreement.

At the close of this week's discussions, AD Director Bourne expressed to the Company and the Mediator that it is the Company's turn to pass a comprehensive proposal and that it was the IBT's expectation that a pass would occur in the next mediated session.

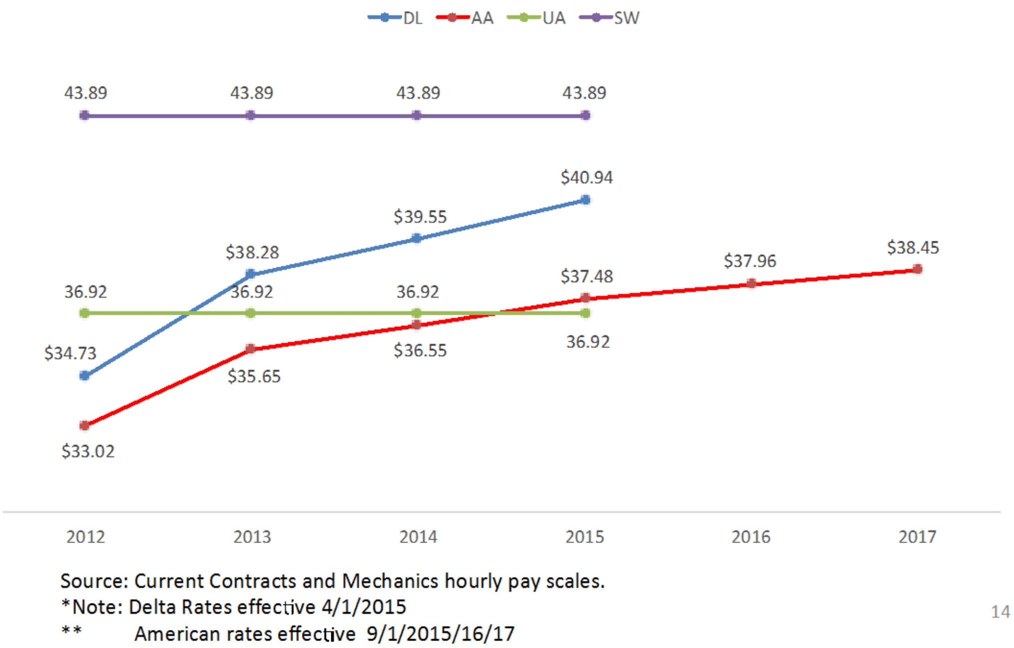
The parties are next scheduled to meet in Las Vegas May 10-14th.

Current Industry Comparison

As discussed above the following slides are a representative sample of the information that was presented to the Mediator and Company; They show that:

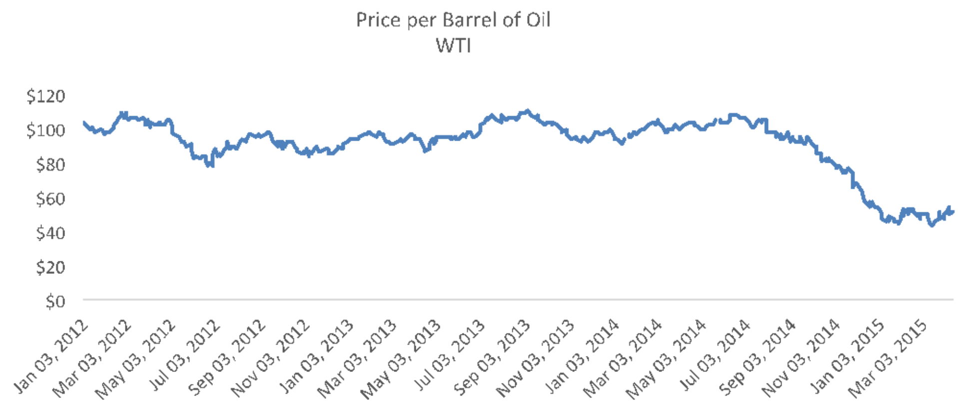
The pay rate trend has been positive for mechanics at Delta and American since 2012. In 2012 United Continental mechanics led the legacy trunk carriers and only followed Southwest as illustrated below. American and Delta mechanics have both advanced beyond United-Continental mechanics for 2015 rates. With the single carrier status ruling by the NMB, American-USAir mechanics will begin a six-month negotiation period, which will culminate in arbitration if the parties at that carrier are unable to reach an Agreement. Given recent history at American there is no reason to believe the chart below will remain static. Since 2012 Delta mechanics received in 2013 10.2%, 2014 3.5%, and in 2015 3.3%.

Recent History of Mechanics All In Pay Rates AA, DL, SW and UA Since 2012



Oil prices have adjusted dramatically downward which appears to be a medium term trend

Fuel Prices Have Unexpectedly Dropped by over 50% Since Last July and Will Save Airlines Billions

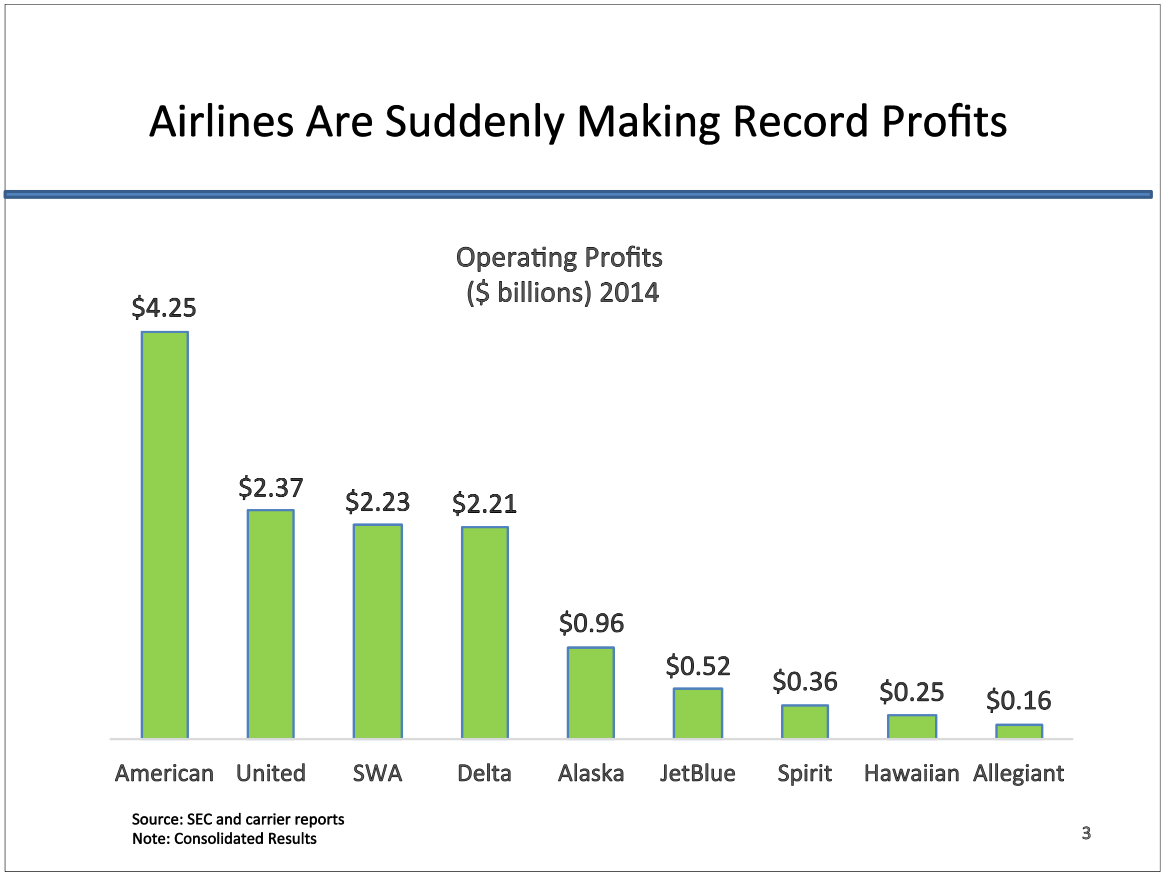


Source: Chicago Mercantile Exchange and EIA

Airline profits have soared as a result of several factors including consolidation and lower oil prices

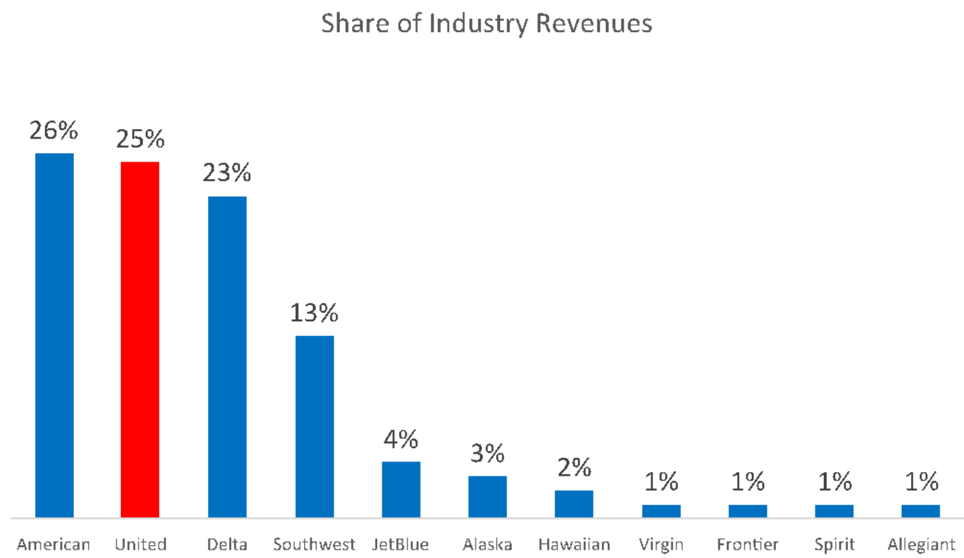
Profits from Structural Change in the Airline Industry

- Industry today is Dramatically Different from 2008 and before:
  - Dramatically Less Fractionalized
  - Number of Large Competitors Cut in Half
    - 2008 8 Large US Carriers, Today there are 4
  - AA/US was the final act for a stable and mature industry
  - 85% of US Airline Service is now Controlled by AA, DL, UA and SWA
  - Industry is better positioned to reap record and sustainable profits
  - Added Tailwind: Fuel Costs have Dropped 40%-50% in Past Six Months



To further illustrate the industry consolidation, the following slide breaks down the percentage of revenue in North America that each carrier controls. Note this data is from 2013 but is not expected to dramatically change anytime soon.

Supply Control
The Largest 4 Carriers Now Control 87% of Industry Revenues



Source: SEC and DOT Data for 2013

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The rank and file negotiating committee would like to thank our economist Dan Akins for providing the above information.

Useful links

If you would like to see a link added to this list please contact Bob Fisher at: rcfisher7@yahoo.com

The following Locals represent these respective cities:
Boston Local 25
New York & Washington Local 210
Charleston & Atlanta Local 528
Miami, Ft. Lauderdale Tampa & Orlando Local 769
Cleveland Local 964
Chicago Local 781
Houston, Dallas & New Orleans Local 19
Phoenix Local 104
Seattle, Portland, Los Angeles, San Diego, Las Vegas, Hawaii & Guam Local 986
San Francisco Local 856/986
Denver Local 455