## INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA General President

25 Louisiana Avenue, NW Washington, DC 20001



KEN HALL General Secretary-Treasurer 202.624.6800 www.teamster.org

July 3, 2014

## Dear Crewmembers:

I'd like to take a few minutes of your time to discuss the ongoing situation with Centurion and some of the rumors being put out about the impact and pace of the mediation over your contract. I'd also like to address the issues related to SkyLease and how that relates to mediation.

First and foremost; as much as it is the opinion of those spreading the rumors about mediation and the furloughs; I want to be very clear about this. The mediation process and the scheduled mediations have <u>not</u> been the cause of the furloughs.

Quite simply, the furloughs have been driven by an unanticipated downturn in the company's business and a general downturn on air cargo. We don't like this any more than you do, however we have to be realistic if we are to do everything we can in this situation to protect jobs. While there are some things any company can make contingency plans for, there are some things they have no control over, including unforeseen customer cancellations as witnessed by the recent reduction in seed shipments and other business. We certainly would like any company to cover all contingencies in their business planning; in the real world, we all know that is not always possible. It is something we spend a considerable amount of time trying to plan for and get companies to consider as well. The economic success or failure of Centurion obviously has a direct impact on each of you and it is something we take very seriously.

From the aspect of mediation, any move to furlough as a consequence of mediation sessions has a very negative impact on those sessions. The primary task of a mediator is to ensure that both sides deal with and negotiate fairly with each other through the process. The final report to the NMB carries a significant risk to the company if the mediator determines that the company has dealt in bad faith. Simply put, we have not seen any attempt by the company to tie furloughs to mediation.

We also understand very clearly the concerns about the 747 flying at the sister carrier. Why is the company moving aircraft there and hiring new people when we are getting furloughed?

Again the answer is not as simple as the rumors would have you believe. Our investigation has determined that because of ongoing delays with the Miami FSDO's ability to put the aircraft on the Centurion certificate, the airline had no choice but to put them on the SkyLease certificate so that they could operate and generate revenue. While that is certainly not preferable; it is also clear that the airline has to make payments on the planes. Without revenue from those aircraft it puts Centurion; and your jobs, at even greater risk.

In regards to the questions regarding hiring of pilots at SkyLease and why furloughed pilots were not hired. We have looked into this very thoroughly and the answer is; as with many things, not as easy as you would be led to believe.

As I noted earlier the aircraft need to be flown immediately to generate revenue that the company needs. While we would prefer that they train Centurion pilots to fly them, the hard truth is that to do so would put you at even greater risk in terms of job security. The company hopes to recall at Centurion, however if they take non 747 qualified pilots from Centurion and train them to fly at SkyLease, this will take several months and then they will then need to hire more people to fly again at Centurion. They will double training costs and in doing so place the company; and more importantly <u>you</u> at greater financial risk. We do not believe that to be an acceptable risk.

Lastly, and no less important is the fact that there is no contract language in your contract or any other carriers contracts that require or compel the holder of two certificates to move people from one contract to another. We believe that in the long term, the best security for you and your jobs is solid scope language that protects you regardless of who is hired or furloughed.

I want to stress my level of commitment and support; and indeed that of the entire Airline Division staff, to you as we work with your Stewards and Business Agent David Renshaw to address the issues facing you and Centurion. Assistant Division Director Steven Nagrotsky, has decades of airline specific contract administration expertise in very difficult cases. Captain Rick Dubinsky and Captain Paul Alves also have decades of contract negotiation experience and all have been fully supportive of my concerns for you situation.

In closing, please rest assured that this situation is uppermost in my concerns and we will continue to work with whomever we can to secure your jobs and futures. While some things may be beyond our control, we will never stop working on your behalf.

In Solidarity,

Captain David P. Bourne

Director, Airline Division

International Brotherhood of Teamsters