

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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Brothers and Sisters,

The UAL Proposal, which is available on our website at <http://teamsterair.org/node/2400>, is the complete close out proposal given to the union negotiating committee by the company. While it would certainly have been better if the parties were able to reach a tentative agreement, that did not happen in this step of negotiations. The Company passed what it characterized as a comprehensive close-out agreement to the union committee, and the union committee believed that the company's close-out proposal met conditions of a "last best and final" offer that should be presented to the membership for a vote. It is now up to you to determine the next course of action. A yes vote on the proposal would mean that this proposal would become the new amalgamated agreement, and a no vote would send the parties back to mediated negotiations, following the process of the Railway Labor Act.

The ballot for ratification by electronic voting for the United Airlines Proposal will be mailed to your homes before December 25, 2015, and will be counted at noon (Eastern) on January 25, 2016.

There are significant changes in this proposal from the current three standalone Agreements covering the s-CAL, s-UAL and Air Micronesia mechanics. Some of those changes are positive, some neutral and some are negative.

To begin, the company's proposal represents a total economic increase of approximately two hundred million dollars annually, which represents an improvement of over \$22,000 to topped out members above current compensation in each year of the contract. This increase is offset somewhat by other economic work rules, however, as you will see in the paragraphs below.

The improvements include an initial 25% increase in wages on the date of signing; an average bonus check of \$9000; furlough protection for everyone on the seniority list with facility protection for the SFO Maintenance Base and the Houston Maintenance Base; sUA restoration of two floating holidays and 100% pay for sick leave; sCO faster vacation accrual; a buy out of up to one hundred thousand dollars; and several less significant improvements that were bargained over the course of negotiations.


The offsets to the above improvements include mostly those things that were not finalized in bargaining. They include a longer scale for new hires; a 10-year recall right that eliminates the recall rights of a majority of those currently on furlough, all of whom today have lifetime recall rights; a reduction in the profit sharing formula down to 5% of pre-tax profit with a trigger for 10% of pre-tax profit in excess of a pre-tax margin of 6.9%; a change in the duty time limits; and several other matters that can be found in the attached package.

The company's proposal also maintains the current CARP pension plan for existing s-CAL mechanics and gives the current s-UAL mechanics an opportunity to vote to become participants in the CARP (including current s-CAL 401k matching contributions) or to opt instead to retain s-UAL's current 401k mandatory company contributions with increases of \$100, \$200, or \$300 monthly, depending on years of service, in the company's mandatory contribution. The company's pension proposal would also eliminate new entrants into CARP if the sUA group elects not to enter, and all new hires would be covered only by a 401k plan.

The health and welfare benefits contained in this proposal would be an improvement for a slight majority of the group and an increased cost over the current plans for the rest of the group. The proposed plan is better, however, than the 2016 company offered health and welfare benefits, which was the company's original benefits position, for a vast majority of the membership.

To be clear, the offsets to the improvements in this proposal are sizeable, and we urge you to please review the entire contract carefully to determine whether it is acceptable or not. Most Locals will be holding informational meetings in order for you to get a better understanding of the company's proposal. It is now up to you to make the decision on how to proceed.

Fraternally,



David P. Bourne, Director
Teamsters Airline Division



Clacy Griswold, Int'l Representative
UAL Negotiating Committee Chairman



Robert C. Fisher, Int'l Representative
UAL Negotiating Committee Co-Chairman