

# INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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JAMES P. HOFFA  
General President

25 Louisiana Avenue, NW  
Washington, DC 20001



C. THOMAS KEEGEL  
General Secretary-Treasurer

202.624.6800  
[www.teamster.org](http://www.teamster.org)

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Dear Brothers and Sisters:

Late last year, the Teamsters Union and United Air Lines reached a tentative agreement for a stand-alone collective bargaining agreement that was designed to improve the terms and conditions of the Mechanics and Related as much as possible and to set the stage for future amalgamation negotiations. Although the tentative agreement contained many important improvements, it also contained provisions that the members were dissatisfied with. Without a doubt, the most significant and controversial of these provisions concerned the medical plan and its January 1, 2013 sunset or default date in the event the Union and Company were unable to settle on a new, less costly plan by that date. The members voiced their displeasure by rejecting the tentative agreement this past June.

Shortly after the first tentative agreement was rejected, the Company applied for mediation with the National Mediation Board (NMB). In so doing, the Company sought to force an immediate amalgamation negotiation for a single UAL/Continental mechanics and related contract. The Union successfully opposed the Company's amalgamation effort. The NMB, however, did take jurisdiction over the Union and Company's negotiations for a stand-alone contract. The NMB then scheduled only a few mediation sessions starting next year. As a result, the Union worked hard to get the Company back to the bargaining table this year, before mediation formally got under way. The Company agreed to negotiate directly with the Union, and the NMB agreed to give the parties a chance to resolve their differences outside of formal negotiations. The Union conducted a membership survey regarding a new agreement and a new Union bargaining committee was established. The Union bargaining committee worked hard to develop proposals and, thereafter, engaged in intense negotiations with the Company to secure a new tentative agreement. Their hard work resulted in a new tentative agreement, which is now available for your review and subject to your ratification.

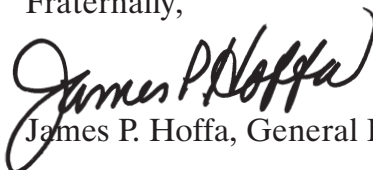
Like the previous one, the new tentative agreement immediately recovers many of the contractual rights and protections that were conceded and lost in the existing and prior contracts. The new tentative agreement also retains important improvements that were in the previous tentative agreement. And, just as significantly, the new tentative agreement improves upon and fixes critical and unpopular issues that were contained in the prior ten-

tative agreement. Most importantly, the new tentative agreement keeps the existing UAL medical plan intact for the duration of the agreement. The January 1, 2013 “sunset” or “default” date has been **eliminated**. This means that the medical plan that is currently in place under the 2005-2009 CBA will remain in place unless and until you and the UAL mechanics and related say otherwise.

In addition to resolving the medical plan issue in favor of the UAL mechanics and related, the new tentative agreement also contains improved financial terms. The previous (failed) tentative agreement provided only for a \$3,000 lump sum payment, and that, coupled with the medical plan, in very large part contributed to its rejection. The new tentative agreement that is before you now provides for a lump sum signing bonus of **\$11,500**. Also, unlike the previous tentative agreement, the new tentative agreement provides for a buy-out program that is based on a cost of **\$75,000** per employee. Unlike prior Company buy-outs, the program set forth in the tentative agreement is not conditioned on a minimum number of employees opting to take the buy-out. Likewise, it does not contain the restrictive age-and-service requirements that were contained in prior buy-outs and which made those prior buy-outs rather ineffective. Moreover, the new tentative agreement provides that the MPAs will receive rate increases, along with shift premium and longevity pay. They will also be covered under and subject to the same medical plan terms and requirements (including the 7 percent cap) as all other mechanics and related. Furthermore, the new tentative agreement establishes a cost-of-living committee to study the cost of living for mechanics and related based in San Francisco, Seattle, Chicago, Denver and Washington, D.C.

There are several other important provisions contained in the new tentative agreement. We, along with your negotiating committee, urge you to review the tentative agreement as well as the summary of contract changes. The Teamsters Airline Division will also conduct a tele-conference town hall meeting on December 6 to discuss the tentative agreement. Finally, we also urge you to vote in the contract ratification process. To do so, your vote must be received by 10 a.m., December 29, 2011.

Fraternally,

  
James P. Hoffa, General President

  
David Bourne, Director, Airline Division