



Summary of the new Tentative Agreement between subsidiary United and the International Brotherhood of Teamsters

The following is a summary highlight of the new Tentative Agreement (TA) recently reached between subsidiary United and the International Brotherhood of Teamsters (IBT) for a new United Technicians and Related collective bargaining agreement (CBA). As was the case with previous tentative agreement, and unlike previous CBAs, which have generally represented small changes over the previous contract, the new TA largely reflects a front to-back rewrite of the CBA with an eye on the eventual consolidation of United's and Continental's technicians. Therefore, in most instances the articles of the TA and their terms cannot be "matched" to articles and terms in the current 2005-2009 technicians' CBA.

This summary is not a substitute for the TA, for specifics and actual terms please consult the TA directly.

The first tentative agreement summary was originally posted March 23rd, 2011 on the negotiations update website. This summary is a repost of the first but has now been updated to reflect the changes between this TA reached in November, 2011 and the previous tentative agreement (which was turned down in June, 2011). Items in this summary that have been bolded and underlined are changes from the previous tentative agreement.

Article 1 – Scope and Related Letters of Agreement

- Furlough protection for all active IBT technician and related employees. Current employees at the maintenance Base in SFO, and those recalled within 5 years from effective date of agreement will not be forced to relocate from SFO. Protection language remains around selling, leasing or disposing of SFO Maintenance Base.
- 20% outsourcing cap eliminated, but there are restrictions on when outsourcing may occur. Current restrictions on offshoring remain and no outsourcing may be done if it results in furlough of employees.
- Expedited grievance/arbitration procedure for scope disputes
- **Add new LOA that clarifies 'Troubleshooting'**

Article 2 – Definitions

- Added to provide clarity around some of the terms used in the CBA

Article 3 – Classifications

- Classifications organized into four Crafts defined as Technician, Utility Specialist, Cleaner & Maintenance Planning Analyst
- Bid areas, within Crafts, redefined to be skill-based versus organization-based

- License / Experience / Testing Requirements for Bid Areas defined
 - Certain grandfather rights to Bid Areas if license requirements not met (Pursuant to Transition Letter of Agreement)

Clarification of Grandfathering was further addressed in a letter from the company to the IBT dated 9-29-11 which states in part “The "grandfathering" provisions mentioned above would in no way restrict A&P licensed technicians hired prior to ratification from bidding or bumping into any area in which they can currently bid or bump without testing shall continue to maintain that right.”
 - New Utility Specialist Craft created. Current Mechanic Helpers will be moved to this new craft The existing UA Utility position will be considered a member of the Cleaner Craft
- GSE Coordinator position formalizes the existing GSE Parts Specialist role at hubs today

Article 4 – Seniority

- Definitions added to clarify each of the different types of seniority: Company Service Date Seniority, Pay Seniority, Craft and Classification Seniority and Consent Decree Seniority
- An employee offered recall will have fourteen (14) days vs. previous seven (7) day time limit to respond to offer
- Recall rights unchanged

Article 5 – Filling of Vacancies

- Time period allowed before vacancy must be declared now seventy five (75) days
- A temporary vacancy may be filled for a maximum 75 days cumulative in a rolling twelve (12) month period
- Lead vacancy requirement unchanged

Article 6 – Reduction in Force (RIF) and Recall

- Changes to the RIF process provide more seniority based options, e.g.:
 - Ability to bump anywhere on the system where seniority can hold, must still have the ability and appropriate qualifications

- Layoff at the Point (LOAP) option. Employees at a Point location may opt to take LOAP vs. displacing the junior man at the point.
- Affected employees now have fourteen (14) days to choose options, increased from three (3) days
- Maximum amount of Severance Pay increased to fifteen (15) weeks
- Employees impacted by RIF have the option to bank unused vacation for the year the RIF is effective providing an available vacation bank on return to active service within the same year
- Pass travel for employees impacted by involuntary layoff increased to six (6) months

Article 7 – Hours of Service

- Ten (10) hour day formally recognized as a standard shift, includes a 3rd break
- Semi-annual shift bids established for each Bid Area
- Day and shift trades established, including up to thirty (30) “one-way” trade “give-a ways” in any six-month period with ability to use vacation time to make up unpaid hours. Employees may trade for an additional four shifts per week with a maximum of two back-to-back double shifts
- “Adverse Condition” provisions established to address facility status during weather and other events
- Missed lunch may be paid at OT rate or employee may leave work early (based on needs of service)
- Day shift is first shift of day and begins between 0500 – 1000, Swing shift is second shift and begins between 1001-1600, Graveyard is 3rd shift and begins between 1601 – 0500. Restrictions on number of shifts eliminated.
- Duty limitation is a maximum of 20 hours in a 24 hour day and no more than 36 hours in two consecutive 24 hour days.
- 7 day coverage at the Base is allowed. Restrictions remain on the percent of Technicians that can be placed on weekday (Mon-Fri) fixed days off. (See Transition Letter)

Article 8 – Holidays

- May defer 8/10hrs of Holiday pay for use as additional vacation day for current or following year, or transfer 8/10hrs of Holiday pay to Sick Bank (cannot exceed bank max.)

- Trading on Holidays is allowed
- If Holiday falls on a regularly scheduled day off, the employee has the option to either be paid for the Holiday or be given another day off either immediately before or after their regularly scheduled days off.
- **2005-2009 CBA Status quo on the number of holidays**

Article 9 – Vacation

- Vacation accrual remains on the same schedule
- Three variable use options available to employees:
 - During open enrollment employee may contribute a portion of vacation to 401k account
 - During open enrollment employee may elect to contribute vacation to defer monthly benefits costs
 - Employee may elect to contribute vacation towards a severance benefit
- Options available to employees with unused DAT vacation as of Oct. 1st Options include:
 - Using the hours by December 31st
 - Having the hours paid out
 - Carrying over the time into the following year
 - Electing to transfer the hours to their sick bank (cannot exceed bank max.)
- All vacation may be designated as DAT and may be taken in less than full day increments
- Vacation pay advances have been eliminated
- Bid Areas with more than fifty (50) employees will bid vacation by shift in a Bid Area

Article 10 – Leaves of Absence

- Personal Convenience Leave added
- Company Offered Leave of Absence (COLA) added
- Emergency Leave (formerly known as Bereavement Leave) enhanced to allow for up to eighty (80) hrs. of Company-paid time off for Critical Illness and/or Death of an eligible family member
- Birth of a Child Leave added
- Witness Service Leave added

- EIS – Duration of EIS extended from three (3) to five (5) yrs with up to two (2) yrs of insurance coverages, thereafter employees can convert to COBRA
 - Those on EIS today will be allowed leave of up to five (5) yrs with up to three (3) yrs of insurance coverages before converting to COBRA
- During active military duty an employee will continue to accrue vacation
- While on Leave employees must request approval to travel on passes whether for themselves or their eligible/s

Article 11 – Sick Leave

- **Status Quo. This means that 2005-2009 CBA Article XIV Remains In Place in the New TA**

Article 12 – Field Trips

- All hours paid at 1.75x rate for all time-away-from-base/station
- With some exceptions, contract provisions cover International Field Service
- Field Trip sign-up lists are separate from local OT list. Two sign-up lists for Field Trips, Domestic and International
- Specific language to address Military Charters and GEM - Global Emergency Maintenance
- Company pays for passport and visa if necessary for the Field Trip

Article 13 – Training

- Seniority-based bidding for training that exceeds five days
- 1.5x time paid for training before and after shift and for travel outside of shift to attend training
- Language clarifying roles of Designated Station Trainers (DST's) and Local Trainers

Article 14 – Safety and Health

- Formalizes allowance for safety shoes when required by the Company

Article 15 – Compensation

Technicians

BASE HOURLY PAY: 2010-2013 TENTATIVE AGREEMENT With
13 or More Years of Service, 2 Licenses and Line Premium

Effective Dates:	Day Shift	Afternoon Shift	Evening Shift
Date of Ratification "DOR"	\$36.06	\$36.57	\$36.64
July 1, 2012	\$36.92	\$37.43	\$37.50

- Moving expenses now spelled out with \$12,000 cap
- Increase in line premium to \$0.40 effective DOR, \$0.50 effective 7/1/2012
- Increase in longevity pay to maximum \$1.00 after 12 years
- Increase in shift pay swing shift \$0.51; Midnight shift \$0.58 (Leads = \$0.54 and \$0.61)
- Per diem \$1.95 Domestic/ \$2.50 International
- Increase in license pay (premiums?)
- Welder / Machinist / Flamespray / Plater / Plant Maintenance Machine Repair Technician premium at \$4.25 per hour
- Lead and Inspector premium of 5% above technician rate
- Shop Inspectors paid for A&P licenses, if possessed
- Shop Technicians paid for A&P licenses, if possessed
- Run-taxi premium of \$1.00 per hour paid for each shift when technician performs this type of work
- Grandfather of license pay for PV/GQ
- Increase the number of employees receiving second license pay
- **Avionics Shop Technicians – SFORQ and Flight Simulator Technicians maintain 7.5% differential over the technician basic rate effective DOR**
- **MPAs receive rate increase, plus eligible for shift premium and longevity pay**
- **Cost of Living Committee created to study the cost-of-living for technicians based in San Francisco, Seattle, Chicago, Denver and Washington, D.C.**

Article 16 – Benefits

- **2005-2009 CBA Article XXIV Status Quo on Health and Welfare; Article XXIV of 2005-2009 CBA remains fully intact, with no changes;**
- **Profit Sharing – Employees will participate in the new United Profit Sharing Plan, on the same basis as other non-mechanic employees of the Company**
- **2005-2009 CBA Status Quo on 401(k) Company contributions**

Article 17 – Overtime

- Double time (2x) rate implemented
- Upon ratification and then each January 1st OT lists will reset (overtime list goes to zero for each employee then populated by seniority)

- “Job Continuation” provision allows, for continuity purposes, the ability to keep a Technician working a specific job to continue that job (for up to three (3) hours) without regard to seniority or overtime hours charged.
- New OT bypass processes

Article 18 – Union Representation

- Updates to Union titles

Article 19 – Grievance Procedure

- Time limits changed: 1st Step – Supervisor has ten (10) days to respond, (was three (3) days under the 2005-2009 CBA). If Company does not respond within the timelines, the grievance automatically advances to the next step. Under the 2005-2009 CBA, the Union had to appeal to the next step within timelines – now grievance moves forward automatically when Company does not respond within time limits.
- Formalizes Joint Board of Adjustment (JBA) process to hear 3rd Step grievances. Joint Board comprised of two (2) Company and two (2) Union members. Parties to share documents to be used in the JBA proceedings
- Retention period reduced to one (1) year for discipline, eighteen (18) months for a termination warning. Time limits exclude periods of inactive status (Layoff, Leaves of Absence and EIS/Unpaid Medical). In cases where similar infractions occur within the one (1) year retention period, discipline shall be retained until one (1) year passes without another occurrence of similar infraction.
- Discipline for Title VII violations (e.g. sexual, racial, or other discrimination or harassment) shall be retained for a reasonable period of time

Article 20 – Board of Arbitration

- Separate Article created for the Arbitration process

Article 21 – General & Misc.

- Toolbox maximum insurance reimbursement increased to \$7000.00 with a deductable of \$140.00
- Interim assignments (max. 30 days) to be discussed for those affected by RIF and awaiting badges
- Increase in time from one (1) yr to two (2) yrs to obtain licenses required by the Company

Article 22 – Transportation

- Addition of resignation pass benefit program

Article 24 – Duration

- **Contract becomes amendable July 1, 2013; Note that all terms of the agreement (including the medical plan provisions) remain in place while the parties negotiate for a new agreement once the contract becomes amendable and continue until that new agreement is ratified by the membership**

Letters of Agreement – Highlights

- **Signing Bonus of \$11,500.00**
- Company will reopen EWR and PHL as Line Maintenance stations and staff a GQ/PV mission at BOS, HNL, PHX, and LAS
- Non-Punitive Discipline Letter - eliminated
- Transition Letter – Describes various interim measures as we transition from the old agreement to the new
- No permanent leads will be removed from lead position for duration of agreement
- Furlough Protection – No furloughs will occur for the duration of the agreement
- GSE / PV Reporting – Letter commits that the Company will consider the divisional structures and when it will be appropriate for GSE and PV to report to Technical Operations
- Amalgamation and Resource Utilization Letter – Addresses processes for amalgamation and the cross utilization of resources
- **Eliminate \$100 tool allowance (the tool allowance was a new provision contained in the prior tentative agreement - there is no such allowance in the 2005-2009 CBA**
- **Early Out Program based on a cost of \$75,000.00 per employee details to be highlighted in LOA 32**