

THE LEADING EDGE



A Publication of
the United Pilots
Master Executive Council

MAY 17, 2012

The Strike of '85: 27 Years Later



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The *Leading Edge* is published by the United Master Executive Council of the Air Line Pilots Association, International, 9550 W. Higgins Road, Suite 1000, Rosemont, Illinois 60018.

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Photos courtesy of First Officer Craig Dugan



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Twenty-Nine Days

Beginning on May 17, 1985, for 29 days, the pilots of United Airlines walked a picket line in defiance of Dick Ferris and his management team. The strike of '85 was a defining moment for our union and for this company. The grand plans of our CEO to institute a two-tier pay scale and to outsource, diversify, and marginalize the flying operation were dashed by our pilots' resolve.

No strike is ever easy. Those who wear the battle star on their ALPA wings will tell you that a strike is about as close as you can come to declaring war in the civilian sector. As pilots, we pride ourselves on being cool under pressure and calm when those around us are anything but calm. But during those 29 days in May and June, there was plenty of emotion and stress, and much of it was not compartmentalized or restrained. Those who walked the line had given up their jobs at United Airlines in order to secure the contract and work rules they demanded. They watched as the scabs were brought in to break them and deny them their jobs. They watched as management pulled out every stop in an attempt to crush their rebellion—but they persevered and prevailed.

“ I can only say as a word of advice that any preparation you did—talking with your family, getting your finances ready, getting your head together—paid off when it came time to strike. You had to be ready. ”

“ I remember my best friend's father, who was a United pilot, calling me over to their house and, in a very straightforward way, showing me his checkbook. He had written a \$30,000 check. 'This is my savings and my strike fund,' he said. I'm ready to go out for a long time. You need to be ready, too. ”

Today we could find ourselves approaching a similar juncture. Our new management has been dragging its feet on our contract, outsourcing and right-sizing our fleets and pilot groups, and pushing this merger through with little thought to rewarding the pilots whose efforts in bankruptcy made such a merger possible. Again, we find

ourselves at a point where we must use leverage, perhaps the ultimate leverage, to push management to recognize our sacrifices and give us the contract we demand and deserve. Most of the pilots on the property today were not here in 1985, but we know all of our pilots will walk the picket line if necessary and show this company that we are finished with its empty promises and hollow rhetoric. Each of you knows what we have lived through as a pilot group and a profession since 9/11. This is our time to push back and take steps to reestablish our career field.

In this issue of the *Leading Edge*, we are including recollections of some of your fellow pilots who experienced the strike of '85 firsthand. They speak of issues which, for the most part, are the same now—planning, finances, emotions, and pride. We have also included a reprinting of “From Wooden Wings,” the excellent article written by Pat Palazzolo about the 1985 strike. If you’ve never read it, or it has been some time since you have, I encourage you to take a few minutes to do so. You will find that the names may have changed since 1985, but many of the characters remain the same. Finally, you’ll find an in-depth article about the Railway Labor Act included here so we can all be better informed on the document that provides the rules and limitations for our negotiations.

Over the past month, there have been many changes in our negotiations and strategy for obtaining a JCBA in the near term. With an array of changes occurring at once and in parallel, it has become even more important that you stay informed and make certain your union can contact you. Do not be distracted by side issues. Instead, remain focused on maintaining the status quo and attaining a JCBA. Will we need employee self-help to prove to United Airlines that we are serious about getting a contract? That remains to be seen. But we will each have the resolve to do so when called upon.

“ Seeing all the United pilots on the line at ORD was one of the most memorable and uplifting experiences that I will ever have as a pilot representative—senior pilots who were literally striking for the ‘unborn’ pilots, pilots who had nothing to gain and everything to lose—all walking the line together and literally putting their jobs on the line. ”

“ One of my most poignant memories during the strike actually came from the flight manager who hired me. I stayed in touch with him periodically during those four weeks. He was the only person on the management side who even had the right to suggest that I cross the line. He never, ever did. Quite to the contrary, his encouragement to me was to hang tough. He told me that the stronger we stayed, the sooner it would be over. My lesson in unity came from management! ”



By Mike Ray (www.utm.com).

From Wooden Wings

By Patrick Palazzolo

Originally published in 1989 in the UAL 34 Bayliner



“Fifty years after its foundation in struggle, sacrifice and tragedy, the airline pilots of America, although not quite back to square one, are still facing the fundamental questions their forebears faced in 1931. Can they stand up and fight the good fight, always keeping in mind that justice and virtue do not always prevail, and that ‘God,’ as Napoleon put it, ‘is on the side of the big battalions’? Are modern airline pilots made of the same stuff as the men who created ALPA during the era of the wooden wings? History is waiting for its answer.”

—From the final paragraphs of *Flying the Line*,
by George E. Hopkins

Those words were written three years before the 1985 United pilots’ strike. United’s pilots, against substantial odds, fought a fierce assault against their profession by a multi-billion-dollar corporation in a demonstration of professional pride and solidarity that would surely have made the men with wooden wings stand even taller today. Perhaps history now has its answer.

But as the events of four years ago are remembered, it is important to recognize how the strike came about, and that the strike was just one part of a much broader effort by United Airlines management to radically and permanently reduce the salaries and working conditions of **all** pilots—an objective apparently motivated simply by the desire for the financial windfall it could bring the corporation.

However, when the strike had thwarted their efforts, the corporation set out to accomplish the goal in another way. “We thought the strike was the culmination of the struggle,” says J.B. Cockrell, one of the longest-serving former members of the UAL MEC. “But what we didn’t understand at the time was that the strike wasn’t even the midpoint of the battle. The corporation still hadn’t given up their ultimate goal of getting our wallets away from us. Only their method had changed.”

I. IN THE BEGINNING GOD CREATED JOHN FERG

In order to fully understand the strike and the significance of the four years since, we must return to August 1982. UAL MEC Chairman John Ferg had persuaded the United pilots that it was in their best interest to make drastic concessions to then chairman Richard Ferris. Ferg and Ferris had become good friends and worked closely during that time in a joint communications campaign designed to win the pilots’ approval of a highly concessionary contract dubbed “Blue Skies.” When the pilots agreed to the new contract, Ferris loudly proclaimed in the press how he had the contract he needed for United to compete, that there was now “a new partnership between United and its pilots,” and that there would never again be an adversarial relationship. Some in management privately expressed astonishment at the magnitude of the concessions the pilots had willingly given (15 percent by the Company’s own estimate). In time, however, many pilots would begin to openly question the relationship that existed between Ferg and Ferris.

Roger Hall, then chairman of the Negotiating Committee under Ferg, certainly questioned it. Says Hall, “Not many people knew it, but Dick was doing a lot of very nice things for John. On a number of occasions Ferris would pick up Ferg in front of the terminal at O’Hare and they’d drive off and spend the evening together. I went along with John to some of the dinners with Ferris, and let me tell you, they were some of the most lav-

ish things that I have ever seen in my life—12-course dinners served by people in black ties with white gloves. It was really something. I was very uncomfortable at those events and stopped going along because I felt it was inappropriate for Ferris to have that kind of a relationship with the representatives of the pilots. But John loved it! He would always be recognized in front of whatever group happened to be there, and Ferris would often ask him to address the group. The relationship obviously impressed John, and it was serving Ferris's purposes, too. There was no doubt Ferris was trying to buy Ferg."

It soon became clear, however, that Ferris saw the "Blue Skies" agreement as only the first step in a long-term, well-planned assault on the salaries and working conditions of United's pilots. Jim Engleman, who was vice chairman of Washington's Council 11 at the time and later was elected MEC vice chairman under Roger Hall, said, "Shortly after the Blue Skies agreement, Ferris went to the rest of the employees and said, 'The pilots have given, now it's everybody else's turn.' He used the pilots' contract as justification for extracting concessions from the rest of the corporation. However, after Ferris got the concessions from those people, he came back to the pilots in early 1984 and said in his famous '24 percent' road shows, 'Everybody has given but the pilots. Now it's your turn.'"

Ferris was clearly using each employee group to ratchet down the other. It was at this point, according to Cockrell, that the MEC finally realized they and the pilots had been set up by Ferris.

Where John Ferg had managed to get Ferris everything he wanted, the newly elected MEC chairman, Captain Roger Hall, was of a different mind. From the beginning of his term in late 1983, he repeatedly told Ferris the pilots would give him no more concessions. Hall was adamant. And Ferris was having a difficult time accepting the fact that Hall would dare say no to him. Ferris complained to the pilots that he had developed a good relationship with John Ferg, but that Roger Hall was being obstinate and not acting in the pilots' best interests.

"Interestingly, though," said Cockrell, "at the 24-percent road shows the pilots were still in the mood to give Ferris the 24 percent he was asking for. We were getting lots of calls from pilots suggesting ways to give him the money. The MEC was exasperated since we knew concessions were not required at all. We were convinced Ferris was asking for them only because it was so easy for him the first time. He probably thought he could get even more the second time around. The MEC now found itself having to stand between Ferris and the pilots." The reason for the pilots' willingness to still give to Ferris was perplexing to many on the MEC. "I think that in 1983 the pilots still saw themselves as 'management.' Ferris was very charismatic, and I think he represented what a lot of pilots wanted to be," Cockrell said.

But that mood ended quickly. What was clear to the MEC soon became apparent to the pilot group. Ferris's credibility eroded rapidly through 1984 and 1985. Ferris repeatedly hammered on the need for the company to realize a net profit margin of 5 percent, yet through various financial manipulations Ferris made sure it was never achieved. For example, from 1983 through 1985, Ferris intentionally overcontributed to the pilots' pension plans, which resulted in United's pilot block-hour costs being much higher than they should have been. "At one point in time," according to Engleman, "our A Plan was overfunded by 186 percent! This was very effective in driving up our block-hour costs."

In spite of record profits, management used the inflated figures and a considerable amount of other misinformation to wage a public relations war against the pilot group. Ferris had retained the public relations firm of Hill and Knowlton to assist him with his internal public relations campaign. But while ALPA was successful in maintaining an informed and educated pilot group that was not swayed by management's arguments, Ferris was still able to convince many of the

In spite of record profits, management used the inflated figures and a considerable amount of other misinformation to wage a public relations war against the pilot group.

rest of the employees that the pilot group was unwilling to give like they already had. “There’s no doubt that Ferris conducted a campaign of character assassination and misinformation against the pilot group,” said Engleman. “He did it in the company newspaper, in the Employee Newline, and in every other medium he could use.” A United sales manager who commented for this article agreed. He said, “There were good managers at all levels of the company who were surprised and dismayed at the style and tone of the company’s communications about the pilots—in the Newline, the newspaper, and in the video tapes.”

II. FERRIS THREW A STAMPEDE AND NOBODY CAME

By the fall of 1984 Ferris began plans for a pilots’ strike. He appointed Jim Guyette, then vice president—Central Division and now senior vice president of operations, to prepare plans designed to keep United operating during a strike. This would be the first time United had ever planned to operate during a strike. If management was successful, ALPA would be broken. Union bashing was in vogue during this time. Former President Reagan had previously set the tone by firing several thousand striking air traffic controllers. Many felt that Ferris had become emboldened by Frank Lorenzo’s success in overpowering ALPA and slashing the pilots’ pay in half at Continental and also, perhaps, envious of the image Lorenzo had acquired with the rest of the business community at that time.

By winter Jim Guyette, with the assistance of then senior vice president of flight operations Lloyd Barry and others, had drafted a plan to replace United’s pilots and rebuild the airline by using “fleet-qualified” replacement pilots and using what they expected to be a moderate-sized core of strikebreaking pilots. But the big weapon they counted on was a scheme they devised that would hopefully stampede the pilots across the picket line. They planned to re-bid the seniority list in the order of those who crossed. Also, unbeknownst to anyone outside of management at the time, they now planned on using the “570” as strikebreakers. The 570 were a group of pilots who had been previously trained and were told United would hire them when a new agreement was reached with ALPA. Although they were repeatedly assured over a period of months that they would not have to cross a picket line, in April 1985 they were suddenly ordered to report for work on May 17.

Dick Grant, one of the few striking management pilots, and now ALPA’s council chairman in Denver, sat in on a strike briefing by Guyette shortly before the strike. He said the Company established three contingency plans for operating: “One assumed more than half the pilots would cross. Another, 40 percent. And the minimum plan expected 25 percent of the pilots to cross,” said Grant. All three plans assumed the 570 would cross. Roger Hall commented further, “The Company expected that 30–40 percent of the pilots would cross the line within the first few days of the strike. They didn’t think it would take any time at all before the pilot group would, in Ferris’s words, ‘stampede across the line,’ go to work, and effectively destroy ALPA on the property. Initially, I think Ferris’s goal was just to slash pilot costs, but it became clear that he eventually concluded that he could crush the entire union structure at United, with ALPA being the first to go. The thing he hadn’t counted on was that ALPA had learned from its mistakes in the Continental strike.”



By the end of the strike, only 5 percent of the line pilots had crossed the picket line and more than 500 of the “570” had struck. United management had spectacularly underestimated the resolve of the pilot group and their loathing for the B-scale. As a result, Ferris was forced to settle on the economic issues after only one week of the strike. His dream of a low-paid pilot force with a 20-year B-scale and a B-scale pension was reduced to a five-year B-scale. But apparently out of revenge—a trait that would later come to characterize him and many of his senior managers—and his determination to break ALPA, he dragged the strike on for another three weeks, refusing to agree on any back-to-work agreement that did not include vindictive provisions designed to punish the pilots, the striking

management pilots, and, of course, the people for whom he felt the most wrath—the 570. Said Hall, “Ferris was playing games with us. He finally realized he couldn’t get us to cross without a contract, so he settled the contract and then tried to get the pilots to cross by refusing to agree to a back-to-work agreement. The pilots still wouldn’t cross. We ultimately resolved the back-to-work issues, but then Ferris wouldn’t sign a back-to-work agreement with the flight attendants unless they agreed to gut their contract as part of the deal.

“The AFA refused. Knowing that we had promised the AFA we wouldn’t go back to work without them, he hoped he could get the pilots to finally break ranks. But the pilots still wouldn’t cross. Ferris continued to hold out, but AFA’s UAL MEC Chairperson Pat Friend recognized that their contract was still in force and she did not need a back-to-work agreement. She decided to take her people back to work without an agreement. She asked us to go back to work so that the flight attendants would have jobs to report to. By the time the strike was over, Ferris was really smarting. He could not break the pilots any way he tried.” The AFA’s last-minute maneuver apparently blindsided the Company. “When I went in and informed Dave Pringle and the Company negotiators of our intentions,” said the AFA lawyer, “there was dead silence.”

Examining how Ferris miscalculated is complex. Rick Dubinsky, who served as chairman of the MEC Strike Committee under Hall, says, “Ferris thought he could win because he had the recent experience over at Continental to look back upon. He saw ALPA as disorganized, he saw the leadership as unprepared for a strike, and he had not seen ALPA take any affirmative steps subsequent to that situation to get itself prepared for any new strike. He had a billion dollars in the bank and knew we had no money. He also had a belief that the pilots would never go against him. Somehow it was the leadership—it was Roger Hall or Rick Dubinsky or the MEC—but the pilots would never turn on him. And, of course, he had John Ferg and others telling him that the pilots didn’t have guts, and that they would never get themselves organized.”

It was obvious to many that Ferris’s miscalculation of the pilots’ resolve resulted from bad information from his advisers. Ferris has been described as “tough-minded” and “strong-willed,” but some felt that his unwillingness to tolerate divergent opinion was a more accurate description. “He surrounded himself with a number of ‘yes-men,’” observed a retired management pilot. Added Hall, “Ferris systematically weeded out people who told him things he didn’t want to hear. There were a few people who told him he couldn’t win and he shouldn’t even try. He eventually got rid of them. Two were Jim Hannah, the chief pilot in San Francisco, and Pat Nugent, the vice president of flying and training in Denver. The only people Ferris tolerated in management were those who were willing to tell him what they thought he wanted to hear.”

Jim Engleman pointed out another source of bad input Ferris received. After the “Blue Skies” agreement, John Ferg predictably made his way into management and, as a friend of Ferris, had his ear. “We know he was getting it from John Ferg, and if you understand Ferg’s history and his attitude toward the pilots, you will understand that he thought the pilots were just a bunch of jellyfish, that they didn’t have any spine and that they would roll over. He even said that about the MEC and told us so on a number of occasions when he was MEC chairman. I think he really believed it and I believe he had Ferris convinced.” Roger Hall agreed. He said, “I put a large part of the blame for the 1985 strike right at the feet of John Ferg.”

Dubinsky saw Ferg’s turn against the pilots evolve over a long period of time. “You have to go back into Ferg’s history,” said Dubinsky. “Ferg was the master chairman in the early 1960s. However, he was recalled by the MEC, which embittered him. Then sometime in the early 1970s he testified against Captain Ed Raney, who had a landing accident in Denver. It was one of the first times a nonmanagement pilot had testified against a fellow pilot. The MEC censured Ferg without a hearing, and Ferg filed a lawsuit against the Association. ALPA ultimately settled and paid his legal fees. I don’t think Ferg ever liked ALPA after that. When he got elected master chairman the second time around, he became great friends with Ferris. He saw Ferris as a visionary. John’s view of what the future would hold for us was quite accurate relative to deregulation. He saw the danger of a ratcheting down of wages and working conditions. I firmly believe that when he started down the road with Ferris, he probably thought he was doing the right thing for the pilots. But by 1983, when the pilots chose to separate from him, to resist the ratcheting, to stiffen their back and to take on Ferris, John’s loyalty toward Ferris won out. His animosity toward ALPA overcame him, and when he could



*Rick Dubinsky,
MEC Strike Committee
Chairman*

not get reelected by changing the MEC policy and run for a third term, I think he chose sides and decided to show these people who he felt had, once again, screwed him over—namely ALPA. He had this burning hate for ALPA that went back to these events in his career. The pilots who he felt had betrayed him were enough reason, in his mind, to side with Ferris.”

Ferris also misjudged the 570. “He thought the 570 were going to cross the line and scare the hell out of the pilots,” said Hall, “but they misjudged the integrity and sophistication of the 570 and Jamie Lindsay’s activities.” Jamie Lindsay, a Denver-based pilot, headed an ad hoc ALPA committee of United pilots who set out to educate and organize the 570 from a makeshift office in some hotel rooms near United’s Denver training center.

When the strike failed to break ALPA, the Company began a different tack to accomplish its goal.

By April 1985 they had established regular and frequent contact with virtually all the 570. The new pilots became determined not to aid the Company in destroying their own careers, and the careers of every United pilot who would follow them, by helping Ferris establish his 20-year B-scale. United didn’t help its cause either. As the strike drew closer, the 570 were increasingly subjected to arrogance, threats, and intimidation by some at DENTK. In court testimony after the strike, one 570 testified that her class was told by Rick Brown, then one of the management pilots in charge of the new-hire section, that if they didn’t cross the picket line and somehow were still able to get their jobs back, he “would personally see to it that we would never make it through our probationary year.” After the strike, more than 100 of the 570 chose not to return to United. Michael Didero, a 570 and now a senior MD-80 first officer at USAir, said, “They treated us pretty badly before the strike. Coming back and flying at United just wasn’t worth the abuse.”

In order to protect them from retribution by the Company during the period leading up to the strike, Lindsay’s committee instructed the group to tell the Company “whatever they want to hear.” Consequently the Company had no accurate knowledge of their intentions until the strike commenced. On the morning of May 17, to management’s utter astonishment, only four of the 570 pilots—including John Ferg’s son—crossed the line. When Ferris encountered Lindsay in the Denver terminal a few days later, his anger was uncontained, according to witnesses. “Ferris told him he was ‘lower than whale ____ and to crawl back into the dumpster where he came from,’” said one. He added, “Lindsay replied rather prophetically, ‘Let’s see who’s still here a year from now, Dick.’” From that day on, Lindsay’s operation became known as “The Dumpster-Works.”

III. “IF YOU DON’T LIKE IT, THEN GRIEVE IT!”

When the strike failed to break ALPA, the Company began a different tack to accomplish its goal. Many pilots saw the Company embarking on an effort to weaken the union in order to reduce its effectiveness. The Company began routinely violating the contract and “established past practice” whenever they could. Knowing that it took a year or two for an arbitrator to hear a grievance, the Company’s attitude seemed to become, “If you don’t like it, then grieve it.” Management routinely denied grievances without apparent regard for merit. According to Capt. Jim Noble, MEC Grievance chairman, the backlog of grievances awaiting hearings from arbitrators had increased from about 50 to 250. Even though the number of neutral system boards was increased from about 4 per year to 24, the Company seemed to feel they had *carte blanche* in violating the pilots’ contract since it would take years for an arbitrator to order the Company to cease a particular violation.

The Company’s brazenness didn’t stop there either. Immediately after the strike, Ferris and Barry directed that the Washington and Miami domiciles would be closed. Ferris had made it clear that if the pilots went on strike, he would close the two bases and force the pilots to commute to work in Chicago. ALPA filed an expedited grievance, and the neutral, Richard Bloch, ruled that the Company could not retaliate. But Ferris did anyway—sort of—he fired Bloch. Bloch and a number of other neutral arbitrators had ruled against the Company in some rather important decisions. By using a little-used provision of the contract, the Company summarily fired them the Sunday before Christmas. “That move certainly didn’t help the Company’s cause in the long run,” said Noble, referring to what some called the “Sunday Night Massacre.” “The arbitrators are a distinguished, well-respected lot who are not easily intimidated. We’re talking about people like Archibald Cox and others, and I



suspect that the Company's arrogance did not go over well within their group." [MEC member J. B.] Cockrell saw the firings and intentional backlogging of the grievance machinery as part of a larger picture. "What they were trying to do," he said, "was to try and make our union weak and powerless like Lorenzo had done with some success on his properties. Clearly this appeared to be the Company's objective for us after 1985. There's no doubt in my mind about that." Rick Dubinsky agrees, but said, "I would even take it a step further. I think all along Ferris intended not only to crush ALPA, but to get it off the property. It was clear that he intended to replace ALPA with the 'United Pilots Association,' which was being organized by John Ferg, Denver Capt. Bill Palmer [both of whom subsequently appeared on CBS's *West 57th Street*], and others. His goal, I think, was

decertification of ALPA and the emergence of his Company-controlled union. One way you might accomplish this is by showing the membership that their union is ineffective and that it can't protect either them or their contract. When this continues to occur, the membership may eventually start to ask themselves why they even need a union or, perhaps, whether they need a different union."

Consequently, the message the Company was communicating to the pilots after the strike was: "From now on, anything you get is because we choose to give it to you, not because ALPA was able to get it for you."

After 1985 the Company operated around ALPA wherever possible. Interaction with ALPA was avoided unless it could be used as a way to discredit the union or perhaps enhance the image of management. What became known as the "Frontier Fiasco" clearly showed the extent to which the company would go to try to discredit ALPA.

In the summer of 1986 United announced it wanted to purchase Frontier Airlines. United said it required ALPA to waive the scope protections in the pilots' contract as a condition of the purchase. This would permit United to bring the Frontier pilots over at wages well below A-scale industry standard and, in effect, accomplish what they couldn't accomplish in the strike—and something the Company knew the pilots would never agree to. In essence, United had cleverly engineered an abortive attempt to purchase Frontier Airlines and leave the appearance that ALPA was the cause of the failure. It was an effort many believed was designed instead only to strip Frontier of certain valuable assets desired by United. Consequently, when United pulled out of the purchase, they conveniently blamed it on ALPA and moved instead only to acquire the Denver hangars, certain slots, and aircraft. In the end, after a court battle, United ended up without even the assets. They had forfeited Frontier's market share, aircraft, and employees to Frank Lorenzo, and now faced serious litigation with Frontier's pilots. One analyst in *Crain's Chicago Business* would later call it "one of the worst mistakes Ferris made."

In the months following the strike it became clear to the pilots that management was girding for another strike. Striking pilots were excluded from all management positions, and the training center was filled exclusively with scabs, fleet-quals, and many who had adequately demonstrated little qualification other than loyalty to Ferris and his henchmen. The quality of some of the training took a noticeable downturn. Scabs were systematically being given type ratings and permitted to fly as captain even though they did not have captain seniority. The pilots and their leadership could only conclude that the Company was preparing a scab force.

IV. VINDICTIVENESS 101

If one word characterized this period, it was vindictiveness. Ferris and his supporters were clearly humiliated by defeat. The humiliation and anger were magnified by the fact that Ferris had predicted with such certainty to the rest of the company and the industry that ALPA would be crushed. "Dick had a vindictive streak in him unlike anything I've ever seen," said Hall. "I think he was smarting something fierce that we had cost him all that money, that he had taken us on and had not been successful in accomplishing what he'd wanted. He also

felt he had been misled by his own people, which I'm sure just infuriated him to no end. There is no doubt his objective was to try to wreak as much revenge on the pilot group as he could for what they'd done to him. I think that's why he took such a vindictive stand on the 570."

The vindictiveness took the form not only of punitive action, but also of a double standard toward striking and nonstriking pilots. No less than 10 of the 570 pilots were terminated, almost all of them under highly questionable circumstances. The pilot group became subject to standards of discipline that often were not applicable to nonstriking pilots. An onerous and demeaning code of conduct was unilaterally imposed on the pilot group that was so vague that a pilot could be charged with an offense for doing just about anything management didn't like. In one of the more obvious attempts to weaken ALPA's effectiveness, David Pringle, then United's senior vice president of human resources, declared that ALPA would no longer be permitted to represent pilots during investigative hearings, even though discipline was likely to result.

Lloyd Barry, then United's senior vice president of flight operations, was, like John Ferg, a close ally of Ferris and seemed to share his emotions toward the pilots. Barry was not viewed as a particularly able manager, even before the strike. His management style seemed awkward and mediocre. Prior to the strike, Barry had joined Ferris in many of the threatening communications directed at the pilots. After the strike the antipathy between Barry and the pilots seemed mutual. In fact, the pilots' contempt for Barry seemed to feed on his disdain for them. Perhaps what most clearly characterized the ill will between Barry and the pilots were the "yellow ribbons." After the strike the Company had refused to rehire many of the striking flight attendants whose union had supported ALPA's strike. The pilots were angered by this and appalled by a number of other vindictive actions taken toward the flight attendants. Some began wearing small yellow ribbons under their ALPA pins as a demonstration of their gratitude and support. Barry responded by ordering all pilots to remove the ribbons. Soon nearly all 5,000 pilots were sporting the yellow ribbons. Said one insightful pilot at the time, "If Barry wanted the ribbons off, he should have ordered the pilots to wear them."

Barry seemed threatened and frustrated by his lack of control over the pilots. He apparently didn't realize that it was not control he had lost, but credibility. So Barry sent a letter to all management employees instructing them that they were now authorized to give orders to any United pilot and the pilots were obligated to comply with their directives. However, most supervisory personnel had enough common sense to ignore Barry's letter. One Los Angeles-based captain took great pleasure in demonstrating the illogic of Barry's new policy. He requested that a ramp supervisor present him with his 25-year wings.

V. "ONE-FINGER JOE"

In late 1985 and early 1986, Flight Operations was reorganized. The changes appeared to reflect Barry's fear that he couldn't control the pilots, his dislike for ALPA, and his insistence on loyalty. In the appointment of new chief pilots and domicile flight managers, all were scabs. And some, like Denver's Paul Burnham, made no secret of their feelings about ALPA. Pat Nugent, vice president of flying and training, was sent packing. He had made the mistake of privately questioning the direction management was going prior to the strike. He

was replaced by two people who apparently were less apt to ask questions. Bill Traub was named vice president of training and Joe Hertrich became vice president of flying.

Joe had become well known to the pilots for greeting strikers with one finger. So his selection seemed incredible to many, but not to Roger Hall, who felt Hertrich, more than most others, characterized United management's ideal "yes-man." Said Hall, "I've characterized Joe on a number of occasions as one who was not very bright. Joe just did whatever he was told to do. He never asked any questions. Ferris, Jim Guyette, Barry, and people of that ilk and mentality loved it, and that's exactly why they put him where they did."



But the biggest change was the addition of Flight Operations managers whom the pilots came to call “hall monitors.” Some had a penchant for patrolling the halls ordering pilots to remove ALPA stickers from their flight bags, or to give other petty directives. These nonpilots were selected from the supervisory ranks of other departments and began to manage the pilots in a style that was viewed by the pilots as demeaning. “The hall monitors just fell in with a lot of other things they started doing after the strike,” observed Hall, “like sick leave counseling and the fact that just anybody could give orders to pilots. It was an effort to demean and downgrade the position of pilot as much as they could. They were obviously structuring their management in such a way so as to be in a position to take us on again in another strike.”



Pathetic relations between United and its pilots continued through 1986. But the issue that best exemplified the contempt between the two parties was the Company’s treatment of the 570. Ferris’s anger at the 570 was no secret. During the strike he repeatedly promised that these pilots would “never ever work again at United.” After the economic issues of the strike were resolved, Ferris refused to negotiate a back-to-work agreement that included the 570. He also insisted that his re-bid seniority list be allowed to stand. ALPA insisted that both demands—aside from their vindictiveness—were illegal. Finally, the federal mediator proposed that the legalities be decided by the courts, and the parties agreed.

In October 1985, U.S. District Court Judge Nicholas Bua ruled that the re-bid was illegal and that United must return the 570 to the property. He disagreed with United’s argument that since the 570 had never crossed the line, they were never employees and, therefore, were not protected by the Railway Labor Act. The RLA gives employees a right to strike and protects them from retribution for doing so. Bua reasoned that requiring the 570 to cross the line, report to work, and then cross back over was an “empty gesture.” The 570 were returned, but Ferris, as one would expect, was determined to appeal. In the fall of 1986 the U.S. Court of Appeals overturned the Bua decision, stating that the 570 were not employees because they had not physically crossed the line and reported for work. This meant simply that these pilots were not protected by the Railway Labor Act, and United could—if it chose to—take punitive action against this group of pilots. The ruling angered the pilot group. United management said they would reduce their seniority below the replacement pilots and those hired immediately after the strike. This only infuriated the pilots more.

In December 1986 MEC Chairman Roger Hall was elected first vice president of the Air Line Pilots Association, and the UAL MEC elected Capt. Rick Dubinsky as its new chairman. The election wasn’t viewed with enthusiasm at EXO. Management seemed afraid of Dubinsky. Some there had nicknamed him “The Bomb Thrower,” and “Mad Dog Dubinsky.” While Hall’s gentle but firm diplomacy certainly contrasted with Dubinsky’s confidence and assertiveness, Hall’s performance against Ferris nonetheless had given him a reputation as one who carried a loaded gun—and used it. After returning with Hall from an evening of celebrating his election, Dubinsky started to call it a night, but Hall interrupted, “Oh, there’s one thing I forgot to tell you, Rick,” he said as he pulled a thick stack of papers out of his briefcase. “Here’s how the employees are going to buy the company.” Dubinsky was speechless.

VI. THE DISMANTLING OF UNITED AIRLINES

It was apparent to almost everyone that Ferris couldn’t wait to take on the pilots again. More significantly, though, Ferris had steered the corporation on a course that was bleeding the airline of money and upstreaming it to the holding company through its other subsidiaries. Rapidly losing market share to aggressive competitors, United was becoming a dying airline as its assets and cash were being siphoned off by UAL Inc. to purchase hotels and rent-a-cars. Said Hall, “I saw a scenario very similar to what Lorenzo later did at Eastern.” Just like Eastern, UAL had spun off United’s Apollo reservation system into a subsidiary called Covia. Instead of keeping the Apollo profits, United was now required to pay Covia for every reservation it made, just like



the other airlines that used its services. UAL also formed UAL Leasing, to which it sold a number of United aircraft. United then had to lease back its own airplanes. The pattern was becoming very disturbing. Many feared it wouldn't be long before the airline was being charged for its own maintenance, food service, and every other function that it currently performed for itself. Said Dubinsky, "The airline was being put at a competitive disadvantage because the profits that were normally being made by the airline were being upstreamed to UAL Inc. through the subsidiaries. As a result, UAL shows a profit, the other subsidiaries show a profit, but lo and behold, the poor airline is destitute. It can't borrow money, it can't buy airplanes, and it can't afford to pay its employees decent wages. You end up with management complaining that it's the employees who are wrecking the company. That was the plan—and it was happening." To add insult to injury, then United

president Jim Hartigan began telling the pilots that unprofitable United would now have to compete with the profitable subsidiaries for UAL's capital. The pilots were hearing the same tired message: "Unless you give us more concessions, United will not grow." Just like Eastern, the pilots saw United being set up for failure.

Dubinsky and his two other MEC officers, Vice Chairman Jamie Lindsay and Secretary-Treasurer Felix Isherwood, worked throughout the winter and early spring of 1987 with a diverse group of advisers on preparations for an employee buyout of United Airlines. They were convinced it was the employees' only hope for saving their airline—and their careers.

During this period the atmosphere became more oppressive for the pilot group. The corporation's management structure seemed to have taken on a personality that internalized Ferris's antiunion sentiments. Jim Guyette, the architect of Ferris's strike effort, was promoted to executive vice president of operations. Kurt Stocker was appointed vice president of corporate communications. He had been a vice president at Hill and Knowlton, the firm used by Ferris before and during the strike in his public relations campaign against the pilots. David Pringle, United's chief negotiator during the 1985 strike, traveled to California and appeared before a professional group telling them that one lesson United learned from the strike was that "We obviously weren't prepared. We should have started replacing the pilots a lot quicker." Frank Jarc was appointed United's new chief financial officer, replacing John Cowan, who was promoted to the same position at UAL Inc. According to a copy of a memo circulated within United, Jarc had helped Lorenzo develop his bankruptcy plan that "broke the unions at Continental." And John Cowan, in a speech before financial analysts in Boston during January 1987, probably best typified the mentality United's pilots saw in their management when he said, "The best part about our new flight attendant agreement is that we can hire foreign nationals (in the Pacific) and get people to work for rice bowls." The utter contradiction in Cowan's statement to the analysts that United intended to be the nation's premier airline and at the same time treat employees with such disrespect was not lost on those in attendance. Finally, in a meeting with more than 200 pilots in San Francisco the same month, Hartigan made his feelings about the pilots very clear. In response to a question about why the United pilots couldn't get captain's jumpseat authority, Hartigan shot back, "No. There will be no perks for pilots."

At similar meetings in the other domiciles in January, Hartigan and Barry met with the pilots to "exchange ideas." Most, however, felt the real purpose was to test the waters about their intention to reduce the seniority of the 570. The pilots left no doubt in their minds about how they felt. As one pilot said to Hartigan, "It used to be legal to refuse to hire blacks and women as pilots. It used to be legal to fire flight attendants for getting married. But just because it was legal didn't mean it was right. And just because it's now legal for you to punish the 570 doesn't make that right, either." When it became obvious that Hartigan and Barry had their minds set, the exchanges became loud, pointed, and taunting. "I knew the pilots were angry," said one ALPA council officer, "but I never thought I'd see both Hartigan and Barry roughed up like they were tonight." After the two returned to Chicago, Dubinsky asked Barry if the meetings had changed his mind. He replied, "Of course not."

That same month, Joe Hertrich resigned. He had distinguished himself in office by getting caught in the O'Hare pilots' bag room peeling ALPA-PAC stickers from pilots' flight bags. In a brilliant move Barry appointed John Ferg to replace Hertrich as director of domicile management.

VII. ALLEGIS . . . (GESUNDHEIT!)

In February 1987 Ferris announced that UAL Inc. would now be called Allegis Corp. and would become a worldwide travel services company with United Airlines as only one part. UAL said it paid \$7.3 million for the name that would soon become the butt of Wall Street jokes. Real estate tycoon Donald Trump said it sounded like a "world-class disease." Wall Street was skeptical of Ferris's plan. The pilots saw it as the death knell for the once greatest airline in the country.

During the next few months Dubinsky began assuring the pilots—and putting the Company on notice—that if they reduced the seniority of the 570, he would take whatever legal course he could to eventually restore their rightful seniority. Ferg advised Ferris, Hartigan, and Barry that unless they wanted years of labor strife over this issue, the only recourse was to fire them all. The Company took the position that they would indeed fire the 570—unless the MEC agreed to their seniority's being reduced and promised never to raise the subject in negotiations again. The Company had a loaded gun pointed to the heads of the MEC. Dubinsky called a special MEC meeting for Friday, April 3, 1987, in Chicago.

By that evening the MEC had no choice but to agree to the Company's demand. Dubinsky told the MEC that the Company had what they called "Operation Flight Plan" in place—a plan they claimed would terminate and replace all the 570 by May 1. Dubinsky privately reassured them by saying, "Things will become much clearer tomorrow."

Early the next morning the MEC was roused out of bed and secretly bused to a hotel several miles away. By the end of the next day the MEC had been briefed by the officers, ALPA President Hank Duffy, Vice President Roger Hall, F. Lee Bailey, and almost two dozen other lawyers. The plan to buy the company was ready—but it required MEC approval. By agreeing to wage investments and certain concessions, the employees could afford to purchase United from Allegis—but the pilots would have to raise \$14 million from among themselves to get the ball rolling. It was not an easy decision. One MEC member confided to another that it was the hardest decision he would have to make—thoughts of the effect of this on his friends and their families kept occupying his mind. There was strong debate on both sides, but the MEC voted unanimously to go for it. They felt the risks of inaction were greater than the risks in going ahead.

The corporation initially dismissed news of the effort as a publicity prank by the disgruntled pilots. But by the next day it was clear that Wall Street had taken it seriously. UAL stock was soaring, and Ferris would have a difficult time stopping it. The next month Coniston Partners acquired a large block of stock and announced they would attempt a consent solicitation to remove the board of directors and sell off the various companies. The board and Ferris frantically searched for a way out. Every attempt to establish a poison pill defense infuriated the shareholders. Then Ferris and the board decided to recapitalize the corporation and pay the shareholders \$3 billion. But to do it they would not sell off nonairline assets. Instead they would borrow it. The plan would result in a negative net worth for Allegis and would place the company under a staggering debt load. The board's argument against selling United to the employees was that it would have placed the company under too great a debt. The brazenly self-serving nature of their plan to place an even greater debt on the airline simply to preserve their own positions on the board was not lost on the public, the shareholders, the press, or the employees.

In early June, Dubinsky called the MEC into session again in Chicago. The financial advisers



presented a revised plan that would top Ferris's and, hopefully, thwart the recapitalization. The MEC approved it and, after its announcement on Thursday, June 4, UAL stock reacted favorably. Ferris was in trouble.

The next evening Ferris called Dubinsky at his home. Ferris needed to talk to him right away. Dubinsky agreed to meet him at a remote airport near Dubinsky's home in northern Ohio later that night. Shortly after 9 p.m. Ferris climbed out of his Learjet, greeted Dubinsky, and they walked over to the pilots' lounge. Ferris told Dubinsky that because of the pilots' latest offer, the banks were squeezing him and he was having difficulty getting financing for his recapitalization. Dubinsky commented later about the conversation, "He won the Oscar, the Emmy, the Tony, and every other acting award. Ferris said he was our friend and he couldn't understand why our relationship had deteriorated. He blamed a great deal of that on Roger Hall. He also said he didn't understand the strike, he didn't understand the emotions during or after the strike, and if we'd just give him a chance and trust him, he would make everything right." Ferris insisted that an employee-owned airline could be worked out under terms that would be satisfactory to both the pilots and himself. They agreed to meet at that airport the next day, Saturday, and fly to New York.

For two days Ferris, Dubinsky, Isherwood, and their financial advisers negotiated inside Morgan Stanley's New York offices. However, by Sunday afternoon it became clear to Dubinsky and his advisers that, notwithstanding his promises, Ferris would not agree to anything that required him to give up control of the airline. That evening Dubinsky and Isherwood returned to Chicago. Ferris's frantic search for an agreement apparently indicated that he knew what was about to happen. On Tuesday evening, June 9, the Allegis board asked Ferris to resign.

The Allegis board recognized that, in order to avoid a takeover and the loss of their positions on the board, they had to pay a large amount of money to the shareholders by recapitalizing. They also realized that the only way they could get the money was by selling assets. Their decision was to sell all the nonairline assets, give the money to the shareholders, and return to their core business as only an airline. Allegis was dead, and the corporation would soon be renamed, of all things, UAL Corp.

The board appointed Frank Olsen as interim chairman. Olsen was the CEO of Hertz, an Allegis subsidiary, and also an Allegis director. Olsen made some initial moves to stop the growing labor unrest that was clearly responsible for the current corporate upheaval. President Jim Hartigan was named to the largely ceremonial position of United Airlines chairman. Olsen removed Senior Vice President of Human Resources Dave Pringle from all duties involving collective bargaining, and he retained the services of Steven Tallent, a noted labor lawyer, to start mending fences with the unions and employees. Olsen clearly wanted to defuse the need for an ESOP, but he also knew that he had to have labor peace, ESOP or not. Unfortunately, Flight Operations wasn't touched. Lloyd Barry said the next day in a recorded telephone message to all pilots, "You may know of my personal admiration and respect for Dick . . . we have lost a very talented visionary as our leader."

. . . all but two of the terminated 570 pilots were reinstated, pilots were again allowed to exercise their right to ALPA representation . . .

VIII. THE BRIGHT SHINING LIGHT

Almost immediately upon Tallent's arrival, significant changes started occurring in the Company's behavior toward its pilots. Tallent realized that quite a number of the management practices he observed ran contrary to accepted tenets of management-labor relations. Said Dubinsky, "All you have to do is read some of the textbooks on the subject to know that what we witnessed here at United was a very individualized reaction to the strike. It was not a common method of dealing with labor, especially a highly professional labor group like airline pilots. Tallent recognized that immediately and started to correct as much of it as quickly as he could." During Tallent's short tenure at United, all but two of the terminated 570 pilots were reinstated, pilots were again allowed to exercise their right to ALPA representation in initial hearings, and the oppressive sick-leave counseling was discontinued. Most significantly, a tremendous backlog of pilot grievances were favorably resolved across the table between Tallent and Dubinsky that would have otherwise taken years to resolve through the already overloaded neutral System Board.

These changes weren't easy for Tallent. At times he found himself up against the wall from internal company politics, and, as a result, virtually all of the changes that Tallent brought about were done without Barry's cooperation or, in many cases, over his objections. At one point Tallent told the MEC officers, "If you think ALPA politics are bad, you should see the politics inside EXO."

Dubinsky and the other officers had a high regard for Tallent even though, in the end, he worked against ALPA by helping the IAM develop the protective covenants for their new contract. Dubinsky commented, "Was Tallent sent here to try and kill the ESOP? I think you'd have to say yes, given his track record with the IAM. But from a labor relations standpoint, he was clearly a bright shining light—he was honest and he accomplished a lot of things, even over the strong objections of Barry—and perhaps even Jim Guyette, although we have no direct evidence of that."

The IAM leadership was strongly opposed to the ESOP. Some in ALPA suspected their concern centered around how such a concept would affect their authority. The IAM leadership also claimed the ESOP was nothing more than an attempt by the pilots to keep their salaries up at the expense of everybody else. In the fall of 1987 the IAM and the Company approached the end of a federally mandated 30-day cooling-off period. United pilots set up strike support offices around the system in preparation for a possible IAM strike. Unknown to the pilots at the time, the only unresolved issue was the mutual desire by the IAM and the Company for a contractual "poison pill" to stave off employee ownership. The IAM was playing its cards right and wanted big bucks from the Company in return for the agreement. They got it, and United's pilots felt betrayed. Not only did the IAM try to scuttle the ESOP, they didn't even bother removing their no-sympathy-strike clause from their contract. That clause had conveniently kept the IAM at work during the pilots' 1985 strike. ALPA sued United and the IAM, claiming that the protective covenants were designed to unlawfully deprive ALPA and the company's shareholders of their rights. The U.S. District Court threw out one provision and claimed it didn't have jurisdiction to rule on the other. Both ALPA and the Company appealed. In May of 1989 the Appellate Court agreed with ALPA on both counts and ordered the second provision sent back to the District Court for hearing. The court noted that financing for the ESOP could not proceed until the two covenants were removed.

By the end of 1987 the grievance machinery was grinding out a number of very significant victories for ALPA and the pilots. Arbitrators had ruled against the Company in at least nine major cases: Pilots could not fly as captain unless they held captain seniority. The Company was forced to release dozens of scab and fleet-quality TCAs because they had been awarded the positions improperly and at the expense of better-qualified striking pilots. The board ruled that the Company's refusal to grant ALPA pilots trip drops to conduct ALPA business was improper. The board also ruled for ALPA on a number of contract violations as well as a number of improper terminations—including one pilot fired for wearing a yellow ribbon.

For nearly six months the corporation had been a rudderless ship, unable to find a permanent CEO. A number of positive personnel changes did occur, however, under Olsen's interim tenure; John Cowan, Frank Jarc, Kurt Stocker, and Dave Pringle all resigned or were asked to leave.

IX. A WOLF AT THE DOOR

Finally the board announced in late November 1987 that Stephen Wolf, the chairman and CEO of Tiger International, would become Allegis Corp.'s new chairman. Wolf had acquired a reputation for slashing the salaries and pay of his employees at near-bankrupt carriers. In fact, at Tiger, Wolf threatened to liquidate the carrier unless the pilots agreed to slash their pay. United was not financially troubled, but many expected he would try to wring concessions from the employees anyway.

Wolf was invited to speak to the MEC at their January 1988 meeting in Kona, Hawaii. The day before Wolf spoke, the MEC invited Flying Tigers MEC chairman Frank Maguire to share with the MEC his





impressions of Wolf. Maguire said that in his view, Frank Olsen probably stayed on as long as he did in order to set up conditions dictated by Stephen Wolf prior to Wolf's accepting the new CEO position. Maguire believed that the Allegis board was told by Wolf in mid-1987 exactly what culture should exist prior to his accepting the CEO duties. Maguire said his belief was based on methods Wolf used at Tigers. "His scheme is to convince United employees that since United is shrinking in market share, you must accept his plan of initially small, but cumulatively large, concessions or face retrenchment. Your failure to go along will be blamed as the sole cause for all subsequent problems," Maguire said. "With Wolf, nothing happens by accident. He will try to do what Ferris failed to do—by the numbers," Maguire added. "You will want to believe his projection of humility and confidence. But in the end he will laugh in

your face and hand you your head. Wolf is a thinker who has a good grasp of subtleties. He knows your frustrations, fears, and insecurities and will try to turn them all against you at the right time."

Maguire predicted that Wolf would repeat at UAL his practices at Tigers by running off some management and making him a hero to some workers, and would offer a profit-sharing program that leaves a carrot dangling but keeps employees without any power on the board. "He will use 'Chairman's Conferences' and letters to imply a need for concessions without actually ever saying it," predicted Maguire. "He will isolate employee groups by playing on the emotions of envy. Any union response short of his unspoken demands to give the Company concessions will be characterized as a 'rejection of the Company offer.'"

Maguire said he believed that UAL agreed to the IAM poison pills at Wolf's direction to weaken the ESOP, and that he would try to take on the AFA as an object lesson to the pilots, while telling the rest of the employees and the press how unnecessary this all is. Maguire said he believed Wolf would seek progressive pay and pension cuts to reduce cash outflow. "If the pilots give in, Wolf will up the ante and demand more," according to Maguire. He predicted, "Wolf will respond to union proposals by announcing that he is 'personally saddened the union rejected the company offer.'" Finally, he reminded the MEC, "The louder Wolf screams, the better the job ALPA is doing."

"It was uncanny," said Jock Savage, editor of San Francisco's ALPA publication, the *Bayliner*. Maguire predicted fairly accurately what Wolf would say to the MEC the next day. Using Maguire's script, Wolf said the pilots would "have to take the leadership role" in turning around the company by giving concessions. Again, following Maguire's exact words, Wolf said that he wouldn't be able to grow the company unless his labor costs were lower.

After returning to the mainland, Wolf started his first round of "Chairman's Conferences." As predicted by Maguire, without actually ever saying it, Wolf made sure everyone clearly understood that he wanted concessions from them.

In 1988 United and ALPA agreed to permanently split the 737-200 and -300 fleets. It was a significant event, as the United pilot group was the first in the industry to achieve this success. Many pilots are under the impression that this agreement was an example of management and ALPA starting to finally work together. It was, sort of.

Ever since the Company had ordered the airplane, the MEC had been trying to get the Company to split the 737 fleet because of the safety risk in requiring pilots to fly two so vastly different aircraft as a common fleet. Lloyd Barry did not agree. The MEC suspected that, as in some other questions of this kind, Barry did not see a safety problem if the solution cost money.

It became quickly apparent, however, that the pilots did not feel it was a safe operation. In late 1986 the MEC did a joint safety survey of ORD-based pilots, which showed that the pilots felt unqualified and unsafe flying the 737s in a mixed fleet. The Company was surprised by the results, but didn't budge on their position. Finally ALPA told Barry that if the Company wasn't willing to seriously discuss addressing these safety complaints, the MEC officers were prepared to go public with the survey results.

About this time 737 Capt. Jim Damron happened to make contact with Wes Bartlett in Denver. Bartlett, who had headed the 737 program, had been relieved as fleet captain and was now working in the 747 program. In their conversation Bartlett confided that he no longer believed the -300 was a safe operation. He strongly believed that it should be split and that the Company had erred when it put the program together. Damron and Jim Leroy were able to have Wes commit his position to paper.

Dubinsky was then able to get a high-level meeting with Wolf, Guyette, and Barry where they had Bartlett—in person—state the reasons why the fleet should be split. Considering the antipathy between Barry and ALPA, Bartlett's willingness to speak out was courageous. According to Dubinsky, Bartlett's advocacy was probably the straw that broke the camel's back. "Wolf chose right there on the spot to make the decision that the fleet would be split. He had been convinced. Did we have a loaded gun? Absolutely! Would I have gone public if the Company hadn't been reasonable? Absolutely! Did I threaten Wolf with going public? No, I did not. I think he understood the damage that could have been wrought had he chosen to fight us, given all the evidence we had."

The event was significant in the industry. USAir soon split their 737 fleet, as have others since the change at United. Once again it was the United pilots who were out on the point making major course corrections in the way this industry operates.

X. THE PIANO PLAYER

Within a short time at United, Wolf started using a new twist in his ability to demand concessions without ever actually saying it—he had the press say it for him. "Wolf played the press like a piano," observed one ALPA official. United's labor costs had been average for the industry, and pilot costs ranked in the lower half, while United's B-scale pilots earned some of the lowest salaries in the industry. Nonetheless, Wolf began personally briefing the business press to the contrary. He told them how he had to lower his labor costs—how they were way too high. The press bit. Within the next few weeks a number of publications began reporting that Wolf had to have concessions because his labor costs were just too high.

After a closed-door meeting in New York with security analysts in June 1988, a number of brokerage firms quickly reported that UAL's labor costs were too high. Morgan Stanley's Kevin Murphy went so far as to say that "United's pilot costs are the highest in the industry." The July 25, 1988, issue of *Barron's* reported that "the United pilots are the highest paid in the industry." Wolf was clearly letting the press create the illusion for the public—and the employees—that concessions were needed.

On July 6, 1988, Wolf presented to ALPA his "growth plan" for rebuilding the airline from years of stagnation. As predicted, the pilots would help pay for it. He sought a highly concessionary contract with a five-year pay freeze, a C-scale, and reduction in pension contributions. The following months saw a curious parade of events as Wolf's manipulation of the press went nowhere, and then backfired. In what the pilots and the press widely viewed as a botched attempt to entice the pilots into a concessionary contract, the Company asked the MEC Negotiating Committee to consider accepting the Company's July proposal in return for taking Pan Am's delivery positions on a number of Airbus A-320s. The Negotiating Committee responded that they'd be happy to consider any proposal as long as it was within the guidelines of ALPA's opening letter. The response apparently infuriated Wolf. The negotiating team was a no-show at the next session.

Within several weeks of the "scam A-320 proposal," the *Wall Street Journal* nailed the coffin on Wolf's strategy of getting pilot concessions before he would buy new





aircraft. To the Company's certain embarrassment, the *Journal* reported in a front-page article that Wolf intended to purchase a large number of Boeing aircraft. The paper reported that Wolf didn't want to announce his intentions until he could get concessions from the pilots, and it added that United "apparently doesn't want the pilots to know they are going to buy them anyway." United said the story wasn't true. Six months later Wolf bought the airplanes.

In December 1988 both Ferg and Barry retired. Ferg's apparent hatred for ALPA didn't seem to stop at retirement. Within a few months Ferg took one last blast at ALPA on CBS's *West 57th Street*. Barry's retirement was five years early.

According to those who knew him, Barry had a

very deep-seated resentment for the loss of the strike and the pilots' disrespect for him that left him a very bitter and unhappy man.

John Zeeman, Ferris's executive vice president for marketing, resigned in May 1989. Of Ferris's group of senior executives who had taken part in the 1985 assault on the pilot group, only one still remains. Ironically, it is Jim Guyette, the man who organized and led the strike effort for Ferris. But the other irony is that the United pilots, after the ESOP initiative, eventually watched the departure of almost all of the senior executives who had tried to replace them in the 1985 strike.

XI. LESSONS

On this, the fourth anniversary of that tragic event, one wonders if any lessons have been learned. Roger Hall thinks the pilots have learned one very important lesson. He says, "The 1985 strike showed the airline pilots of this country that they could successfully take a stand against powerful management, that they could take action, influence their futures, and not be helpless victims of the whims of airline managers."

The United strike effort clearly established a blueprint for successful labor battles in the deregulated airline industry. The technological and organizational capabilities developed in the 1985 strike represented the leading edge in labor's ability to positively influence the balance of power between management and labor. That advantage continues to improve. The Northwest and Eastern pilots have used our procedures and improved on them tremendously. "If and when it becomes our turn at bat again, we will improve upon it as well," says Dubinsky.

The United pilots were the first to realize that conducting a strike was basically a communications effort. Family Awareness, computerized communications between strike centers and pilots' homes, computerized telephone-tree databases, electronic voice messaging, and satellite teleconferences were the hallmark of the United strike and, coupled with the vast resources of ALPA's Major Contingency Fund, continue as the benchmark for organized labor's last line of defense in the airline industry. Hopefully, it will serve as a major deterrent against those who see airline pilots and their contracts as easy targets.

Did management learn any lessons? Engleman is cautious. He says, "Except for a change in a couple of players—Stephen Wolf and Hart Langer—you still have much of the same board of directors, and virtually the same incestuous management structure. You've got Guyette at the top and largely the same group of flight managers—Paul Burnham, Ron Bath, and that crowd. I don't know if those people have learned anything or not. But whether they have or not, you have to look at Langer, and to a lesser extent, Wolf. Their public utterances have questioned the integrity and certainly the business judgments of their predecessors. Hart, certainly, has been holding up a mirror to the corporation. He is beginning to show them how far they had gone from what was right and reasonable, and how far they had departed from sound management procedures and from the ethos and value system that you must have when you're running a corporation in a service industry."

Dubinsky looks at the question from a tactical view. He says, "Yes, I think they've learned some lessons. First of all, Wolf has learned that he should not make himself the point man the way Ferris did, but instead hold back and reserve himself for the 'white-knight' role towards the very end or else he'll come out as a specter. At least for the time being, it appears he is being very careful to stay out of the front lines and is using other people.

"Another thing they've learned is not to try and do things that are irritating to the pilots. They've learned their lesson in that regard. However, you're going to see repeatedly—month in and month out—'good deals' for us, neat little things for us such as jumpseats and the ALPA pin on managers. One must be careful that this doesn't lull the pilots into a false sense of well-being. And, I don't think you'll see them attempt to threaten us again, or do some of the other things Ferris did that were quite stupid.

"Most importantly," says Dubinsky, "they have learned that we will strike. But they've also learned some of our weaknesses and how to deal with us on emotional, strategic, and tactical levels. In that regard, Wolf should never be underestimated."

Would Wolf be inclined to take the pilots on again? Cockrell says, "Not unless they perceive weakness on our side. And that's what happened in 1985. Even though the pilots were solid as a rock, the Company obviously didn't see that until it was too late. So it's crucial that the pilots ensure that management never again acquires an incorrect perception of our strength."

Roger Hall says he believes management didn't learn nearly as much as they should have. But he adds, "The one thing they should have learned out of all of this is how unproductive bad labor-management relations are, that it creates such a large liability for the corporation and that there's no future in it. It would be great to think what United could be producing right now if we hadn't even had the strike."

XII. CONCLUSION

While positive changes have occurred—largely as a result of arbitration victories and actions taken by the pilots—many changes remain to be made at United. Management's vindictiveness after the strike institutionalized labor strife at United that continues to eat away at the fabric of the company and its employees. The punitive reduction of the 570's seniority and the continuation of fleet-qual compensation only serve as a continuous reminder of the hatred and anger. The degrading B-scale must end. The incestuous Flight Operations management structure must be drastically changed. It exists today because of a number of years when only those who had demonstrated blind obedience to a now disgraced management were allowed to participate.

But United's pilots have reason to be optimistic. ALPA in general and the United and Eastern pilots in particular have sent a message to managements in this industry. "The strength of our Association has really been revitalized," says Hall, "with our 'war chest,' sophisticated communications techniques, and ability to unite cohesively. I believe we're going to make some good things happen in the future, and I think airline managements are going to think twice before they take on a pilot group again."

But the hated B-scale, although only a fraction of the scope Ferris and the board envisioned, still plagues this company. As Warren Villareal, UAL MEC No B-Scale Committee chairman, recently said, "The B-scale salary structure was not just an assault on the new-hire pilots, **it was an assault on the A-scale pilots.**" As long as the cancer is allowed on this property, all United pilots are threatened.

A few years ago no one envisioned the challenges the United pilots would have to confront in order to protect their careers and profession. The inner strength and courage the group displayed have left little doubt that United's pilots are indeed made of the same stuff as the men who created ALPA during the era of the wooden wings.

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The United Mainline and the RLA

*Captain Loren J. Bohnett,
Vice Chairman,
UAL-MEC Communications Committee*

On May 20, 1926, President Calvin Coolidge signed the Railway Labor Act (RLA) into law, building on precedents in state and federal labor law dating back to just after the Civil War. This legislation, drafted by a joint railroad management/union committee, would become the longest sustained federal collective bargaining legislation in U.S. history.¹ At its inception, the law spoke only to railway labor contracts, and one of its primary functions was to keep the trains moving during labor disputes, big and small. Amendments were many in the early years of the act, and in 1936 it was further amended to include air carrier labor—this inclusion was in response to efforts by the Air Line Pilots Association, the first and only union representing the piloting profession in that early year. Since 1936, the amendments to the RLA have been relatively minor, with those providing for agency shops and mandatory dues being perhaps the most significant. To this day, the RLA defines the legal interaction between ALPA and the United and Continental subsidiaries of the entity that now calls itself United Continental Holdings (UCH).

Much is riding on our collective understanding of the RLA, especially during our RLA Section 6 negotiations. This article is intended to explain the RLA and how it relates to our negotiations. This is not a deep dive into the specifics of our negotiations, nor is it intended to be a comprehensive exploration of the RLA. This is also not an examination of strategies or the histories of previous union administrations. Certain questions are commonly asked of ALPA representatives and UAL MEC Communications regarding the RLA. These frequent inquiries and misunderstandings have determined the content here to a degree. The intent is to provide the information necessary to better understand the critical concepts of our responsibilities under the law and the options that may at some point be at our disposal to facilitate the capture of a hard-earned industry-leading joint collective bargaining agreement (JCBA).

Our transition and process agreement (T&PA) is not defined in the RLA, but it represents what has become a common tool to facilitate airline mergers under the RLA. Our T&PA was a quadrilateral agreement between the UAL and CAL ALPA MECs and UAL and CAL management. It has evolved, as it was designed to do, into a tripartite agreement between our two subsidiary pilot groups and UCH management.

In the Embrace of the RLA

The collective bargaining process established by the RLA is designed to “preserve labor relations peace.”² I would further state that the Railway Labor Act was designed specifically to keep the railroads, and later the airlines, functioning during labor-management negotiations. While the U.S. economy is heavily dependent on rail, commercial aviation’s total value added to the U.S. economy in 2009 was calculated to be \$689.3 billion, or 4.9 percent of U.S. gross domestic product.³

As an airline pilot for a U.S. air carrier, your contract and numerous terms of your employment are determined by negotiations under the RLA. It is within this act that the ALPA agency shop at UAL and the requirement to pay dues are also described and given legal basis. Disputes between ALPA and the airline subsidiaries of UCH (and in some cases, e.g., Section 1, disputes directly with UCH) are handled under the RLA; minor disputes are settled through the grievance process while our current major dispute, the resolution of our contract, is being settled in RLA Section 6 negotiations. The National Mediation Board (NMB) was created by the RLA and is currently engaged in our negotiations, at our joint request, to assist the parties in reaching an agreement. It is critically important to note, however, that the first of the stated five general purposes of the act set forth in Section 1 is “to avoid interruptions to commerce.”

The RLA governs negotiations and contracts between all labor groups that are critical for the day-to-day operations of a carrier. In the case of United, pilots, flight attendants, mechanics, dispatchers, passenger service, and ramp/fleet service employees represent the six unionized labor groups that collectively bargain under the law defined in the RLA.⁴

A Fair-Weather Friend

The RLA is frequently described as not being labor friendly. As one of the primary functions of the RLA and the NMB is to protect the flow of commerce, the settling of contracts between labor and management is an essential element of that function. While a different arrangement might allow labor to enjoy greater leverage through the act of striking with fewer restrictions, it is important to note that management also faces specific constraints, such as an inability to alter rates of pay or working conditions except when the union is free to engage in self-help, at least outside of bankruptcy.

Airline labor contracts are rarely settled quickly; while national commerce is protected, labor and management are left to bargain as artificial target dates come and go. The median time necessary to reach an agreement on a contract between 1990 and 2003 was 15 months beyond the amendable date. Our RLA Section 6 negotiations began (early) three years ago, while our contract has been amendable over two years, with no clear end in sight. The contract the legacy UAL pilot group reluctantly accepted in bankruptcy is of great economic benefit to United. It is increasingly clear that our current Section 6 negotiations have been delayed needlessly and at great cost to the pilots of United. To a degree, the RLA allows this delay with only loosely defined guidelines about how quickly negotiations must progress before any form of self-help becomes a possibility. Negotiations in general might well be described as “deadline driven”; RLA Section 6 negotiations, however, have no date-certain deadline.

Status Quo and the Concept of Good Faith

“Good faith” is a term common to those discussing RLA negotiations, but it is not actually defined or even used in the RLA. It is described in the Labor-Management Relations Act (LMRA), the law that controls labor activities in all private industry outside of the airlines and railroads. There is legal precedent supporting the use of that definition in RLA matters. “The substantive duty to bargain includes the duty to bargain in good faith.”⁵

“While simple to state, the concept of good faith may be difficult to enforce, as intent can be an elusive truth. With the caveat that the two major labor laws have distinctive characteristics, the basic legal principles of the ‘good faith’ concept must surely be common.”⁶

Obtaining a judicial determination that a party is in violation of the “good faith” bargaining requirement can present a difficult legal challenge. *There is not a requirement to compromise or make concessions* under the definition of “good faith.”⁷ While airline labor and management are not required to agree on proposals or terms, there is a statutory duty for an employer to bargain in good faith for “rates of pay, rules, and working conditions.”⁸ It is also incumbent upon representatives of both parties to have sufficient authority to conduct meaningful negotiations while at the table; it might be judged to be “bad-faith” bargaining if a negotiator regularly wasted time while needing to check with more senior individuals who were not present.⁹ It is additionally judged to be “bad-faith” bargaining when premature self-help actions such as a slowdown, a work-to-rule campaign, or other actions designed to force an agreement are judged to be in play.

In the 25 years since deregulation, airline contracts negotiation lengths have increased while the frequency of strikes has declined, but the number of nonstrike work actions have increased . . . In addition, 75 percent of strikes occurred prior to 1990.¹⁰

Actions such as these are deemed to be in violation of the “status quo” obligation imposed on all parties. “Status quo” is the phrase developed by the courts to describe the period starting with the initiation of direct negotiations and includes the period of mediation under the auspices of the NMB.¹¹ Status quo might be most simply defined as “keeping things the same.” This includes the

contract itself, in that, if the contract permits a change, such as a new rate of pay or a work rule, that change is itself considered to be part of the status quo. The status quo obligation in an airline contract is in effect throughout the life of the contract, through negotiations until the end of what is informally called the “cooling-off period,” the 30-day period following the NMB’s determination of an impasse in mediated negotiations.¹²

Federal courts have for many years consistently taken a restrictive position on the ability of unions or the employees they represent to engage in any form of economic or operational pressure tactics against the carrier at any time prior to expiration of this 30-day cooling-off period. U.S. airline labor has not won any RLA case involving any significant employee operational disruption in at least a dozen years. The only exception during this period was a case where the court found that the pilots’ pressure campaign did not, in fact, cause any real disruption to the operation. United has also obtained a preliminary injunction against ALPA and the United pilots, barring the United pilots and ALPA from interfering with United’s operation. Self-help prior to or during the 30-day countdown could quickly lead to discipline and fines for contempt directed against individuals, fines against our union, interference with our ability to engage in self-help at the appropriate time, and other negative restrictions on union and pilot actions that would otherwise not exist and damage our bargaining leverage.

Forms of self-help that have been enjoined by the courts if carried out by unions or employees prior to or during the 30-day countdown include:

- sick-outs
- mechanical write-up activity intended in part to affect operations
- refusals to accept junior/senior manning assignments
- open-time boycotts
- operational slowdowns (e.g., MEL delays), slow taxi campaigns, etc.
- work-to-rule campaigns (e.g., strict adherence to the contract)
- other forms of interference with operations designed to put economic pressure on the Company

While status quo does lead courts to limit (or enjoin) certain labor actions, not all activities by a pilot group

meant to persuade management are prohibited. While it is not permissible for employees to act in a manner that serves to drive business away from the carrier, other actions such as informational picketing or leafleting are an acceptable and legal practice.

Negotiating in Public

While not described in the RLA, this article would be remiss not to discuss the concept of “negotiating in public.” This might loosely be described as making negotiating positions and offers public. As there is a great demand for such information on the line, there is likewise a strong desire to share.

Pilots ultimately affected by the negotiations would be likely to discuss any leaked information possibly distributed without necessary context, then form and share opinions. As those reactions and opinions become known by the other party at the negotiating table, much progress and any potential leverage can be lost. Contractual agreements



in principle, again taken out of context, can also be upsetting. Such disclosures, leaked by either side, could incite individual acts that would violate the status quo, putting individual pilots, the union, and gains at the negotiating table at risk.

Such activities have not historically been successful for the pilots of United Airlines, and therefore the strategy can be predicted to have a poor result. Our NMB mediator has advised us to avoid the practice, as it further complicates negotiations and only delays progress toward an agreement.

Mediation and the Proffer of Arbitration

If either party or both parties to an RLA Section 6 negotiation are less than satisfied with the progress of negotiations, they have the option of applying to the NMB for assignment of a mediator. It is normal for a mediator to be involved in the late stages of negotiations, and a mediator might be appointed even without a request from either party if a “labor emergency” is judged to exist.

A mediator is expected to bring a particular talent and set of tools to the table: a mediator is employed to enable productive bargaining between parties that are not otherwise making progress. The mediator can call a meeting and require attendance by those with the authority to bargain. A meeting time and place can be very specific—a small town on the northern frontier in the dead of winter might be threatened, for example, if some pressure is required to make progress.¹³

In the case of the s-UAL and s-CAL pilot groups’ negotiations with the merged airline, a senior mediator was recently added to the mix, as our negotiations are particularly complicated and had become unacceptably extended from the point of view of the United pilots. Those negotiations showed some progress concurrent with that participation.

As the list of unsettled items becomes somewhat shorter, however, the NMB has a specific set of options codified in the RLA that may come into play. If it is the determination of the NMB that mediation is not making meaningful progress, an actual NMB board member may join the negotiations. As mediation reaches an end without a settlement and the NMB believes it appropriate, an offer of arbitration could be extended, or “proffered,” in the language of the RLA. It is rare that both parties would accept that solution, given the great risk in having a settlement decided in arbitration.¹⁴

Options Afforded Those with Clean Hands

Assuming that the proffer of binding arbitration is rejected by one or both parties, the NMB’s services officially end, and a 30-day countdown begins (though during and even after the 30-day period, a member of the NMB often works to bring about an agreement). This point in time can be described as “being released,” and the countdown has been commonly (if inaccurately) described as a “cooling-off period.” This description is a misnomer on many levels. In practice, negotiations usually continue and preparations for self-help are simultaneously finalized as the countdown runs down.

We should bear in mind that a court has authority to delay a party from engaging in self-help if the party has not satisfied its duty to bargain in good faith or has engaged in premature self-help (economic pressure) during the bargaining period.

Recall that the status quo period is still in effect during these 30 days. The first and best option, a tentative agreement for a JCBA, may still be reached during this period. When the countdown ends, self-help by either party becomes an option, but not a requirement. The status quo period will have expired. Self-help could then take many forms, from a strike, to partial strikes, revolving partial strikes, etc., though not all legal issues concerning partial or revolving strikes have been resolved.¹⁵

One other possibility exists during the 30-day countdown (and throughout the self-help period): a Presidential Emergency Board (PEB) might be appointed. A PEB is described in the RLA as a group that could be formed by the president of the United States at his option. It would fall on the NMB to determine that a major dispute threatens “substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service.” The NMB would notify the president of this



judgment, and the president would decide whether to establish a PEB and who would be appointed to it. In this case, the status quo obligation would continue (or be reinstated) from the appointment of a PEB until 30 days after the PEB makes its report to the president.¹⁶

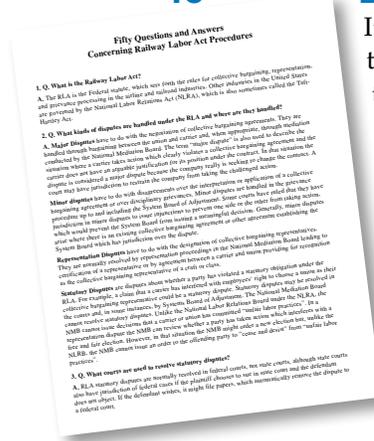
In practice, PEBs in the airline industry are relatively rare. President Clinton formed a PEB in response to a looming AMR strike and in the case of a labor dispute involving UAL mechanics. The most recent PEB was formed by President Obama to address disputes between several rail carriers and their unions. In total, 18 PEBs have been formed involving airlines in the last 50 years, occasionally regarding pilot labor disputes. Actually, PEBs have only been formed to deal with pilot labor disputes twice in recent history: AMR in 1997 and Wien Air Alaska Inc. in 1978. PEBs have been formed for labor disputes at United several times, most recently in December 2001 during an IAM dispute involving our mechanics.¹⁷

In practice, PEBs in the airline industry are relatively rare.

To Be Continued

It is often asked, “Why don’t we just strike?” Hopefully, this overview of the Railway Labor Act successfully answers that question. Our goal today is an industry-leading JCBA. The possibility of a strike, one example of self-help, is only one of the means to that end as described in the RLA—one of such options that become available very late in the negotiation stages. Should UCH drive the negotiations down that road, the RLA has much to say about our rights and options.

An excellent document produced by ALPA National, used as one reference in the preparation of this article and essential reading for all of us, is “50 Questions and Answers Concerning Railway Labor Act Procedures.” It can be found on the front page of the UAL MEC website, www.ualmec.org.



¹Charles M. Rhemus, et. al., *The Railway Labor Act at Fifty*, National Mediation Board, U.S.

Government Printing Office, 1977, p. 1

²*Airline Labor Relations—Information on Trends and Impact of Labor Actions*, United States General Accounting Office, June 2003, p. 39

³*The Economic Impact of Civil Aviation on the U.S. Economy*, U.S. Department of Transportation, Federal Aviation Administration, August 2011, p. 25

⁴Flying Together, flyingtogether.ual.com, March 25, 2011

⁵Paul, Hastings, Janofsky & Walker LLP, *An Introduction to the Railway Labor Act*, August 2005, p. 38

⁶Rick Dubinsky, *The Railway Labor Act—Part II, The Leading Edge*, March 1991

⁷Ibid.

⁸*Fifty Questions and Answers, Concerning Railway Labor Act Procedures*, ALPA National Communications, p. 2

⁹Rick Dubinsky

¹⁰*Airline Labor Relations—Information on Trends and Impact of Labor Actions*, p. 9

¹¹*Fifty Questions and Answers*, p. 2

¹²Ibid., p. 2

¹³Frequently Asked Questions: Mediation, www.nmb.gov/mediation/faq-mediation.html, April 14, 2011

¹⁴Paul, Hastings, Janofsky & Walker, p. 44

¹⁵*Fifty Questions and Answers*, p. 8

¹⁶Ibid., p. 6

¹⁷“Presidential Emergency Boards,” National Mediation Board, www.nmb.gov/mediation/peblist.html, March 30, 2011

Central Air Safety

Captain Bob Sisk, Chairman

Summary

The Central Air Safety Committee has been busy as usual this last quarter. The committee members, along with all the associated safety-related committees, engaged the Company on almost every front. Overall, we've had mixed success in getting management to allow the level of participation we had grown accustomed to in the "premerger" United, and this continues to be one of the largest challenges we face going forward.

Investigations have been robust, the Company is branching out into investigations at CO (UA ALPA does not participate in those), and the number of these investigations is challenging.

There are issues with security of pilot-supplied confidential information as well as the structure and performance of the new "ETQ" program. The Company has been engaged numerous times on these issues and has recently agreed to engage once again in meaningful discussions relating to them.

CASC Work

Investigations

Numerous FSIs were conducted by the Company, and CASC investigators were involved in each. See the attached spreadsheet for details.

Fleet-Specific Issues

Two fleets have had some issues worth discussing in the last quarter.

757/767: Of concern to the CASC is a report from one of our pilots of Maintenance stating that many of our 757s are suffering from significant tail-area corrosion (due to hydraulic, blue water, lav water, galley water leaks, etc.). We are pursuing more information to determine whether this is a fact or not. We are certain that there was at least one instance of this, but the committee's maintenance coordinators are engaging with their company contacts and counterparts to get a clearer picture.

Airbus: A number of avionics bay cooling issues have cropped up lately. Of concern here is that there have been some rejected takeoffs as a result of ECAMs during the takeoff roll. We are monitoring this to see if it is a trend or just a small statistical "blip" in the Airbus maintenance story.

Quarter's Events

SAT

The Company conducted its first Safety Action Team (SAT) meeting and its first combined Standards meeting. ALPA was represented at these meetings. More information about these later in the report.

EFB

The iPad was rolled out to the Airbus fleet. The system isn't what most pilots expected, but our EFB program is in its infancy, and constant upgrades will enhance its abilities. As most pilots are finding out, the system as it is currently configured is quite cumbersome.

Hot Items

Overview

In the last quarter, the challenges faced by the pilots at United have shifted from those of a ridiculously hastened grab at the single operating certificate to that of a management group empowered by the SOC that seems reluctant to honor our agreements or to include the Association in a meaningful way in the process changes within the safety structure.

Recap

FSAP/FOQA, ETQ

Last fall, we, along with our counterparts at CAL ALPA, met with company officials to discuss a “harmonization” of the ASAPs (our FSAP). At that meeting, the Company was informed that any misuse of FSAP or FOQA data for anything other than the specified and agreed-to uses in the LOA/MOU for these programs would result in ALPA’s “removing support” from them and that we would not allow the Company to share any data “across the border” with CAL. (As you know, the Company appears to be combining the operation as quickly as it can, even though the T&PA does not allow it.) CAL ALPA stood by this statement also—they did not agree in any way to share their confidential data with UA. This caused the meeting to cease almost immediately.

Excellence Through Quality (ETQ) was introduced as the new database-management program. This system is a very powerful and effective tool to enable users to see a complete picture coming from all ASAPs (from all workgroups, including pilots) and other data streams (like FOQA). As previously briefed, this tool is very impressive, and it should help the safety program at United. Unfortunately, there is also potential danger in that it is possible to see a lot of data easily, including data that might injure or be used against a pilot or the pilot group. The key is to set up an acceptable structure that ETQ can work inside that allows for data protection in accordance with current agreements.

As Greg Downs’s report stated, there are a number of IT issues with the system as well. The previously discussed safety issues along with the cumbersome nature of the program and its non-pilot-friendly and non-ERC-friendly structure make it unacceptable to us in its current form.

Early this year, at the first combined Standards meeting, the Company shared UA FOQA data with both UA and CO managers and staff. The first Safety Action Team (SAT) meeting was canceled as a result of our continued calls to cease data sharing against the rules of our contract. ALPA received a letter from UA Legal, basically stating that this was their data and that they would do whatever they wanted with it, with or without the Association’s permission.

The FSAP/FOQA Steering Committee, consisting of Howard Attarian, Mike Quiello, and Mike McCaskey from the Company, and Rick Perry, Greg Downs, and me from ALPA, met and discussed the issues of ETQ, FSAP/FOQA data security, and other related information. In this meeting, we received clear promises from both Mr. Attarian and Mr. Quiello related to ETQ, security now and in the future for FSAP/FOQA, and other confidential information. We were assured that ETQ would not be rolled out until the Association was satisfied.

For our part, we assured the Company that we would meet the next week with our CAL counterparts to ensure that we speak as one—that the Company would not get “two different ALPA messages.” As promised, the next week we met with the CAL ALPA vice chairman, CASC chairman, and their FOQA rep. That same day, the Company announced that it was rolling out ETQ with none of our required fixes.

CRAF Flying

In March, UA started flying 747-400s into Bishkek, Kyrgyzstan. The operational method used was that for the CO 777s that had been flying into that area previously. This method was not what we normally expect in our operations; it left a lot of planning details and safety information out of the system completely. Further, we were not engaged in any type of fix prior to the turn-on of this flying.

Ensuing Results

Much occurred behind the scenes at this point. This will be covered in the closed MEC meeting portion of my briefing. There is a lot of information to cover here, as well as requests for discussion, debate, and direction.

What can be discussed openly is that there is now potential movement of the Company toward a position of possible collaboration with them on the future development of ETQ. ALPA and UA Safety reps will be meeting to determine the future of ETQ and what it is, specifically, that we need in it—information we have provided them on a number of occasions already. The MEC vice chairman will be involved at this level.

The Bishkek operation is still being worked on after the fact, as we were assured that all our concerns were met and taken care of prior to the flying beginning, but we had to wait until our pilots discovered the holes we suspected of being there before pressing forward. Further, discussions are being held to attempt to convince the Company that this is not the way the Association wants to operate—reacting vs. proactively working together to find the safest method prior to the operation’s beginning.

Direction

Per the spring Safety summit discussion, and in order to formalize the structure of the MEC CASC to better reflect that of ALPA National and a more efficient operation, the following resolution is put forth for your consideration:

Background

Some parts of the CASC were removed from that structure and placed in the MEC policy manual as stand-alone committees. This was a necessary change to reflect the issues faced at the time. Those issues are no longer in evidence, and a more efficient CASC can result from folding in those committees to positions that reflect the current situation at United, as well as to most closely reflect the structure in use at ALPA National. This change should allow for a more concise and comprehensive message to the Company from the Association; a better communication method within the committee, allowing for less “reinventing the wheel”; and a better method of “sharing the load” across the entire CASC instead of within a smaller group of volunteers.

WHEREAS the UAL MEC CASC structure has undergone numerous changes in the past, and

WHEREAS many of those changes resulted from needs of the Association at that time, and

WHEREAS the threats that required the change in policy at that time are no longer the threats we face today, and

WHEREAS the relatively efficient structure of ALPA National is to be the template for individual airline structures, and

WHEREAS a more efficient structure will allow for a single voice and direction,

THEREFORE BE IT RESOLVED that the UAL MEC policy manual reflect the following changes:

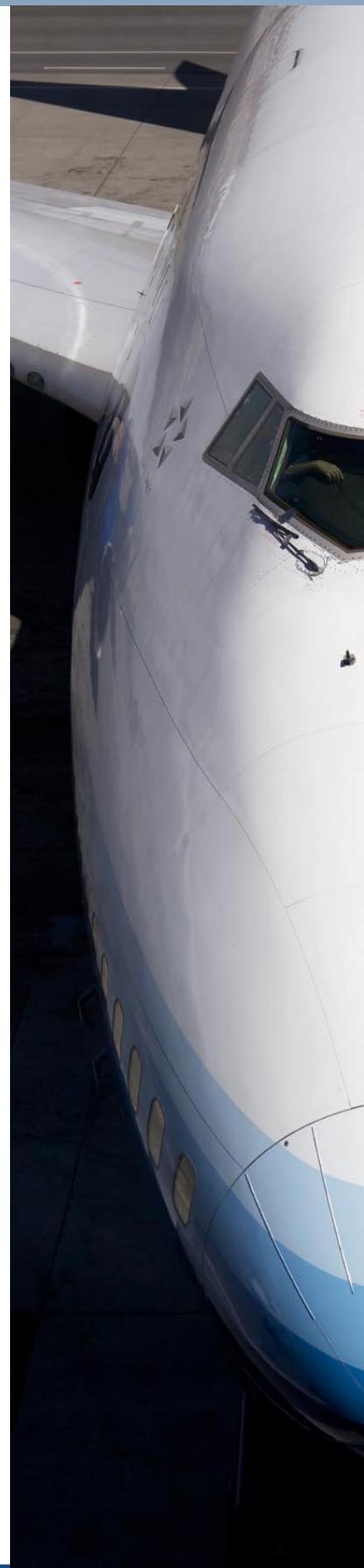
- The International Committee shall be placed inside the CASC and shall report to the CASC chairman.
- The FSAP/FOQA Committee shall be placed inside the CASC and shall report to the CASC chairman.
- The CIRP Committee shall be placed inside the CASC and shall report to the CASC chairman.

Conclusion

The CASC and all its associated groups are fully engaged in working with the Company to represent the pilots’ interests in all things safety. The challenge of the previous year of a nearly reckless pursuit of the SOC has been replaced by a rapid grab of pilot-supplied and -controlled (via agreement) data. Using legal subterfuge and a sometimes crass disregard of our opinions and positions, they have boldly stated that they will, in essence, do whatever they want to do whenever they want to do it with or without our input or agreement.

As before, we have tried to show the new managers that the evolution that United and United ALPA had previously come to supply a safety structure that was the envy of the world. We continue to press forward with the same message—that an inclusive, collaborative, and cooperative relationship is necessary to truly enjoy the fruits of a complete safety system. Time will tell as to whether they can be convinced of that or if we complete the 25-year step back in safety that they have, from the Association’s perspective, committed to.

Requested direction from the MEC reflects a more efficient and “steerable” committee reflecting the new ALPA structure and a method of ensuring that a single message is delivered to the Company.



Critical Incident Report Program

Captain John McFadden, Chairman

I want to thank the following CIRP volunteers who stepped up to assist their fellow pilots in the last quarter: Steve Pocock, Pete Lee, Pete Lagerman, and Steve Derebey. I also want to express my gratitude to the MEC Communications Committee and especially Halli Mulei and David Kelly for their work putting together the “Five Questions” web video. Finally, the cooperative and productive working relationship that we have with the L-CAL CIRP chairman, Bill Cheney, continues to expand as we work to improve the benefits of CIRP to the pilots of L-UAL and L-CAL.

CIRP has contacted approximately 25 pilots in the last quarter. Thank you for continuing to support and promote CIRP as a valuable benefit of ALPA membership.

Progress update on previous goals (from January report):

Complete	CIRP website: “Five Questions” webcast should be available by March 1.
Complete	CIRP response kit: we have stored the support and resource documents online.
In Progress	Communications enhancement: we will be updating our rapid communications capability by contacting each LEC to obtain text-messaging capabilities.
In Progress	We would like to add two new members to the committee within the next three to six months.
In Progress	Work with other MEC committees and coordinate a joint critical incident drill at least three times a year. Our desire is to include our CAL counterparts in this so that we can both glean best practices.
In Progress	Conduct a yearly drill that simulates an event with one of our UAX partners and also one of the Star Alliance Carriers (initially tentatively planning LH).

The CIRP hotline (1-888-UAL-CIRP) is still the single best source of contact to ensure that you reach someone and receive a callback within one to three hours of any event. This hotline will connect to either my cell phone or the coordinator who is on call for that week.

Taking a few minutes during a council meeting (preferably twice a year) to promote and explain the good work of CIRP during the committee reports would greatly enhance our visibility and effectiveness. If you would like us to provide a volunteer to present this at any council meeting, please just let us know. Also, we have again included a flyer to post on council bulletin boards.

I look forward to continuing to work with the very caring and dedicated volunteers on the CIRP Committee to make sure that we can exceed your expectations. We are here to assist and support you as we work together to provide the highest level of support to our pilots. Please do not hesitate to contact me anytime if you have any questions or concerns! I will do my best to return your call as soon as possible.

**CIRP Hotline:
1-888-UAL-CIRP (1-888-825-2477)**



CIRP – An Introduction



What Is the CIRP?

ALPA’s Critical Incident Response Program (CIRP) is an MEC committee designed to assist in mitigating the psychological impact of an incident or accident. CIRP is also designed to aid in the normal recovery from those events before harmful stress reactions affect careers, families, and health.

The committee uses mental health professionals (MHPs) and line pilots trained as peer-support volunteers (PSVs) to provide support and education about physical and psychological stress responses in a structured, **confidential** environment. PSVs are regular line pilots specifically selected for their abilities and discretion who are trained in stress-management techniques and active listening. **CIRP is not psychotherapy, psychological counseling, or group therapy.** CIRP is about pilots helping pilots through active, objective listening—a proven method for providing peer education about stress-management techniques. Over 18 specially trained, caring volunteers are available to work with you.

CIRP is built around the “Mitchell Model.” This is the original and industry standard for critical incident stress management and has been used for over 25 years in the emergency medical, police, and firefighting services. All of the PSVs and MHPs are trained in the Mitchell Model.

Interesting statistic: In cases of critical incident stress reported in aviation, approximately 70 percent of those who received proper assistance continued their aviation careers. Of those not receiving CIRP assistance, approximately 60–70 percent left their aviation careers within two years of the critical accident/incident.

What Is a Critical Incident?

A critical incident is any disturbing event outside the usual work experience that evokes stress reactions, possibly overwhelming the normal coping mechanisms. For example:

- an aircraft incident or accident
- serious injury to a crewmember or passenger
- real or perceived threat of death
- participation in aircraft accident investigation activities

What Is Critical Incident Stress?

Critical incident stress (CIS) exceeds the normal stress that people experience each day. CIS is a normal response to a highly abnormal event that overwhelms an individual’s ability to cope. CIS has the potential to induce a wide range of stress symptoms, which may appear immediately or within a few hours or days of the incident.

Types of CIRP Assistance Available

One-on-One Defusing	Critical Incident Stress Debriefing	Demobilizations
A short, immediate one-on-one structured conversation, typically by telephone.	A structured, formalized group discussion facilitated by PSVs and MHPs, usually held within the first 24 to 48 hours after critical incident.	Usually utilized after large-scale events. These quick informational sessions are likely set up in operations areas at tables, primarily to provide CIS educational information related principally to stress management.

As a crewmember involved in an accident or incident, you may receive a telephone call from a CIRP peer-support volunteer. This pilot is contacting you to assist—**all conversations are confidential, nontechnical, and entirely voluntary.**

CIRP provides critical incident stress management training for each pilot volunteer. **If you are interested in this program, or have received training in the Mitchell Model, please contact us—we are always seeking caring volunteers.**

Contact MEC CIRP Chairman John McFadden at John.McFadden@alpa.org.

If you have been involved in an event, please feel free to call: **CIRP hotline 1-888-UAL-CIRP (1-888-825-2477)** after calling the ALPA worldwide incident hotline.

Domestic Code Share and Cargo

First Officer K. C. Mueller, Chairman

There are two types of contractual relationships that UAL will enter into to satisfy company code-sharing needs—either a capacity purchase agreement (CPA) or a prorate agreement. All United Express operations occur in aircraft holding a max of 70 seats, but not all domestic code sharing does (US, HA, etc.). Each situation is outlined below with the latest information. This is the first report to the MEC after the “sunset” of the CO code. All Continental Express flying is now branded as United Express and sold as “UA XXXX.” This flying is governed by a contractual (CPA or prorate) relationship between the carrier and Continental Airlines.

The Continental 70-Seat Grievance—With sunset of the CO code, the award no longer applies.

United Express Capacity Purchase Agreements

These capacity purchase agreements establish a contractor relationship to UAL for the UAX carrier. The “contractor” supplies aircraft and crews, and the aircraft are leased for a fixed price, usually measured per departure. While “code sharing” is occurring here, the true effort is to blur the experience between United Airlines and United Express to the customer, making them indistinguishable. This action requires a scope exception known as C-1. With a CPA, **United captures all of the revenue derived from each flight and takes responsibility for all sales, pricing, and product presentation.** Regardless of the ticket price, the operator derives only a fixed fee for this flying. These relationships exist with:

SkyWest	9 EMB-120s, 65 CRJ200s, 70 CRJ700s		No union
ASA	14 CRJ200s	SkyWest subsidiary	ALPA
Shuttle America	38 EMB-170s	Frontier subsidiary	Teamsters
GoJet	25 CRJ700s		Teamsters
ExpressJet	22 ERJ-145s	SkyWest subsidiary	ALPA
Trans States	17 EMB-145s		ALPA
Mesa	30 CRJ700s	Chapter 11	ALPA

United Express Prorate Contractual Relationship

Here, true “code sharing” occurs under the name United Express. With this model of code sharing, the *operator* bears all the costs of operation and receives all the revenue except a “pro rata portion” of *any ticket sold by UAL*. Typically the pro rata refund to the booking carrier (UAL in this case) lies between 10 and 20 percent of the gross ticket price.

These relationships exist with:

SkyWest	16 EMB-120s, 7 CRJ200s
Colgan	9 SF-34s
Trans States	2 EMB-145s

In all of the above flying, capacity purchase and prorate constitutes the monthly block hours summed to arrive at the 1-C-1-d UAX/UAL block-hour limit. The fleet mix is very dynamic, both in hull count and size of aircraft. The committee has seen both a shift toward and growth of 70-seat aircraft.

US HA Prorate Contracts over 70 Seats

Here the economics of the “pro rata relationship” remain the same, but it should be noted that the more asymmetric the relationship is in partner-coded flights, the more economically advantageous it is seen to be. In plain English, **within the industry, the carrying airline is seen as getting the better deal.** The committee believes the best way to measure and evaluate the economics of these relationships is by flights per day.

US Airways 500 flights per day on the US Airways system carry the UA code.
800 (approx.) flights per day on the UAL system carry the US Airways code.

Hawaiian 75 flights per day, all interisland. No UA flights carry the HA code. Totally asymmetrical in HA’s favor.

ZK GL IA—Prorate Contract under 70 Seats

Here there is no two-way code sharing, only UA placing its code on selected flights. UAL has been very circumspect with these relationships and refuses to provide block-hour totals; however, the committee believes it remains on the order of 9,000 hours a month.

Great Lakes 230 flights per day
Gulfstream 40 flights per day
Island Air 40 flights per day

Cargo

The highest year for cargo revenue ever was 2008 at \$854 million; 2011 almost exceed this number counting only UA, and UCH posted \$1.3 billion in cargo revenue. **For the cargo division, business is back to prerecession levels.** Today, performance is outpacing UAL’s competitors and IATA industry predictions. **Historically, the corporation has found a strong leading correlation between cargo and premium passenger demand.** Cargo revenue is derived by U.S. mail (15 percent) and cargo (85 percent) shipped domestically and overseas. It should be noted that no effort is made to carry any cargo or mail on UAX. While UAL replaced some passenger lift lost to the 737 groundings with UAX flying, no ability exists to replace the 737’s contribution to mail and cargo revenue.

Employee Assistance Program

Captain Craig Korsgard, Chairman

The EAP/HIMS Steering Committee continues to work on writing the HIMS policy manual and HIMS handbook, which will be housed at each Chief Pilot’s Office at each base. These manuals are based on the points that I presented last month at the MEC meeting. We are also continuing to plan the United annual HIMS seminar, which is scheduled for June 5, 6, and 7. It is being held at a treatment center, Father Martin’s Ashley, in Havre de Grace, Md.

FOQA/FSAP

Captain Greg Downs, Chairman

Harmonization Discussions Between CAL ALPA, United ALPA, and United Flight Safety

This process is virtually dead in the water. The groups have met three times. The respective ALPA groups participated in these discussions in good faith and worked together with the company representatives (Bob MacKay, Jill Toney, Mike Gillen, Ken Weinberg) to develop an I and O (Implementation and Operations) plan for FOQA, and a partial FSAP MOU.

The stated purpose for these harmonization discussions was to develop an end-state FOQA and FSAP with the understanding that these were neither negotiations nor agreements. They were to be presented to the negotiators as an ideal.

Some of the items unique to each program (fatigue-mitigation plan in CAL's program, and FSI—flight safety investigation—and ATSAP in United's) bogged down the discussions since each program is subject to separate collective bargaining agreements. United's program also historically embraced a "safety reporting umbrella" that included Ops reports and FSAP reports under the safety reporting system, whereas the Continental system did not.

During the discussions of the differences in our programs, it became apparent that discussions with the MEC would be necessary to determine how we function to "keep the programs separate" until a JCBA is reached. At the conclusion of our last meeting in October, CASC Bob Sisk, Jim Smith, and I for United ALPA, along with Frank Pizzonia, John Buchan, and Tye Brown for Continental ALPA, were of the understanding that the company representatives would take these challenges to Mike Quiello, vice president—Safety and Security, to have them addressed by both MECs and management. I advised the previous master chairman, as did my CAL counterpart, to expect some contact in that regard. Those discussions apparently never took place for reasons unknown to me.

There have since been no meetings between the harmonization parties, except for a steering committee meeting on the United side of both programs. United has regular steering committee meetings, while Continental typically does not. The Continental Safety side of the safety house has been virtually eliminated. Their previous director of Safety has been let go, and for all practical purposes, the United Safety "team" (Mike Quiello, Claudia Gerstle, Bob MacKay, Jill Toney, Ken Weinberg, and their support staff) has taken over the responsibility for the CAL programs and all safety-related matters. In addition to personnel turnover, the "analyst" for United's current program in FSAP, Michael Fant, has left the program after 11 years in that position to take a job in Standards at TK.

To further complicate things, the Company has unilaterally decided to have the support analyst for our program phone in to our meeting from Chicago rather than actually be in attendance at the ERC meeting in Denver. Our displeasure at this change to how we have done business since the inception of our program was communicated to VP Mike Quiello at our recent steering committee meeting. To date, there has been no change on the Company's part. This is an end-state "vision" on the part of the Company and is completely contrary to every other program in the industry. It also flies in the face of our long-standing principles of collaboration and partnership to reach an agreement on issues, which has been a hallmark of our programs throughout our history.

ETQ

As mentioned to you during my last report, United has selected a vendor—ETQ (Excellence Through Quality)—as its platform for analyzing multiple data streams to ascertain risk and apply appropriate resources toward those risks. What was not readily obvious at the time was that the ETQ platform would also be the new interface for both the pilots who submit FSAP reports and the ERC who processes the reports. We also didn't realize that ETQ really didn't have a product to support FSAP and that the development of this interface was being done in-house by Captain Mike Gillen and some others in the Safety Department. Development meet-

ings took place with minimal ALPA input from either side, mostly as WebEx teleconference discussions. These meetings had minimal notification to attend and/or resolve scheduling conflicts and as such were not attended by all of the ALPA principals to the programs. I made repeated efforts to ensure that these meetings would be “joint” with all of the parties in attendance versus these piecemeal meetings. Those requests went unheeded, and the meetings took place without our involvement.

As a result, the ETQ program has been presented to us and introduced to the pilots with minimal ALPA oversight. During our harmonization discussions, we were presented a flavor of what this new format would look like as it was developed. Unfortunately, Captain Gillen had a difficult time showing us the program in-depth due to technical challenges and bugs in the program. Expectations as discussed at the harmonization meetings were either ignored or minimally complied with. Similarly, neither ALPA group had an opportunity to view or audit the process other than our first exposure to the system back in January, which showed significant deficiencies. The development of a new program with little input from either ALPA group is significantly different from both parties’ past experiences with these “collaborative, safety partnership” programs.

Both the CAL and UAL SMEs have *significant concerns about how this program functions, the protections and restrictions of the data, the administrator-level access of the program, the classification of the information, and the cumbersome interface for the pilots who supply the information.* We have similar concerns in how the respective ERCs are expected to work with the reports contained in this new system. The Company’s opinion that this new system is necessary due to the volume of reports and will make this easier and more manageable as both programs merge rings hollow. In fact, as the program stands currently, it is fraught with concerns in the areas mentioned above in addition to not being reliable and subject to interruptions due to refresh rates throughout the submission process since it is web-based, among others. Either of the legacy programs would have been superior to this product, in the minds of the ALPA SMEs from both CAL and UAL. It requires our crews to make up for its deficiencies due to browser-interface problems and the format of the reports and, in my opinion, reduces our safety-reporting culture. *The burden of this system should not reside on the pilots to contribute safety information to the Company through these programs and receive the enforcement-related incentives as a result of our participation.*

Captain Mike Gillen e-mailed the principals of both ALPA groups and advised us that Captain Bob MacKay, acting managing director of Flight Safety, had decided that they were unilaterally turning on the new ETQ reporting system on March 14, and effective April 3 it would be the sole reporting system for both legacy CAL and UAL programs. That communication was received while the joint CAL and ALPA groups met in Houston on March 13 to consolidate the ALPA position in these programs. There was much discussion after the receipt of that e-mail among the members of both safety groups and our MEC representatives, to say the least.

As I am preparing this report on March 29, the principals in the programs received an e-mail from Captain Claudia Gerstle, managing director of Aviation Safety, that the Company intends to address these deficiencies as a “work in

progress” and have reached out to identify them through a GAP analysis. There are a few other likely reasons for this “outreach” on the Company’s part, the most likely one is that they are now seeing that this system is far from being ready as we told them, and that to maintain our industry-leading “reporting culture” and the confidence the pilots place in our programs, the deficiencies in this program need to be addressed. They have put a new turn-on date of May 1, 2012, for us to make recommendations and secure fixes that, in their words, “*are tenable given IT constraints and feasibility of implementation.*”

CASC Chairman Bob Sisk and I also have concerns that need to be ironed out before we can endorse this new system. The CAL SMEs have similar concerns.



ATSAP and TARP

As you know, the MEC authorized an extension to the **Confidential Information Sharing Program (CISP)** with the air traffic control ATSAP, the counterpart to our FSAP. As CISP has expanded to other carriers, the data needs have expanded, and the ATSAP administrator, CSSI, is formalizing information-sharing reporting requirements to manage the volume of data inherent in this venture. Due to the lack of IT resources available to United's Aviation Safety Department, the Company will be using a very labor-intensive process until it can devote the appropriate resources to funnel the information to the CISP in line with these new program requirements. The Company has told CSSI that this will be accomplished in the August 2012 time frame.

I would also like to highlight the existence of this program to our pilots and to ask them to allow the programs to address issues between controllers and pilots. Phone calls to ATC facilities to complain are typically handled by a manager who has disciplinary authority over the frontline controller who interfaced with the pilot's flight. While it is the captain's prerogative to follow up to the degree that he or she considers necessary, the better way to handle any problems with an ATC component is through FSAP and our interface with ATSAP. Just as we would not want a controller to contact our domicile chief pilot to comment on our flying skills, neither would a controller desire that a pilot contact his or her supervisor to discuss controlling.

TARP

After a lengthy delay, the FAA has turned on full-time flight monitoring in many airports' terminal areas. The program is called TARP (Traffic Analysis Review Program) and was referred to in the past as one of the rationales for establishing our CISP. We expect to see a significant increase in deviations being filed against our pilots as a result of this new monitoring system. It is imperative that pilots file an FSAP if they are aware of circumstances where they have not complied with an ATC clearance in the terminal area, especially if it involves a loss of separation.

Pilots should not be pacified by controller assurances that there is "no problem." This is an automated system and generates the pilot deviations unbeknownst to many of the controllers.

... the FAA
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FOQA

Discussions regarding harmonization of our FOQA programs have also not progressed further since our last meeting in October. *Unfortunately, the Company is testing the waters with respect to this program and my guidance to keep the programs separate from the CAL program.* Historically, we have been very selective with the audience with whom we share FOQA analysis, and it's usually on a need-to-know basis. The Company has adopted a version of the Continental program with a forum for the discussions of items emanating from FSAP and FOQA, among others. *This forum has a large number of participants, which include chief pilots and others with no direct ability to make a change to a problem identified in FOQA.* On March 28, the Company had its first meeting of this type and presented FOQA material from both CAL and UAL, along with topics related from FSAP. The Company did emphasize that this information was sensitive and not to be used outside of the need to resolve the problems identified and discussed. Additionally, the portions of the meeting regarding the FOQA program were removed from the visual for those not present in the room. While there is some merit to a program such as this, *it is a divergence from our past practice and one of which I feel the MEC needs to be made aware.*

STEADES

United's Flight Safety Department has expressed a desire to become a member of an IATA program called STEADES. It is a free program to those carriers that participate in sharing ASAP/FSAP data. This is separate from our current information-sharing with ASIAs, as is the industry norm. Continental belonged to STEADES and did share ASAP information with that organization. The Company desires this program to be able to query a broader database (more international carriers) than is currently available to them in ASIAs. **I advised the Company that I would ask for a decision from the MEC.**

ASIAs/MITRE

As previously reported by Captain Sisk, the Company desires an ability to accommodate a request from ASIAs to allow data from FOQA that has always resided on United Airlines property (a fundamental tenet of our sharing programs with ASIAs). This is due to the costs associated with a distributed computer server architecture whereby

the ASIAs server sits next to our FOQA server. The proposal from ASIAs and the Company would allow United to avoid the \$200,000-per-year maintenance fee now imposed by ASIAs due to FAA budgetary shortfalls. The Company would incur that cost for both legacy carriers and has indicated that to be untenable.

An alternative proposal by Southwest Airlines is an option for the Company, but to this point United has not expressed an interest in pursuing that. Southwest has proposed using its own server to supply the information needs of ASIAs until a future technology remedy can be found to address the problem. The Company has asked that I, along with any IT personnel or SMEs who have an interest, go to the vendor—MITRE—in Washington to see how MITRE's security and other protocols are structured to address any security or data control concerns of the Association. *I am asking for guidance if this is out of the question per the resolution at the last meeting regarding data storage.*

ADS-B/ITP

This program is being handled by Captain Wayne Aleshire. It is my understanding that he is awaiting guidance from the MEC on the program's status. The scope of the FOQA data necessary to fulfill the requirements of the program has not been completely communicated to me as of this writing. *If this program is approved, I will work with Captain Aleshire to address the needs of the program relative to the data we can provide in FOQA.* Keep in mind that this would be data from identified flights as opposed to aggregate data and would require extra work on behalf of the ALPA members of the EGT (Exceedence Guidance Team) in FOQA.

FAA and FSAP

The Air Traffic Organization has recently changed the way in which it processes pilot deviations. The new process has caused some problems with FSAPs industry-wide since the new notification was implemented. As a result, the FAA has also indicated a possible change to its expectations of how long the ERC keeps a report open to ascertain whether the report is sole-source or non-sole-source.

Despite that, we have an agreement between the parties signed in 2009 that in essence restricts unilateral changes by all parties unless we all agree to them. We have clearly indicated to the FAA and the Company (in the case of the analyst mentioned above) that ALPA will not be relegated to just going along with decisions they make without reasonable dialogue and agreement among the three parties to the MOU.

These are the highlights for the last few months from this committee. The challenge of running programs in parallel is clear, and the lack of a JCBA—something we anticipated to be imminent when we first contemplated meeting to harmonize—is a challenge to the smooth running of these programs. The lack of comprehensive dialogue with the Company has exacerbated these problems whereby they have unilaterally initiated actions that have frayed our previously good working relationships. Artificial timetables generated by them and their “go-it-alone mentality” and at times “legalistic view” have further reduced the spirit of collaboration between the groups. Our programs were functioning adequately at the ERC and EGT level, but the “cherry-picking” of what the Company and FAA want from our two programs makes for an environment where the trust between the parties is questioned. It is clear that the Company needs to respect our programs as currently structured, respect our concerns on ETQ and address its deficiencies, embrace ALPA's viewpoint on safety matters, and grasp the value of what ALPA Safety has meant for the programs at United that have been, up to this point, considered industry leading. Whether they will or not remains to be seen.



Grievance

Captain Todd Insler, Chairman

During the first quarter of 2012, the UAL pilots filed 35 grievances against the Company. This compares with 45 filed in the fourth quarter of 2011, 41 filed in the third quarter, 21 in the second quarter, and 17 in the first.

The MEC Grievance Committee filed one grievance on behalf of all of the councils over the violation of Section 3-L and Letter of Agreement 05-02.

Two MEC grievances were filed—2012-U-MEC-9R, concerning a violation of 4-A and Binding Past Practice (Special Meals); and 2012-U-MEC-22R, concerning a violation of Sections 1-B and 1-C-4 (Swapping). This grievance was filed directly with the System Board of Adjustment (2012-04).

During this quarter, six of the grievances previously filed were submitted to the System Board.

The Company was notified of one potential TPA violation during this quarter (parking pass violation).

UAL System Board of Adjustment

SBA Decisions

During this quarter, we received one SBA decision.

2010-U-27-JSR

This decision dealt with the Company not providing deadheading pilots meals (Section 4-A-3) on flight segments that were over four hours. The pilots purchased their own meals and submitted the expense, and the reimbursement was denied by the Flight Office.

The neutral sustained the grievance; however, she ruled that the grievants would not be reimbursed for meals purchased prior to boarding the flight. There is nothing in the agreement requiring the Company to reimburse a deadheading pilot for a meal purchased in the terminal under these circumstances.

The neutral directed the Company to comply with Section 4-A-3 in the future. Recognizing that the Company may change the normal meal service on the aircraft, the Company is to provide deadheading pilots, at no cost to them, a normal selection of the offerings available to passengers in the cabin in which they are traveling.

The neutral also ruled that the Company is not obligated to provide crew meals to deadheading pilots.

The decision has been posted on the MEC website for your reading enjoyment.

SBA Hearings

In this quarter, two cases were heard by the System Board of Adjustment.

2011-U-11-1R and 2011-U-52-2R (consolidated)

On January 7, 2011, grievances were filed in Councils 11 and 52 over a violation of Section 9-F. The case was heard by the Board on February 15, 2012. The closing argument will take place on April 13. The executive session will be scheduled after the closing argument transcripts have been received by the Board. The violation is over the Company's scheduling a de facto report time and not including that time in the calculation of a pilot's duty time for the assignment (PTs). The practice in the past has been for East Coast pilots (IAD and JFK) traveling to TK to leave the day before the training begins. The Company, when calculating a pilot's duty time for a day of training that begins with a deadhead to TK, is not including any amount of time to check in for the flight.

2011-U-11-33R et al.

On April 21, 2011, grievances were filed in every council over the violation of Letter of Agreement 01-17 and System Board Decision 71-18. The case was heard by the Board on March 14. Closing arguments will be scheduled later.

On March 11, 2011, a 9.0-magnitude earthquake struck off the northeast coast of Japan’s Honshu Island, causing a tsunami that destroyed the emergency diesel backup generator power systems at the Fukushima nuclear power plant—compromising the cooling of the plant’s reactors and spent fuel reservoirs.

Several United pilots chose not to accept a flight assignment to NRT due to the ongoing threat of nuclear fallout, contamination of food and water, and lack of adequate rest because of the continuation of strong aftershocks. The pilots requested an order to fly in accordance with LOA 01-17; however, they refused to order the pilots to operate to NRT and instead placed the pilots on ANP status for the days when they would have been flying the trip pairing to NRT.

The Company violated LOA 01-17 and the decision of SBA 71-18 when it failed to pay pilots who did not accept flight assignments to NRT while declining to order them to fly. The Company also is in violation of Section 4-B of the collective bargaining agreement by failing to furnish crews with suitable single-occupancy lodging in a quiet room in a suitable location.

2012 SBA Hearing Dates

If you have a suggestion for a case from your council, please let us know.

April 24–26, 2009-U-33-9/2009-17, Letter of Charge/Termination—Freeman

April 30–May 1, ALPA Case No. 2009-U-57-35R; Board No. 2010-18

May 21–22, TBD

June 13–14, TBD

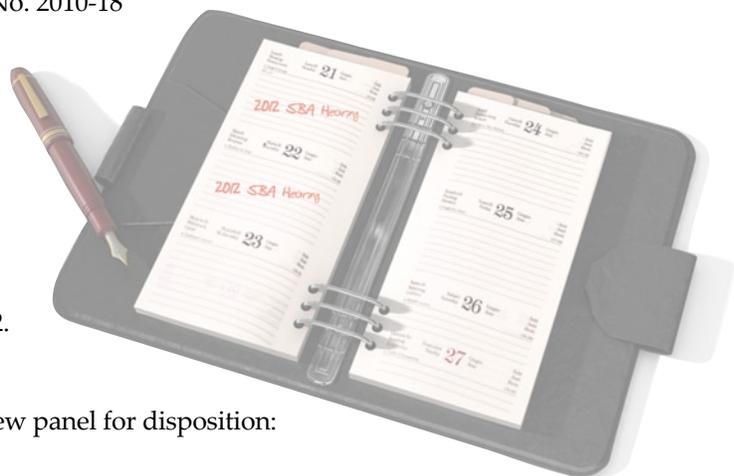
July 18–19, TBD

August 15–16, TBD

September 12–13, TBD

October 17–18, TBD

November 14–15, TBD



Mediations

No mediations were held during the first quarter of 2012.

Grievance Review Panel

Two filed grievances were referred to the grievance review panel for disposition:

Wilson (2011-U-11-118R)

Bucklew (2011-U-12-96R)

Grievance Settlements

During the past quarter, three grievances and one nongrievance issue have been settled. There was a settlement for a disciplinary case.

Nongrievance issues are disputes that arise between a pilot and the Company that are settled either by the local Grievance Committee alone or with the help of the MEC Grievance Committee. The settlement occurs before the need arises to file a grievance, but due to the involvement of the Grievance Committees, we ask that a written settlement be concluded to ensure compliance with the settlement.

The nondisciplinary grievance settlements, along with the nongrievance settlements, are posted on the Grievance Committee page of the MEC website.

DYKs

No DYKs were written during this quarter.

Captain Todd Insler
Chairman

Captain John Rood
Member

F/O Joseph Pedata
Vice Chairman

Captain Richard Cauch
Member

Hotel

First Officer Pete Pellegrino, Chairman

Grievance

Crew Lounges Grievance—filed
Crew Meal Grievance—filed

New Cities

We are working closely with the SSC and HDQPP to determine new city start-ups. I wish I could report that I'm confident that the appropriate departments will properly coordinate, notifying the SSC and Hotel Committee in a timely manner. I am not! Just recently, the SSC chairman and I were given nine days' notice of charter service to FRU and HNN. I also recently learned that charter will occasionally have a lay-over in ANC. We have no jointly approved hotel in these cities. HDQPP has shown little interest in inspecting for the "charter" flying. I continually stress the importance of proper notification and inspection scheduling. This issue is brought up in almost every conversation I have with Procurement. Additionally, I am expanding my reach to other departments, including Flight Operations and Scheduling. A grievance is brewing here.

Hotel Committee Resolutions

- SPCMEL: While we continually engage Catering to improve domestic crew meals, the committee is awaiting the results of the MEC chairman's discussion with senior management on reinstating SPCMELs.

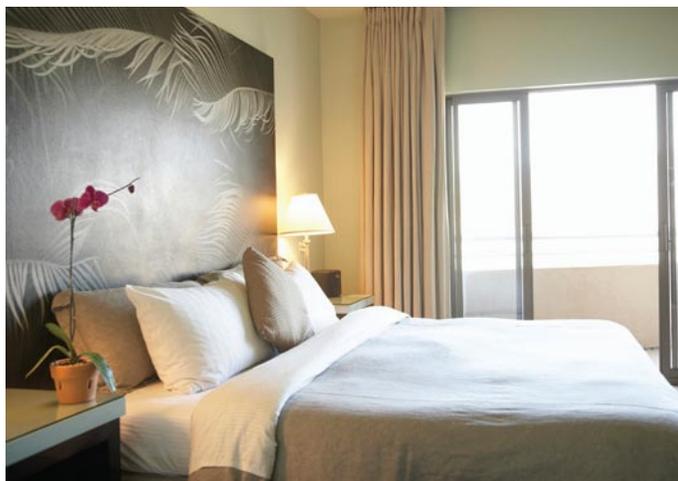
THEREFORE BE IT RESOLVED that the UAL MEC directs the master chairman to use all appropriate resources to reinstate all SPCMELs, without exception, to all flights contractually requiring crew meals at United Airlines.

- TVLLOG Reporting System: I have fully reviewed the United Voices program and given a full report to Grievance and Mike Hamilton on my findings. The system is wholly inadequate. To be blunt, it's an abomination. The Hotel Committee would have access to deidentified reports only, with edited content, on an infrequent basis. For now, I am happy to report that the TVLLOG system remains and there seems to be no imminent danger of its termination. Eventually, there will be a replacement, and the Hotel Committee needs to be there every step of the way.

THEREFORE BE IT FURTHER RESOLVED that the UAL MEC directs the master chairman, or appropriate UAL MEC officer, to engage the Company and secure ALPA's and the UAL MEC Hotel Committee's participation in any hotel, transportation, and crew meal reporting system.

- WHQBQ Split and Disbanded: There is no change to report. I am awaiting a meeting to begin resolution with an MEC officer and Captain Rimer.

THEREFORE BE IT FURTHER RESOLVED that the UAL MEC Hotel Committee requests the UAL MEC directs the master chairman or appropriate MEC officer to enter into discussions with United Airlines senior management to have HDQPP and WHQSK provide the UAL MEC Hotel Committee with a detailed list of their responsibilities, how they will interact with each other to comply with our CBA, and detailed instructions as to who to contact during each period of procurement and operational execution.



City Updates

ACC—ACC is a unique situation, as there is no approvable downtown hotel. In other situations like this, we have secured reimbursable transportation to the downtown area. After months of discussion, the procurement director of Corporate Travel was able to secure this reimbursement for pilots in ACC. As such, we are removing the Labadi Beach from the disapproved list effective March 1, 2012.

ANC—Started charter service and have notified HDQPP of their CBA requirement to inspect in short order.

BUF—We conducted a downtown inspection in March 2012. Hyatt—approved. Embassy Suites—approved. Adam’s Mark—disapproved. Holiday Inn—disapproved. Additionally, we inspected multiple transportation companies.

CDG—Effective March 30, 2012, we will move out of the disapproved Pullman and back to the Mercure. By all accounts, the Mercure is greatly improved. However, since the renovation encountered extensive delays, we have not stayed there in over a year—voiding its inspection currency. We are working with HDQPP on a reinspection date.

CLE—HDQPP is canvassing for field properties, and we will inspect in May 2012.

DOH—The sit in DOH is between two and four hours and occurs more than 10 times a month. In these cases, a lounge is required, and there is no hotel-in-lieu-of option. We are inspecting for a lounge as well as IROPs hotels in April 2012.

FRU—Started charter service, and we have notified HDQPP of their CBA requirement to inspect in short order.

HNL—We are at the Hilton on Prince Kuhio. United was able to move us more quickly than expected and before a formal contract was signed. After some initial confusion on room restrictions, TVLLOGs have died down and things are going smoothly.

HHN—AMC charters have resumed layovers here. It has been several years since we stayed at the St. Michel, and we are going to reinspect for under 20-hour layover. Layovers over 20 hours will be at our FRA-D property.

HKG—Nothing has changed from my last report. At present we are still awaiting news on any new construction.

IAD-F—We officially moved to the Marriott on March 1, 2012. The Marriott is going to assign us exclusively in a fully renovated wing with new HVAC. In addition to the standard full-menu discount, there will be a crew menu.

They provide transportation to a local area with some amenities. TVLQCK restriction and notes:

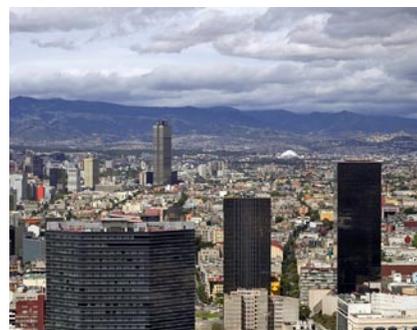
- Complimentary in-room WiFi
- Pilots to be housed only in 2300 (back) block of hotel
- Complimentary use of executive lounge

IAH—Inspection for field and downtown in April 2012.

IST—Upcoming inspection for new startup service.

LAL—United is scheduling layovers periodically in Lakeland, Fla., an A320 maintenance base. We have notified HDQPP that our TPA-D layover is suitable for layovers 14 hours and greater. There is no approved short layover in Lakeland.

LHR—The Cumberland situation still keeps us quite busy. TVLLOGs are down, and Hotel Committee “spot checks” on layovers are beginning to produce more positive comments than negative ones. We will continue to press Procurement and the Cumberland for complete compliance.





- 2012 Olympics—The Cumberland has committed to house all of our pilots during the Summer Olympics. However, given the Cumberland’s and United’s history concerning truthfulness, my committee shall stand ready to closely monitor the situation. If needed, we shall intervene and assist pilots with self-help.

MCO—The Crowne Plaza, our long layover, is not downtown and no longer in a downtown-like area. We have been working with United for over a year to relocate us. An inspection is scheduled for April 2012

MBJ—Sits were scheduled with no lounge or field layover. We are inspecting for a lounge and hotel in April 2012.

MEX—We inspected and approved the Courtyard for a field hotel. It’s located in our terminal (1) and is a new build.

MIA—Construction started south of the Sherry and pilots are now housed on the north side of the north tower.

NRT—MK Transportation remains disapproved. Although sporadic, they still show up with vehicles suitable and safe for two pilots for a crew of three. This is causing extensive waits while the pilots attempt to secure appropriate transportation. HDQPP has complied with the CBA and canvassed, and we are awaiting inspection dates.

PUJ—We have not had a layover here since 2010. It was a surprise to the committee that layovers resumed in March, and they found out via a TVLLOG that HDQPP was unaware of the need for rooms, too. The crews were taken to our prior-approved property that’s now under new ownership. The result of these combined events was that rooms were never booked and our pilots were placed on the ground floor in violation of our guidelines. We are reinspecting the property shortly. This is yet another good example of deficient coordination across United’s departments.

PHX—Our downtown transportation provider quit with short notice. We bid them good riddance. An inspection was conducted in March 2012, and we should have a permanent replacement shortly.

PIT—HDQPP is canvassing, and we will inspect in May 2012.

RNO—We have reached our limit with the Eldorado and disapproved the hotel in February 2012. The hotel never met the conditions of our approval. All floors smell like smoke. There is a constant flow of room-to-room, hallway, and party noise. An inspection is scheduled for April 2012.

ROC—Inspection conducted in March 2012. The Hyatt was reapproved and the Radisson disapproved.

SLC—F/D: Marriott, effective immediately. The Sheraton terminated its contract with United. Pilots will be placed in north-facing rooms only. TVLQCK restriction:

- Crews to be placed in rooms XX25–XX39

TPA-F: Marriott Airport and Hilton Tampa Airport Westshore. The Hyatt terminated its contract with United. Initially, all field layovers will be at the Hilton until the Marriott, in the terminal, upgrades its elevator entrance to be compliant with L-UAL’s hotel security guidelines. Following the Marriott upgrade, we will join our L-CAL there for layovers less than 14 hours. This includes two- to four-hour lounge-substitution rooms. 14- to 19:59-hour layovers will remain at the Hilton. This should be a positive experience for our pilots, as the Hilton has plenty of entertainment and eateries nearby, while the Marriott is a short walk for our shorter layovers. Both properties will offer free high-speed Internet. Hilton TVLQCK restriction:

- South-side rooms only.

YYZ—YYZ-F: We just completed a rather complicated extensive inspection and should have a new property in the upcoming months.



International

Captain Wayne Aleshire, Chairman

Overview—In the past 100 days, the International Committee has been actively engaged with multiple activities, including: (1) international flight planning (Sabre SME-PDCG), (2) ADS-B ITP meeting, (3) flight crew rest facility review, (4) polar operations review with the FAA and United Airlines manager of International Flight Operations, (5) international start-up operational meeting for Doha, Qatar, and Istanbul, Turkey, and (6) Class I EFB iPad.

ADS-B In-Trail Procedures

Since the direction provided by UAL MEC resolution at the January MEC meeting, there has been considerable activity regarding the activation and implementation of the ADS-B In-Trail Procedure (ITP) on the United Airlines B-747-400 aircraft. Enclosure (A) is a letter responding to Captain Abbott IAW UAL MEC direction and action required by the UAL MEC resolution. The following is a brief summary of the initial working group meeting at the Denver Training Center:

- a. The FAA and NASA program offices provided a very detailed summary report regarding the technical, regulatory, and data-collection requirements to initiate the ADS-Broadcast reception with the Honeywell SMART ATC avionics. The data collection is a requirement to satisfy the FAA safety risk analysis completed by the FAA and supported by ICAO. There are three buckets of data collection:
 - i. Monitoring of flight crew and ATC operating procedures
 - ii. Aircraft avionics validation for operating performance
 - iii. FAA program that correlates the ADS-B data from an aircraft as it is processed in the ATC system communication architecture
- b. The Company, FAA, NASA, and ALPA discussed the issues relative to data collection and the requirements to satisfy the concerns and recommendations from ALPA. A meeting is planned for April 11–12, 2012, at NASA Langley with representatives from ALPA, FAA, NASA, and Honeywell to discuss the specific data elements and destination and processing of the data elements, including the chain of custody and archiving of the data. Captains Greg Downs and Wayne Aleshire will represent ALPA.
- c. There was a discussion regarding the training and the ADS-B ITP Flight Manual Bulletin. Captain Dobias (UAL MEC Training Committee vice chairman) and two training committee members familiar with the B-747-400 viewed the United Learning Network ADS-B ITP Training Program and reported their findings to Captain Tom Spratt (B-747-400 Quality Assurance manager). Captain Aleshire provided a recommended change to the ADS-B ITP Flight Manual Bulletin, and the procedure change was incorporated on March 29, 2012, B-747-400 Flight Manual change.
- d. **A letter of indemnification submitted by the Company (Captain Joe Burns) to the FAA principal operating inspector (John Martin) was denied by the FAA headquarters Legal staff.** The FAA Legal staff and AFS 200 offered a substitute solution:

The FAA is proposing to modify the current United Airlines FOQA agreement with the FAA to allow ADS-B ITP data collection as a method for flight crew protection.
- e. There are two more outstanding issues relative to the UAL MEC resolution (feedback by flight crew and logistics for data collection) to resolve. Neither of these issues can be resolved until the indemnification letter and data collection issues are resolved to the satisfaction of ALPA.

Flight Crew Rest Facility B-787-8

Since the FAA has introduced the FAR 117 requiring a classification for the flight crew rest facility and flight crew duty time with augmentation specifications, both the Company and the International Committee have reviewed the requirements and conducted a FCRF inspection on the B-787.

- a. On March 22, 2012, a group of representatives (UAL management, CAL management, UAL-CAL JNC, and Captain Wayne Aleshire, ALPA SME) visited the Boeing facility to inspect a United Airlines B-787-8 that was being prepared for delivery to United Airlines later this year. Boeing provided the technical staff that designed the facility allowing for a full range of questions regarding the facility and flight test evaluation. In addition, as a group we had full access to the production aircraft FCRF for our review. (See pictures.) The following are my observations regarding the 787 FCRF.
 - i. The FCRF is located directly above the most forward portion of the first-class cabin and just aft of the main cabin entry doors (1L/1R). There were no luggage bins or doors attached to the underside of this facility that would cause any transit noise.
 - ii. There were two berthing spaces (port and starboard). Each berthing space is approximately 36 inches high by 96 inches in length and 40 inches in width.
 - iii. Each berth has a divider providing a division between the two side-by-side berths. The divider is approximately 72 inches in length.
 - iv. Attached at the end of the divider is a sound-deadening curtain. The curtain will extend around the foot of the berth, providing a quiet area and privacy.
 - v. There is one access door to the FCRF and it is located adjacent to the forward first-class galley. The door is well insulated and leads to a set of steps (six) to a landing before the berthing area. The landing is about 72 inches long and about 18 inches wide.
 - vi. There is an FCRF emergency egress under the mattress at the foot of the starboard pilot berth. The emergency egress allows for the pilot to access the first-class cabin in the event the primary access is not available for evacuation.
 - vii. To the immediate left side of the landing is a reclining jumpseat. This jumpseat is airworthiness-certified for occupation during takeoff and landing. It also has a tray that can slide into ports on the chair for use during dining.
 - viii. The port and starboard berths and the jumpseat have an electric power port for a computer or iPad.
 - ix. Each berth has a mattress that was specifically approved with comfort and endurance in the design process. The mattress was manufactured by a company that builds medical care beds for long-term health care. While occupying the FCRF, the comfort level was very good, but this was for a very short period of time.
 - x. The Boeing flight tests demonstrated the aircraft noise levels while in cruise flight conditions—the FCRF berthing space averaged a noise level of 66dB. The Boeing engineers did not test for any transit noise. Flights operated by ANA have not generated any issues regarding any transit noises. ANA operates one long-range flight from HND to FRA.
 - xi. There was a discussion regarding the jumpseat and use for eating. The tray table, as reported by ANA, was very noisy and could be heard in the first-class cabin as a very loud snap. The Boeing engineers are redesigning this tray apparatus to eliminate this noise.
 - xii. Boeing designed a provision for in-flight entertainment (IFE); however, United Airlines declined to exercise that option. The aircraft will be equipped with WiFi as a substitute for IFE.
- b. There were several concerns regarding the B-787-8 FCRF regarding managing the FCRF and resting functions while on a long-range flight operation:

- i. There are four seats in the cockpit: captain, first officer, and two observer jumpseats for relief pilots. The Boeing certification of the third jumpseat in the FCRF has my immediate concern. According to company management representatives, while the flight crew is being observed during a line check or FAA check, the line relief pilot will occupy the FCRF jumpseat for takeoff and landing.
 - ii. The Boeing Engineering staff could not provide any details regarding the servicing requirements for the berthing area, including periodic sanitation cleaning for the area, mattress replacement and cleaning, and minimum equipment list for operation. The Boeing staff stated that this is the function of the owner/operator of the aircraft.
 - iii. There is very limited space for changing and hanging your uniform while preparing for sleep. The berthing spaces cannot provide sufficient room for this process. There are several locations for hanging clothing, but they interfere with the steps to the berthing area or with the occupant in the FCRF jumpseat.
 - iv. There is limited space for flight crew storage of luggage and hanging of uniforms. The cockpit is very small with a closet on the left side of the entry with limited space for luggage.
- c. The B-787 will become the ultra-long-range aircraft operating in excess of 15 hours aloft. Boeing provided a good solution for a dedicated quiet zone for flight crew rest. *In my view, the Boeing-designed FCRF for the B-787-8 satisfies the FAR 117 requirements; however, how to manage the FCRF with clothing changing and locations for storage will become a premium management problem for the flight crews.*

Flight Crew Rest Facility B-777-200B

On March 22, 2012, a discussion was completed with the B-777 fleet technical captain regarding the B-777-200B FCRF. In that discussion, it was revealed that the Company (SFOEG) received direction by senior management to begin scheduling and installing the FCRF (bunkroom) just aft of the cockpit on all United Airlines B-777-200B aircraft. This will require the removal of the ITPE seat from the FCRF, and all crew rest seats (2A/2K) in the first-class cabin will be returned to sales inventory. In addition, the Company has chosen to remove the lower-lobe flight attendant crew facility and install an overhead flight attendant crew rest facility above door 3L. The first aircraft is scheduled for modification on May 3, 2012, with 12 aircraft completing the modification by end of 2012. The decision by the Company for the FCRF (bunkroom) has many complications.

- a. The FCRF bunkroom has a history of being an inadequate FCRF. The B-777 pilots reporting through FSAPs revealed that the bunkroom is very uncomfortable for a satisfactory crew rest.
 - i. Transit noise from the lead flight attendant phone
 - ii. Transit noise from the secondary barrier
 - iii. Transit noise from the lavatory motor
 - iv. Transit noise generated by the ITPE workstation
 - v. Transit noise from the flight attendant jumpseat
 - vi. The FCRF door opening and closing disturbs the other occupant
 - vii. The mattress is hard and very restrictive on rest
 - viii. The berth enclosure is small and claustrophobic
- b. *Based on discussions with many of the B-777 pilots and the classification of FAR 117 for Class I utilization, it is questionable that the B-777-200B FCRF bunkroom satisfies the Class I certification.*
- c. The Company did complete a study of the overhead flight crest facility for the B-777-200 aircraft. The study revealed that the installation for the vestibule to gain access to the overhead FCRF would impact the seating plan of the United Airlines aircraft. The vestibule would be placed at the head of the first-class cabin and would require moving the entire first-class cabin back about six feet. The business-class cabin would be moved aft about four feet. It would require the removal of nine economy-class seats to complete the installation. In addition, there is considerable downtime for the installation and modification of the cabin air conditioning plumbing to install the overhead FCRF.

- d. In conclusion, the B-777-200B FCRF bunkroom fails to satisfy the fundamental requirements of a crew rest facility that is to remain quiet and comfortable. Even with the ITPE seat in the FCRF, you must still overcome all of the transit noise issues relative to the FCRF. The installation of the overhead FCRF would satisfy the FAR 117 Class I certification.
- e. There have been no discussions with the Company regarding the 13 B-777-200A aircraft for international operation, nor the six B-777-200A domestic high-density aircraft.

Note: In my discussions with the FTM, the Company has decided to remove the secondary barriers from all B-777 aircraft. This was passed on to the Security Committee (Scott Graham and Ed Folsom).

Flight Crew Rest Facility B-767-300

Since the January MEC meeting, there have been numerous discussions with Captain Joe Burns regarding the modification of the domestic B-767-300 aircraft. This aircraft is going through considerable modifications, including the installation of winglets, Pegasus-09 FMC, GPS, ADS-B, CPDLC, ADS-C, RNP, and a new interior called "business first." The aircraft are being modified at an MR&O facility in Hong Kong.

- a. The installation of the FCRF is located in the aft section of the business-first cabin in the center column of seats with aisles along both sides. The FCRF will have a full lay-down seat/bed. The seat is surrounded on three sides with sound-deadening curtains from floor to ceiling.
- b. The FCRF has not been inspected by any of the ALPA representatives. The first aircraft is in Hong Kong and has not been available for a review and inspection. The first aircraft is scheduled for in-flight service in May 2012.

Polar Flight Operations Review

The polar operational specification is subject to an annual audit by the FAA principal operating inspector. Randy McElroy completed the annual audit of United Airlines in 2011. The report was considered deficient due to the inability of United Airlines' Flight Dispatch to establish communications with an operating aircraft in the polar region. The deficiency report required United Airlines to improve the method of communication between the aircraft and flight operational control.

- a. In my discussions with Randy McElroy, in addition to the communications deficiency, there were several other concerns addressing the polar operational review.
 - i. The Company must designate polar diversion airports specifically for passenger and crew protection IAW AC120-42B.
 - ii. There must be a passenger and flight crew recovery plan available for the flight crew IAW AC120-42B.
- b. IAW discussions with Captain Joe Burns, the communications deficiency will be resolved with a temporary installation of a single-channel iridium satphone system on the B-747-400 aircraft. This is an initial production for a single voice channel for three aircraft. The final solution is an installation for an iridium satphone and datalink, which will become available fourth quarter 2012. The iridium upgrade (two channel) will be installed on all B-747-400 aircraft.
- c. On February 24, 2012, a meeting with Captain Andy Jost (managing director of International Flight Operations) was completed regarding the designation of diversion airports in the polar region for passenger and crew protection and the polar recovery guidelines provided by Flight Control. The meeting highlighted statements in the FOM regarding the requirement for the pilot-in-command (captain) to be in charge of all activities, including the protection and recovery of the diversion. Yet, it was pointed out to him and the International Flight Dispatch staff that there were no provisions in the WOM for the flight crew to utilize to manage the process. It was pointed out that they would utilize the SATCOM and datalink to provide the flight crews with the necessary information. I informed them that I conducted an exercise on a recent flight to utilize those services, and there were no provisions for passenger protection and recovery. In addition, the designation for

ETOPS airports (alternates) is not in the same category for the B-747-400. As a result of this meeting, Captain Jost and the International Flight Dispatch staff agreed to:

- i. review the polar diversion airport designation;
 - ii. review the polar diversion recovery program and guidelines for the company operation; and
 - iii. improve the diversion-planning guide for the WOM to include polar operational guidelines.
- d. *The Company was recently approved for 240-minute ETOPs for the CO B-777-200LR (GE) aircraft. The ETOPs is approved via a regional authorization. The 240-minute ETOPs for the polar region was not approved due to an inadequate polar diversion and recovery plan.*
- e. The next polar region audit is planned for June 5, 2012. The FAA, L-UA, and L-CO requested this date be delayed from February to June due to the installation of the new NOC at Willis Tower. In addition, the FAA is going to audit one flight-control facility under a single operating certificate. With the combined NOC for L-UA and L-CO, flights under one management require the FAA to look at one set of standards for the polar operation.

International Flight Operations Review New Destinations

Captain Andy Jost, managing director–International Flight Operations, conducted two formal meetings to initiate the start-up of flight operations to Doha, Qatar, and Istanbul, Turkey.

- a. On January 31, 2012, a United Airlines-sponsored meeting to discuss the Dubai-to-Doha start-up service was completed. The Dubai-to-Doha flight is planned for start-up on May 1, 2012. Captain John Yackus, B-777 line training manager, is the point of contact for Flight Operations. He and Dave Bishop completed a flight operations review of the Dubai–Doha–Dubai flight during the week of April 2–6, 2012. Flight Operational questions were submitted to Captain Yackus for consultation with the airport and air traffic authorities.
- b. On April 3, 2012, a United Airlines-sponsored meeting to discuss the Newark, New Jersey, to Istanbul, Turkey, start-up service was completed. Captain Bill Konrad will be the Flight Operations point of contact. During the week of April 2, 2012, a United Airlines LCA and Turkish-born pilot conducted an initial flight operations review of the operation. Flight operational questions were submitted to Captain Konrad for consultation with the airport and air traffic authorities of Turkey.



Jumpseat

First Officer Greg Maatz, Chairman

The UAL MEC Jumpseat Committee is currently working on the following issues:

- finalizing, in collaboration with the Continental Jumpseat Committee, a comprehensive industry-leading jumpseat agreement with the Company;
- working with the Company to address a number of jumpseat issues created by the switchover to the single PSS, SHARES; and
- participating in the development of the ALPA National Jumpseat Council policy manual.

Our goal in creating a harmonized jumpseat policy agreement for the new United is to maintain and improve our pilots' jumpseat privileges. In early February, the United and Continental Jumpseat Committees met with the Company to work out final language for our agreement. This was a constructive meeting, but in the end there were a few areas where we were not able to agree on language and/or

... we were able to reach an agreement on the outstanding issues.

policy. In collaboration with the Continental Jumpseat Committee, we crafted language that we felt accurately addressed the issues we had with the Company's proposal and presented that language to the Company. On April 5, we again met with the Company to discuss the outstanding issues and review the overall proposal. At the end of this meeting we were able to reach an agreement on the outstanding issues.

We still need to be presented with the proposed final language of the policy for review and approval. In general terms, the new policy mirrors the United jumpseat policy prior to the merger, with some minor enhancements. Assuming the language of the agreement is acceptable, the challenge will be to get the Company to successfully implement the new policy. The current challenges that the switch to single PSS SHARES has created clearly demonstrates ALPA's need to be proactively involved during the implementation process in order to protect our pilots.

The March 3 switchover to SHARES was a step backward for jumpseat procedures at United. Prior to the switchover, we were assured that the *only* thing that would change for United pilots was that they would no longer receive a jumpseat card on ticket stock and instead would receive a paper printout of a jumpseat authorization form. The Company informed us that this was due to the inability of IT to program SHARES to generate a jumpseat card on ticket stock. It became clear immediately after the March 3 switchover that the lack of a jumpseat card was not the only change or problem. The following is a list of issues:

- The Company did not adequately communicate how to list for the jumpseat.
- Not all carriers on United's reciprocal jumpseat list had been entered into the SHARES database.
- CS telling United pilots, as well as pilots of off-line carriers, that they must list for the jumpseat.
- The established UAX priorities have not been correctly programmed into SHARES, and CS is not adhering to the UAX priority agreement.
- CS not allowing access to the captain.
- CS not maintaining an adequate supply of UAX jumpseat forms and these forms incorrectly stating that pilots must be in coat and tie to jumpseat.
- CS assigning the jumpseat up to 30 minutes prior to departure, contrary to our existing agreement on this matter.

In early March, the Jumpseat Committee chairman attended the ALPA National Jumpseat Council meeting. At this meeting, we discussed current jumpseat topics and finalized the language for the Jumpseat Council's policy manual. Presentations were given on security, Known Crewmember, international CASS, as well as other jumpseat-related topics. Implementation of an international CASS will resolve the biggest issue standing in the way of our pilots' ability to occupy the flight deck jumpseat of other carriers on international flights. Based on the presentation by ALPA National, this might be closer than previously thought. The vendor that provides the current CASS is actively looking at developing an add-on service that would make the system compliant with the requirements for international flights. There is a question as to how much this service will cost and if the individual carriers will be willing to pay for it.

Recap and Review

The committee hopes to have final language from the Company on a harmonized jumpseat agreement for review and approval before the end of April 2012.

Jumpseat issues resulting from the conversion to SHARES are being addressed on a case-by-case basis, as well as in general terms. The committee will continue to engage the Company in resolving the problems that both United and off-line pilots are having when exercising their jumpseat privileges.

In April 2011 the TSA changed its policy and announced that it would allow off-line pilots to occupy the flight deck jumpseat on international flights; **however, they have not developed an approved process that allows this change in policy to be implemented.** The development of an international CASS should allow for implementation of this policy. We will continue to work with the members of the ALPA National Jumpseat Committee to pursue a solution to the international CASS issue.



Membership

First Officer William Neveu, Chairman

We work with
Membership
Services to ensure
that all applying
pilots are in
compliance with
the reinstatement
process.

Statistics

As of April 1, 2012, ALPA's records show a total of 7,404 pilots on the United seniority list. Included in these numbers there are 5,444 active, 1,330 furloughed (not working for another ALPA carrier), 328 on military/personal leave, 210 sick/inactive, 37 nonpaying, 47 executive active, and 29 executive inactive pilots.

Returning Pilots

Pilots continuing to return to United Airlines from personal and military leaves of absence receive "welcome back" briefings from the Membership Committee or a designated representative during their returning-pilot training course at DENTK.

Furloughs

The total number of furloughs remains at 1,437, with no recall dates announced by the Company. There have been furlougees called to and trained by Continental under the provisions of the contract. Numbers of these pilots have subsequently removed themselves from this process after starting training in Houston.

Explanation of Dues/Assessments Delinquencies

The number of delinquencies for dues and assessment issues continues to decrease with continued Membership Committee encouragement of DCO/ACO enrollment for members. The majority of delinquencies at this time are for assessments.

Reinstatement of Previously Delinquent Pilots

Our previously expelled pilots continue to seek reinstatement. These pilots are financially current with the Association, and all are on dues/assessment checkoff. We work with Membership Services to ensure that all applying pilots are in compliance with the reinstatement process.

Action Items

The Membership Committee needs assistance with gathering statistical data that accurately reflects our pilot numbers. Previously, the MEC employed the services of a former pilot who still keeps this data. If this source is no longer available, another source needs to be utilized. Also, it has come to our attention that there is a disconnect between the Company and ALPA in communicating accurately when active pilots take leaves of absence. This disparity has caused letters of pending expulsion to be sent to members in good standing who are simply on leaves of absence. According to ALPA, there is a lack of fidelity in the data received. The committee needs help from the MEC to ensure the Company is providing timely, accurate data.

Military Affairs

First Officer Dennis Smith, Chairman

The report begins with the most recent news first. On March 13, 2012, the Department of Justice filed a federal lawsuit against United Continental Holdings Inc. for improper calculation and payment of one of our pilot's PDAP military make-up contributions; this is attached to the bottom of my report. This particular issue is one that the Military Affairs Committee has been working on since January 2010. Despite the fact that United changed the calculation guideline in November 2010, the issue of retroactivity is still unresolvable. United insists that anyone who returns from military leave after November 2010 is entitled to the corrected, USERRA-compliant calculation for deemed earnings. However, any pilot who returned prior to November 1, 2010, and received an improperly calculated PDAP military make-up is not entitled to any retroactive payment.

Our committee, which is backed up by the current lawsuit, believes that United has a legal obligation to retroactively correct any military pilot's PDAP military make-up that was incorrectly calculated. As of this writing, we have not received any indication from the Company as to their intended course of action; however, the lawsuit is based on only one pilot.

At this time we see the lawsuit as a good indication that the Company does not plan to make retroactive payments. Furthermore, we see this as a violation of our military members' USERRA rights, and we urge any pilot who has taken long-term military leave (31 days or more) to contact our committee to get more information on what courses of action are available to recover the funds owed to them. Please provide your contact information in any information requests, including phone number and home address.

Also, during the payroll problem that occurred in February, we also found an issue with military members' sick-leave banks. Per policy, a military member continues to accrue sick leave while on military leave (five hours per month). Once a pilot returns, their sick leave is manually updated via a meter from the Pilot Service Center to Payroll with the updated sick-leave number. Only until recently were military members' sick-leave banks updated correctly. Apparently, there was an issue with the "manual updating" process and the new Payroll software. While we are being told that the system has been updated for this, we urge military pilots to keep track of their sick hours before they leave and when they return, to ensure they are receiving their benefits correctly.

Other than the lawsuit and sick leave, there is very little to report. After the meeting we had in December updating the Company on our issues, the progress we have made toward a common policy manual for both airlines has slowly ground to a halt. With changes in the leadership on the Flight Operations side, the pending lawsuit, and the lack of a JCBA, it seems the Company is slowing the pace of changes while waiting for more information from external sources.

I will continue to work with my counterpart at S-CAL to put together a combined policy manual that meets the requirements of USERRA and our CBA.

If there are ever any questions regarding military policies or issues, please contact our committee.



Boarding a plane headed for the Middle East. Photo by Capt. Jack Boulton

Law Review 1230

March 2012

DOJ Sues UAL to Enforce USERRA Pension Rights of Air Guard Member
By Captain Samuel F. Wright, JAGC, USN (Ret.)

1.3.1.2—Character and Duration of Service

1.3.2.3—Pension Credit for Service Time

1.4—USERRA Enforcement

1.8—Relationship between USERRA and other Laws/Policies

LaTourrette v. United Airlines Inc., Case No. 1:12-cv.00635, United States District Court for the District of Colorado (complaint filed March 13, 2012).

On March 13, 2012, the Department of Justice (DOJ) filed suit against United Airlines (UAL) in the United States District Court for the District of Colorado. Although DOJ is providing legal representation free of charge, the named plaintiff in this lawsuit is TenEyck LaTourrette, a member of the Air National Guard and a UAL pilot. LaTourrette's UAL employment has been interrupted by three periods of active military service, and he has met the eligibility criteria under the Uniformed Services Employment and Reemployment Rights Act (USERRA) for each of these military periods and has returned to work at UAL after each period.¹

LaTourrette began his UAL career in May 1998 as a student flight officer. After he completed his UAL pilot training, he was promoted to copilot. LaTourrette apparently had no military status when hired by UAL. In about December 2000, he enlisted in the Colorado Air National Guard. He received orders to report to active duty in the Air Force on July 2, 2001, for four years of active duty. He gave proper notice to UAL before reporting to active duty. After the terrorist attacks of September 11, 2001, his orders were changed and he was placed on contingency orders for wartime duty. As an F-16 pilot, he served both within the United States and in Iraq and Korea.

LaTourrette was released from active duty in late November 2006 and returned to work at UAL, as a copilot, almost immediately. He met the USERRA eligibility criteria for reemployment in that he left his civilian job to perform service in the uniformed services and gave prior notice to his employer. His period of service exceeded five years, but a substantial part of his service was exempt from USERRA's five-year limit under Section 4312(c) of USERRA, 38 U.S.C. 4312(c).² He was released from active duty without a disqualifying bad discharge, and he made a timely application for reemployment.

LaTourrette was called back to active duty from November 2007 to February 2008 and from April to May 2010. He met the USERRA eligibility criteria for these two periods of duty as well.

Under the collective bargaining agreement (CBA) between UAL and the Air Line Pilots Association (ALPA), a UAL pilot is guaranteed payment for a certain minimum number of flight hours per month. At various relevant times, the guaranteed number of hours has been 70 and 75 hours. A pilot who works fewer than the guaranteed number of hours is paid for the guaranteed number. A pilot who works hours beyond the guarantee is paid for the number of hours worked.

The CBA also requires UAL to make payments to two pilot pension funds, called the B Fund and the C Fund. The employer is required to pay 9 percent of a pilot's UAL earnings into the B Fund and an additional 6 percent into the C Fund. The CBA also provides that, when a pilot is away from work for a military leave of absence (MLOA) and returns to UAL, the airline is to make up missed employer contributions to these funds based on the guaranteed hours during the pilot's MLOA. The essence of the complaint is that the make-up payments that UAL made for each of the three military periods were insufficient to meet the employer's obligations under USERRA.

Congress enacted USERRA in 1994, as a complete rewrite of the Veterans' Reemployment Rights Act (VRRRA), which dates back to 1940. In its first case construing the VRRRA, the Supreme Court enunciated the "escalator principle" when it held, "[The returning veteran] does not step back on the seniority escalator at the point he stepped off. He steps back on at the precise point he would have occupied had he kept his position continuously during

Our committee, which is backed up by the current lawsuit, believes that United has a legal obligation to retroactively correct any military pilot's PDAP military make-up that was incorrectly calculated.

the war.” (*Fishgold v. Sullivan Drydock & Repair Corp.*, 328 U.S. 275, 284-85 [1946].)

Section 4318 of USERRA (38 U.S.C. 4318) explicitly applies the escalator principle to pension entitlements through a civilian job. When an employee leaves a job for service and then returns to the job after service, and meets the USERRA eligibility criteria, the employer must treat that individual as if he or she had been continuously employed in determining when the individual qualifies for the civilian pension and also in determining the amount of the individual’s pension.

In a situation like this, where the employer is required to contribute to the individual employee’s pension account a percentage of the individual’s earnings, the amount that the employer is required to contribute after the individual returns to work is computed based on what the individual would have earned from the civilian employer if his or her employment with that employer had not been interrupted by uniformed service. If the imputed earnings cannot be determined with reasonable certainty, the employer’s required contribution is computed based on the employee’s average compensation during the last 12 months before the period of uniformed service. See 38 U.S.C. 4318(b)(3).

In its complaint on behalf of LaTourrette, the DOJ has alleged that the average number of hours per month that LaTourrette worked for UAL during the 12 months preceding each of his three military periods exceeded the minimum number of hours guaranteed to pilots. Thus, by computing the make-up contribution based on the minimum guaranteed compensation, UAL violated 38 U.S.C. 4318(b)(3).³ As a remedy for this violation, the complaint seeks a court order directing UAL to make additional make-up contributions to LaTourrette’s B Fund and C Fund accounts and to pay interest because of the lateness of these contributions.

In *Fishgold*, the Supreme Court held: “No practice of employers or agreements between employers and unions can cut down the service adjustment benefits that Congress has secured the veteran under the act.” (*Fishgold*, 328 U.S. at 285.) Under Section 4302 of USERRA (38 U.S.C. 4302), this statute is a floor and not a ceiling on the rights of an individual like LaTourrette. The CBA can give him greater or additional rights, but it cannot take away his statutory rights under USERRA.

In accordance with Section 4322(a) of USERRA [38 U.S.C. 4322(a)], LaTourrette filed a written complaint with the Department of Labor (DOL), alleging that UAL had violated USERRA. After an investigation of the facts and a legal analysis by the solicitor of labor, DOL agreed with LaTourrette’s claim that UAL had violated USERRA. DOL communicated with UAL, urging the company to come into compliance by making additional contributions to LaTourrette’s B Fund and C Fund accounts. After UAL ignored these communications, DOL informed LaTourrette of the results of its investigation,



in accordance with 38 U.S.C. 4322(e). LaTourrette requested that DOL refer the case to DOJ for consideration of litigation on his behalf, and DOL referred the case as requested. DOJ agreed with DOL and LaTourrette that his USERRA rights had been violated, so DOJ filed this lawsuit on March 13, 2012, in accordance with 38 U.S.C. 4323(a)(1).

I want to congratulate the DOL and DOJ for moving swiftly on this case. Only 14 months elapsed between LaTourrette's written complaint to DOL and the filing of the lawsuit in the federal district court. I am aware of other cases that have taken years.

Under Section 4323(a)(1) of USERRA [38 U.S.C. 4323(a)(1)] as currently written, the named plaintiff in this case is LaTourrette, not the United States, although DOJ is providing free legal representation. Section 4323(a)(1) provides that the named plaintiff will be the United States if the defendant employer is a state, but if the defendant employer is a private employer, the individual service member or veteran is the named plaintiff.

As I explained in *Law Review* 1178 (October 2011), Assistant Attorney General Ronald Weich sent identical letters to the Speaker of the House and the president of the Senate (the vice president) on September 20, 2011, proposing amendments to USERRA designed to improve USERRA enforcement. One of the DOJ suggestions was that the United States should be the named plaintiff in every case where DOJ is providing free legal representation. In *Law Review* 1178, I endorsed that DOJ suggestion. I believe that the LaTourrette case is a good illustration of the kind of case where this DOJ suggestion would be most useful.

I believe that there are scores, if not hundreds, of other UAL pilots whose USERRA rights have been violated in exactly the same way that LaTourrette's rights were violated, but the complaint that has been filed has only one plaintiff. Because this is a case with a single individual plaintiff, DOJ is limited to seeking relief for that one person. If UAL litigates this case and loses, as I predict that it will, the airline will be required to make additional payments to LaTourrette's accounts, but the airline will be under no obligation to make payments to other pilots similarly situated. You will say, "But surely if the airline is held to have violated the law it will make all the other pilots whole." I say, "Don't count on it." Making all the pilots whole will cost UAL millions of dollars. The Company will not pay in the absence of a court order, and in the LaTourrette case as presently configured, the court can only order UAL to pay Mr. LaTourrette.

If the named plaintiff were the United States, DOJ would be free to seek and undoubtedly would seek broad relief for all affected UAL pilots and injunctive relief requiring UAL to comply with USERRA going forward.

As I explained in *Law Review* 0844 (October 2008), DOJ brought a class-action suit against American Airlines (AA) in 2006, on behalf of three named pilots and a class of 350 other pilots similarly situated. DOJ alleged that a policy of AA violated USERRA and shortchanged pilots who were reserve component members with respect to sick leave and vacation. The case settled in 2008. AA agreed to change its policies in order to come into compliance with USERRA. The 353 pilots received \$345,772 for lost vacation and sick-leave benefits, and AA also agreed to restore certain sick-leave credits, with an additional value of about \$215,000.

I do not know whether DOL and DOJ are aware of the names of other affected UAL pilots or whether any consideration has been given to making this case a class action. It may be that they don't know the names of any others because LaTourrette is the only affected person who has been willing to come forward and make a written complaint.

If you are a pilot for UAL or a recently retired pilot, and if you left your UAL job for voluntary or involuntary military service during the decade prior to late 2010, I want to hear from you. I am here during regular business hours and until 10 p.m. eastern time on Thursdays. My telephone number is 800-809-9448, extension 730. My e-mail is swright@roa.org.

¹All of the facts stated in this article come directly from the complaint. I have no independent information about the facts of this case.

²Even when you add LaTourrette's two additional periods of military service, he is still within the five-year limit. Please see *Law Review* 201 for a definitive discussion of what counts and what does not count toward exhausting an individual's five-year limit. At www.servicemembers-lawcenter.org, you will find 730 articles about USERRA and other laws that are particularly pertinent to those who serve our country in uniform, along with a detailed subject index and a search function to facilitate finding articles about very specific topics.

³UAL corrected its policy in late 2010, and going forward the make-up contributions are based on what the individual probably would have earned rather than the minimum number of hours. UAL made no effort to apply this new policy retroactively to LaTourrette and other affected pilots.

Pass Travel

First Officer Mark Lindelsee, Coordinator

Status Report

The structure of Pass Travel for the MEC is made up of Mark Lindelsee, Pass Travel coordinator, with direct oversight from Mike Hamilton. We have also been able to add an additional volunteer member. Jeff Cyr is a member in good standing under Council 93, presently working as a 756 PI.

Pass travel within L-UAL is in a great state of flux. The contributing factors are a new IT platform, new pass travel policies, and cultural differences between L-UAL and L-CAL.

First, Shares or PSS is almost always a contributing factor on the PDRs sent to this committee. Numerous reports highlight inadequate training or insufficient manpower to manage the system as contributing factors. To correct this, we are approaching management to suggest additional training, or at least some communication to the L-UAL CS staff highlighting the fixes necessary to prevent the common problems from recurring. There are also some IT issues that we are in the process of helping to correct so our CBA is honored.

Next, the pass travel policies have changed in very fundamental ways. This has been very challenging to the end user. The information on Flying Together is comprehensive, but does sometimes miss important points. We have engaged both Erika Hunter from ETC (Employee Travel Center) and Laura Motelet of HR to try to determine the best way to manage, inform, or repair the issues that we have been facing. We have also engaged the Flight Offices to capture any reports or data we are not receiving through the PDR system.

Finally, the cultural issues are more subtle, but just as challenging. Both the IT platform and the basic policies of our new pass travel agreement are not new to L-CAL. What is new is our CBA and positive-space requirements. This important area is being addressed. My understanding is that Fred Abbott, Jay Milone, and Chad Melby are working on this. Through the MEC officers, I would like to set up a meeting with management to ensure this is being done.

Finally, I would like to highlight these issues:

- Positive Space
 - First-class seats are being taken away from pilots traveling to and from training.
 - Economy-plus seats are being taken away from pilots on legal DHs.
 - Seniority is being abrogated.
- Space Available
 - Vacation passes are not being returned to the employees in a timely manner when not used.
 - Boarding priority is not being respected.
 - Cost increases, such as some ZED fares increasing from low-ZED to med-ZED in some markets, increases in first-class costs (vacation passes may offset this), and imputed income fees on some types of pass usage.

The positive-space issues can be resolved in meetings with management. To effect changes with the space-available issues, we have restarted a coalition between the other L-UAL employee groups to approach the Company with common issues and concerns in a cohesive manner.

Please contact me at Mark.Lindelsee@alpa.org with any questions, concerns, or suggestions.

Retirement & Insurance

Captain Marty Torres, Chairman

During the first quarter of 2012, your UAL MEC R&I Committee had been fully engaged on your behalf with United Benefits and our various service providers. The following list recaps the projects we have been involved with since our January 2012 report.

Retirement Oversight

- PDAP Administration—Continued Record Keeper Review
- PDAP Participant Communications
- PBGC Update
- PDAP Year-End 2011 Performance Report
- February Quarterly Pension Meeting

Insurance Oversight

- Dependent Health Care Certification—Update
- RDS (Retiree Drug Subsidy)
- February Quarterly Insurance Meeting

Payroll Oversight

- Expense Reports Misclassified and Corrected W-2s
- Per Diem Reports
- Overpayment Letters

During the first quarter, the committee continued its ongoing work and prepared for joint negotiations. We continue to work with our counterparts on the CAL MEC R&I Committee as a Joint R&I Committee (JRIC) with respect to all merger benefit issues. The JRIC has an excellent working relationship with the Joint Negotiating Committee (JNC).

We continue to remind all pilots that our R&I benefits are protected within our current collective bargaining agreement and nothing has changed in this regard as a result of the merger.

As we go to press, we have begun to support negotiations as R&I subject-matter experts in all four silos of R&I: health and welfare, disability, survivorship, and retirement.

Please contact us at any time with any questions you or our members may have about our R&I benefits or committee work on your behalf.

Retirement Oversight

Record Keeper Review

As previously reported, the PDAP trustee, Russell Investments, has received bids known as requests for proposals (RFPs) from qualified record keepers for the PDAP. Russell has also engaged an outside consultant who specializes in retirement plan providers to assist us in this process.

Record keepers maintain the participant accounts, the PDAP website, and fulfillment of other required and custom plan information for PDAP participants. During the quarter, the committee, the Company, and the trustee have had a continual dialogue about the results contained within each bidder's response to the PDAP administration RFP. The committee and the Company completed onsite visits at Fidelity, Schwab, and our incumbent record keeper, Aon Hewitt. A finalist evaluation and recommendation process is now under way.

Due to the high utilization of individual brokerage accounts within the PDAP, economics should favor a change in record keepers. With our scale and utilization within brokerage, we anticipate a recommendation from the trustee to UAL and ALPA to change record keepers through a process known as "conversion." Any change/conversion should provide better economics through lower administrative fees to our members, better services, and technology platforms, which will require extensive communications to the membership, all supported by your R&I Committee.

We will keep you updated on any PDAP record-keeping conversion as we proceed.

PDAP Participant Communications

During the quarter, the committee provided comment on PDAP plan communications surrounding new Department of Labor guidance on defined contribution plan fee disclosures. The DOL is now requiring general information that identifies investment options and managers, provides investment instructions and any participant limitations/restrictions, and further describes brokerage windows, among other items. Regarding plan administrative expenses, the DOL now requires an explanation of plan administrative expenses charged against participant accounts.

Working with our consultants at Russell Investments, we have kept well ahead of these changes, and pilots should expect to see a detailed fee disclosure statement in July as they receive their second-quarter PDAP statement.

PBGC Update

We continue to work with our attorneys at Keightley & Ashner LLP to address a number of PBGC issues associated with the benefit determination letters, PBGC audits, and member appeals. This is ongoing work, and we will report progress in this area as we proceed.

Quarterly Pension Department Meeting

Our last quarterly pension meeting was held on February 1, 2012. The next quarterly pension meeting is scheduled for May 2, 2012.

Insurance Oversight

Dependent Health-Care Certification Update

UAL dependent certification ends April 27. As we approach this deadline, UAL will work to contact any pilot who has not certified their dependents. This will ensure that pilots are aware of the new process and how to complete certification.

As previously reported, this certification program has been a practice at Continental and is separate and distinct from the annual enrollment process. We have advised United management that this process should have been streamlined into annual enrollment as it had been at United for many years. We will continue to advocate that the systems be streamlined as we review and implement plans for 2013 annual enrollment. United understands ALPA's streamlining concept, but has yet to commit to any implementation.

We have received reports of the United Benefits Center asking pilots for documentation in connection with this certification process. These requests have been for dependents who may be in certain special situations (e.g., adopted cousins, stepchildren).

Also, we have had reports of the Benefits Center asking for documentation for dependents that were previously verified. Please be advised that *providing documentation is not required to complete this certification process unless you have new dependents in 2012.*

Based on a prior dependent eligibility verification audit and a UAL MEC grievance settlement, pilots are not required to provide any additional documentation in this certification process.

Moreover, the member is not required to provide any documentation for any dependents that were covered in 2011, as they have been grandfathered into this certification process. If you have new dependents that were not eligible for 2011 benefits, you will be required to provide documentation to substantiate their relationship.

If your members are experiencing *any* difficulties with the certification process, please contact the UAL MEC Retirement & Insurance Committee ASAP at UALMECRI@alpa.org.

RDS (Retiree Drug Subsidy)

The RDS grievance will be heard later this year. Our previous written reports have detailed the RDS grievance in substantial detail.

In short, RDS payments are provided by the federal government to the Company for participants enrolled in the employer-sponsored retiree medical plans that incur prescription drug costs. These payments help reduce the costs of the retiree medical plans, and we expect these savings to be passed on to our members.

Quarterly Insurance Department Meeting

Our last quarterly insurance meeting was held on February 1, 2012. The next quarterly insurance meeting is scheduled for May 2, 2012.

Payroll Oversight Update

Expense Reports Misclassified and Corrected W-2s

In the past, the Company has issued year-end W-2 forms with Box 12, Code L, containing the total amount of per diem paid. For 2011, in addition to per diem paid, the Company included the total of all expense reports submitted. We challenged the Company's methodology, and they have agreed that their current practice is in error, and they will change their future reporting. As a result, the Company notified us that all affected pilots have been issued a W-2c (corrected W-2) that now properly separates expense reports from per diem paid.

Per Diem Reports

For those pilots who fly internationally, the Company year-end per diem report is utilizing the wrong city allowance for Tokyo layovers. The per diem report is generated using the airport code and, as such, defaults to Narita. This results in the city allowance being substantially underreported for all Tokyo layovers. We are working to determine if other layover cities are similarly affected.

Overpayment Letters

Previously, we reported that the Company intended to issue letters to those pilots who received overpayments as a result of the numerous payroll errors. The Company jumped the gun on issuing these letters, as we were still in the process of working with them regarding their repayment plan.

It is our understanding that overpayment letters were sent to all pilots who received an overpayment, except those pilots that erroneously received their bank time on the 2-15-2012 paycheck.

Those pilots who receive the letter have the following options:

1. Accept the terms as offered in your letter, and repay the money through payroll deduction.
2. Send Payroll a check and repay the entire amount. This is **not recommended** as there could be further issues with the proper deductions being removed from your checks.
3. Repay the money you owe through payroll deduction, at terms that are reasonable to you. This will allow you to tailor your payments in a manner that ensures a comfortable cash flow. **Payroll deduction is the recommended method for repaying the Company, as it will ensure that your future payroll deductions are completed correctly.**

Training

Captain Rich Pellicore, Chairman

Overview

This report summarizes the last quarter's activities of the Training Committee (TC) and our work with the CAL MEC TC, and identifies issues of importance to the MEC and the pilots.

Quarterly Review

It has been an extremely busy time for the TC as merger-related training issues continue to arise. New training for the B-777 and B-756 fleets was initiated for both the Qualification Course, and Continuing Qualification Course as these now came under the new UAL (former CAL) certificate. The Human Factors/Course Review (HF/CR) training was developed and implemented, and, finally, the new Phase 3B merger-related training was developed and introduced.

- 1. Qualification Course**—While the numbers have been small due to lack of movement, there have been a few of these courses. While there are very few complaints about the B-756 course because that fleet modified the CAL version to more closely resemble our preexisting footprint, the same cannot be said for the B-777 course. Here, the CAL version was followed, and the feedback has been highly critical. The root of the problem is that the syllabus was not sufficiently vetted for our needs and the instructors were not properly trained in the changes. Additionally, there are issues of FTIs' teaching procedures and CRM that is more appropriately taught by PIs. The pilots in training were not given a syllabus, and the PIs were given their syllabus literally the morning of each training period. It is only through the hard work of the pilots and the PIs that there were successful outcomes. Management has been notified, and they agree that it has been a mess, but they say this is normal with new introductions, and they have syllabi for both pilots and instructors and are making course corrections. The TC is monitoring this closely.
- 2. Continuing Qualification**—Converting to the CAL methodology has been a continuous work in process. There are new ground training modules (ASR, GSR, Global Contrails), evaluation and remediation strategies (short cycle, grading scales and criteria, CRM evaluation), and two-segment versus one-segment LOEs. Additionally, the B-756 is now on a 12-month PC-only cycle. Again, there were problems during the start-up, mostly due to a lack of communication in explaining the changes to the pilots. Both programs are running more smoothly now, and a TC member will audit the B-756 course in April and furnish a complete report. The specific areas of concern will be addressed later in the report on our coordination with the CAL ALPA TC.

It has been an extremely busy time for the TC as merger-related training issues continue to arise.

3. **HF/CR**—Because the merger-related training of Phase 1 and 2 was so inadequate, the TC pushed hard to remedy this situation. The MEC was able to persuade the Company to provide review training while also addressing the Human Factor concerns of a merger of this magnitude. While there were again implementation obstacles that needed to be overcome, the course has been overwhelmingly approved by the line pilots. The critiques continually rate the course material as being very useful (around 4.4 on a 5-point scale), the facilitators as being excellent (around a 4.5), and the most common feedback comment is why wasn't this material taught this way in the first place. This course was predominantly driven and developed by ALPA. It is doing the Company's job of ensuring that our pilots understand the changes and perform them in a standardized way. It is the prototype for what quality training can be when ALPA is involved in the process. It is a win for our pilots, and the MEC should take credit for making it a reality. There is an issue with completing all the pilots on these fleets before training is pulled down on April 30. We are working with the Company to keep a small number of facilitators available to finish everyone off.
4. **Phase 3B Merger Training**—This CBT training began on March 27 with a completion date of April 27. Members of the TC reviewed every CBT for each fleet in addition to the FOM, WSI, and International Operations (Airbus fleet). We had input on the additional materials supplied and the communications effort. With the CAL SOC management team out of the training development process, and the TK training management developing the CBT, there was a better effort by the Company to produce the needed training. So far, there have been fewer complaints about the quality of the training and the ULN. I would like to think that the MEC's efforts to involve the TC have resulted in a better product. I am also aware that it is early in this phase, it is much smaller in scope, and our pilots may just have given up on FSAPs and PDRs because they believe no one pays attention to them. It could be they are experiencing merger fatigue like the Delta/Northwest pilots did.

The issue here for the MEC is that an enormous amount of change is still being put on a worn-out and disgruntled pilot force (no contract, no motivation to do the extra studying required to absorb all the change). I suspect our standardization is at its lowest since I have been here (23 years), and more change is on the horizon (Phases 4 and 5, SABRE, B-747 in-trail procedures, etc.); therefore, something must be done to ensure these changes are taught properly and executed safely (slow down, improve morale, spend more resources on training).

Coordination with CAL ALPA MEC TC

Succeeding in our training concerns when dealing with management necessitated that ALPA, both UAL and CAL, present a unified front. To that end, our MEC vice chairman set up a meeting with his CAL counterpart and the CAL MEC TC to identify training issues and find a common ground to present to the management. We addressed the following areas of concern:

1. **CRM Evaluation**—It has not been possible to have a CRM-only failure at UAL. Instead, this was a CRM holdover. This is not the case at CAL, nor is it now with the combined fleets that are under the new UAL operating certificate. After discussions and clarifying semantics, the result of our meeting was that a one voice/one position of CRM/TEM would not become an item for which a pilot could fail an LOE. We are now in the process of convincing the managing director of Standards that this should be changed in our AQP documentation. This is in alignment with ALPA National policy. The goal is to have this completed by the end of this quarter.
2. **12/24 PC-Only Versus 9/18 PC/PT Training Cycles**—While UAL pilots are used to and favor the 9/18 PC/PT, this is not the case for a variety of reasons with the CAL TC. Their low rates of pay for training are an issue, as is perhaps a misconception of the PT. We agreed to work with our

managements to pursue a path of maintaining the current status quo for now—that is, to leave the B-777, B-747, and Airbus on the existing 9/18 PC/PT and CAL B-737, stay on the 12/24 PC-only, and for now to leave the B-756 on its new 12/24 PC and we investigate to see what are the best practices. In my discussions with TK management, they agree with the status quo, and I believe they are leaning toward putting all training on the 9/18 PC/PT, as this is the industry-accepted best-practice direction.

3. **Two-Segment Versus One-Segment LOE**—Many misconceptions were clarified, like the reason they do two-segment LOEs compared to United’s one-segment LOE. Each understands the history and how we came to our current practices. We agreed to keep the status quo and conduct studies of each other’s current procedures and then meet to determine best practices. There are pros and cons to both approaches.
4. **The Use of FBSs for CQ LOEs**—This is perhaps the most controversial issue. It is in our contract not to do this. Additionally, we now have an exemption from the AQP document to not allow this with UAL training. The end-state one voice/one position is to continue to study this item and determine a strategy of putting a fence around existing FBS usage, while moving us toward full-motion simulators only for CQ LOEs. I am in discussions with ALPA National Training on this and am awaiting feedback. This one may not be ultimately solved until we have a JCBA and may have to be contractually addressed.

Finally, I would like to report that this was the most productive and positive interaction we have had with the CAL TC, and I am hopeful this will be the path moving forward.

Future Concerns

1. Phase 3B must still be monitored to ensure that pilots are receiving appropriate training. As the Company moves to more distance learning (CBT and self-study), pay for this new training trend will need to be addressed.
2. As previously mentioned, the merger training will continue. Phase 4 has the potential to address technology and ground operations issues. These will be complex changes in a high-workload environment that must be appropriately trained to avoid an unsafe situation. Add to this other changes the Company is pursuing and the attitudinal issues the line pilots are facing and, without the proper training strategies, we will have an untenable situation.
3. In order to develop and implement the HF/CR course for the Airbus and B-747 fleets, the Company needs to support it with manpower resources. Since they plan on prematurely stopping the existing course for lack of manpower, and I have been told there are limited TK manpower resources available due to projected summer pilot shortages, the TC may need the power of the MEC to ensure that proper and appropriate training is provided.
4. While there is much to criticize about the state of our training, I will report that I believe the worst is over and we are trending in the right direction to get management to provide better training. Finally, I would like the MEC to know that the members of the TC are working extremely hard on behalf of our pilots to get them the training they need and deserve.

Uniform

Captain Denise Silkworth, Chairman

On March 26, the Joint Uniform Committee met with the Company in ORD.

The expected date of rollout of the new uniform is December 2012. When the new uniforms are issued, each pilot will receive one jacket, two pairs of pants, five shirts, a belt, a hat, metal wings for jacket, metal wings for shirt, a metal hat badge, two ties, and a trench coat.

At this point, the following items have been approved by the Joint Uniform Committee:

1. The color of the pants and jacket is very dark navy. The Joint Uniform Committee was presented with several dark navy swatches and selected and approved the color and weave.
2. The blend of the uniform pants and jacket will be 70 wool/30 poly, which is an improvement to what we have now, 55 wool/45 poly.
3. A black unisex leather belt that is better quality than what we have now.
4. A black trench coat, male and female style, has been approved. The men's can be described as car coat length with a zip-out lining, and the female's is similar but more fitted. The trench coat does *not* have a belt. This trench coat is a big improvement with respect to our present trench coat.
5. The hat is an improvement over the present. It is more breathable, with a better-designed lining.
6. Buttons on the jacket will be a brushed-gold finish with the globe logo.
7. The wings and hat badge have been approved.

The following items have not yet been approved by the Joint Uniform Committee:

1. Tie
2. Braiding/stripes and epaulettes
3. Shirt

The Company continues to remind the committee that some items are confidential. The reason is that a new Corporate Communications Department at United has been formed, and they would like to make the announcements on the new uniform items. The above information is not confidential.

The expected date of rollout of the new uniform is December 2012.



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Important UAL MEC Information

ALPA Hotline

202-797-4180 (collect)
703-892-4180 (collect)
(Immediate report of accident or incident)

UAL MEC Office

(8:30 a.m.–4:30 p.m. CT)
847-292-1700
800-922-ALPA (2572)

ALPA International,

Herndon, Va.
703-689-2270

ALPA Aeromedical Office

303-341-4434

ALPA Credit Union

800-747-2349

United Airlines (WHQ)

847-700-4000

United Airlines Credit Union

800-328-1935

Duty Flight Manager

800-654-9948

Chief Pilot

DENFO 303-348-3601
IADFO 703-572-7570
JFKFO 718-995-1435
888-825-9535
LAXFO 310-342-8747
ORDFO 773-601-4326
SEAFO 650-634-1728
SFOFO 650-634-3601



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May 11, 2012

VIA E-MAIL, FACSIMILE AND FIRST-CLASS MAIL

Linda Puchala, Chairman
National Mediation Board
1301 K Street, N.W., Suite 205E
Washington, D.C. 20005-7011

Re: NMB Case Nos. A13589-90
United Airlines-ALPA

Dear Chairman Puchala:

As the Board is aware, ALPA is bargaining for a joint collective bargaining agreement (JCBA) covering both United and Continental pilot groups with United Continental Holdings, Inc. (the Company). The parties initiated joint negotiations -- i.e. negotiations between the two pilot groups and the Company for a JCBA -- in May of 2010. The parties jointly requested mediation in December of 2010 and mediated negotiations were initiated on February 28, 2011, and the parties have been in mediated bargaining since that time.

Recently, the United and Continental pilots and the Company, with the Board's assistance, have committed to an expedited schedule of intense negotiations and mediations with the goal of completing a JCBA between now and mid-June. Still, after many months and years of direct negotiations and mediation, ALPA strongly believes that it is necessary to bring new factors to bear on these negotiations in order to bring them to conclusion.

Where, as here, despite intense and prolonged effort, mediation has not succeeded, Section 5, First of the Railway Labor Act, as amended, provides that the Board shall proffer arbitration, but, if arbitration is refused by either party, "the Board shall at once notify both parties in writing that its mediatory efforts have failed." This last step, as you know, constitutes a release from mediation, although even such a release is typically followed by further mediation efforts in the public interest.

For all the reasons that Congress long ago placed these powers in the Board, the possibility of a successful agreement at this time will be increased by the Board's taking the actions described in Section 5, First. Accordingly, ALPA requests that the Board further assist the parties to bring about an agreement by proffering arbitration, and if not accepted by both parties, issuing a release under Section 5, First of the Act.

In making this request, we emphasize, once again, our commitment to a negotiated outcome by mid-June, and we ask that the Board continue to use its powers under the Act in order to improve the chances of success. If there is any other information that you require, please don't hesitate to contact us.

Respectfully submitted,

Captain Donald L. Moak
President
Air Line Pilots Association, International

cc: Harry Hoglander, NMB Board Member
Elizabeth Dougherty, NMB Board Member
J. Heppner, United MEC Chairman
J. Pierce, Continental MEC Chairman
Bruce York, Director, ALPA Representation Dept.