

Arbitration · Mediation · Training · Ombudsman · System Design · Fact-Finding

November 6, 2013

Sito Pantoja General Vice President – Transportation International Association of Machinists & Aerospace Workers 9000 Machinists Place Upper Marlboro, MD 20772

RE: UAL Integrated Seniority Lists

Dear General Vice President Pantoja:

Enclosed please find my Report and Recommendations to the International Association of Machinists & Aerospace Workers ("IAM") regarding the integration of seniority lists for Fleet Service, Passenger Service and Storekeeper employees of premerger United Airlines, Mileage Plus, Continental Airlines, and Continental Micronesia. As explained in my report, I believe that the accompanying integrated lists achieve a fair and equitable seniority integration consistent with the law and the principles embodied in the IAM's seniority integration policy, which affords dignity to the service performed and seniority dates acquired by all employees pre-merger. The attached chart summarizes the recommendations contained in my report.

The Report and Recommendations reflect the information and insight gained through the fact-finding/mediation sessions I conducted with representatives from the various pre-merger groups, as well as the over 1,000 written comments I received from IAM members. I am pleased to report that the vast majority of employees involved in this seniority integration process should see little, if any, change in their seniority status as a result of the merging of seniority lists. As set forth in the attached chart and explained in detail in my report, in most instances employees will continue to use the same date that they currently use for bidding purposes and their company seniority dates will remain unchanged. In accordance with IAM policy, for the most part merged lists have been produced by simply placing employees in order of their existing seniority dates.

In two circumstances, however, the fair and equitable integration of seniority required a different approach. First, some Continental employees had different company seniority dates for different seniority purposes, usually as a result of receiving credit for time worked at a subsidiary carrier for some seniority purposes, but not others. In these instances, I believe that the fairest resolution is to permit these employees to use the earliest seniority date maintained for them by Continental. Second, at Locations/Points where Lead Ramp Servicemen and Lead Storekeepers from both pre-merger United and Continental are employed, I recommend that Lead Bid Seniority be integrated according to a rank ratio methodology. In this circumstance, a rank ratio integration is necessitated by the fact that pre-merger Continental Leads did not maintain separate seniority dates reflecting their time spent working as Leads. Accordingly, there is simply no date for pre-merger Continental Leads which could be used to order Leads on an integrated list. Thus, to the fullest extent possible a rank ratio approach maintains the relative position of Leads from both groups.

My report also responds to comments that I received from a number of individuals requesting adjustments to their individual seniority dates to correct for allegedly unfair seniority practices in the past. As I explain, it would be inappropriate to make such adjustments to seniority as part of the integration process, even if accurate historical records existed. To attempt to restore seniority now, which was often lost many years ago, would require a rewriting of history which would upset the settled expectations of other employees whose relative position on the seniority lists would be impacted.

Should you have questions regarding the implementation of my Report and Recommendations, I am available to provide further clarification. In addition, as previously agreed between the IAM and the Company, affected IAM members may submit for my determination individual protests regarding their placement on the integrated seniority lists by no later than December 11, 2013. Any protests must be submitted in writing by mail or fax, as follows: Joshua Javits, Neutral, c/o Guerrieri, Clayman, Bartos & Parcelli, P.C., 1900 M Street, NW, Suite 700, Washington, D.C. 20036 or Facsimile: 202-624-7420. Protests sent by email will not be considered. I look forward to continuing to work with the IAM to successfully finalize this seniority integration process.

Yours truly,

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cc: Richard Delaney, IAM DL 141 President/Directing General Chairman