

MEMORANDUM

To: United Employees Represented by the IAM

From: Joshua M. Javits, Neutral *Joshua M. Javits*

Date: January 15, 2014

Subject: Final Integrated Seniority Lists

As the Neutral appointed by agreement between your union, the International Association of Machinists and Aerospace Workers (“IAM”) and your employer, United Airlines, I am pleased to report that integrated seniority lists affecting the Fleet Service, Passenger Service, and Storekeeper employees of pre-merger United Airlines, Mileage Plus, Continental Airlines and Continental Micronesia have been finalized and shall be published for use by IAM members and post-merger United Airlines. These lists are the culmination of a lengthy and comprehensive process governed by federal law and embodied in an agreement reached by your union and your employer. The McCaskill-Bond statute provides that where, as here, one union, the IAM, represents the employees of both pre-merger carriers, it is that union’s internal seniority integration policy that shall govern the integration of seniority lists. I found that the IAM’s longstanding and unbroken policy was to honor the date an employee first entered their job classification at the pre-merger carriers for bidding purposes, which was applied wherever possible. In addition, I found that it is the practice to utilize dates of hire at the pre-merger carriers to create combined seniority lists for furlough/recall and vacation purposes, which is also consistent with recently ratified collective bargaining agreements.

On November 6, 2013, I issued a Report and Recommendations to the IAM fully setting forth the process that was followed and the reasons for my recommendations regarding seniority integration. On November 11, that Report was published followed by the issuance of integrated seniority lists based on the company’s assurance as to the accuracy of the information provided to create the lists. Prior to the issuance of that report, IAM-represented members were encouraged to submit any comments or concerns they might have related to the seniority integration process. In all I received and reviewed more than 1,000 comments from both former United and Continental

employees that were considered in the making of my Report. In addition, I conducted an extensive fact-finding process for two days in Washington, DC and by teleconference to receive input from as many of the pre-merger groups as possible.

Following the issuance of my Report and the publication of the combined seniority lists, employees were given until December 11, 2013, to protest their placement on the lists. A total of 727 protests were timely filed of which 423 generally raised issues similar to those raised during the earlier comment period and decided in my November 6 Report. Each of the remaining 304 protests included an allegation that individual dates on the integrated seniority lists were incorrect. Each of those protests were presented to the company, which together with the IAM, conducted a review of their records and the information obtained was reported to me. Upon consideration of all of the information presented to me, 110 of those protests were granted and 203 were denied because the company's records showed the dates to be correct. As a result of this process, approximately 120 employees had their seniority dates corrected. All 727 protests were decided and each decision will be mailed to each of the protesters in the next few days. In addition to these protests, where it was discovered that certain employee groups were obviously placed on incorrect classification lists, I issued interim corrections. All seniority dates corrected through this process are now reflected in the recently published final seniority lists.

I want to thank the IAM, United Airlines and the law firm retained to assist me in this process, Guerrieri, Clayman Bartos and Parcelli, for their hard work and cooperation in this thorough and intensive process of achieving an integration of seniority that is fair and equitable to all of the employees affected by this merger.