

**LOA 1: Implementation of Agreements**

November 1, 2013

Richard A. Delaney  
President & Directing General Chairperson  
Air Transport Lodge District 141  
International Association of Machinists &  
Aerospace Workers, AFL-CIO  
1771 Commerce Drive, Suite 103  
Elk Grove Village, IL 60007

Dear Mr. Delaney:

This confirms our understanding and agreement regarding implementation process for the pending joint collective bargaining agreements covering the crafts and classes of Fleet Service, Passenger Service, and Storekeepers, contingent on ratification and execution of such agreements by December 31, 2013.

Whereas, United and the IAM recognize that there will be technical and logistical challenges to the immediate implementation of the terms of new joint agreements – including, but not limited to, the integration of IT, time and attendance, and payroll systems; the transition of employees to new workgroups; resolution of compatibility and limitation issues in shift and overtime scheduling; and changes in the accrual, calculation and administration of various benefits; and

Whereas, United and the IAM acknowledge that, although the parties discussed many of these implementation and transition issues during negotiations, it is likely that additional and as yet unforeseen impediments and complications will arise in the future; and,

Whereas, United and the IAM also anticipate that, despite their best efforts to reach express mutual understandings concerning the intent and interpretation of agreed-upon contractual provisions, it is likely that the parties and/or affected co-workers will encounter issues over the practical application of the new agreements; and,

Whereas, United and the IAM desire to provide for the systematic handling of implementation challenges and potential disputes over the application of the agreements;

Therefore, United and the IAM have agreed as follows:

1. United will use its best efforts to fully implement and transition to the new agreements as soon as reasonably practicable. As impediments or other issues in doing so arise, the Company or Union will notify the other party, and the parties will meet promptly to discuss the issues and develop practicable solutions to address the underlying interests, consistent with the process by which the agreements were negotiated. The parties will attempt to mitigate or avoid detriment, losses or harm to affected employees, to the

extent practicable.

2. United and the IAM will establish, as necessary, a Transition Resolution Board under each collective agreement, for the purpose of considering disagreements concerning the meaning or application of specific contractual provisions, which would normally be subject to the grievance process. Each Transition Resolution Board will be comprised of 2 representatives of the Company and 2 representatives of the Union. Each Board will be empowered to investigate and resolve disputes properly referred to it by the designated and authorized officials of the Company or the Union.
3. To further the working relationships established through interest-based bargaining and facilitated problem-solving, United and the IAM agree to engage in a continuous bargaining process, as appropriate and necessary, to address matters that may arise under the collective agreements. The parties agree that such process is not intended to provide for substantive changes in the basic terms and conditions of the agreements, except as may be mutually agreed, and that such process will not be covered by or conducted pursuant to Section 6 of the RLA or be deemed a waiver of the parties' agreement in Article 11, Effective Date and Duration, of the respective collective bargaining agreements.
4. In addition to the foregoing, the parties recognize that despite their best efforts to memorialize all agreed-upon contractual provisions in the new agreements, they may discover a missing term after the ratification and execution of the agreements. A "missing term" arises only where the parties mutually agree that they have inadvertently failed to memorialize a core term addressing fundamental aspects rates of pay, rules, or working conditions on which the parties are obligated to bargain – despite having reached a meeting of the minds during the process that resulted in the new agreements. Where the parties mutually designate a missing term, the Company's Vice President of Labor Relations and the Union's President & Directing General Chairperson will confer and attempt to memorialize the missing term. In the event they are unable to agree, the parties' will reduce their respective final proposed versions of the missing term to writing and will submit the dispute to a mutually selected neutral for resolution through interest arbitration, whereby the neutral will select which version best reflects the parties' meeting of the minds. No aspect of this missing term process will be covered by or conducted pursuant to Section 6 of the RLA or be deemed a waiver of the parties' agreement in Article 11, Effective Date and Duration, of the respective collective bargaining agreements.

Please indicate your concurrence by signing 1 copy of this letter in the place indicated below, and returning it to the undersigned.

Sincerely,

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Jeff Wall, Vice President, Labor Relations

10/8/13

FINAL TENTATIVE AGREEMENT -- FLEET SERVICE

Agreed, this 1st day of November, 2013:

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Richard A. Delaney  
President & Directing General Chairperson  
Air Transport Lodge District 141  
International Association of Machinists &  
Aerospace Workers, AFL-CIO