



## Incoming United CEO Kirby Initiates Forced Layoffs, Violates Contract While Taking Billions of Taxpayer Funded Airline Bailout Money

This morning, United Airlines announced that it will cut the pay and benefits of all full-time IAM members at United Airlines. Not only is this action by United's incoming CEO Scott Kirby, EVP Human Resources, Kate Gebo, and their leadership team cruel and selfish, it is quite possibly illegal. The IAM is considering all legal options, including a lawsuit against United to stop this action and protect our membership. The decision by Mr. Kirby and Ms. Gebo, who have lined their pockets with record bonus payments, to upend the lives of tens of thousands of committed United Airlines workers who have turned this airline around through past sacrifices and a commitment to OUR airline is unconscionable. We recognize the need for airlines to save money in these unprecedented times, but these cuts are not about saving money.

The carrier has refused to engage with the IAM in cost saving discussions that would provide the carrier with the same amount of financial relief as the involuntary furloughs will provide without violating our contracts or the CARES Act. The IAM over the past two weeks presented a myriad of voluntary program options that would provide the company with tens of millions of dollars of savings, IN ADDITION to the approximately \$30 plus million per month they are saving through current voluntary COLAs and a reduction in hours for part-time workers. The IAM's proposals with current savings for the next five months would equal over \$200 MILLION. The company rejected every one of our ideas and presented none, except for cutting the hours of full-time workers. It's apparent that their goal is not to save money, but hurt their employees and their families.

What is truly outrageous is that United has received \$5 billion in taxpayer funded airline bailout money under the CARES Act and has cut IAM members' pay and benefits, which the CARES Act forbids. United plans to have approximately \$9.5 billion in cash at the end of the second quarter. They will report at the end of the third quarter upwards of \$5.5 billion and a greatly reduced cash burn rate for the fourth quarter. This action is NOT necessary and is being taken because of United management's laziness to find workable solutions that are centered on caring for their workers

The IAM believes that involuntarily laying off all full-time workers' is not in compliance with the CARES Act or our contracts at United. Reducing all full-time employees to part-time requires a forced layoff and reduces pay and benefits. That is why we are fighting this. Remember, our pension, 401K contributions, vacation, sick time, occupational illness time and many other benefits are tied to the hours we work. With the amount of voluntary COLAs the company has been able to get so far—23,000 plus in May alone—the \$5 billion received in airline bailout funds will likely be more than they need to cover payroll through September. This is almost certainly the case now with forced layoffs of all full-time workers.

When a merchant takes someone's money and does not provide the product or service they paid for, that customer will not return. As air travel rebounds, United's passengers will know that the airline misappropriated the tax money intended to preserve workers' pay and benefits and will bring their business to responsible carriers. United's short-term solution will cause long-term problems for the carrier and its shareholders.

Every IAM member, whether employed by United or not, should be outraged and let their voices be heard. It's very obvious that United's Core 4 corporate philosophy is a fraud. It's apparent that United's new philosophy is Greed, Cruelty and Dishonesty. Deserving of a special shout out for deception is EVP and COO Greg Hart's email that falsely claims a "more favorable" agreement was available. Nothing could be further than the truth. United management, nor the Union, can violate the law, IAM members' contracts or IAM members' rights. Greg never took part in any conversation and, frankly, doesn't know what he's talking about.

All members will be advised of further developments as they occur.

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