



Business Agent Report

November 2010

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Joint Counseling: Although joint counseling language already exists within LOA 82-2M of the agreement, it has not been practiced for several years. As part of the agreement signed by David Bourne and Jim Keenan on July 30, joint counseling was to be part of the dependability process going forward. We had provided Labor Relations with a drafted document that describes the intent and process of joint counseling, followed by discussions that resulted in some small adjustments to the language. When completed, we will post the finalized version.

Steward Training: Local 856 Business Representative Rudy Gonzales has taken on the additional task of Training Facilitator for all of the Stewards belonging to the Local. We are currently developing a regular training curriculum for our SFO Stewards at UAL, starting with the most immediate topic of Joint Counseling. It is important that all of the Stewards be well versed in the joint counseling process and are practicing it in a consistent manner. These training sessions will be conducted by our Labor Law attorneys and are scheduled to start very soon.

IPTE Agreement (amended): The original International Passenger Travel Experience (IPTE) modification agreement (dated September 9th, 2009) had allowed some labor flexibility during the competitive bid for this work, however the initial plan only included 9 aircraft. An amended guideline has been signed that secures a total of 32 aircraft that will be accomplished by our mechanics over a two to three year period. This work has resulted in at least 84 mechanics being recalled from the street, and has been another perfect example that we can do aircraft maintenance work more effectively than vendors. The amended agreement cleans up the original language by removing the company proposals. The only other change that was made supports the lead vacancy language of the CBA, and is underlined in the revised document. This MOU is posted on the Teamsters SFO web site.

CIS Memorandum of Understanding: The Continuous Improvement Specialists (CIS) now have a Memorandum of Understanding (MOU) that formalizes the position while giving a clear understanding of what this position entails. Originally known as Continuous Improvement Trainers, the CIT positions were initially established through a job vacancy bid sheet on July 18, 2006, without any kind of formal agreement between the Union and the Company. Since there was no document in place authorizing these positions, an agreement for their continuation was necessary. The Union and the Company worked together to negotiate the terms of an MOU that not only legitimizes the position, but also provides a bidding procedure for mechanics to become CIS's. This MOU is posted on the Teamsters SFO web site.

Airframe Support Lead: An agreement was made for the establishment of a new SFO Airframe Maintenance Lead skill, called the *Airframe Support Lead* for the Special Route, IPTE, and C-check lines of work. This new lead position is like the cabin, sheet metal or general Lead skills and will support the operating system that was put into place through Continuous Improvement initiatives. It will also support the general daily Airframe Maintenance operational requirements as needed. This new Lead skill was created in order to significantly improve the way we do business. While the initial agreement established these positions to get them up and running, it did not provide for their continuance into the future. An MOU for the continuation of this position is in the final stages of being worked out between the Union and the Company and will replace the current agreement. Once completed, it will be posted on the Teamsters SFO web site.

JBA: Seniority Protest case: It had come to our attention last year that a mechanic employee who formerly represented the UAL Mechanics as an IAM Grand Lodge representative has remained on the mechanics active seniority list, even though the IAM lost representation on July 15, 2003. The contract clearly states that a Union leave of absence only applies while representing the employees that are covered under our agreement.

As a Union, it is our duty to fairly protect the seniority rights of our membership. When one person gains an unfair advantage, it negatively affects the others. We have tried to bring resolution to this issue through a diplomatic process, but it ultimately became necessary to invoke the grievance procedures. This case was brought forward to the latest Joint Board of Adjustment, where it ended up in a deadlock between the Union and the Company. We must now proceed to arbitration over this case in order to bring resolution to the matter.

Joint Board of Adjustment: Besides the above mentioned case, two other cases were heard at the October 28th JBA, both of which were discharge cases. These two cases were uniquely different. The first was a case from SFOMM and ended in a deadlock between the Union and the Company. This case has been appealed to arbitration. The second case involved UAL's zero tolerance policy. Due to the nature of the case, the overwhelming witness testimony, and the Union's responsibilities to all of our members, this grievance was denied and will not be pursued in arbitration.

Third Step Grievances: The third step grievance count has been significantly reduced and now stands at 23, which is almost one fourth of what was in place when we took over representation. This immense success has not been accomplished in decades and can be attributed to a variety of factors including the JBA, which actually works as a deterrent and promotes earlier settlement of grievances, and a review process of discussing and resolving third step grievances with labor relations before going to JBA. Additionally, our Chief Stewards have been very effective in settling grievances earlier in the grievance procedure. We are committed to making the grievance list shorter, thereby enabling us to move the membership's grievances through the process in a timely fashion.

Outsourcing Audit: The accounting firm Miller, Kaplan, Arase & Co. continues their audit of UAL maintenance work. The audit is going deep into United's financial records which require reviews of a large variety of documents. Document requests have been made to the Company, but have not always resulted in easy or expeditious responses. The Auditors will continue their work until they are satisfied that they have covered all the necessary aspects of the business. The bulk of the work has been for year 2007 but 2008 and 2009 are being looked at as well. We will keep the membership informed of any major developments including meetings between the Union, UAL and Auditors.

Seniority Adjustments: It has come to the Union's attention that several of our member's seniority has been changed in the G.U.S.S. program on Skynet. We were told that the job of maintaining the seniority records has been outsourced to a vendor. This vendor does not understand our CBA or the accrual of multiple seniorities, and as a result some of our members who may have multiple seniority dates (depending on the jobs and classifications they have held within the Company) are finding mistakes. We are asking all of our IBT members to go into the G.U.S.S. system and ensure that your seniorities are listed correctly. Any discrepancies should immediately be reported to our Grievance Committee Secretary, as well as to Labor Relations.

SFO Local Committee: Thanks to the teamwork of the San Francisco Local Committee, Mark Gabriel has been able to return several furloughed members back to work after being by-passed in the recall process. For these individuals, it's not just the relief of being returned to work here at United, but also being made whole with back pay and benefits that can add up to more than a year's salary. Thanks to the aggressive dedication of our Teamster Union Representatives, our members are receiving some of the best representation in quite some time not only here in SFO, but across the system as well.

Organizational Change: As many of you know, Bob Madigan has taken the position of Managing Director of Base Maintenance Operations, which was formerly a VP position held by Mark Mounsey. We are happy to announce that he has reached out to the SFO Business Agents with a request to meet with us on a regular basis. The working relationship we have established with Bob as the Managing Director of Airframe maintenance will continue to help us resolve issues before they become larger problems. Welcome to Bob in his new position.

Your Votes Count: A November 3, 2010 Bloomberg article entitled "United, Delta Gain Republican Allies on Outsourcing, Antitrust" states that these two carriers are among other U.S. carriers that will gain as the Republicans use their new majority in the House "to scrap proposals to limit the outsourcing of maintenance work".

Adding to this is the loss of our ally James Oberstar (D-MN). Representative Oberstar was the Chair of the House Committee on Transportation and Infrastructure, and championed our efforts to add language in the FAA reauthorization bill that would end FedEx's special labor status. The gavel is

now being turned over to James Mica (R-FL), who told the Aero-News Network on November 9, 2010 that his top priority will be an FAA reauthorization bill that does not include changes in Union organization rules for FedEx. The Wall street Journal also noted Mica saying, "Mr. Oberstar's gone and that issue is gone".

During the recent mid-term elections, the pollsters noted that a substantial number of union households voted Republican. Union's make recommendations on how to vote based on a candidates support of the issues that are important to organized labor. Most often, those candidates are Democrats and when our chosen candidate or proposition loses, it directly affects our lives. Always remember, your vote does count and we must always support those who support labor!

Negotiations and Solidarity: You've heard it over the years and from each Union that has represented the mechanics class and craft here at United Airlines...the term "Solidarity". The word has many meanings including unity, commonality and camaraderie. And although we all think we know what it means, it seems to be so difficult to get our members to understand the importance of actually living it. We are in the middle of negotiations during a time of uncertainty and at a time when our members worry about "what will happen to us". It is critical that we understand just how important it is to stand unified in order to show not just our Company, but our entire industry that we're willing to fight for what is right! There are those who are working toward dividing and conquering the rest of us for their own political agendas. Yet for the most part, there is a realization among most of our members that we have more strength today than we did just three years ago. We should never forget what happened at Northwest Airlines or the turmoil we lived through during our own bankruptcy. Today it is more important than ever to support OUR Union. And remember, **we** are the Union. We must pull together to achieve the benefits and job security that we deserve in an industry that we can once again be proud to say we serve. Solidarity for us has never been more critical than it is right now. This is a time to unify and fight, or lose it all to the corporate greed and union busting tactics of corporate America! This IS our time!

From all of your SFO Teamster Representatives, we wish you and your families a very safe and Happy Holiday Season!