

August 28, 2010 — Rich Delaney

United Negotiations

Negotiations resumed this week with Federal Mediator Iannone present. Our discussions were again focused on the economic proposals important to our members – wages, holidays, vacation, sick time, etc.

This week's time was spent reviewing and challenging financial information provided by United in response to some of our proposals. This information is crucial to reaching an agreement because both sides must be able to agree on the cost or value of a proposal in order to realistically negotiate.

Our discussions were intended to outline specific line items within the documents presented by the Company that we believed were either incorrect or unclear.

All of the information exchanged will be reviewed by our Labor Economist from our International Union. He will meet with financial representatives of United, along with members of the Negotiating Team, to get a full explanation of what criteria was used to develop the cost assumptions and whether or not we agree with their calculations. Because the contract is anticipated to cover several years in the future, some of the dollar amounts are based on economic assumptions such as turnover rates and possible retirement rates. Those types of "educated guesses" of future behavior must be based on information that both the Union and the company can accept.

Once this necessary review is complete, and the parties at least agree on what the fundamental cost of different provisions of our agreement are, negotiations over an all encompassing contract will be more productive. As you can understand, this type of review will be detailed and involve its own discussions between the parties before an agreeable baseline of cost is determined. Therefore, we will not be meeting in face to face contract talks until mid-September.

Merger

United and Continental have scheduled shareholder votes regarding the proposed merger for September 17th. Both airlines will vote separately but on the same day so that neither vote influences the other. All signs point to the acceptance of the merger by shareholders.

Nonetheless, the IAM continues to try to make our case on behalf of the employees. On August 18th GVP Roach, District 142 President



Tom Higginbotham, myself, and members of GVP Roach's staff met with Assistant Attorney General Christine Varney and staff members of the Department of Justice Anti-trust Division to impress on them the concerns we have of potential impact to employees of both airlines after a merger.

This was the most recent of several meetings IAM representatives have held with Congressional and Senatorial Committees charged with overseeing this merger. In addition, we have met with the Pension Benefit Guarantee Corporation previously to talk about our issues of job security and pension protection.

It is interesting to note that in every meeting I have attended regarding the merger, we are told the IAM is the only union that has addressed the issues with them.

Organizing

The IAM has told both United and Continental, in addition to the above named governmental groups, that we neither support nor oppose the planned business transaction of the merger. Our concerns are only over how our members, and our future members, will be treated. Members that have received proxy ballots are free to vote their shares in the way they personally feel about the merger.

On August 24th the IAM petitioned the National Mediation Board to conduct a representation election for the Continental Airlines Ground Instructors. The Members of this group of Continental employees, that perform similar work to United's Fleet Technical Instructors and Emergency Procedure Instructors, have requested IAM representation, regardless of whether or not the merger is successful.

District 141 Organizing is actively talking to several different groups at Continental Airlines that have contacted us for information, and we expect other elections to be held before the integration of the two airlines is complete.