



**AIR LINE TECHNICIANS**  
ASSOCIATION

# The Teamsters theft of UAL CARP Benefits - part #1

**In May of 2017 the Teamsters withdrew the LOA #17 CARP Grievance.** This grievance was filed to enforce the sub UAL contract language to provide sub United mechanics with CARP Benefits from the merger date in 2010.

The Teamsters withdrew the grievance without the consent of the SFO grievant and all other sub UAL mechanics who had filed similar grievances across the system. This action violated their rights under the Railway Labor Act (RLA) which allows individuals to go to arbitration without the Union. **The organizers for ALTA are defending these rights and prepared to move this Arbitration Case Forward.** ([Link to UAL grievant letter to IBT Legal](#))

**The teamsters wasted 6 years of Pension accrual by not enforcing the UAL mechanics contract and attempted to move your 401k and CARP contributions into a Teamsters union controlled Pension Plan.** These actions cost every UAL mechanic \$880.00 to \$1500.00 in additional accrued monthly benefits. Is it any wonder they are the most decertified union in the USA and there is an ALTA drive to replace this corrupt Teamsters Union?

**The Technicians who support ALTA have provided links to all the case facts to expose the truth about the Teamsters 6 years of failed attempts to take over your pension benefits.** This is Part 1 of the lies and misinformation presented by the Teamsters attorney Ed Gleason used to terminate our grievance.

1. Ed Gleason states that the CARP is not a Single Employer Plan but a Multi-Employer Plan, he is wrong or lying CARP is a Single Employer Pension Plan ([View Document](#)) or ([Teamster Letter 2013](#))
2. United Airlines offered the sub UAL mechanics CARP in 2010 as required per LOA 05-3M and the Teamsters union never told the UAL Mechanics about the proposal. ([Ed Gleason's statements](#))
3. Every UAL Mechanic has lost \$880.00 to \$1500.00 in Monthly CARP Benefits because of the Teamsters failure to enforce our contract and LOA 05-3M. ([UAL CARP Calculator](#))
4. Ed Gleason stated UAL Mechanics didn't fight the Pension Termination, he is wrong, here are the facts; ([LINK to News Article](#)) ([LINK to News Article](#)) ([AMFA UAL Negotiation Notes May 2005](#))
5. Ed Gleason also lied when he said the 'Me-too' clauses were all the same. The Mechanics language was unique and used "Maintain" in case of a merger. ([LOA 05-3M Section 5 d](#)) others, ([UAL LOAs 05-1, 05-2, 05-3M](#))
6. The IBT Lawyers also lied when they claim the merger cancelled the LOA. Article III Status of Agreement protects the contract language and LOAs in the case of a merger. ([UAL CBA Article 3 Status Agreement](#))
7. The Teamsters lied when they said "a change in Unions nullifies the LOA. That's not what they told [American Mechanics](#). The Contract is between the employees and the Company and doesn't change. ([LOA 05-3M Page 1](#))

**Read the attached document click on all the links. Discuss this at work on your break times with coworkers.** They stole Six years of Pension accrual from UAL mechanics in a failed attempt to fill their union coffers with your money. **Sign an ALTA card and take your money back.** Visit our website at [www.ALTAUnited.com](http://www.ALTAUnited.com)

**Building a Professional Craft Union for Technicians**

THE LAW OFFICE OF  
**EDWARD GLEASON**

**MEMORANDUM**

To: IBT Airline Division  
From: Ed Gleason  
Date: March 28, 2017  
Re: UAL/CARP Grievance

**I. Introduction**

The International Brotherhood of Teamsters Airline Division ("Union") has received a grievance claiming that the former United Air Lines, Inc. ("United") mechanic group should be afforded full vesting and funding as participants in the Continental Airlines ("Continental") Retirement Plan ("CARP") for the period covering November 30, 2011 to the present. The CARP is a defined benefit pension plan established many years ago by Continental. Originally structured as a single-employer defined benefit plan, the CARP changed its structure and status to a multiple-employer defined benefit pension plan in April 2002. The Union has asked for an opinion whether it should further pursue the grievance. As explained below, the grievance lacks merit and is in any event untimely.

**The Teamsters attorney Ed Gleason states that the CARP Pension Plan is a Multi-Employer Plan, he is wrong in his description and characterization of CARP.**

**CARP is a Single Employer Pension Plan [\(View Document\)](#)**

***In 2013, the teamsters talked about the strength of their Multi-Employer Pension Plans specifically the Western Conference Plan. They compared it to CARP which they described as a Single-Employer Pension Plan [\(Teamster Letter 2013\)](#)***

**In his introduction, Ed Gleason misrepresents the facts. What follows is his attempt to exonerate the teamster's leadership and the IBT for their negligence, at a cost of millions of dollars in damages to this membership.**

**Furthermore, the statements made in this 20-page document will clearly show the teamster union rejected United Airlines offers to provide the sub UAL mechanics with CARP defined benefits in 2010 per LOA 05-3M. [\(Ed Gleason's statements\)](#)**

**Every UAL Mechanic has lost between \$880.00 to \$1500.00 in Monthly CARP Benefits because of the Teamsters failure to enforce our contract as written. [\(UAL CARP Calculator\)](#)**

## II. Background

### A. Pre-Merger United Air Lines, Inc.-Bankruptcy-Related Pension Matters

In late 2002, UAL Corp. ("UAL") and its subsidiaries, including United, filed for protection under Chapter 11 of the Bankruptcy Code. Starting in late 2004, during the bankruptcy proceeding, the mechanics' former representative developed and proposed that United terminate its then existing severely underfunded single-employer defined benefit pension plan covering the mechanics and replace it with a defined contribution plan. Eventually, in or about April 2005, after negotiations had stalled, United by-passed the negotiations altogether and entered into an agreement with the Pension Benefit Guaranty Corporation ("PBGC") whereby the PBGC took control of and terminated United's defined benefit pension plans, including the mechanics and related employees' plan. The mechanics and related employees' former representative did not object to the termination of the mechanics' pension plan, choosing instead only to object to the effective date of the plans termination.

**The Teamsters attorney Ed Gleason statements above are false. Ed Gleason's statements show he has no knowledge of what happened in the 2005 UAL Bankruptcy Negotiations.**

- 1. The Mechanics at UAL took a stand against any concessions prior to bankruptcy and during bankruptcy. The United Mechanics were the only union group during bankruptcy to vote down the first bankruptcy negotiated agreement in January 2005. [\(LINK to News Article\)](#)**
- 2. On March 11, 2005, the PBGC seized control of the United Pension Plans several days before the union would receive an increase in guaranteed benefits. . [\(LINK to News Article\)](#)**
- 3. In April 2005 AMFA did not develop a proposal to terminate the Mechanics Defined Benefit Plan with United as Ed Gleason stated. This is the first falsehood Ed Gleason and the teamsters tried to sell to the reader in their CARP pension denial decision.**
- 4. UAL Mechanic negotiators voted 6-4 to fight the PBGC Plan termination at all costs. [\(AMFA UAL Negotiation Notes May 2005\)](#)**

**Whether the Teamsters are uninformed or attempting to cover for their own negligence, will become clear to the reader, by the end of this document.**

The mechanics and related employees' former representative also entered into a letter of agreement, referred to variously as "LOA 05-03" and 'LOA 17.'" That letter of agreement is a bankruptcy exit agreement that UAL Corp. and United entered into with the labor unions that represented United's various work groups, including the mechanics and related employees.

The bankruptcy exit agreements provide for various wage and benefit concessions. All of them, including LOA 17, provide for the establishment of new defined contribution pension plans to replace the employees' defined benefit pension plans **that the PBGC had taken over and involuntarily terminated**. The new defined contribution plans, known as the "DC Replacement Plans," provided for the payment of non-elective, *i.e.*, mandatory, employer contributions to the employees' individual retirement accounts.

Moreover, as set forth in LOA 17, the United mechanics and related employees' former representative sought to mitigate the harm associated with the termination of the United pension plans as best it could and, in so doing, sought to ensure that the United mechanics and related employees would not suffer a disproportionate injury *vis-a-vis* the other United work groups as a result of the termination of the United pension plans. Thus, as set forth in LOA 17, the United mechanics and related employees' former representative agreed to:

*waive[] any claim it may have (including but not limited to any claim or grievance under Letter of Agreement 02- JM of the 2003 Mechanics' Agreement) that the termination of the United Air Lines, Inc. Union Ground Employees' Retirement Plan (the "Plan") does or would violate the terms and conditions of the 2003 Mechanics' Agreement or any other agreements or status quo between the parties, and (ii) shall not otherwise oppose any efforts to terminate the Plan; provided, however, that nothing in this Letter of Agreement shall be construed, deemed or characterized by UAL or the Company as any agreement of any form by AMFA that the Plan should be terminated, or as limiting AMFA's right to proceed against the PBGC regarding the issue of the termination date of the Plan. AMFA further agrees that, under the 2005-2009 Mechanics' Agreement, the Company shall not be required to maintain the Plan, or provide any defined benefit pension benefits whether from a plan, including the Plan or other- wise, and may terminate the Plan without violating the 2005-2009 Mechanics' Agreement or any other agreements or status quo between the parties.*

**In 2005, United mechanics never conceded to company requests to not fight the termination of the pension plans. The 10 members of the UAL negotiating committee voted 6-4 to fight the termination of the UAL Ground Pension at all costs. [\(AMFA UAL Negotiation Notes May 2005\)](#)**

**AMFA union representatives met with the PBGC to request a forensic audit of the pension plans after negotiations. It became known that UAL had lost the bulk of its pension assets in the 2000 stock market fall. This was a major factor in the United bankruptcy.**

LOA 17 also contains a "me-too" protective provision stating that:

*Following the Plan Termination Date, the Company shall not maintain or establish any single-employer defined benefit plan for any UAL or Company employee group unless AMFA-represented employees are provided the option of electing to receive a comparable defined benefit plan in lieu of the Replacement Plan Contribution.*

**This contract provision LOA 05-3M Section 5 d ensures that;**

**In the event, United Airlines maintains or establishes a defined benefit plan for any UAL or Company Employee group, then the company MUST allow AMFA represented employees the option of receiving a comparable defined benefit plan. (LOA 05-3M Section 5 d)**

**The UAL Mechanics CBA language is unique in that it is the only language that has the word "maintains". All of the Unions ALPA, AFA, and AMFA had unique language, but the Mechanics were the only group to have the word "maintain" which covers the possibility of a merger with an airline with an existing Defined Benefit Plan. (UAL LOAs 05-1, 05-2, 05-3M)**

Furthermore, like the bankruptcy exit agreements signed by the bargaining agents for the other affected United work groups, LOA 17, does not contain any successors and assigns provisions or any similar provisions delineating the parties' pension obligations and rights in the event of a merger involving United. To the contrary, by its express terms, LOA 17 was made and entered into *by and between UAL Corp. (hereinafter referred to as "UAL"), UNITED AIR LINES, INC. (hereinafter referred to as the "Company"? and the AIRCRAFT MECHANICS FRATERNAL ASSOCIATION (hereinafter referred to as "AMFA" or the "Union").*

**As a result, it is unclear whether LOA 17 was subject to and governed by those employees' collective bargaining agreement's successors and assigns and scope provisions relating to mergers.**

**The above statement by Teamsters Ed Gleason is false, he is lying about our contract. There is a Successor Agreement in the UAL CBA (UAL CBA Article 3 Status Agreement )**

**Furthermore, the Teamsters organizers contradict their own union attorney. During their organizing campaign, they stated that they could use LOA 05-3M to negotiate a new defined benefit plan for mechanics at United Airlines. (UAL IBT Broken Pension Promises 2008)**

**Finally, the Teamsters and Ed Gleason are incorrect in their interpretation of contractual Successorship and intent of LOA 05-3M. The contract is between the employees and the employer, regardless of any change in representation or merger. This is basic Railway Labor Law, Read the cover page of the LOA 05-3M. (LOA 05-3M Page 1)**

## **B. Pre-Merger Continental Airlines Pension-Related Matters**

At around the same time that UAL and its subsidiaries, including United, were emerging from bankruptcy, Continental was itself facing financial difficulties and was trying to avoid going into bankruptcy. Although Continental avoided bankruptcy, it did seek and obtain wage and benefit concessions from its workforce while also cutting and postponing the payment of other operating expenses. Among the expenses, it deferred were annual contributions to the CARP. In this regard, Continental took advantage of newly enacted tax relief provisions that enabled it to avoid making pension contributions to the CARP. As a result, the already underfunded CARP's funded status significantly deteriorated.

**In 2005 the Teamsters union was threatening the CAL mechanic membership to give concessions or face bankruptcy. It stated, the Mechanics must give concessions with all the other groups of face bankruptcy. This threat from the teamsters turned out to be false when the flight attendants refused to give concessions. ([Link to Triechler Excuses letter](#))**

**The Teamsters Airline Division acted on its own without the knowledge or consent of the negotiators, and imposed the pay cuts and pension freeze requested by the Company. ([CAL Betrayed Negotiator Email](#))**

**In 2005, the Teamsters Airline Division violated the Continental mechanics tentative agreement and forced the mechanics to give concessions in violation of their T/A. ([Link to Full Letter](#))**

Also in 2005, the Continental pilots, through their bargaining representative, ALPA, negotiated out of the CARP. On or about March 30, 2005, ALPA and Continental agreed to freeze the Continental pilots' future defined benefit pension accruals and established two defined contribution retirement plans to provide future retirement benefits to the pilots. Shortly thereafter, on or about May 31, 2005, upon agreement with ALPA, Continental spun the pilots out of the CARP and placed them into a pilots-only, frozen defined benefit pension plan. As a frozen plan, only Continental pilots who were employed on and before March 30, 2005 were covered by the plan, and those participants' pension accruals ceased as of that date. These transactions affecting the Continental pilots did not at that time affect any other Continental employees, including the mechanics, who remained as participants in the CARP.

## C. The Pension Protection Act of 2006 And The Special Airline Amortization Rules

In 2006, Congress passed the Pension Protection Act (PPA), a comprehensive statute purportedly intended to strengthen the funded status of both defined benefit pension plans. Buried in its nearly 400 pages of text are special funding provisions applicable to defined benefit plans maintained by commercial airlines that gave those airlines longer periods of time in which to fully-fund their pension plans than other industry employers that maintained single employer defined benefit pension plans. Specifically, airline pension plan sponsors of frozen pension plans could elect to fund the plan using a 17-year amortization schedule. In the case of plans that were not eligible for the 17-year amortization election, *i.e.*, that were not frozen, the airline plans' sponsors could elect to use a 10-year amortization period to fully-fund their plans, beginning with the first taxable year beginning in 2008.

The PPA's rules enabling commercial airline carriers to amortize their funding deficiencies over longer periods of time than other industry employers did not come without restrictions, however. Most importantly, PPA Section 402(g) provides that if a commercial airline that takes advantage of either the 17-year or 10-year amortization option with respect to an "eligible plan" and establishes or maintains one or more other defined benefit plans, and such other plans in combination provide benefit accruals to any "substantial number" of "successor employees," the Secretary of Treasury may disqualify such successor plans unless all benefit obligations of the eligible plan have been satisfied. Section 402(g) provides that "successor employees" include any employee who is or was covered by the eligible plan and any employee who performs substantially the same type of work with respect to the same business operations as an employee covered by the eligible plan.

Continental took advantage of the PPA's special airline funding rules with respect to both of its then existing defined benefit plans, *i.e.*, the CARP and the Continental pilots' frozen plan. Specifically, in 2007, Continental elected the PPA's 17-year amortization option for the pilots' frozen plan and the statute's 10-year amortization option with respect to the CARP. Having elected to take advantage of those provisions, Continental and its two defined benefit pension plans became subject to the restrictions set forth in PPA Section 402(g) as described above. Any breach or violation of those restrictions would jeopardize the tax qualification of the plans, a circumstance that would have resulted in very significant adverse tax consequences not only for the carrier but also the participants covered by the affected pension plans.

**The PPA Pension Protection Act of 2006 has nothing to do with UAL LOA 05-3M and its application. The PPA allows a Corporation more flexibility in pension obligations which goes directly against the financial argument made by the teamsters later in their opinion.**



The history of CARP shows that it is a Single Employer Defined Benefit Plan.

The newly combined carriers could well afford to pay the UAL mechanics CARP pension.

United was making record profits and could well afford to fund its new pension obligations as it began to MAINTAIN THE CONTINENTAL MECHANICS CARP DEFINED BENEFIT PLAN.

[\(Link to UAL 2011 10K Report\)](#)

#### D. Pre-Merger United Negotiations With The Union Relating to Pensions

In April, 2008, the Union became the United mechanics and employees' certified bargaining agent. From the start, the Union actively sought to restore the mechanics and related employees' defined benefit pension plan that had been involuntarily terminated through the bankruptcy proceeding or, barring that, to negotiate the mechanics and related employees into another defined benefit pension plan.

The teamsters and Ed Gleason state the IBT tried to restore the UAL terminated Ground Defined Benefit plan. The teamsters promised all kinds of pension benefits to the UAL mechanics in 2007 and 2008.

The stated goal from the beginning made by the teamsters was to put UAL mechanics into the union controlled Western Conference Pension Plan. This was the unions one track and single minded goal, to place all United Mechanics into a fund they profited from.

The Teamsters 6 year failed effort to put UAL Mechanics into a Teamsters controlled pension cost UAL mechanics \$880.00 dollars in monthly benefits.

UAL mechanics lost six years in pension accrual which is \$880.00 per month based on the UAL CAL CARP calculator. [\(UAL Tech CARP Loss Estimate\)](#)

[Teamsters lawyer Ed Gleason's own statements](#) will show that the Teamsters union leadership and their appointed negotiators denied UAL mechanics their contractual rights several times to join CARP a Single Employer Defined Benefit Plan beginning in 2010. [\(Gleason statements\)](#)

The Union quickly determined that the distress termination agreement between United and the PBGC effectively foreclosed any opportunity to restore the mechanics' prior, plan. It then sought to negotiate with the carrier to secure pension benefits for the mechanics through the Western Conference of Teamsters Pension Trust ("WCTPT"), a large, well-funded multiemployer pension plan that had more than \$30 billion in assets which, because of its well-funded status, was able to offer past credited service to new participants on a generous 2:1 ratio



It is clear from this opinion that the objective of the teamsters was to place UAL and CAL mechanic Retirement benefits into a Teamster controlled pension plan.

Time after time over the course of 7 years the teamsters failed to enforce the mandatory contract language negotiated by the mechanics under AMFA to provide the membership with a defined benefit plan. This is a clear case of negligence and failure to enforce the contract.

The union put the interests of the IBT ahead of the interests of the mechanics at United Airlines. This cost the UAL mechanics and their families tens of millions in accrued pension benefits. The failure to act in a timely manner shall not affect the rights of that party to enforce the terms of LOA 05-3M. This is made clear in paragraph 13 of the LOA 05-3M.

(LOA 05-3M Para 13 Amendments Waiver)

*"The failure of any party at any time to require performance of any provision of this Letter of Agreement shall not affect the right of that party at a later time to enforce the same or different opinion."*

Prior to the commencement of formal bargaining for an amended collective bargaining agreement covering the mechanics and related in 2009, the Union proposed that, subject to membership ratification, United join and contribute to the WCTPT, such that the mechanics and related employees would become covered participants in that plan.

United refused the Union's proposal. United's resistance in this regard was aided in no small part by a vocal group of mechanics who expressed their preference to remain covered by their defined contribution Replacement 401(k) Plan.

They also submitted a petition to the United board of directors voicing their objection to switching from their Replacement 401(k) Plan to any defined benefit pension plan. it did not provide the Union with a copy of the petition or indicate how many signatures were contained on it, United relied on the petition to justify its refusal to negotiate any defined benefit pension benefits for the mechanics and related employees craft. Notwithstanding the opposition, it had faced from management and the anti-pension mechanics and related employees, and based on demands made by the majority bargaining unit personnel to obtain pension coverage through the WCTPT, the Union continued to press for an agreement by the United to join the WCTPT.

**Ed Gleason's above statements are false. The United Mechanic's petition was specific and stated that UAL mechanics were against the transfer of 401k benefits into the now failing WCTPT. Below is the exact wording on the petition. The Petition specifically stated:**

**Petition to stop any transfer of our current UAL Mechanics Personal 401k Defined Contribution to the Western Teamsters Conference Pension Plan. (Original Petition by UAL Techs)**