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INTERNATIONAL BROTHERHOOD OF TEAMSTERS, JAMES HOFFA, PETER FINN, CHRISTOPHER GRISWOLD, PAUL STRIPLING, and GEORGE MIRANDA

UNITED STATES DISTRICT COURT CALIFORNIA

FOR THE NORTHERN DISTRICT OF CALIFORNIA

AT SAN FRANCISCO

KEVIN E. BYBEE, JOHN R. SCHOLZ, VICTOR DRUMHELLER, and SALLY A. DILL, as individuals and plan participants in The Continental Retirement Plan; on behalf of themselves and all others similarly situated; and on behalf of the Continental Retirement Plan,

Plaintiffs,

v.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS, a labor organization; JAMES HOFFA, in his official capacity as General President of the International Brotherhood of Teamsters; PETER FINN, in his official capacity as Principal Officer of Teamsters Local 856; CHRISTOPHER GRISWOLD, in his official capacity as the Principal Officer of Teamsters Local 986; PAUL STRIPLING, in his official capacity as Principal Officer of Teamsters Local 781; GEORGE MIRANDA, in his official capacity as Principal Officer of Teamsters Local 210; UNITED AIR LINES, INC., a Delaware corporation; UNITED AIRLINES HOLDINGS, INC., a Delaware corporation; the UNITED AIRLINES HOLDINGS' ADMINISTRATIVE COMMITTEE, named fiduciary of The Continental Retirement Plan,

Defendants.

Case No. 3:18-CV-06632-JD

DECLARATION OF NICOLAS MANICONE IN OPPOSITION TO PLAINTIFFS' MOTION FOR EXPEDITED AND LIMITED JURISDICTIONAL DISCOVERY

Hearing Date:	February 4, 2021
Hearing Time:	10:00 a.m.
Courtroom:	11, 19th Floor
Judge:	Hon. James Donato
Complaint Filed:	October 31, 2018
Trial Date:	Not set.

I, NICOLAS MANICONE, declare as follows:

1. I am an attorney employed in the Legal Department of the International Brotherhood of Teamsters (IBT) at the IBT headquarters located in Washington, D.C.

2. Attached hereto as Exhibit A is correspondence dated February 25, 2019, that I sent to Sally Dill care of her attorney Jane Mariani regarding her grievance.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 19th day of January, 2021, at Washington, D.C.

NICOLAS MANICONE

EXHIBIT A

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

25 Louisiana Avenue, NW
Washington, DC 20001

KEN HALL
General Secretary-Treasurer

202.624.6800
www.teamster.org

February 25, 2019

Sally Dill
c/o Jane C. Mariani
Law Offices of Jane C. Mariani
584 Castro Street #687
San Francisco, CA 94114

Re: Grievance No. ORD-16-043

Dear Ms. Dill:

On or about November 11, 2016, you filed IBT Local 781 Grievance No. ORD-16-043 alleging a violation of LOA No. 17-5c, Article 1 and 19 of the IBT-United Airlines Technicians and Related Collective Bargaining Agreement (CBA). After United denied this grievance at the first and second step of the grievance process, a Local 781 shop steward appealed the grievance to the System Board of Adjustment on or about November 29, 2016. Since that time, the grievance has not been progressed to System Board or otherwise responded to.

At the outset, let me apologize for the delay in responding to this appeal. The IBT-Airline Division, which has responsibility for taking contractual grievances like yours to the System Board of Adjustment (and if necessary to Arbitration, the final step of the grievance process), was unaware of the nature of your grievance or the fact that it remained pending.

Grievants in another location filed grievances regarding the same issue around the same time in 2016. The IBT-AD investigated their claims, both factually and legally, and informed the grievants on or about March 29, 2017 that it would not continue to process their grievances. I have attached to this letter a copy of the memo investigating the grievances and a copy of the memo declining to process the grievances. Although the IBT-AD was unaware of your grievance, we fully intended the information regarding the denial, including the investigatory memo, be made available to any interested Technician or related employee.

Based on the investigation and analysis contained in the memos attached with this letter, the IBT-AD is declining to process your grievance any further; we will not take it to System Board nor to arbitration and plan to inform United Airlines that the matter is withdrawn. As the enclosed memos set out the in greater detail, the IBT-AD has concluded that your grievance, like the previous CARP grievances, is untimely and factually and legally unsustainable.

I urge you to carefully review with your counsel the memoranda I have provided.

Very truly yours,

Nicolas Manicone

Attachments

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

JAMES P. HOFFA
General President

25 Louisiana Avenue, NW
Washington, DC 20001

KEN HALL
General Secretary-Treasurer

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MEMORANDUM

TO: Principal Officers of IBT-AD/United Airlines Locals

FROM: Nick Manicone, IBT Staff Counsel NM

DATE: March 29, 2017

RE: UAL/CARP Grievance

In January 2017, the IBT Airline Division (IBT-AD) and Legal Department asked attorney Ed Gleason to review a grievance that had been filed 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.

After careful research and consideration of both the facts and the law, Mr. Gleason provided the IBT with a memorandum containing his conclusions. That memorandum concluded that the grievance had no merit and should not be pursued. The memorandum is attached.

I have reviewed that memorandum and agree with its reasoning and conclusions. Accordingly, I have advised the IBT-AD that the grievance should be withdrawn.

Please feel free to share this information – including this and the attached memorandum – with your membership if you believe it would be helpful in explaining the reasons for the IBT-AD's decision not to pursue this grievance.

In addition, please feel free to contact me if you have questions regarding this conclusion.

THE LAW OFFICE OF
EDWARD GLEASON

MEMORANDUM

To: IBT Airline Division
From: Ed Gleason eng
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.

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 plan's termination.

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-à-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- 1M 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.*

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.*

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.

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.

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.

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 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 it well-funded status, was able to offer past credited service to new participants on a generous 2:1 ratio.

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. Although 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. United remained firm in is refusal to provide any defined benefit pensions for the bargaining unit, however, and effectively stalemated the Union's bargaining efforts to secure defined benefit pension coverage for the mechanics and related employees.

While the bargaining parties remained stalemated over the defined benefit pension issue, the financial markets crashed and the country slid into the deepest and most severe recession since the Great Depression. The market crash also effectively derailed the Union's effort to negotiate the Company into the WCTPT. That is because the WCTPT, like nearly every other multiemployer pension fund in the country, lost its fully-funded status, which in turn exposed the plan's 500-plus employers to withdrawal liability if they exited the plan. Recognizing the near certain impossibility of successfully negotiating a publicly traded airline into a multiemployer pension fund that has withdrawal liability, the Union regrouped and set out on another course to negotiate and secure defined benefit pension coverage for the mechanics and related. Working with its attorneys and actuaries, the Union developed a new defined benefit proposal. Specifically, the Union proposed that United contribute to a new defined benefit plan called a "variable defined benefit plan," or, as it was later named, an "adjustable pension plan," (the "Adjustable Pension Plan" or "APP").

The Adjustable Pension Plan was tailored after one of the retirement components of the Major League Baseball Players' pension program, and was fully vetted among and endorsed by the Union bargaining committee. It was designed as a single employer plan that could be converted into a multiemployer plan. By plan design, it had no withdrawal liability and was projected by the actuaries to be fully-funded in nearly every economic cycle. Indeed, the actuaries projected that the APP would have remained fully-funded even during the 2008 market crash. Moreover, based on its plan and investment design, the APP provided defined benefit

pensions that would not evaporate in down markets, so that the benefits promised to the participants actually would be payable to them upon their retirement. Throughout 2009 and 2010, United resisted the Union's Adjustable Pension Plan with as much vigor as it has resisted participation in the WCTPT.

E. The UAL-Continental Airlines Merger and Its Pension-Related Impact

On May 2, 2010, UAL, Continental (including its consolidated subsidiaries), and JT Merger Sub Inc., a wholly-owned subsidiary of UAL, entered into an agreement and plan of merger (the "Merger"). On October 1, 2010, JT Merger Sub Inc. merged with and into Continental, with Continental surviving as a wholly-owned subsidiary of UAL. Upon closing of the transaction, UAL became the parent company of both United and Continental, and UAL's name was changed to United Continental Holdings, Inc. Thereafter, on or about November 30, 2011, the Federal Aviation Administration ("FAA") granted a single operating certificate ("SOC") to United and Continental. In so doing, the FAA recognized the two carriers as a single carrier for operational purposes. Despite receiving the SOC from the FAA, however, United and Continental maintained separate bargaining relationships and collective bargaining agreements with their respective work groups, as required by the RLA, and other federal laws and requirements, including the McCaskill-Bond Amendment.

The Merger introduced new layers of collective bargaining complexity for both the United and Continental work groups, including their respective mechanics and related employees. Both work groups were represented by the Union under separate collective bargaining agreements, and both groups were already engaged in RLA collective bargaining negotiations when the Merger was announced. The Union recognized that post-merger United and Continental inevitably would be integrated into one enterprise for all purposes, including collective bargaining purposes, and that the combined work group of mechanics and related employees ultimately would be covered under a single collective bargaining agreement. The Union therefore had to grapple with the fact that the two groups' then-existing collective bargaining agreements were markedly different. In this regard, the United Air mechanics and related employees' collective bargaining agreement was a bankruptcy-forced concessionary contract that significantly cut the mechanics and related employees' wages and benefits. The Continental mechanics and related employees' collective bargaining agreement contained far better wages and benefits in comparison. Thus, if the Union immediately engaged in joint negotiations to amalgamate the two collective bargaining agreements, it risked having to defend against management demands for wage and benefit reductions on the Continental side in exchange for much needed wage and benefit increases on the United side.

To avoid this risk and the internal employee discord and disruption that such an amalgamation negotiation likely would trigger if the parties immediately engaged in

amalgamation negotiations, the Union insisted on completing negotiations with both United and Continental individually and securing separate, stand-alone collective bargaining agreements with them. Once both collective bargaining agreements were amended and ratified, the Union could then enter into negotiations to amalgamate the two roughly equivalent contracts. The carriers reluctantly acquiesced to the Union's demand.

(1) Stand-Alone Negotiations Relating To Pensions

The Union and Continental completed their negotiations for an amended collective bargaining agreement covering the Continental mechanics and related employees and the bargaining unit ratified it in late 2010. Armed with that new contract as a minimum standard, the Union then focused on completing negotiations to amend the stand-alone United mechanics and related collective bargaining agreement.

In December, 2010, United signaled its desire to reach a stand-alone collective bargaining agreement covering the mechanics and related employees. In so doing, it acknowledged that such an agreement had to include a solution providing defined benefit retirement security for the mechanics and related employees.

The bargaining parties from United and the Union met in Chicago on December 9, 2010 and discussed retirement solutions. Both sides acknowledged that an eventual amalgamation of the United and Continental mechanics and related employees bargaining units required a single retirement benefit program for the combined bargaining unit. The management representatives expressed their belief that the only way to provide retirement security for the combined group of mechanics and related employees would be to include the United mechanics and related employees in the CARP. Having expressed that opinion, however, the management representatives then explained why it was impossible at that time to include the United mechanics and related employees in the CARP.

In this regard, the management representatives explained that they could not include any of the United work groups into the CARP because each of those work groups were parties to "me-too" agreements providing that if any one of those groups secured pension coverage in a single-employer defined benefit pension plan, the other groups would be entitled to the same pension coverage. By including the mechanics and related employees in the CARP, the management representatives explained, the United pilots would also be eligible for CARP coverage by virtue of their "me-too" agreement. Because Continental had, prior to the Merger, elected to take advantage of the PPA's special airline rules providing for extended funding amortization periods for both the CARP and Continental pilots' frozen defined benefit pension plan, the United mechanics and related employees would be deemed CARP "successor" employees under PPA Section 402(g). For the same reason, the United pilots also could have

been deemed "successor employees" of the CARP, the Continental pilots frozen defined benefit plan, or both. Thus, the management representatives explained, the consequence of the CARP and Continental pilots' frozen defined benefit plans' designations as PPA Section 402(g) "successor employees" was that the CARP, and perhaps also the Continental pilots' frozen defined benefit plan, would have been subject to tax disqualification by the United States Treasury Department unless those plans satisfied all of their benefit obligations. The satisfaction of those obligations would have required the purchase of annuity contracts or the payment of lump sum benefits to all of the plans' participants. That would have been a practicable impossibility to accomplish.

The management officials were not certain whether the problems discussed in the preceding paragraph would disappear if and when the United interlocking "me-too" agreements were terminated, but expressed a hope that they would indeed disappear upon the termination of those agreements. After independently researching the scope of PPA Section 402(g), however, the Union concluded that even if the "me-too" agreements were terminated, the same tax qualification and "satisfaction of all benefit obligations" issues potentially would still remain until the expiration of PPA Section 402(g) in 2017.

After evaluating management's analysis regarding the CARP, the Union concluded that it would not be possible to obtain defined benefit pension benefits for the United mechanics and related employees in the immediate near-term future. Its conclusion in this regard was based on the roadblocks identified by management relating to single employer defined benefit pension coverage, its independent research regarding those roadblocks, its analysis regarding the current withdrawal liability status of the then existing multiemployer pension plans covering Teamster members, and its conclusion that it would be impossibile to negotiate the carrier into any multiemployer pension plan that had withdrawal liability. Although the Union considered that the legal, regulatory and practical impediments that it faced at that time to secure defined benefit pension benefits for the mechanics and related employees likely would be removed at some indefinite point in the future, such changed circumstances would come too late for the many then-current United mechanics and related employees who were anxious to retire. Accordingly, the Union worked with the negotiating committee, the Union's counsel and actuaries to develop a pension proposal to enhance the bargaining unit's retirement benefits for the near-term.

The Union then immediately set out to develop another pension proposal, namely a defined contribution, age-weighted, target benefit plan. Under the Union's proposal, the target benefit plan would provide each mechanic and related employee a monthly annuity on retirement equal to the monthly annuity that he would have received had he retired under the CARP after the same number of years of service. For example, if a mechanic retired with a 5-year monthly annuity from the CARP Plan equal to $500, then he would receive a monthly annuity of $500 under the target benefit plan. The Union's proposal, therefore, sought to obtain relative

equivalence between the United and Continental mechanics and related employees' pension benefits.

United balked at the Union's target benefit proposal because the costs to maintain the plan with such an "equivalence" formula were very costly and indeed were far greater than the contribution cost it would have incurred if the mechanics and related employees had been able to participate in the CARP. United therefore countered the Union's target benefit plan proposal by limiting its annual contribution cost to the amount that it would have to pay into the CARP if the mechanics and related employees were included in that plan.

Eventually, after several more weeks of negotiations, the parties agreed that the carrier would increase its mandatory, non-elective deferral contribution to the mechanic and related employees' 401(k) accounts in an amount that represented the difference between what the carrier was currently paying into those accounts and the annual amount that it would have to pay to the CARP to provide coverage under that plan for the mechanic and related employees. The Union and negotiating committee reluctantly agreed upon this formula knowing that it was far less than ideal. They did so, however, in an effort to reach a comprehensive amended collective bargaining agreement that locked in other already agreed-upon gains. They also understood that they would have a second opportunity to secure defined benefit coverage for the bargaining unit in the next round of bargaining, during which the parties would be negotiating to amalgamate the United and Continental mechanics and related employees' contracts. And, moreover, the Union negotiating committee understood that the Union's attorneys and actuaries were continuing to develop and establish the Adjustable Pension Plan to serve ultimately as a new multi-employer defined benefit pension plan to provide pension benefits to the Union's airline industry employees, including the United and Continental mechanics and related employees.

The Union and United reached a tentative agreement on a stand-alone collective bargaining agreement in early 2011. During the ratification process, including well-attended "road shows" across the system, the United mechanics and related employees expressed their anger over the fact that the tentative agreement changed their current medical benefits. Moreover, while a majority of the mechanics and related employees also expressed anger that the tentative agreement did not provide for a defined benefit pension plan, a large and vocal number of those members within that group loudly voiced their opposition to participating in a company-sponsored pension plan or a so-called Teamster-sponsored pension plan, including the WCTPT. The United mechanics and related rejected the tentative agreement in June, 2011.

The June 2011 rejection of the tentative agreement triggered a new round of negotiations between the parties to reach an agreement for an amended, stand-alone contract covering the United mechanics and related employees. During the renewed round of negotiations, as they had done during the prior round of negotiations, a large number of United mechanics and related

employees understandably and quite rightly were still seething over the involuntary termination of their United single-employer pension plan. They continued to express to their Union representatives and negotiating committee representatives their strong opposition to participating in any defined benefit pension plan, especially one that was sponsored and managed only by an airline carrier, including the CARP, if it became available to them.

The Union and United reached a new tentative agreement for an amended collective bargaining agreement on November 11, 2011. In communications to the mechanics and related employees in communications relating to the ratification vote, the Union explained that the new tentative agreement had restored the members' health benefit provisions and secured additional economic provisions. The Union and the Union bargaining committee also informed the mechanics and related that they would remain in the United 401(k) Replacement Plan and that they would "not participate in Continental's 401(k) or Pension Plan (CARP) at this time." The United mechanics and related employees ratified the agreement in December, 2011. The newly amended agreement provided for a relatively brief moratorium period, and became amendable on June 30, 2013, *i.e.* approximately six months after the Continental Airlines mechanics and related employees' collective bargaining agreement became amendable.

Thus, by the end of 2011, the Union had negotiated and secured separate ratified collective bargaining agreements with United and Continental covering the two carriers' mechanics and related employees. The FAA had likewise granted a SOC to the carriers, an event that signaled the inevitability that the two carriers would eventually be combined into one corporation and would also be deemed to a fully integrated, "single transportation system for representation purposes," the latter event which in turn would trigger formal negotiations between the carrier(s) and the Union to amalgamate the mechanic and related employees' collective bargaining agreements.

(2) Post-Merger Amalgamation Merger Negotiations

Throughout 2012, while United and Continental operated as separate, subsidiary carriers under their common holding company parent, the Union prepared for the upcoming contract amalgamation negotiations. In so doing, the Union established a steering committee consisting of mechanics and related employees from United, Continental, Air Micronesia, the third carrier involved in the Merger[1], and representatives from Teamster local affiliates that represented those employees. The steering committee was charged with developing bargaining strategies and priorities for the upcoming negotiations. Additionally, the mechanic and related employees from

[1] Air Micronesia was a former subsidiary of Continental that provided passenger service throughout the Pacific Ocean region that, upon the merger, became a division of Continental. The Union has long represented the approximately 100 mechanics and related employees employed by Air Micronesia, and those employees were covered under their own collective bargaining agreement, separate from the collective bargaining agreement that covered the Continental mechanics and related employees.

both carriers selected a joint negotiating committee consisting of mechanics and related employees from both carriers. The negotiating committee was tasked with developing contract proposals and assisting the Union's chief negotiator throughout the upcoming negotiations. Furthermore, the Union established a benefits subcommittee consisting of mechanics and related from each of the involved carriers. The benefits subcommittee was tasked with assisting the negotiating committee to develop contract proposals establishing health and welfare and pension programs covering all of the covered the mechanic and related employees employed by the three Merger carriers.

The Union benefits subcommittee played an active and important role throughout 2012 and during the subsequent amalgamation negotiations. The subcommittee worked with the Union's actuaries, attorneys and economic consultants to develop proposals that would, to the extent possible, harmonize the three existing and very different benefit programs that were in place. With respect to pension benefits, the subcommittee agreed that the Air Micronesia mechanics and related should remain as participants in the WCTPT, which had provided pension coverage to that bargaining unit for many years.

The most difficult pension issues with which the benefits subcommittee wrestled involved the harmonization of the United mechanics and related employees' retirement system with that of the Continental mechanics and related employees. As noted above, the United mechanic and related employees lost their defined benefit pension benefits through bankruptcy. Through prior surveys and meetings with the United mechanics and related employees, the Union recognized that although a majority of those mechanic and related employees wanted to secure defined benefit pension benefits, a significant number of mechanics and related employees did not want to risk the loss of another defined benefit pension through bankruptcy and therefore preferred that their retirement program consist exclusively of their existing defined contribution Replacement Plan 401(k) retirement accounts. Moreover, even those mechanic and related employees who preferred defined benefit pensions were skeptical of and, in some cases, hostile to any solution that resulted in their becoming participants in the CARP or any other defined benefit plan managed exclusively by an air carrier. The vigorous debate concerning these matters was also informed by the continued deterioration of the CARP's funded status and the very real possibility that at some point in the near future the plan would have to restrict or even eliminate its popular lump sum payment option. There was also a legitimate concern that the CARP's funded status would deteriorate to such an extent that it would be taken over by the PBGC and terminated. The Union's independent actuary validated these concerns and advised the subcommittee that the CARP's funding shortfall rendered the plan a "ticking time bomb."

The Union benefits subcommittee ultimately recommended that the Union negotiating committee resist any effort to include the United mechanics and related employees into the CARP and instead push for the establishment of the above-described defined benefit Adjustable

Pension Plan on behalf of all of the mechanics and related employees except the Air Micronesia mechanics and related employees. The subcommittee further recommended that the negotiating committee push to secure a uniform defined contribution 401(k) retirement plan to supplement the defined benefit pension benefits of the entire bargaining unit.[2]

The amalgamation negotiations commenced in January, 2013 under the guidance of the NMB.[3] With the assistance of the NMB, the bargaining parties adopted a two-phased bargaining protocol in which they would first negotiate terms and conditions other than hard economics, benefits and work preservation (scope). Upon completion of the first phase, which they targeted for June, 2013, the parties would then enter the second phase of negotiations, during which they would negotiate hard economics, benefits and scope, as well as any unresolved "phase one" matters.

Although the parties made significant progress during the "phase one" negotiations, their "phase two" negotiations, not surprisingly, became exponentially more difficult and contentious, particularly with respect the parties' discussions regarding over hard economics and benefits. At the same time, the carriers continued to make progress with respect to their plans to fully integrate their operations. On March 31, 2013, shortly before the phase two negotiations commenced, United Continental Holdings, Inc. merged United Air Lines, Inc. into Continental to form one legal entity, and Continental's and the combined entity's name was changed to United ("new United"). Moreover, on May 15, 2013, the NMB issued a determination that that United and Continental (by that point, new United), constituted a single transportation system for representation purposes with respect to the craft or class of mechanics and related employees. Despite these corporate and regulatory developments, however, and as noted above, new United was yet not a fully integrated company and was still required to abide by the terms of the three separate collective bargaining agreements covering the United Air Lines, Inc., Continental and Air Micronesia mechanics and related employees until such time as it reached a membership-ratified amalgamated collective bargaining agreement with the Union covering the combined mechanic and related employees work group.

Although the developments noted above created both incentives and pressure to complete the amalgamation negotiations, other, industry-wide developments made it even more difficult for the parties to secure that objective. Not the least important of these developments was merger between US Airways and American Airlines. That merger and the resulting contract

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[2] The Air Micronesia mechanic and related employees were then, and still are, participants in the WCTP.

[3] Although the parties had agreed to commence negotiations in 2012, the carrier delayed the negotiations while they continued to negotiate to amalgamate the pilots' and fleet and passenger service employees' contracts. The carrier reached an agreement with the pilots in late 2012. That contract, on information and belief eliminated the prior single employer defined benefit "me-too" agreement that had been contained in the United pilots' standalone post-bankruptcy contracts.

negotiations involving those carriers' work groups created significant upward wage and benefit increases for virtually every airline industry craft and class, including those who worked under the United, Continental and Air Micronesia collective bargaining agreements. Over the next two years, the rates and benefits for the pilot and mechanic and related employees' crafts and classes increased dramatically. Those increases created significantly heightened expectations among the mechanics and related employees working under the United, Continental and Air Micronesia collective bargaining agreements, and the bargaining parties had to reassess and ultimately recalibrate their economic and benefit-related models and proposal.

This was no easy task. The parties' phase two negotiations soured significantly throughout the summer and fall of 2013. By early November, 2013, both sides locked hard into their demands. The parties' major disagreements related primarily to medical benefits and wages more so than pension benefits. At that time, the Union demanded that the mechanic and related employees working under the United collective bargaining agreement and all newly hired mechanics and related employees working under that contract become participants in the APP, while then then-existing Continental mechanics and related employees would remain in the CARP until 2015, at which time they too would become participants in the APP.[4] For its part, the Company agreed to participate in the APP, but only if it was established as a multiemployer benefit plan and, moreover, only if the costs associated with the new pension plan were "cost neutral" *vis-à-vis* its existing pension obligations. When the parties were unable to reach agreement, new United applied for formal mediation services from the NMB. New United's application for mediation services from the NMB pushed the parties' negotiations into an even more contentious and acrimonious phase than had already materialized during the phase two negotiations, and ensured that the negotiations would continue well into 2014 and beyond.

During the NMB-supervised mediation phase of the parties' amalgamation, the parties' wage proposals grew farther apart. This was attributable in no small part to the fact that the other legacy airlines, *i.e.*, American and Delta, had reached new collective bargaining agreements with its mechanic and related work groups and those agreements contained significantly greater economic terms than the Union had even demanded in November, 2013. As the mediation proceeding continued through 2014 and into 2015, moreover, the economic packages payable by new United's competitors to their mechanics and related employees continued to escalate. As a result, the both parties' economic packages increased dramatically.

One of the unanticipated consequences of the ever-increasing "rate war" that was taking place in the industry and affecting the parties' negotiations was that the value of the monthly pension benefits provided by the CARP, which was tied directly to participants' earnings, increased so much that the cost of providing a comparable benefit under the APP became

[4] Neither the Union nor new United proposed moving the Air Micronesia mechanics and related employees out of the WCTPT.

unattainable. The Union's counsel explained this situation to the bargaining committee and suggested that the committee consider participating in the CARP. Expressing concern for the CARP's funded status and great distrust for employer controlled and managed defined benefit pension plans maintained by airlines, however, the Union bargaining committee remained determined not to have the mechanics and related employees participate in the CARP. In response, and in order to find a viable defined benefit pension option for the mechanics and related employees, the Union then worked with another, much smaller, labor organization that maintained a multiemployer pension plan to enable new United to participate in it for the benefit of the mechanics and related employees. The Union presented that option to new United in or around the middle of 2015. In so doing, it explained that the already-existing multiemployer pension had sufficient pooled assets to defray much of the additional contribution costs that new United would have incurred if it contributed to a wholly new plan like the APP. Although it expressed a willingness to consider participating in the pre-existing multiemployer pension plan, new United remained non-committal.

Not long afterwards, in October, 2015, new United presented the Union bargaining committee with a close-out proposal that the bargaining committee determined was a "last, best and final proposal" that required membership consideration and approval through a ratification vote. Along with many other items, new United's close out proposal contained a retirement proposal. Specifically, it provided that:

- *sCO – status quo, CARP and 401K Match except for those with more than 30 years of CARP service – additional 1% Company 401K contribution.*
- *sUA – technicians participate in a one-time vote (6 months after ratification) to join CARP on 1/1/2017. If the majority of eligible voters vote no, all sUA technicians stay with interim "turbo" DC described below.*
- *Interim period from date of ratification to 1/1/2017.*
  - *sUA – status quo, current 401(k) contribution (5% aggregate) plus interim company "turbo" DC contribution based upon years of service: 0-14 - $100 per month; 15-24 yrs - $200 per month; 25+ - $300 per month.*
- *Employees hired after date of ratification will receive a 401(k) match of up to 6% — 1% first year and an additional 1% match per year-of-service up to 6%*

In February, 2016, by a 7,805-530 margin, the mechanics and related employees rejected new United's close-out proposal.

The 2016 rejected proposal from new United triggered a further round of NMB-supervised amalgamation negotiations. During that round of negotiations, the Union benefits

subcommittee noted that the new United had paid significant additional contributions to better fund the CARP and to ensure that the plan return to solid financial health. New United also committed to maintain the CARP's financial health, thereby making it a more attractive defined benefit pension plan option than it had been over the past several years. The parties reached a tentative agreement for an amalgamated collective bargaining agreement this past summer, in 2016. The mechanics and related employees voted to accept and ratify the amalgamated agreement in early December, 2016. As set forth in the amalgamated collective bargaining agreement, the former United Air Lines, Inc. mechanic and related employees were included into the CARP effective January, 1, 2017, and the "incumbent" former Continental Airlines mechanic and related employees' remained as participants in the plan. The combined bargaining unit also secured supplemental pension coverage through a unified defined contribution 401(k) plan.

III. Description of the Pension Grievance

In late September, 2016, a San Francisco-based mechanic filed the present grievance against new United, claiming that the former United Air Lines, Inc. mechanic and related employees should have been offered CARP pension coverage upon the FAA's grant of the single operating certificate to United Air Lines, Inc. and Continental Airlines on November, 30, 2011. The grievant reasons that:

> *[s]ince the single operator certificate was awarded November 30, 2011, the Company has not afforded this group with the option of joining CARP or any other comparable defined benefit pension plan. If we had gained entry to a defined benefit pension plan then, we would achieve full vesting on November 30. 2016." The grievant therefore seeks full vesting and contributions (pension service) for the former United Air Lines, Inc. mechanics and related employees for the period commencing November 30, 2011 to the present.*

IV. Opinion:The Grievance Lacks Merit

A. Threshold Note: Clarification re Relief Sought – Vesting

As a threshold matter, the Grievant mistakenly believes that he and his fellow mechanic and related employees who worked for United prior to the effective date of the current, amalgamated collective bargaining agreement must, upon their inclusion in the CARP, earn five years of vesting service in order to obtain a non-forfeitable, right to an accrued pension benefit. Under ERISA, however, the grievants' prior service as employees of United counts towards their CARP vesting service. Thus, the United mechanic and related employees who had worked for United for five or more years immediately prior to January 1, 2017 and entered the CARP as participants on that date are already 100% vested. The grievance, therefore, relates to the

question of whether those United mechanic and related employees should also be credited with pension accrual service for their years working for United after the FAA issued the SOC on November 20, 2011. The answer to that question turns on whether United Airlines, Inc. violated LOA 05-03/LOA 17, and the answer is no.

B. LOA 17 Was Not Triggered By the Merger and Subsequent Merger Events Because the CARP Is Not A "Single-Employer" Defined Benefit Pension Plan But Instead A "Multiple Employer" Defined Benefit Pension Plan

The obligations set forth in LOA 17 (also referred to as LOA 05-03) are triggered in the event the "Company" "maintains or establishes" a "single-employer defined benefit plan" for any "UAL or Company employee group." In the present case, the grievants incorrectly assert that the CARP is a single-employer defined benefit plan. The CARP is not a single-employer benefit plan, and has not been one since April, 2002. Since April, 2002, a period prior even to the commencement of the UAL/United bankruptcy, the CARP has been a multiple-employer pension plan.[5] Because LOA 17 is triggered by the maintenance or establishment of a single-employer pension plan, not a multiple employer pension plan, therefore, the present grievance lacks merit.

It is also bears note that in December, 2010, United represented to the Union that the CARP was subject to the "me-too" agreements contained in the United work groups' bankruptcy exit agreements. In so doing, United implied that the CARP was a single-employer defined benefit plan. United also relied on those "me-too" provisions to construct its claim explaining why it was not legally possible to include the United mechanics and related employees in the CARP at that time or into the foreseeable future. It is unclear whether United intentionally sought to mislead the Union by trying to fit the CARP into LOA 17's "single-employer defined benefit plan" limitation when it in fact did not fit into that limitation. Based upon research conducted at that time by its actuaries and counsel, however, the Union determined that even if the CARP were a single-employer defined benefit plan subject to the me-too clauses, the impediments preventing the inclusion of the United mechanics and related employees into the CARP would still exist prior to the sunset of the PPA even in the absence or termination of those me-too provisions.

Additionally, unlike the CARP, the Continental pilots' frozen defined benefit pension plans likely is characterized as a single-employer defined benefit plan. Because the plan was

[5]Under applicable pension law, defined benefit pension plans are considered as "single-employer" or "multiple-employer" pension plans. Single employer pension plans are sponsored by one employer and cover eligible workers employed by the plan sponsor. Multiple employer pension plans are sponsored by more than one employer and are not maintained under collective bargaining agreements. They are similar to multiemployer pension plans, but the latter are established and funded through and pursuant to collective bargaining agreements.

frozen in 2005 and the plan has neither allowed new participants nor provide accrued benefits since that date, it is highly unlikely that an arbitrator would consider it to be a single-employer pension plan "maintained by" new United.

C. An Arbitrator Likely Would Conclude That LOA 17 Applied To The Maintenance or Establishment of a Single-Employer Pension Plan Only by Pre-Merger United, Not New United.

As noted above, the obligations set forth in LOA 17 when the "Company" "maintains or establishes" a "single-employer defined benefit plan" for any "UAL or Company employee group." Another critical question in this case, therefore, is whether the obligations set forth in LOA 17 attached only to pre-Merger United, *i.e.*, the employer that sponsored the United mechanics and related employees' single-employer pension plan that was involuntarily terminated by the PBGC, or whether they also were intended to attach to successor entities resulting from a merger with one or more non-related carriers that maintained or established single-employer defined benefit pension plans. As noted above, 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. It is unclear, therefore, whether LOA 17 was ever intended to apply in the event of a merger.

In all likelihood an arbitrator would determine that LOA 17 was not intended to apply in the event of a merger such as the one that took place between UAL and Continental. In this regard, LOA 17 was drafted to mitigate the turmoil and wreckage caused by the UAL bankruptcy and the termination of the United work groups' pension plans. LOA 17's negotiators did not discuss or even contemplate a subsequent merger involving United and its work groups.[6] Moreover, post-Merger United and Continental were both legally required to honor their separate, respective collective bargaining agreements until a ratified JCBA was secured.[7] Indeed, had post-Merger United included the United mechanics and related employees in the CARP without the consent of both the United and Continental mechanic and related employees work groups, it likely would have faced liability for having violated its RLA status quo

[6] In a recent system board of adjustment decision involving a dispute between ALPA and new United in which the issue was whether pre-Merger United's profit sharing plan negotiated during the UAL bankruptcy proceeding applied not only to the pre-Merger United pilots but also, on a post-Merger basis, to the Continental pilots, Arbitrator Richard Block held that the profit sharing plan extended only to the pre-merger United pilots. In so holding, Arbitrator Block noted that a merger of United and Continental was not contemplated at the time the profit sharing plan was negotiated and that such a merger was not the even a "gleam in [the] eyes of the corporate parent to be." *See In Re United Airlines and ALPA, Board No. 2012 GR. No. 2012-U-11-14R Et Al., page 13.*

[7] Their legal requirement to adhere to their respective contracts applies typically across the airline industry.

requirements and even liability for having significantly increased the already substantially-underfunded CARP's liabilities, thereby increasing the risk that CARP would have to reduce benefits for the incumbent, *i.e.*, Continental, participants or that it would fail altogether.[8] Thus, even if the CARP were a single-employer defined benefit pension plan as described in LOA 17, an arbitrator likely would still determine that LOA 17's obligations were not triggered because those obligations attached only to pre-merger United.

D. Even If LOA 17 Otherwise Applied, United Has Satisfied Its Obligations Under The LOA

Even if LOA 17 otherwise was triggered and therefore applied here, an arbitrator likely would conclude that United satisfied its obligations under it. As set forth in LOA 17, United's obligation under it was only to provide the United mechanics and related employees the option of electing to receive a comparable defined benefit plan in lieu of their 401(k) Replacement Plan. LOA 17 does not specify how or when it was required to satisfy that obligation.

In the present case, if an arbitrator were to conclude that the PPA did prevent new United from providing the United mechanics and related employees the opportunity to participate in CARO prior to 2017, however, then he or she likely would also conclude that new United satisfied its obligation under LOA 2017 when it entered into the JCBA. But, even if an arbitrator were to conclude that neither the RLA nor the PPA impeded new United's ability to provide the United mechanics and employees with the opportunity to participate in the CARP, he or she likely would still conclude that new United satisfied its obligations under LOA 17. In this regard, through its October, 2015 close-out proposal, new United offered the United mechanics and employees the opportunity to participate in the CARP.[9] Inasmuch as LOA 17 does not

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[8] The RLA's status quo requirements also render the fact that the FAA issued a SOC to United and Continental in late 2011 irrelevant. The SOC had significance with respect to new United's corporate operations, but it did not enable United and Continental to amalgamate their mechanic and related employee work groups. They were not able to accomplish that until the JCBA was ratified in December, 2016. Accordingly, an arbitrator likely would conclude that new United was neither obligated nor allowed to offer the United mechanics and related employees the opportunity to participate in the CARP in lieu of their 401(k) Replacement Plans until the December, 2016 ratification of the JCBA.

[9] Moreover, until late last year, while a majority of the United mechanics and related employees had expressed their desire to obtain defined benefit pension benefits, a majority of them also expressed their opposition to participating in another company-sponsored and controlled defined benefit plan such as the CARP. United was well aware of these facts, as the United mechanics and related employees not only voiced their preferences electronically and in system-wide meetings, but also sent various survey results relating to their pension preferences directly the United board of directors. At the same time, new United was well aware of the Continental mechanics and related employees' vocal desire to establish a new, more financially stable defined benefit plan. Armed with the knowledge that a large contingent of United mechanics and related employees did not want to participate in the CARP and that event the "incumbent" Continental mechanics and related employees wanted to accrue defined benefit pension benefits outside of the CARP, United clearly took comfort in not agreeing to provide the United mechanics and related

specify how the obligations set forth therein must be satisfied, an arbitrator likely would conclude that, to the extent the LOA obligations were triggered, new United satisfied them when, in its 2015 close-put proposal it provided the United mechanics and related the opportunity to participate in the CARP.

E. An Arbitrator Likely Would Conclude That the Grievance Is Untimely

The present grievance is tied to the FAA's grant of the SOC to United and Continental on November 30, 2011. In the grievants' view, when United and Continental obtained the SOC, LOA 17's obligations were triggered. The FAA's grant of the SOC was widely publicized, and LOA 17 has been contained in the United mechanics and related employees' collective bargaining agreement since 2005.Notwithstanding the grievance's substantive lack of merit, therefore, it is untimely by several years.

V. CONCLUSION/RECOMMENDATION: THE GRIEVANCE SHOULD NOT BE ARBITRATED

As discussed above, for several reasons the present grievance lacks merit. In this regard, an arbitrator likely would conclude that:

- The grievance is untimely by several years.
- LOA 17s obligations attach only to pre-Merger United.
- Even if LOA 17's obligations otherwise attach to post-Merger, *i.e.*, new United, the conditions giving rise to those obligations were not triggered. In this regard, LOA 17's obligations are triggered if the Company maintains or establishes single-employer defined benefit plan for any of its work groups. Here, CARP does not trigger LOA 17's obligations because the CARP is a "multiple-employer defined benefit pension plan," not a single-employer defined benefit pension plan. Moreover, although the Continental pilots' frozen defined benefit plan likely is a single-employer pension plan, the fact that it has been closed to new participants and has not provided any pension accruals since it was frozen in 2005 makes it exceedingly unlikely that an arbitrator would conclude that that plan is one this is "maintained" by the Company within the meaning of LOA 17.
- Even if its obligations otherwise attach to post-merger, *i.e,* new United, LOA 17 does not specify when or how those obligations must be satisfied. Here, an arbitrator likely would conclude that new United satisfied its obligations under LOA 17 when it made the CARP available to the United mechanics effective on January 1,2017 through its October, 2015 close-out proposal, or when it agreed to make the CARP available to them effective January 1,2017 in the now ratified JCBA.

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employees any defined benefit pension benefits to the United mechanics and related employees for a considerably long period of time.

For all the foregoing reasons, therefore, I do not recommend that the Union arbitrate the grievance.

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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April 17, 2017

By email to Thomas.reardon@united.com

Thomas Reardon
Managing Director, Labor Relations – Ground
United Airlines, Inc.
233 S. Wacker Drive
WHQLR 25th Floor
Chicago, IL 60606

Re: Grievance SFO-2016-0901-053

Dear Mr. Reardon:

By this letter, the International Brotherhood of Teamsters Airline Division withdraws with prejudice the grievance captioned SFO-2016-0901-053, which was originally filed on September 1, 2016 in SFO and appealed to Step 3 of the grievance process on November 2, 2016.

Please do not hesitate to contact me if you have any questions about the withdrawal of this grievance.

Very truly yours,

Nicolas M. Manicone
IBT Staff Counsel