



MECHANICS DISPATCH

News and Updates

**Special Update
March 20, 2020**

Dear United Airlines Brothers and Sisters,

Recently an email from a mechanic in Newark was disseminated system wide that gave an inaccurate overall picture of what has been transpiring. This situation is changing rapidly. I want to be clear; the most accurate and concise updates will come in the form of the Mechanics Dispatch to all members.

While the airline industry bailout is starting to take shape, no one can predict what the final package will entail. With the current cash burn each airline is experiencing right now, most of them will need assistance just to survive. As in each legislative matter affecting airline employees, the IBT is continuing to lobby on your behalf for this relief. A joint Labor/Management letter was sent to Secretary of Treasury Steven Mnuchin, House of Representatives Speaker Pelosi, Minority Leader McCarthy, Senate Majority Leader McConnell and Senate Minority Leader Schumer outlining the dire need of such action.

The company approached all the Unions on the property about what they believed was necessary for survival. One of the key requests was a 50% reduction in payroll liabilities. To be clear, that does not mean a 50% reduction in employees pay. Other means of reducing payroll include, cutting out all overtime, not backfilling current open positions, accelerating retirements and offering flexible leaves. We requested economic data from the company before so there is a clear understanding of what the company actually needs. Please remember that it has been made clear that we are not willing to entertain such a request while federal bailouts loom. No change to the economic terms and conditions of the CBA can be made without a membership vote. Our position with the company is that any relief agreed upon would only be temporary in nature and that relief would be returned to the members in full. In other words, we are not willing to agree to any permanent changes to the agreement and 50% is an unreasonable request and will not be entertained. In the worst case scenario bankruptcy does not mean the CARP pension plan automatically disappears.

There are current funding level requirements to maintain the "Lump Sum" option. What would possibly be in jeopardy is the continued infusion of money by the company to maintain the plan above those levels. If the funding levels dip below the requirements that would trigger a change in our benefit options and the overall health of the plan. At this moment however the company is working on surviving without entering bankruptcy. As stated above that could change and you need to be aware of the possibility.

This situation is extremely fluid; changing daily and sometimes, hourly. The Administration has been discussing suspending domestic air travel for a period of time. That hasn't happened yet, but it is a possibility. If it does happen it will make a dire situation worse and will increase pressure for a bailout.

Updates will continue through the Dispatch as this situation unfolds. Don't fall victim to rumors or speculation. Reach out to your respective Business Agents for updates they will be able to help you.

In conclusion the best thing we can do is provide the same great service as we do every day for United Airlines. This is critical; take care of each other. If you're ill don't come to work. If your coworker is sick, call and check on them. Through generations we are defined by how well we face adversity such as this. All of us will come out of this much stronger and closer than ever before and we will do it together.

In Unity,

Vincent Graziano
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IBT National Coordinator, Airline Division