

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

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October 25, 2013

Douglas McKeen
Senior Vice President
Labor Relations
United Airlines
77 West Wacker Drive
Chicago, IL 60601

Dear Doug:

This letter serves as the IBT Airline Division's class-action grievance on behalf of the Company's mechanics and related employees working under both the sub-UAL-IBT collective agreement and the sub-CAL-IBT collective agreement. Through this grievance, we are protesting the Company's recent announcement of its intent unilaterally to change certain benefits under the contractual benefit programs covering the mechanics and related at both sub-UAL and sub-CAL. Several of these announced changes constitute a reduction/diminishment of benefits in violation of Article 16A and B of the sub-CAL collective agreement and Article 16A and B of the sub-UAL collective agreement. They may also violate the life insurance provisions provided for in Article 16.A and 16.D of the sub-CAL collective agreement and in Article 16.D of the sub-UAL collective agreement.

With respect to the Article 16 medical plan violations under the sub-CAL agreement, the impermissible medical changes announced by the Company primarily affect the benefits currently provided under the AETNA EPO and include the following:

- Elimination of the 100% and 95% coinsurance options
- Elimination of the \$200 deductible option
- Increase of out-of-pocket maximum
- Increase of office visit co-pays
- Elimination of the Smart Choice (low cost) plan
- Addition of High Deductible plan
- Introduction of the SmartCare network only in Houston and Chicago.

These changes are significant reductions in current benefits and greatly harm our sub-CAL mechanics and related. The elimination of the 100% and 95% co-insurance options, for

instance's adversely affects nearly 60% of our sub-CAL mechanics and related who have medical coverage through the Company.

With respect to the Article 16 violations under the sub-UAL agreement, the impermissible medical changes announced by the Company primarily affect the benefits provided under the HMOs (including the HMSA), and include the following:

- Decrease coinsurance to 90% (except Illinois)
- Increase in out-of-pocket maximum for some plans, including Aetna Select, Ohio, California, Georgia and Colorado
- Increase Emergency Room co-pay, with the increases ranging from \$50 to \$150, depending on the plan
- Increases in prescription co-pays in some brand-name drugs and some generic drugs

Like the changes as applied to the sub-CAL mechanics and related, the changes that affect the sub-UAL mechanics and related are significant, particularly inasmuch as nearly two-thirds of them are covered under an HMO.

We are still seeking additional information regarding the recently announced changes in life insurance benefits that are provided for in the collective agreements, but understand that those changes may also violate the terms of our collective agreements.

The IBT Airline Division reserves the right to amend this grievance as it obtains additional information from the Company regarding the program changes announced by it.

By way of relief/remedy sought through this grievance, the IBT Airline Division requests that the Company cease all efforts unilaterally to impose the medical plan changes that it has announced, and that it agree to maintain the current benefits that are protected under the sub-CAL and sub-CAL collective agreements with the IBT. To the extent we amend this grievance, we also reserve the right to amend and expand upon the relief/remedy sought therein.

Finally, in light of the importance of this matter and the potential that the Company's announced changes could disrupt our mutual aim of securing a new, amalgamated collective agreement, I am also seeking your agreement that the parties expedite the processing and resolution of this grievance.

Sincerely,

A handwritten signature in black ink, appearing to read 'David Bourne', with a long, sweeping underline.

David Bourne
Director, Airline Division
International Brotherhood of Teamsters