

# CREWS NEWS

## CRUISE NEWS

Information on the TA  
Joint Collective Bargaining Agreement



Nov. 12, 2012

### TENTATIVE AGREEMENT FOR THE UNITED PILOT AGREEMENT

The goal of the CAL and UAL MECs for the joint collective bargaining agreement (JCBA), and the direction provided to the Joint Negotiating Committee (JNC) as the agreement was negotiated, was to achieve a contract that in its entirety is industry leading and that meets the needs of our pilot groups. As you read through this *CrewsNews*, the other issues of the *CrewsNews* that will be sent out over the coming days, and the tentative agreement (TA) itself, it is important that you consider the provisions of the TA collectively. Examine the individual sections and provisions, but do not forget that just as the contract functions as a whole, you should evaluate it as a whole.

The JCBA draws from provisions and concepts contained in both legacy Continental and United contracts, and as such, the TA is a complex document. Many provisions will be entirely foreign, some will seem familiar but will have different aspects to them, and others will be for the most part unchanged. This issue of the *CrewsNews* provides a high level introduction of some of the provisions in the TA. There are additional issues of the *CrewsNews* that you will receive over the next several days that are designed to highlight specific provisions in the individual sections or outline key differences in more detail. You may find it helpful to refer to these *CrewsNews* documents while reading the TA. Another helpful reference document is FAR Part 117, as there are many protections above and beyond this TA that exist in the new regulations.

### COMPENSATION

When examining the TA, pilots will note provisions in Section 3 – Compensation that outline wage rates and base pay and describe other straightforward compensation, but pilots should also consider the provisions throughout the contract that will affect not just their monthly take-home pay, but provide money that is set aside in tax-advantaged accounts. With the JCBA, Continental pilots will receive compensation increases in wage rates, international override, premium pay, rig pay, and in Company contributions to the pilots' defined contribution plan. Provisions also provide reserves with opportunities to increase their guarantee and earn premium pay. Additionally, pilots will participate in profit sharing and other Company incentive compensation programs. Pilots will also receive a lump sum payment.

- Pay rate increases: 12–22 percent at 12-year rates on DOS, then 8.5 percent increase 1/1/2014; 3 percent increases Jan. 2015, 2016 and 2017
- Implementation Schedule and Process LOA provides for pay rates, per diem, etc. to begin on Dec. 1, 2012 if ratified. Equivalent to an approximate one (1) percent pay rate increase for year 2013

Legacy Continental	DOS	1/1/2014	1/1/2017
B-777/787/767-400	22%	32%	44%
B-767-200	1%	---	---
B-757-300	16%	25%	37%
B-757-200, 737 800/900	12%	21%	32%
B-737-500/700	21%	31%	43%

Legacy United	DOS	1/1/2014	1/1/2017
B-747/777	24%	34%	47%
B-767	23%	34%	46%
B-757	19%	29%	41%
A320	38%	50%	63%
A319	32%	43%	57%

- International override (except CONUS, Canada, Alaska) - \$6.50 CA/\$4.50 FO/hr
- 16 percent defined contribution (DC)
- 92-hour cap with required repair, unless pilot consent
- No pay cap, waiver required
- Lineholder premium trips 50, 75, 100 percent additional add pay
- Senior manning 100 percent additional add pay
- Inverse reassignment additional 125 percent add pay
- Numerous reassignment/day off additional add pay
- Profit sharing for 2012 and beyond, no sunset
- Rig – minimum five hours average per calendar day (M5D)
- Duty rig – Minimum one (1) hour pay per two hours of duty
- Trip rig – Minimum one (1) hour pay per 3.5 hours of TAFB
- Lineholder protected time credit (PTC – awarded line is minimum pay) including deadhead and rig
- Pre-assigned sick leave 3.0 hours per day pay and credit
- CQP and training less than five days = 3.75 hours per day pay and credit
- All other training five or more days = 3.0 hours per day pay and credit
- Minimum reserve guarantee 73 hours
- Rigs apply to reserves
- No reserve leveling
- Reserve MPG increases for short call/airport standby
- Numerous reserve increased guarantee/add pay opportunities
- No B scale

## SCOPE

Very broadly, Scope establishes United pilot flying protections and at the same time allows the Company to generate certain revenue through connections with operations conducted by other air carriers (where the flying is not flown by United pilots). One of the most complex tasks faced with the JCBA was to not only modernize the Scope section, but to also cover the spectrum from United Express flying to international joint ventures.

The legacy Continental Scope section was used as the basis for this section in the TA, beginning with a definition of Company Flying that preserves all flying for United pilots unless the flying is included within agreed-upon exceptions.

- UAX (Express flying) block hour ratio restriction based on narrowbody single-aisle block hours at DOS
- No 76-seat aircraft until Jan. 1, 2014; current legacy United 70-seat and turboprop limits until then
  - After Jan 1, 2014: Cap 70-/76-seat aircraft at 255 hulls; no more than 130 76-seat aircraft
  - Q400 included in 76-seat aircraft count limits (currently no limit in legacy Continental contract)
  - UAL currently has 148 70-seat aircraft and 35 Q400s
  - Under JCBA definitions, UAL currently has 183 of the 255 70/76-seat aircraft
- After Jan. 1, 2016: Cap 76-seat aircraft at 153
- Can only go above 153 76-seat aircraft if new small narrowbody aircraft added to UAL fleet and forces reduction of 70-seat aircraft from 148 to 102 cap
- Must park 50-seat aircraft if going above 153 76-seat aircraft
- Maximum UAX hard cap of 450 total hulls, from current 588
- All 76-seat aircraft downgraded to 70-seats (remove seats) if furlough
- New small narrowbody aircraft – we fly it, forces reduction in UAX block hour ratio limit and number of 50- seat aircraft
- 90 percent of feeder flying must be to/from specific airports
- 80 percent of feeder flying must be less than 900 statute miles
- Maximum 5 percent feeder hub-to-hub
- Must maintain 90 percent of Company block hours to JV countries
- International joint venture rules require UA “metal in the market” (no Aer Lingus type agreements)
- Successorship protections similar to TPA

## **SCHEDULING AND WORK RULES**

Pilots will be scheduled, work and rest under a set of provisions that are now significantly different. The work rule and Scheduling sections are largely based on language from the legacy United contract; however, there are numerous changes and new provisions as well as some concepts from the legacy Continental contract. Further, these sections will function in combination with recent changes to federal aviation regulations (FAR Part 117).

- Duty rig 2:1, minimum 5.0/calendar day average, trip rig 1:4 then 1:3.5 at OMD+1
- Maximum line production average 84.0, reduced with furlough
- Pay = credit for activities and absences
- Day off restoration
- PBS open time allowed
- 92-hour cap with required repair, unless pilot consent
- Lineholder premium trips 50, 75, 100 percent additional add pay
- Senior manning 100 percent additional add pay
- Inverse reassignment additional 125 percent add pay
- Numerous reassignment/day off additional add pay
- Must use volunteers with 100 percent add pay, even if need to drop conflicting trips, before inverse reassignment
- Two captains and two F/Os scheduled for flights greater than 16 hours
- Minimum days off = 12. Lineholder may reduce to ten (if no furlough)
- Seniority-based automated trip pick-up/trade system
- Deadheading in Economy Plus minimum; Business or First guaranteed if global flight
- Deadhead deviation, positive space (PS) passes
- Premium pay for middle seat deadhead
- Captains may not fly as F/O, unless LCA or both pilots consent
- Layovers: nine hours behind the door
- 14 hours = downtown layover

## **SCHEDULING - RESERVES**

- All reserves begin as long call
- Reserve long call released to trip 13 hours prior to departure or to minimum ten hours rest prior to short call at pick up/assignment
- Reserve 13 days off in 31-day bid periods
- Minimum reserve guarantee 73 hours
- Reserve MPG increases for short call/airport standby
- Numerous reserve increased guarantee/add pay opportunities
- Rigs apply to reserves
- Aggressive pick-up with no reserve leveling
- Basic reserve pilots have one (1) moveable day off with limited assignment rights
- Global reserve pilots have six (6) golden (immovable) days off
- No long or short call on movable days off
- Short call reserve call-out time of 3:00 to report time, 2:30 using short-term parking lot (Company-paid)
- Incentive pay to voluntarily accept and fulfill shorter call-out time

## **STAFFING/VACANCY BIDDING**

- United type system by category vacancy/displacement bidding
- Training freezes/bidding freezes
- Release from training freeze to bid up in pay category
- Lateral and down-bid allowed, but with a bidding freeze
- Pay protection for 24 months for cancelled bid positions
- Base trade system with a “senior objector may take the trade” remedy

## **RETIREMENT AND INSURANCE**

Provisions in the TA improve pilot retirement benefits by increasing Company contributions to the pilots' defined contribution plan. Insurance provisions provide improved benefits through the health, life, accident and disability insurance plans for pilots and their families during active service and in retirement. There is an introduction of a Retirement Health Account and improvements to the LTD plan. A transition agreement was negotiated to handle the changes to medical plans that will not occur concurrently with existing annual enrollment timelines. This agreement includes a special annual enrollment that opens all current 2013 plans at both Continental and United to all pilots.

- 16 percent Company contribution to pilots' defined contribution plan
- No changes to the CPRP or distribution options/lump sum (Continental pilot frozen defined benefit plan – A-Plan)
- Pilots and their dependents eligible for medical benefits on date of employment
- Medical plan cost share of 80% Company/20% pilot
- Dental plan cost share of 80% Company/20% pilot (formerly 100% pilot-paid)
- Locked-in medical/dental/vision plans
- Pilots eligible to participate in any Company medical plans offered to other employee groups
- Pre-65 and post-65 retiree medical plan patterned after current legacy United plans (one-year transition option for Continental pilots to use legacy Continental bridge medical option)
- Special enrollment period with new health plans after ratification
- New Reimbursement Health Arrangement account (RHA) to accumulate tax-advantaged funds to pay for retiree healthcare
- Tax-efficient treatment of excess retirement contributions into RHA VEBA
- LTD patterned after Continental plan; cost share improved from 55% Company /45% pilot to 65% Company/35% pilot
- Maximum monthly benefit \$8000 tax-free (\$96K annual)
- Pilot option to preserve 120 hours of sick time when going to LTD
- Unlimited coverage in the case of cognitive/psychological disorders (subject to automatic medical review)
- New 12-month substance abuse benefit usable over pilot career
- Easier re-entry into plan upon return from leave of absence and continued LTD payments until training commences
- All pilots who hold a first class medical will be allowed back in LTD plan at DOS
- Company to offer Guam-based pilots a global medical plan
- Voluntary spousal term life insurance coverage up to \$500,000

## **EXPENSES/LODGING**

- Per diem improvements (2013 \$2.15 CONUS-Canada/\$2.60 international)
- Per diem increases \$0.05/year, no end date (2017 \$2.35/\$2.80)
- No-limit uniform laundry expense reimbursement
- Extensive domestic and international crew meals including special meals
- Onboard supply of energy food (e.g. power bars)
- Buy-on-Board food reimbursed for deadhead pilots
- On-board entertainment (movies, wi-fi when available) reimbursed for deadhead pilots
- New joint hotel sourcing/selection/de-selection process based on agreed-upon guidelines with expedited arbitration process
- Ability to 'walk' a hotel if not suitable
- Downtown hotel at 14:00 hours block to block layover or greater
- TDY per diem additional \$25 per day as well as laundry expenses after five days
- Company pays for new-hire uniform and uniform changes
- Company pays Global Entry, CDC vaccinations, and reimburses unusual expenses otherwise usually not reimbursable
- Company commits to financially support CrewPASS as it is today

## **TRAINING**

Continental pilots will see significant changes when in training. Provisions improve the scheduling, rest, pay and days off in training.

- Increase training pay and credit to 3.75 hours per day for training of less than five days and CQP of any length
- First Class travel to/from recurrent training
- Increase training pay to three (3) hours for training of five days or greater
- Paid on the basis of training days blocked, not on class days attended if less
- Distance learning paid at 1:4 ratio, including Global Contrails
- Dual qualification only allowed by management pilots (not line or instructor), if landing currency is maintained in the actual aircraft
- Pilots who lose days off when given a training assignment after monthly schedule preferencing (bidding) receive additional vacation days

## **MOVING**

Pilots will have improved access to paid moves. The move radius (how far a pilot can move to his/her new residence) has been increased. The miscellaneous allowance has also been increased. A pilot is reimbursed for income tax liability for paid moving expenses. Pilots who choose not to move following a base change receive paid transfer days and expenses.

- Merger move: paid move for all vacancies awarded within 24 months of operational merger date regardless of bid award
- Career move: one additional paid move for pilots during their career, regardless of vacancy award
- Paid moves for new equipment bases
- Move expenses paid from any location within CONUS (not restricted to distance from old to new domicile)
- Pay five (5) hours pay per travel day
- Must move within 200 miles of the primary airport and 50 miles closer

## **VACATION**

Continental pilots will be familiar with many of the vacation provisions in the TA as it is largely based on the legacy Continental contract. Pilots will continue to lead the industry in vacation accrual. New is a provision allowing the use of the next year's vacation to drop and be paid for trips in the current year. There are now three vacation bidding cycles (down from five), but pilots may be awarded more than one vacation block per bid cycle. This reflects a more seniority-based system. In addition to annual vacation accrual, pilots may receive vacation credit days per other sections of the contract; e.g., as remedy for improper assignment. Vacation can be cancelled if a pilot is activated in a new category, unless displaced. Also, whereas vacation formerly took precedence over training unless the pilot waived it, now some training events may cause vacation periods to be cancelled, although they will be available for monthly vacation bidding and awarding, or can be forfeited into the pilot's 401(k).

- Vacation pay and credit at 3.25 per day
- Additional vacation days earned in numerous situations
- Vacation year starts with May bid period (annual bid in Feb/March)
- Monthly vacation pick up and trade
- Paid trip drops using next year's vacation accrual
- Do not keep vacation when changing categories, unless displaced
- Now allow vacation payout to 401(k) or RHA VEBA
- "Golden days" – pre-assigned days off for personal use

## **SICK LEAVE AND WORKER'S COMPENSATION**

- Protect value of soft-time within a pairing
- Dial-able sick leave to extend bank over a longer time period
- Convert OI bank to sick bank at a 1.5:1 ratio
- Advance new hires 60 hours sick bank, begin additional accrual at one year
- Sick bank paid out above line cap for lineholders and above MPG for reserves
- Worker's Compensation payments turned over to the Company are returned to the pilot's sick bank in hours

## **SAFETY**

Safety characteristics and provisions from both the legacy Continental and legacy United contracts (and from elsewhere in the industry) are used in the TA; however, the Safety section primarily reflects and expands upon the historical Continental/CAL MEC approach to safety. With this approach, there is strictly limited access to data and reports that allows our respective union and Company safety departments to perform very progressive data analysis, data sharing and reporting to our pilots; and the Company to conduct in-depth analysis of aircraft systems for preventative maintenance and fuel usage on aircraft and routes (not individual pilots).

- New section in the contract
- Umbrella agreement allows for common components of safety programs
- Individual LOAs and MOUs detail individual programs that involve the FAA, like FSAP, etc.

## **SENIORITY**

- Pilots must hold a line captain bid to fly as a line captain

## **REDUCTION IN FORCE**

- Furloughs continue to accrue longevity
- Scope and LPA restrictions when pilots are on furlough

## **MISCELLANEOUS**

- Pilot right to know any information being kept by the Company on him/her regardless of form or location
- \$35/month reimbursement for parking costs if parking not utilized in pilot's base
- FFDO use of vacation to cover initial and five-year recurrent training
- FFDO PS passes to and from FFDO training
- Bottled water language
- Order-to-fly language
- Prudent commuter policy
- Jumpseat protected on weight-restricted flights for United pilots
- Jury duty policy codified

It is important to remember that this communication is for information purposes only and is intended as a general summary of what is in the tentative agreement. It is not a substitute for detailed review of the tentative agreement itself. In the case of any conflict between the tentative agreement and this communication, the terms of the tentative agreement will apply.

If you have questions concerning the provisions contained in the TA for the United Pilot Agreement/Contract 2012, please contact your local council representative or talk to a member of the P2P Fact Team. You can also contact the union office at 281-987-3636.

Voting for the tentative agreement is open Dec. 1, 2012 through Dec. 15, 2012. It is important that you vote. Please take the time to read all the information about the TA provided to you by the union and ensure your questions are answered. No contract is perfect. Make sure to evaluate the contract as a whole, in its entirety, when you consider whether it meets the requirements of you and your family.