

UPA Extension Overview

UAL MEC Negotiating Committee 12/22/15

Focused TA for 2 Year Extension

- Two year extension provides more than \$1.12 Billion in added value to United Pilots over next 3 years in guaranteed pay rate increases alone, plus additional value in the provisions detailed below.
- New amendable date Jan 31, 2019 with Section 6 opening letters to be exchanged as early as May 2018
- Contract Changes:
 1. Adding the pay increases in this TA to the UPA schedule captures a 22.28% compounded increase above current 2015 rates by Jan 2018
 - a. UPA raise - 3% Jan 2016, plus
 - b. TA raise - 13% first bid period after ratification of this LOA, plus
 - c. UPA raise - 3% Jan 2017 (also included in TA), plus
 - d. TA raise - 2% Jan 2018
 2. Delta “Snap Up” provides additional potential pay rate increases if the average annual percentage pay increase of a new Delta agreement exceeds this TA
 3. Full Furlough Longevity Restoration and Expanded Furlough Protections
 - a. Full Longevity for pay and vacation
 - b. Retro payment back to UPA date of signing (Dec 2012) for both pay and vacation
 - c. Expand furlough protections to pilots hired since Dec 2012
 4. LOA 22 FRMS Scheduling Changes:
 - a. Second Premium Break Seat will be required for all FRMS flights on 777-200
 - b. Pre-approved FRMS template restrictions for future submissions to secure guaranteed minimum rest requirements (greater than UPA) on targeted FRMS applications

5. MOU 22 replacement: Pay protection, extension Add Pay, and Fatigue FSAP reporting improvements
 - a. No more “free 30 minutes” on extensions
 - b. Eliminates requirement to file fatigue FSAP if electing not to extend FDP
 - c. Automatic Look Back Add Pay (5-F-1-h and LOA 30) improves Add Pay so it triggers earlier
 - i. 2.5 Hours of Add Pay at first minute of extension (previously triggered 31-75 minutes)
 - ii. 5 Hours of Add Pay at 31 minutes of extension (previously triggered at 76 minutes)
 - iii. FRMS flights use Table C limits to calculate Add Pay (not the longer FRMS FDP limit in the exemption)
 - d. Agreement to meet and explore expanding extension Add Pay to unaugmented multi-leg duty periods, which requires further MEC direction

1. Pay Rate Increases

Pay rate increases above 2015 rates

	1/2016	DOS	1/2017	1/2018
Extension plus UPA*	3%	13%	3%	2%
Extension Compounded*	3%	16.39%	19.88%	22.28%
*Does not include any potential increases which may occur if Delta snap up triggers, including an additional raise for Jan 2019				
UPA without TA	3%	-	3%	-
UPA without TA compounded	3%	-	6.09%	-

12 yr Captain Pay rate comparison

Equipment	2/2016 <i>without TA</i>	2/2016 <i>with</i> TA	2017 <i>with</i> TA	2018 <i>with</i> TA
747/787/777/764	\$270.25	\$305.39	\$314.56	\$320.86
763/753	\$225.39	\$254.70	\$262.35	\$267.60
752/738-9/A320	\$217.52	\$245.80	\$253.18	\$258.25
737-700/A319	\$208.63	\$235.76	\$242.84	\$247.70

12 yr FO Pay rate comparison

Equipment	2/2016 <i>without TA</i>	2/2016 <i>with</i> TA	2017 <i>with</i> TA	2018 <i>with</i> TA
747/787/777/764	\$184.59	\$208.59	\$214.85	\$219.15
763/753	\$153.94	\$173.96	\$179.18	\$182.77
752/738-9/A320	\$148.57	\$167.89	\$172.93	\$176.39
737-700/A319	\$142.49	\$161.02	\$165.86	\$169.18

UPA Extension Overview

- Overall-Industry leading UPA TA pay rate: Exceeds failed DAL TA rates (considering their profit share monetization of 5.74%), failed LUV TA rates, and current AMR rates
- Delta snap up – potential to capture further pay rate increases (see below)
- Also increased EMB190 pay to equal EMB 195 (additional 17.5% increase)
- Added CS100 pay rate equal to the EMB190/EMB195
- No changes to Profit Sharing

Pay Rate Comparisons

These next 4 charts compare our TA rates to the current American Airlines rates, and the 2015 Delta TA which failed membership ratification. The Delta TA rates reflect their deal, which converted a portion of their profit sharing (PS) for 5.74% in higher pay rates. The “Failed DAL” column shows the pay rate with the monetized PS, and the “Failed DAL (5.74% PS conversion)” column shows the rates with the net impact of the profit sharing conversion.

2017 Captain Rate vs. DAL & AA (12Yr)

Equipment	UAL 2017 with TA	American 2017	Failed DAL 2017	Failed DAL (5.74% PS conversion)
747	\$314.56	\$316.99	\$320.42	\$302.03
777	\$314.56	\$301.90	\$320.42	\$302.03
787	\$314.56	\$301.90	\$306.95	\$289.34
767-400	\$314.56	\$301.90	\$302.66	\$285.29
767-300	\$262.35	\$256.78	\$268.20	\$252.80
757-300	\$262.35	\$256.78	\$268.20	\$252.80
757-200	\$253.18	\$256.78	\$268.20	\$252.80
737-900	\$253.18	\$241.71	\$258.53	\$243.69
737-800	\$253.18	\$241.71	\$257.18	\$242.42
737-700	\$242.84	\$241.71	\$257.18	\$242.42
A320	\$253.18	\$241.71	\$248.16	\$233.92
A319	\$242.84	\$241.71	\$248.16	\$233.92

2017 FO Rate vs. DAL & AA (12Yr)

Equipment	UAL 2017 with TA	American 2017	Failed DAL 2017	Failed DAL (5.74% PS conversion)
747	\$214.85	\$216.51	\$218.86	\$206.30
777	\$214.85	\$206.20	\$218.86	\$206.30
787	\$214.85	\$206.20	\$209.65	\$197.62
767-400	\$214.85	\$206.20	\$206.72	\$194.85
767-300	\$179.18	\$175.38	\$183.18	\$172.67
757-300	\$179.18	\$175.38	\$183.18	\$172.67
757-200	\$172.93	\$175.38	\$183.18	\$172.67
737-900	\$172.93	\$165.09	\$176.58	\$166.44
737-800	\$172.93	\$165.09	\$175.66	\$165.57
737-700	\$165.86	\$165.09	\$175.66	\$165.57
A320	\$172.93	\$165.09	\$169.50	\$159.77
A319	\$165.86	\$165.09	\$169.50	\$159.77

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2018 CAP Rate vs. DAL & AA (12Yr)

Equipment	UAL 2018 with TA	American 2018	Failed DAL 2018	Failed DAL (5.74% PS conversion)
747	\$320.86	\$326.50	\$330.03	\$311.09
777	\$320.86	\$310.96	\$330.03	\$311.09
787	\$320.86	\$310.96	\$316.16	\$298.02
767-400	\$320.86	\$310.96	\$311.74	\$293.85
767-300	\$267.60	\$264.49	\$276.24	\$260.39
757-300	\$267.60	\$264.49	\$276.24	\$260.39
757-200	\$258.25	\$264.49	\$276.24	\$260.39
737-900	\$258.25	\$248.96	\$266.28	\$251.00
737-800	\$258.25	\$248.96	\$264.90	\$249.69
737-700	\$247.70	\$248.96	\$264.90	\$249.69
A320	\$258.25	\$248.96	\$255.61	\$240.94
A319	\$247.70	\$248.96	\$255.61	\$240.94

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2018 FO Rate vs. DAL & AA (12Yr)

Equipment	UAL 2018 with TA	American 2018	Failed DAL 2018	Failed DAL (5.74% PS conversion)
747	\$219.15	\$223.00	\$225.43	\$212.49
777	\$219.15	\$212.39	\$225.43	\$212.49
787	\$219.15	\$212.39	\$215.94	\$203.55
767-400	\$219.15	\$212.39	\$212.92	\$200.70
767-300	\$182.77	\$180.64	\$188.68	\$177.85
757-300	\$182.77	\$180.64	\$188.68	\$177.85
757-200	\$176.39	\$180.64	\$188.68	\$177.85
737-900	\$176.39	\$170.04	\$181.87	\$171.43
737-800	\$176.39	\$170.04	\$180.93	\$170.54
737-700	\$169.18	\$170.04	\$180.93	\$170.54
A320	\$176.39	\$170.04	\$174.59	\$164.57
A319	\$169.18	\$170.04	\$174.59	\$164.57

2. Delta Snap Up

- Provides potential additional pay rate increases if the average annual percentage increase in pay of the new Delta agreement exceeds UPA Extension TA
- 2 step process:
- Step 1: DAL must get deal by Jan 1, 2018 which exceeds the UPA average annual percentage increase
 - Compare average pay rate increases over life of deal or first four years, whichever is shorter
 - Modified for any changes to DAL profit sharing formula (raising rates in exchange for reducing profit sharing, or vice versa)
- Step 2: If DAL average annual percentage increase exceeds TA, compare DAL compounded rates to TA at each adjustment point
 - Snap up adjustment points: DOS of DAL deal, Jan 2017, Jan 2018 and Jan 2019
 - At each adjustment point, if the UPA TA is at or above DAL compounded rate increase, then no change to our rates
 - At each adjustment point, if the UPA TA is below the DAL compounded rate increase, then snap up our rates to match DAL, however
 - We keep our 3% raise for 2017 and our 2% raise for 2018 at a minimum
 - The aggregate compounded rate must be brought up to match DAL as of 1/1/2019

3a. Furlough Longevity Restoration

- Full longevity restoration for all time on furlough for Pay and Vacation
- Retro for pay hours back to UPA effective date Dec 2012
- Retro for all missing accrued vacation days back to UPA effective date Dec 2012
- Retro checks will earn PRAP (16%)
- Retro checks will be considered pilot earnings for calculating 2016 profit sharing

3b. Furlough Protections

- Extend UPA provisions in 1-C-1-h and 1-I to include pilots hired since UPA DOS
- All 76 seaters converted to 70 seats if any pilot hired prior to TA DOS is furloughed (1-C-1-h)
 - Physically remove seats
 - Continue to be counted as though it is being operated as 76-Seat Aircraft
- Capture pilots hired prior to TA DOS in “General Furlough Protection” notice and limit rules

4. FRMS Scheduling Changes

- Second Premium Break Seat on Double Augmented Flights
 - 777-200: Provide second premium break seat on all FRMS routes
 - Objecting to FRMS applications for 787 and 747 aircraft must be for reasons other than lack of a mandatory second break seat. Maintain our ability to object for any other reason outlined in LOA 22
 - Maintain CROC protections for future rest facilities, or changes to existing rest facilities
- ALPA must be involved in all stages of FRMS applications
- FRMS Pre-approved Template for future exemption submissions, key points:
 - Strict Leg/Block/FDP/Rest limits
 - Double Augmented flights only
 - No more than two Global legs (flying or DHD), no more than two flying legs
 - No more than 60 minutes block hour increase
 - FDP Maximum increases above Table C:
 - 60 minutes if using normal 2 hour FDP extension
 - If 61 to 90 minutes, must reduce normal 2 hour extension minute-for-minute for each minute above 60
 - Template Rest Requirements
 - These are greater overall rest requirements than FAR 117, UPA, and all current FRMS exemptions
 - Pre-Trip: 12:45 hours and a Physiological Night (0100-0700)
 - Layover: 22 scheduled/18 actual and a Physiological night

- Post-Trip: 30 hours rest upon release from Trip
- All FRMS Rest Periods are FAR rest=no phone obligation or LSR (for example, the post trip rest of 30 hours means a reserve is not back on LSR for 30 hours and cannot be required to depart on his next trip for 43 hours)

5. MOU 22 Replacement-Fatigue Reporting and Extension Add Pay

- Fatigue FSAP Reporting Changes (MOU 16)
- No changes to pilot’s right to declare “fatigue” at any time
- Refusals to extend FDP 1-30 minutes no longer require an FSAP to adjudicate pay
- Flight Duty Period Extensions and Contractual Waivers (LOA 30/5-F-1-h)
 - Also known as Automatic Look Back Add Pay
 - Applies to all augmented FDPs, and to single-leg unaugmented FDPs
 - Agree to explore expanding Extension Add Pay to multi-leg unaugmented FDPs
 - Replaces 5-F-1-h pre-takeoff “offer and accept” process with automatic look back process

Duty Extension/Waiver	Old Book	New (TA)
1-30 Minutes	NO Add Pay Fatigue Report Required	2.5 Hrs Add Pay NO Fatigue Report Req
31-75 Minutes	2.5 Hrs Add Pay	5.0 Hrs Add Pay
76+ Minutes	5.0 Hrs Add Pay	5.0 Hrs Add Pay

- FRMS flights use Table C limits to calculate Add Pay, not the longer FRMS FDP limit in the exemption
 - For example, the Island Hopper nets at least 7.5 hours of Add Pay each Trip and LAX-MEL nets at least 2.5 hours of Add Pay each Trip
- Calculated at Takeoff using planned enroute and taxi-in time
 - Time made up flying fast enroute does not reduce any calculated Add Pay
- If crew agrees to extend FDP or waive UPA duty limits

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- Triggers at takeoff if FDP extension is needed
 - Triggers at pushback if UPA waiver is needed
 - Triggers at time of cancelation if CNX not due to pilots
- Crews due Add Pay will be provided with an electronic “receipt” showing the amount of Add Pay, if needed for pay disputes