

## AFA and United File Joint Application for Mediation

Together with the Company we have filed a joint petition to the National Mediation Board (NMB) to gain the assistance of a federal mediator in our negotiations for a new Contract. Our Contract required negotiations for a new Agreement to begin nine months early and continue to progress with this joint filing to the NMB in support of reaching a new Agreement as soon as possible. Our Contract becomes amendable in five months and already our negotiations are moving to the next step. We are focused on achieving an On-Time Agreement with the pay, healthcare, work rules and retirement security you determined was necessary when we created our Opening Proposal.

## Mediation & the National Mediation Board

The NMB, whose three members are appointed by the President of the United States, is the federal agency that appoints mediators to assist the parties with productive dialog on their negotiations issues. The mediator establishes when and where the parties will meet and may recess a case from time to time if it is deemed appropriate. There is no time limit for the mediation process although our Solidarity can encourage progress.

Mediation continues until an Agreement is reached or until the NMB determines that further mediation would be fruitless due to an impasse. Throughout the process and especially as the mediator evaluates the status of our talks it is critical that we make a public showing of our solidarity and insist upon achieving our collective goals as defined in our Opening Proposal. Through our collective action management and the mediator must understand clearly that we stand firmly behind our Negotiating Committee and that we expect fair pay, benefits and work rules for our contributions to United Airlines.

When the NMB believes that mediation efforts will not result in an Agreement, the Board makes a "Proffer of Arbitration" to the parties, proposing to resolve the remaining issues in binding arbitration.

During arbitration, hearings are held followed by an award made by the arbitrator. The award is binding and the new Contract is imposed upon both the Union and the Company, without a ratification vote. Since control is taken out of the hands of the parties, this option is rarely accepted. If either side rejects the "Proffer of Arbitration," the NMB releases the parties from mediation to enter a countdown to Self Help: the "30-day Cooling-Off Period."

## The 30-Day Cooling Off Period

The NMB uses the mediation process to foster agreements and to avoid a resort to "Self Help" whenever possible. For the Union, Self Help means engaging in activities that may inflict economic harm on the Company, up to and including a strike. For the Company Self Help includes the right to unilaterally impose their changes to our Contract, or to lock us out. The end of the 30-Day Cooling Off Period is commonly referred to as the "strike deadline," which often provides the time pressure needed to resolve the remaining issues in negotiations.

During the cooling off period, the NMB invites the parties to further mediate the negotiations. These meetings are often referred to as "super mediation" and usually attended by one of the Board members of the NMB. Generally, the meetings are called at or near the end of the 30-day countdown to Self Help, with the Self Help deadline providing a new incentive for the parties to reach an agreement. Both parties feel the pressure of Self-Help because no agreement at the deadline means we would then be free to strike and management would have the right lock us out or impose work rules.

## Presidential Emergency Board

The NMB has one additional means to try to resolve negotiations and avert a strike or lockout by notifying the President of the United States that, in its judgment, an agreement cannot be reached and this may threaten to substantially interrupt interstate commerce and transportation. The President may then interrupt Self Help and appoint a "Presidential Emergency Board" ("PEB"), which has 30 days to conduct hearings with the parties to develop a proposed agreement followed by another 30-day Cooling-Off Period. Finally, Congress may also intervene and mandate an Agreement legislatively. This is another reason we work to elect a President and members of Congress who understand the importance of providing an opportunity to negotiate fair wages, benefits, retirement and work rules.

