

2016 UAL TEAMSTERS



OUTSOURCERS ALL NEWS



International Brotherhood of Teamsters

1400 L Street, NW • Washington, DC 20004 • www.teamsters.org • 202-624-6911 • fax: 202-624-6918

For Immediate Release
October 16, 2007

WIDEBODY ACFT TO CHINA

TEAMSTERS URGE CONGRESS TO IMPROVE FOREIGN REPAIR STATION OVERSIGHT

Hoffa Says Overseas Maintenance of Airplanes Poses Safety, Security Risk

(Washington, D.C.) – Reports of security gaps at airplane repair shops overseas show why American aviation security is best left to Americans, Teamsters General President Jim Hoffa said Tuesday.

Hoffa was responding to USA Today's report Tuesday of gaps in fences around overseas repair shops, lack of perimeter security and inadequate access controls.

"Why is it OK for a 747 to fly from a repair station that doesn't meet U.S. security standards, but it's not OK for a passenger to carry a bottle of shampoo onto a plane?" said Hoffa. "It makes no sense to check passengers for bombs but not airplanes."

Hoffa said maintaining and repairing commercial airplanes in American repair shops is a better approach to aviation safety and security than to try to impose an American security regime overseas.

"If drugs can be smuggled onto airplanes in the Dominican Republic, there's no reason to think bombs can't be planted as well," Hoffa said.

"Airlines maintain their airplanes overseas to save money," he said. "They're not going to spend the money to tear the aircraft apart to inspect it once it returns to the U.S."

The International Brotherhood of Teamsters represents more than 1.4 million hardworking men and women in Canada and the United States, including airline mechanics at Continental Airlines, UPS, US Airways Piedmont, AirTran Airways, ExpressJet, Champion Air, Island Air, NetJets and GE Engine Services.

UAL's Flush Finances

UAL Corp, parent company of United Airlines, is not only sitting on a large pile of cash, but is also currently facing a great deal of upside potential in future cash flow. The company's cash flow has been estimated at \$1.6 billion for 2007, with \$1 billion of that representing cash that can be immediately used to increase the company's value for shareholders. UAL also has over \$4 billion in cash on its books at the moment, enough to buy about 75 percent of its own shares at current prices. This bodes well for UAL Corp shareholders, who stand a good chance of being handsomely rewarded through either a share buyback by the company, which will increase the stock price, or a special dividend which will return cash directly to them.

Meanwhile, UAL Corp continues to consider still more options for increasing its cash on hand, such as spinning off its mileage plan and MRO unit. The mileage plan is estimated to be worth roughly \$7.5 billion, while the MRO unit is worth approximately \$330 million. The Mileage plan generated about \$600 million in revenues last year, and United Services, 75 percent of which is the MRO, brought in \$280 million in revenue.

1. Based on stock price of \$45.88 with 115.74 million shares outstanding as of 10-15-07
2. Frank Boroch, Bear Stearns report dated 7-17-07

