

**Summary of the
Tentative Agreement**

Between

**Alaska Airlines, Inc.
And its
Flight Attendants**

**As Represented by the
Association of Flight Attendants – CWA
Reached December 12, 2013**



Alaska Airlines

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Dear Alaska Flight Attendants and AFA members:

The AFA Alaska Negotiating Committee has reached a tentative agreement (TA) with management and it has been presented to and approved by your Master Executive Council (MEC).

This has been a long and emotional two year struggle at the bargaining table as we worked to gain recognition for all the hard work and prior sacrifice we have contributed to the outstanding success of our airline. We believe that this final product recognizes Flight Attendant contributions and represents a significant improvement in our pay, job security and working conditions.

One overriding goal was adequate pay for unproductive pairings, excessive sit-times and long layovers. We have achieved that protection. For your convenience, we have listed the new pay rates and pay protections first in this Summary of the Tentative Agreement so they are readily available to you.

At times, we have been extremely creative in forging a solution to a problem. Sometimes that generated your vocal commentary, but we have never wavered from our commitment to you from the outset that these negotiations would be as transparent as possible and that the membership would be informed at every step of the process. This was not the easiest path, but we believe it was the correct one.

This TA contains significant changes and new concepts. Please take the time to review the materials carefully and attend a roadshow. Know that your Negotiating Committee is proud of the job we have done in addressing egregious issues in compensation, scheduling, open time and many other areas. In this volatile industry, we secured provisions that will protect us in the event of a corporate merger or acquisition. The major improvements we have forged put us at the top of the industry in many areas and lock in those improvements for years to come.

Your MEC and your Negotiating Committee have reviewed all documents and provisions and approved the TA to send out for a vote. The MEC recommends that you vote "FOR" this TA.

In solidarity,

Your Negotiating Committee – MEC President Jeffrey Peterson, Brian Tracy, Karina Cameron Feters, Jake Jones and AFA Staff Negotiator, Paula Mastrangelo

Your MEC -- Jeffrey Peterson, Terry Taylor, Yvette Gesch, Melanie Buker, Laura Masserant, Cathy Gwynn and Sandra Morrow

Special recognition to Negotiating Committee alternate Lisa Pinkston for her invaluable assistance in preparing the opening proposal. Thanks to transportation economist, Dan Akins, for his professional expertise and AFA attorneys, Kimberly Chaput and Joe Burns, for filling in for Paula on some of our sessions. Finally, thanks to Council 30 ANC President-elect, Becky Strachan, and MEC Vice President-elect, Brian Palmer, for carrying the torch forward.

IMPORTANT: Generally, if an item is *NOT* mentioned in this Summary of Agreement, that means there has been *no* negotiated change to that contract provision.

That means there is **no change** to Performance Based Pay (PBP) or Operational Performance Results (OPR) bonuses (Section 29: Profit Sharing and Retirement).

Vacation and Sick Leave DO still both count toward the 480 TFP for Medical Insurance.

Just a few clarifications (based on questions and/or concerns from the line—this is by no means an exhaustive list of explanations):

S21 Compensation

- The Profitability Bonus (usually referred to on the line incorrectly as “the COLA”) has been eliminated in favor of a longevity premium of one dollar (\$1) for every five (5) years of occupational service (as an Alaska Airlines Flight Attendant) starting at 20 years of service (i.e., \$1 at 20 yrs, \$2 at 25 yrs, \$3 at 30 yrs, etc.)
- The Longevity Premium is paid on all Worked TFP (TFP paid exclusive of sick leave and vacation) and is not subject to the bonus tax rate. It is paid along with one’s regular wages on the 20th paycheck.
- Flight Attendants eligible for the 2013 Profitability Bonus (aka COLA) will still receive it on April 20, 2014.

Pay Rate increases effective retroactively to 12.1.13

Pay Rate Chart Showing Effects of Longevity Accrual Over Life of Agreement

	TODAY's						DOS rates
	<u>Current rates</u>	Effective <u>DOS</u>	Effective <u>2.14.15</u>	Effective <u>2.14.16</u>	Effective <u>2.14.17</u>	Effective <u>2.14.18</u>	% <i>immediate</i> increase <u>Over current rates</u>
First 6 Mo	16.05	\$ 18.50	\$ 18.78	\$ 19.06	\$ 19.35	\$ 19.64	15%
2nd 6 Mo	16.81	19.00	19.29	19.57	19.87	20.17	13%
Step 1	19.16	23.00	23.35	23.70	24.05	24.41	20%
Step 2	20.35	24.00	24.36	24.73	25.10	25.47	18%
Step 3	22.53	26.00	26.39	26.79	27.19	27.60	15%
Step 4	23.73	27.75	28.17	28.59	29.02	29.45	17%
Step 5	24.91	30.00	30.45	30.91	31.37	31.84	20%
Step 6	26.63	33.00	33.50	34.00	34.51	35.02	24%
Step 7	28.26	35.00	35.53	36.06	36.60	37.15	24%
Step 8	30.27	36.25	36.79	37.35	37.91	38.47	20%
Step 9	32.37	37.75	38.32	38.89	39.47	40.07	17%
Step 10	34.53	39.25	39.84	40.44	41.04	41.66	14%
Step 11	39.82	42.50	43.14	43.78	44.44	45.11	7%
Step 12	40.89	44.50	45.17	45.85	46.53	47.23	9%
Step 13	41.89	46.00	46.69	47.39	48.10	48.82	10%
Step 14	42.94	47.50	48.21	48.94	49.67	50.41	11%
Step 15	44.43	49.00	49.74	50.48	51.24	52.01	11%
Step 16	45.57	51.50	52.27	53.06	53.85	54.66	13%
Step 17	46.48	51.50	52.27	53.06	53.85	54.66	11%

Highlighted rates demonstrate how FAs move through the scale over the years.
←

*Reserve premium included in steps from the 1st 6 mos through step 5

* Starting with 20 years of service (YOS) add \$1 longevity premium every 5 YOS after that:

- Example:
- 20 YOS DOS effective top rate = \$52.50
 - 25 YOS DOS effective top rate = \$53.50
 - 30 YOS DOS effective top rate = \$54.50
 - 35 YOS DOS effective top rate = \$55.50
 - 40 YOS DOS effective top rate = \$56.50
 - 45 YOS DOS effective top rate = \$57.50etc...

Profitability Bonus will be eliminated going forward in lieu of \$1 additional longevity premium. All profitability bonus earned in 2013 will still be paid out in 2014 as scheduled.

*Elimination of pay step 17 (scale condensed) → FAs reach top of scale one year sooner.

*Eliminate longevity penalty for not reaching 480 TFP/yr and retroactively put everyone at correct rate based on Years of Service.

*If ratified, retro pay to December 1, 2013, for the step rates.

Per Diem: increased to \$2.50/ hour

Minimum Pay Rules (“alternate rigs”) are contained in Section 21: Compensation.

Management was intransigent on the subject of “traditional” rigs. It quickly became apparent that we would have to expend significant bargaining capital to achieve even sub-par “traditional” rigs. However, your committee secured the following “alternate rigs” which serve the same purpose and provide comparable protection – it just allows Alaska management to say that they don’t have rigs, which was apparently VERY important to them. We get comparable protection, but unfortunately it does make it a bit more complicated to explain. Below we have listed the Minimum Pay Rules and provided examples.

What are Minimum Pay Rules? They are contractual provisions that guarantee a minimum amount of TFP for your sequence.

How will they affect your pay? If your sequence has sit-time in excess of 2 hours or if it contains a low TFP value for the number of days, then the Minimum Pay Rules will increase the TFP value of your sequence. An explanation and some examples are provided below:

1) Duty Period Minimum (DPM) [current book as the 4 TFP minimum]

FAs will receive a minimum of 4 TFP for each duty period in a pairing.

2) Average Duty Period Guarantee (ADPG)

FAs will receive a minimum of 5 TFP times the number of duty periods.

3) Multi-Day Sequence Minimum (MSM)

Sequences that span 3 or more calendar days and contain fewer duty periods (eg. 3 days and 2 duty periods) will be paid a minimum of 4 TFP times the number of calendar days in the sequence.

examples:

1) *Minimum 12 TFP Sequences*

Sequences that span 3 calendar days and are scheduled for only 2 duty periods of flying will be paid a minimum of 12 TFP.

2) *Minimum 16 TFP Sequences*

Sequences that span 4 calendar days and are scheduled for only 3 duty periods of flying will be paid a minimum of 16 TFP.

4) Extended Overnight Rule (EOR) [“Midnight – Midnight” improvement from current book]:

If there is a period of time from 1am to 11pm (local time) within a sequence which has no duty, an additional 4 TFP will be applied to that period of time. This pay is over and above any other “Minimum Rule Pay Rule” compensation.

5) “Sit Time” Pay

Scheduled or actual ground time in excess of 2 hours will be paid an additional 1 TFP unless Stranded Pay applies. This pay is over and above any other “Minimum Rule Pay Rule” compensation.

Minimum Pay Rules do not pyramid; however, the “Sit-Time” Pay will be paid on top of all other Minimum Pay Rules pay regardless of whether or not another Minimum Pay Rule applies. All “Minimum Pay Rule” TFP will be considered credit towards 240/480 thresholds, Reserve guarantee, sick leave accrual and pay, and Minimum Pay Rules in (DPM), (MSM) and (EOR) above will be credited toward line building per if known prior to bidding.

How will the “Minimum Pay Rules” affect the current pairings? See below for examples:

EXAMPLE of ACTUAL 1-DAY PAIRING

A5430 Check-In 13:05 Check-Out 22:45 January 2014

Day	Flt	Dep	Arr	Turn	Eqp	Meal	Flight	TFP	Duty
1	187	ANC 14:05	FAI 15:04	000:46	734	P	000:59	1.0	
	188	FAI 15:50	ANC 16:54	002:13	734		001:04	1.0	
	45	ANC 19:07	BET 20:20	000:50	734		001:13	1.4	
1	46	BET 21:10	ANC 22:15		734	P	001:05	1.4	009:40

TFP: 4.8

BLOCK: 004:21

TAFB: 009:40

VALUE TODAY: 4.8 TFP VALUE UNDER TA: 6.0 TFP [5.0 Average Duty Minimum applies] [sit on second leg 1 TFP for more than 2 hour sit]

EXAMPLE of ACTUAL 3-DAY PAIRING

Day 1 473 LAX/1910 SEA/2150
698 SEA/2300 GEG/2358 (4tfp min)

Day 2 (3002 layover in GEG)

Day 3 699 GEG/0600 SEA/0706
456 SEA/0900 LAX/1138 (4tfp min)

VALUE TODAY: 8.0 TFP **VALUE UNDER TA: 12.0 TFP** [Multi-Day Sequence Minimum 3 calendar days x 4TFP or the new Extended Overnight Rule would pay 4 TFP for Day 2 layover, so same total value of 12 TFP]

EXAMPLE of ACTUAL 4-DAY PAIRING

Day 1 527 ONT/1700 SEA/1937
372 SEA/2121 SMF/2313 (2:37 sit time) Min Pay Rule Applies

Day 2 373 SMF/1033 SEA/1228
362 SEA/1450 SMF/1629

Day 3 365 SMF/0653 SEA/0909
346 SEA/0958 OAK/1156

Day 4 359 OAK/0955 SEA/1144 (2:11 sit time) Min Pay Rule Applies
532 SEA/1355 ONT/1630

VALUE TODAY: 17.6 TFP **VALUE UNDER TA: 22 TFP** [Average Duty Period Guarantee pays 5.0 TFP x 4 duty periods = 20 TFP] [two sits over 2 hours paid @ 1 TFP x 2 sits = 2 TFP]

EXAMPLE of ACTUAL 1-DAY PAIRING

S8776 Check-In 05:55 Check-Out 15:13

Day	Flt	Dep	Arr	Turn	Eqp	Meal	Flight	TFP	Duty
	S	M	T	W	T	F	S		
1	470	SEA	06:55	LAX	09:25	002:35	739	A	002:30 2.8
1	479	LAX	12:00	SEA	14:43		734	P	002:43 2.8 009:18

TFP: 5.6

BLOCK: 005:13

TAFB: 009:18

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VALUE TODAY: 5.6 TFP **VALUE UNDER TA: 6.6 TFP** [sit on second leg 1 TFP for more than 2 hour sit]

480 / 240 TFP Applications Chart (120 / 80 in S32 Attendance Policy)

There have been some changes to the application of the 240/480 TFP thresholds (480 in the current book) and it is important to understand what TFP applies to which benefit/ accrual. Below is a reference chart. Further explanation is contained in the specific sections following the chart.

Benefit	Vacation TFP applies	Sick Leave TFP applies	Worked TFP <i>including</i> Minimum Pay Rule TFP (new)
Medical Insurance***	YES	YES	YES
Vacation accrual/pay	NO	NO	YES
Sick Leave accrual/pay	YES	NO (same as today)	YES
S32 Points Reduction(s)	YES	NO	YES
Uniform allotment	YES	YES	YES

*** NO CHANGE TO 480 QUALIFICATION FOR MEDICAL INSURANCE FROM CURRENT BOOK***

* Worked TFP is all compensation paid in TFP except vacation and sick leave (e.g. including but not limited to flights flown, training, Union business, Company business, Reserve guarantee, etc.)

* An additional important negotiated change is the "qualifying" period. We have changed it to a 12-month look-back period exclusive of any leave of absence in which you are coordinating sick leave (or vacation with short term disability which is also a new benefit).

Example: If a FA was below the 480 threshold due to (but not limited to) a medical/OJI or maternity leave of absence, the "look back" period would be extended past 12 months to capture the months in which the FA was active full time and thus potentially increase her TFP credit for the purposes of the associated 240/480 TFP.

Additional Negotiated Changes to the Current CBA By Contract Section

Section 1 - Nondiscrimination

- Added “Neither the Company nor the Association” will discriminate based on inclusion in any classification protected by “Company Policy, State or Federal Law, including but not limited to the classifications outlined in 1.B.

Section 2 - Purpose of Agreement – TBD [current book included in the distributed TA]

Section 3 – Scope and Recognition

- AFA will receive a monthly list detailing flight management holding a FAA FA certificate.
- Inflight management holding a FAA-certification as a Flight Attendant may function as CFR-required minimum crew to prevent a cancellation.
- Inflight management may displace a FA (w/ that FA’s consent) assigned to a sequence and function as CFR-required minimum crew, but will not be a “defacto reserve force.” The displaced FA will receive full pay protection, including any premiums (holiday, A pay, etc.). The displaced FA can also pick up an additional sequence(s) from OT or from another FA on the affected days with all compensation and applicable premiums intact in addition to the displaced sequence (“double dipping” allowed). AFA will be provided with a list of these situations in advance, or by the next calendar day if to prevent a cancellation.
- Management will provide AFA with necessary business and operational data.
- AFA may review any code share, capacity purchase, joint venture or other agreements entered into with other air carriers which concern shared or joint flying.

Boeing Aircraft Order Letter of Agreement (Boeing LOA)

- AAG placed an order in 2012 with Boeing for several 737 aircraft.
- All flying of current and future a/c acquired under the 2012 order (both fixed and optioned a/c) will be performed by FAs on the AFA Alaska System Seniority List.
- This prevents Alaska/AAG from transferring the a/c to a code-share, CPA partner to perform routes over the Alaska system and take away Alaska Flight Attendant jobs.

Alaska Air Group Letter of Agreement (AAG LOA)

- Ties Alaska Air Group to all agreements made with Alaska Airlines.
- Prevents the parent company from taking actions to circumvent agreements made with a subsidiary (i.e. Alaska Airlines).

Job Protections Letter of Agreement (Job Protection LOA)

- Protects FA jobs in the event of an acquisition.
- If there is a transfer of flying to another carrier, no FA could be furloughed for the term of the contract period plus an additional full year.

Section 4 - Status of Agreement- \$1 million expense fund in the event of a merger or acquisition.

Section 5 – Definitions - New or existing terms already defined in other Sections will be added.

Highlights include:

- **Irregular Operations:** Flights that do not operate in accordance with the published schedule because of extraordinary circumstances such as weather, maintenance delays, cancellations, etc.
- **Jet Bridge Trade:** A trade between Flight Attendants at the same domicile, in which they trade or give away a sequence or portion of a sequence at any station near departure time. Internationally, no earlier than 12 hours prior to departure. Sips are not Jet Bridge Trades.
- **Like Sequence(s):** A single sequence that operates no earlier than the original report time on the first day of the sequence and must return to domicile no later than 11:59 PM (local domicile time) on the last day of the original sequence. In determining the like sequence, Scheduling will first consider a sequence with an equal number of days and then a sequence with fewer days. Like sequence does not apply to Section 10.S Pre-cancellation.
- **Operational Incident Drop (without points):** Operational Incident Drop (*without points*): FAs may request, and may be granted, *Operational Incident Drops* due to special circumstances. No attendance points accrue and it does not impact record improvement. These drops will be unpaid, unless management decides otherwise.
- **Severe Irregular Operations:** If conditions warrant, Severe Irregular Operations may be declared by mutual agreement between the Company and the Alaska Airlines Air Line Pilots Association (ALPA). Self-assigned trips may be removed from reserves.

Section 6 – Seniority

- If a Flight Attendant is transferred to management, s/he will be removed from the published base position lists for that period of time.
- When a Flight Attendant transfers to management, AFA will be provided the FA's name, a job description, the effective date of the transfer and duration of assignment, and the transferring FA must complete a confidentiality agreement.
- Created vacation and sick leave conversion formula from FA to management and vice versa.

Section 7 – Probation

- Change probationary requirements to include probationary Flight Attendant being assigned four sequences not in the "A" position if operationally feasible following base orientation. These four sequences cannot be traded or given away.
- Probationary FAs expected to sit/fly a minimum of 48 days of reserve availability so appropriate evaluations of performance can be observed (with 8 days credit towards the 48 for every month a probationary FA holds a line). Probationary period will be extended past 6 months until the 48 day requirement is satisfied.

Section 8 – Hours of Service

- Defined "Like Sequence" which will establish a uniform application for all the rules covered under the current agreement as "move-up," "reassignment," and "reschedule."
- **Like Sequence Definition:** A single sequence that operates no earlier than the original report time on the first day of the sequence and must return to domicile no later than 2359 on the last day of the original sequence. In determining the like sequence, Scheduling will first consider a sequence with an equal number of days and then a sequence with fewer

- days.
- "Like Sequence" must be a **single** sequence. **Not** multiple sequences which is the current practice.
- Like Sequence will apply to all situations above, except Section 10.S. Pre-Cancellation [10.T in the current book], which remains unchanged.
- Pay penalty for extending past the "foot-print" of original. If the return to domicile on the last day of the sequence is 4 or more hours later than the originally scheduled sequence, FA receives 1.5x pay into or exceeding 4 hrs, prorated with a minimum of 1 TFP at 1.5x pay.
- Contactability language to protect FAs. FA cannot be denied boarding a crew van, hotel check-in, etc. pending contacting Crew Scheduling.
- If FA is contacted by Crew Scheduling while off duty on a layover, FA may voluntarily return the call or wait until the start of the next duty period.
- If RON rest is reduced below 9:30, FA receives 2.5x pay for remainder of sequence.
- FA may waive compensatory ("double out") rest and receive time and a half.
- During the bidding process, FA may waive 48/7.
- Increased night rule footprint by 29 minutes (from 4AM to 4:29AM) and agreed that night rule supersedes irregular ops language.

Section 9 - Junior Available

- JA pay increased from 1.5x to 2.5x. If JA'd the FA may post/give away trip **and** 2.5x pay goes with trade. Removed the ability to elect a day off in lieu of premium pay.
- VJA replaced with new "Premium Open Time": CSKD may declare periods of Premium Open Time and will post on Inflight webpage with a minimum premium of 1.5x or greater. If reserve FA self-assigns sequences does not receive premium pay. If traded, "Premium Open Time" sequence will be paid at straight time.
- Crew Scheduling must declare and FAs can decline JA assignment if it violates 48 in 7 or min days off.
- Pay for "assignment out of order" increased from 1.5x to 2.5x.
- FA are now subject to JA on traded or given away flights on his/her original line.
- Clarification that FAs are not contactable at all for JA on his/her vacation including the last day of vacation.
- No longer contacted thru primary contact number on file on a day off.
- May be contacted in person on Company property or at the airport during scheduled duty on a scheduled day of work (**not** after release or traveling non-rev). May be contacted at the FA's primary contact number with CSKD while a sequence is in progress. A Lineholder or Reserve who is working a sequence picked up on a day off will be considered on duty.
- JA list generated from FAs on duty in junior order for assignment the day of or the following day.
- List of JA'd FAs provided to Association upon request.

Section 10 – Scheduling

- PBS Changes:
 - Delete minimum bid preference option – currently does not function as originally anticipated.
 - All Company-required training except Recurrent Training is credited toward line

- average.
 - For Lineholders – default PBS awards a line vs reserve (if FA forgets to preference).
 - Only 1 sequence per calendar day awarded unless waived.
 - Charters not assigned to Lineholders unless preferenced.
- Increased Reserve rest in domicile to same as Lineholder.
 - If non-rev FA is asked to work a flight, may voluntarily do so and will receive 1.5x pay and the Company will return FA to original destination or domicile.
 - Company can convert a deadheading reserve to work a flight only if s/he will be part of minimum crew. Paid premium of 1.5x.
 - Jet Bridge Trades: FAs of the same domicile can trade part of their sequence as long as it does not delay boarding of the flight. International Jet Bridge Trades will be allowed with at least twelve (12) hours' notice.
 - Company pays for passport renewal for name change.
 - Clarified 10.S Pre-cancellation application as it relates to passport renewals.
 - Added language regarding sequence recovery for No Shows.

Section 11 - Reserves

- AM and PM lines only. No scheduled ER days.
- Only 2 days can be converted to ER and ER days can be “preferenced” by FA.
- One additional day can be converted to ER; however, FA will receive 2x pay if assignment given and 1TFP if not used.
- FA may volunteer additional ER days (CSKD must accept) at 1.5x pay or 1TFP if not used.
- APSB capped at 4 times/mo.
- APSB will be 5 hours and worth 5 TFP. All flight assignments must depart within 1 hour of end of APSB shift.
- Reserves will receive Holiday premium when sitting APSB.
- Time served on APSB now counts towards over-duty calculation for purposes of compensatory (“double out”) rest.
- Reserves can trade reserve assignments and APSB assignments within days of availability and call type restrictions.
- Reserves can “self-assign” sequences from OT during four (4) hour window the day prior for the same number of days as their availability.
- A trip assigned or self-assigned to a Reserve may not be taken away except in extreme cases as outlined.
- Reserve paid 4 TFP if flown into day off from block-in time.
- Increased Reserve rest in domicile to Lineholder protection.
- Reserves may waive the 48/7 during the line bidding process.
- Increase “go-around” credit to value of trip not completed (vs 1 TFP today).
- Reserve Repositioning and Trades will be done through automation – not at Crew Scheduling discretion.

Section 12 – Exchange of Sequences

- Elimination of “Trade Jail.”
- No pre-funding of Open Time, so this will result in more Lineholders who will have their

lines built with these sequences; this will also result in fewer Reserves. (There has been no contractual increase to the line average so everybody else should not be required to fly more to absorb these sequences).

- OT opens on the 15th (earlier than today) with NO days closed initially.
- FAs can simply DROP a sequence into OT if the day of the trip departure is open without having to pick a trip up, provided the FA has not already dropped more than 40 net TFP into OT.
- All days of the sequence (say a 4-day) do NOT have to be open, just the first day of the sequence in order to drop the sequence into OT.
- Concrete, visible contractual thresholds (i.e. specific # of sequences) for closing an OT day (not management discretion).
- The only sequences considered in the OT closing threshold are FA drops and coupon drops (coded TR and CP in eMaestro).
- If you want to trade a trip on a closed day, there is no 3-leg difference restriction like today.
- You may trade a 4-day off your line for a turn in OT provided they have the same sequence departure day (and you have not already traded more than 40 net TFP into OT).
- If a FA picks up a TR or CP trip on a "closed" day, that day will reopen if the day drops below the closing threshold as a result of the trade.
- Complete transparency so you can see if a day is open or closed and why.

Now let's tackle the Quartile System...

IMPORTANT:

- The Company and AFA may mutually agree to change the quartile system if it is not functioning satisfactorily at any time.
- The AFA Alaska MEC may decide to end the quartile system six (6) months after implementation if the MEC determines that the system is not working (as a result of input from the Membership).
- **CONFIRMATION BALLOT:** If the Quartile System is still in place twelve (12) months after implementation (meaning AFA or the parties by mutual agreement have not terminated it), there will be a confirmation ballot of all AFA Alaska members in good standing (meaning dues are paid up) on whether or not to continue the system.

****Once a quartile opens, it does NOT close****

The current system already starts out with low-quality sequences in OT and by design encourages Flight Attendants to trade their sequences into OT as quickly as possible. OT becomes clogged up with these sequences and almost immediately closes. Plus Crew Scheduling is "parking" sequences all the while until the following day when they are released back into OT. By employing a stepped access to OT by seniority, it slows the process down and results in better quality sequences being placed in OT first (because those sequences are more likely to be awarded to more senior FAs).

Then when the next quartile opens, those FAs get a crack at higher quality sequences than they would

have normally held or have had access to in OT today. Finally, when the last quartile opens, the assumption is that even the Flight Attendants in the last quartile will initially have access to better quality sequences in OT than they would have held on their lines or would have had access to in OT today. Even if the sequences are largely the same quality as before, the trading rules in this system are significantly improved.

The Quartile System is in place only for the first four (4) days of the opening of OT (15th - 18th of the month prior). The new system allows for an orderly and rational opening of OT trading. Not the mad, dysfunctional rush that it is now.

Day of month Quartile FAs who can trade (seniority)

- 15th 1st Quartile top 25%
- 16th 2nd Quartile top 50%
- 17th 3rd Quartile top 75%
- 18th 4th Quartile All FAs in domicile

Formula for determining OT Closing Threshold #

- 1 sequence departure per day for every 200 FAs in domicile. If there are at least 50 FAs "left over" after the calculation, then an additional daily sequence departure is added. (Example: 650 FAs in domicile, OT Threshold number would be 4 sequences.)
- Minimum threshold # of 3 sequences at each domicile regardless of FA domicile population.
- Only the day of departure will count toward the threshold number.
- Sick calls do not count. Only FA-dropped sequences and coupon drops count (these sequences will be coded TR or CP in eMaestro).
- If an Open Time day is closed, it can re-open if a FA picks up a sequence coded TR or CP on that day provided the day drops below the threshold number as a result of the trade.
- System adjusts for growth of FA population in each domicile.

EXAMPLE: PDX (Threshold # = 3)

June # of Sequences

- 4th 3 closed
- 5th 3 closed
- 6th 2
- 7th 1
- 8th 3 closed
- 9th 2
- 10th 1
- 11th 2
- 12th 3 closed

Using the above snapshot of OT, PDX FAs could drop a total of 2 sequences into OT on the 7th and 10th and a total of 1 trip on the 6th, 9th, and 11th. Alternatively, if a FA picked up a TR- or CP-coded trip on the 4th, 5th, 8th or 12th, that day would re-open for give-away. Even if a day is closed, a sequence may be traded for another sequence with the same departure

day regardless of trip length provided the FA has not traded more than 40 net TFP into OT.

Other important provisions:

- OT will open on the 15th with NO closed days
- NO pre-funding of OT
 - Will create more Lineholders (because TFP previously used in pre-funding will be built into lines).
 - Fewer "low quality" sequences will be in OT at the start.
- Straight drops into OT will be allowed (is not today) if sequence departure day is open (up to 40 TFP net into OT per FA).
- More "higher quality" sequences will be initially available to more junior Fas.

The changes in the Open Time system in the TA are comprehensive and sweeping. The stagnation created by the current system was untenable and could not continue.

Section 13 - Uniform

- Increased biannual allotment from \$600 to \$700, with adjustments for increase in aggregate uniform costs.
- Allow using allotment to purchase Company-approved arctic boots and alternate winter coat.
- Clarified: allotment "reset" for new uniform roll-out to \$350 after Company has supplied a new uniform exclusive of the allotment.
- FAs have guaranteed right to wear AFA pin on uniform.

Section 14 – Vacations

- Increase from 3 to 4 vacation bid periods per month.
- Posting of vacation awards to ensure transparency.
- No change to vacation accrual schedule (e.g. DOH: 14 days prorated, 1 – 4 yrs: 14 days, 5 – 9 years: 21 days, 10-17 years: 28 days, 18+ years: 35 days).
- 7 additional days of "Longevity Personal Time Off" (Longevity PTO) with 25+ years of service and 960 Worked TFP (exclusive of sick leave and vacation) in 12-month look-back based on the calendar year.
- 12-month look-back established for vacation accrual determination. Any month in which a FA is on a medical or OJI leave of absence and coordinating sick leave will not be counted in the look-back period and additional back months will be captured to determine the vacation accrual.
- If a FA is on an unpaid leave of absence and not coordinating sick leave, s/he will receive an unpaid credit of 1.333 TFP toward the vacation accrual threshold for each day of the leave.
- Graduated Accruals for Vacation (Worked TFP only and is exclusive of vacation and sick leave):
 - 0 – 239 TFP = No accrual/ pay of vacation for subsequent year
 - 240 – 479 TFP = Accrue half of vacation days and vacation days are unpaid
 - 480 + TFP = Full accrual and pay for all vacation days

Section 15 - Leaves of Absence

- o Expanded “immediate family” definition to address domestic partner relatives.
- o FA may supplement short term disability (STD) with vacation (TA) in addition to sick leave (current book).
- o Added military leave language.
- o FA must stay current for FAA certification (may mean attending recurrent training while on leave) while on a leave when possible (exceptions include: medical, military, extended travel).
- o Expanded provisions for FAs involved in airline accidents and serious incidents (as defined) to be removed w/ pay within specific circumstances.
- o Clarified return to work procedures. FA can bid for month if return to work anticipated in that next and if all paperwork has been submitted by the 1st of the next month.

Section 16- Sick Leave

- o Created two SL banks: Primary Sick Leave Bank (PSLB) and Secondary Sick Leave Bank (SSLB).
- o Total accrual between the two banks at full accrual rate the same as today at 1:10 (1:15 in PSLB and 1:30 in SSLB is 1:10 combined).
- o Increased total Bank caps to **1,700 TFP** (SSLB 700 / PSLB 1,000). [Today= 1443 TFP max]
- o SL accruals based on all TFP inclusive of paid vacation but exclusive of paid sick leave TFP.
- o Rolling 12-month look-back (not calendar year) for sick leave accrual based on paid TFP in that period.
- o SL accruals based on “rolling 12-month look-back” shall be as below:

Accruals →	Primary SL Bank (PSLB)	Secondary SL Bank (SSLB)	Total Accrual in both banks
Worked TFP + Vacation* TFP ≥ 480	.7 TFP for every 10 TFP	.3 TFP for every 10 TFP	1 TFP for every 10 TFP
Worked TFP + Vacation* TFP between 240 – 480	.3 TFP for every 10 TFP	0.2 for every 10 TFP	.5 TFP for every 10 TFP
Worked TFP + Vacation* TFP less than 240	No accrual	No accrual	No accrual

*Vacation includes PTO TFP.

Essentially this equates to 2/3 of SL accrual going into PSLB and 1/3 going into SSLB

- o SL for absences of fewer than 14 days is deducted from PSLB. For absences of 14 days or more, from the SSLB.
- o However, FAs on intermittent FMLA will have that sick leave usage charged to the SSLB unless the SSLB is depleted.
- o If the SSLB is depleted, FA can access the PSLB for any sick call.
- o Grandfather in all FAs eligible under the TA (including amendable period) for “sick leave exchange for retiree health premiums” and then discontinue program (Technically this is a sundown provision that expires after this TA’s amendable period). Implement SL “cash-

out" program upon retirement. Upon qualified retirement (55 yrs of age, 10 yrs vesting in 401(k) or min 20 yrs w/ Alaska) lump sum pay-out of 25% value of both bank balances at FA's wage rate effective at retirement. [example: 25% of 1700 max balance paid at \$51.50 rate = \$21,887

- Improved minimum guaranteed pay for alternate duty performed while on OJI leave.
- Using sick leave to bridge to long-term-disability: Reduced minimum amount of sick leave usage to .3TFP/day (9 TFP in a 30-day month and 9.3 TFP in a 31-day month, down from 11.3 TFP in current book) and secured a commitment from management that they will "stretch" it to last the full 180 days during the Long Term Disability (LTD) insurance waiting period so the FA can maintain medical insurance at the "active" rate when s/he transitions to LTD.
- Coordination of sick leave and LTD up to 100% eligible earnings at FA's option with no off-set to the LTD benefit.

Section 17 - Medical Leave

- Clarified nature of Independent Medical Exams (IMEs).
- FA shall be required to submit medical exam test if Company suspects that a FA's condition is impaired enough to perform the job as a FA.
- If Company withholds FA from service, s/he will receive pay based on average of last full 12 months worked.
- Transportation to and from exam paid by Company and improved protections and benefits for FAs who live far away from the exam location.
- If FA withheld from duty and after appeals is found "fit," shall be returned to duty and made whole (for pay and benefits and accruals).
- FA will have access to all medical findings and test results.

Section 18 - Reduction in Force

- Prior to furloughing, Company will explore options including low bid options, extended leaves, lower line averages, etc.
- Company required to offer voluntary fixed-term leaves prior to furloughing
- Recall bypass provision: If more junior FAs are still on furlough when recalled, the more senior FA may bypass recall.

Section 19 – Grievance

- Compensation of 4 TFP secured for investigatory meeting conducted on a day off.
- Guarantee that FA will not be required to attend investigatory meeting on day off. Not required to be available for meetings during a Leave, vacation, sick day, etc.
- Company will not conduct investigatory meetings during a Reserve's duty day unless Reserve consents. Reserve pay protected for any sequences dropped for meeting.
- AFA representation assured.
- Discipline/ Dismissal investigations: Company's 12 day limit extended when FA unavailable due to vacation, LOA, sick time, etc. [This is essentially practice today but is now in cemented in language.]

Section 20 - Board of Adjustment:

- Incorporate arbitrator panel selection and arbitration date language.

Section 21 – Compensation

Pay Rate Chart Showing Effects of Longevity Accrual Over Life of Agreement

	<u>Current</u> <u>rates</u>	<u>Effective</u> <u>DOS</u>	<u>Effective</u> <u>2.14.15</u>	<u>Effective</u> <u>2.14.16</u>	<u>Effective</u> <u>2.14.17</u>	<u>Effective</u> <u>2.14.18</u>
<i>First 6 Mo</i>	16.05	\$ 18.50	\$ 18.78	\$ 19.06	\$ 19.35	\$ 19.64
<i>2nd 6 Mo</i>	16.81	19.00	19.29	19.57	19.87	20.17
<i>Step 1</i>	19.16	23.00	23.35	23.70	24.05	24.41
<i>Step 2</i>	20.35	24.00	24.36	24.73	25.10	25.47
<i>Step 3</i>	22.53	26.00	26.39	26.79	27.19	27.60
<i>Step 4</i>	23.73	27.75	28.17	28.59	29.02	29.45
<i>Step 5</i>	24.91	30.00	30.45	30.91	31.37	31.84
<i>Step 6</i>	26.63	33.00	33.50	34.00	34.51	35.02
<i>Step 7</i>	28.26	35.00	35.53	36.06	36.60	37.15
<i>Step 8</i>	30.27	36.25	36.79	37.35	37.91	38.47
<i>Step 9</i>	32.37	37.75	38.32	38.89	39.47	40.07
<i>Step 10</i>	34.53	39.25	39.84	40.44	41.04	41.66
<i>Step 11</i>	39.82	42.50	43.14	43.78	44.44	45.11
<i>Step 12</i>	40.89	44.50	45.17	45.85	46.53	47.23
<i>Step 13</i>	41.89	46.00	46.69	47.39	48.10	48.82
<i>Step 14</i>	42.94	47.50	48.21	48.94	49.67	50.41
<i>Step 15</i>	44.43	49.00	49.74	50.48	51.24	52.01
<i>Step 16</i>	45.57	51.50	52.27	53.06	53.85	54.66
<i>Step 17</i>	46.48	51.50	52.27	53.06	53.85	54.66

Highlighted rates demonstrate how FAs move through the scale over the years.
←

*Reserve premium included in steps DOH to step 5

** Starting with 20 years of service (YOS) add \$1 to rate for every 5 YOS over 20

Example: 20 YOS DOS effective top rate = \$52.50
 25 YOS DOS effective top rate = \$53.50
 30 YOS DOS effective top rate = \$54.50
 35 YOS DOS effective top rate = \$55.50
 40 YOS DOS effective top rate = \$56.50
 45 YOS DOS effective top rate = \$57.50etc...

TOS Profitability Bonus will be eliminated going forward. All bonus earned in 2013 will be paid out in 2014.

*Elimination of step 17 – FAs reach top of scale one year sooner

*Eliminate longevity penalty for not reaching 480 TFP/yr and retroactively put everyone at correct rate based on Years of Service.

If ratified, rates effective 12/1/13 and “lump sum” back pay issued to FAs based on step rates (no

premiums).

- **New Holiday:** New Year's Day Holiday paid at 2x pay.

Minimum Pay Rules (explained in detail in the overview)

Duty Period Minimum (DPM)

FAs will receive a minimum of 4 TFP for each duty period in a pairing

Average Duty Period Guarantee (ADPG)

FAs will receive a minimum of 5 TFP times the number of duty periods

Multi-Day Sequence Minimum (MSM)

Sequences that span 3 or more calendar days and contain fewer duty periods (ex 3 days and 2 duty periods) will be paid a minimum of 4 TFP times the number of calendar days in the sequence.

examples:

1) *Minimum 12 TFP Sequences*

Sequences that span 3 calendar days and are scheduled for only 2 duty periods of flying will be paid a minimum of 12 TFP

2) *Minimum 16 TFP Sequences*

Sequences that span 4 calendar days and are scheduled for only 3 duty periods of flying will be paid a minimum of 16 TFP

Extended Overnight Rule (EOR):

If there is a period of time from 1am – 11pm (local time) within a sequence which has no duty, an additional 4 TFP will be applied to that period of time. Paid in addition to other Minimum Pay Rule pay.

“Sit Time” Pay

Scheduled or actual ground time in excess of 2 hours will be paid an additional 1 TFP unless Stranded Pay in our current contract applies. Paid in addition to other pay.

Important: “Minimum Pay Rules” TFP (except for Sit Time Pay) will be considered credit towards 240/480 thresholds, reserve guarantee, sick leave accrual and pay. The DPM and MSM will also apply to line-building thresholds.

Section 22 – Expenses

- Buy-on-Board food available to FAs at 50% retail price at any time, limit one item per duty period. Perishables can be eaten at no cost after the service.
- Per Diem Rate: \$2.50
- Crew snacks eliminated and cost of program added to per diem rate.
- If transportation to hotel not provided w/in 35 minutes from block in (or 10 min from

scheduled departure time from hotel) FA may take alternate transportation and will be reimbursed.

Section 23 – Insurance

- Cost Sharing
 - 2015 – 18% - no annual increase cap
 - 2016 – 19% - no annual increase cap
 - 2017 – 20% - no annual increase cap
 - Thereafter – max 20%, no annual increase cap
- Status Quo – no increase to actual dollar rates during amendable period of Agreement.
- No change in 480 application for insurance: sick leave and vacation TFP count toward 480.
- Company-paid Long Term Disability insurance added.

Section 24 - General and Miscellaneous

- Eliminate Spanish Language program because it is not utilized and replaced with a Company-approved optional voluntary foreign language training program.
- One scanner will be provided inside of security at every concourse in every Flight Attendant domicile or co-terminal and one scanner outside (before) security.
- FA not required to wear uniform when deadheading if not flying subsequent legs in that duty period.
- Jury duty provisions clarified.

Section 25 - Safety Health and Security

- Company shall discuss w/ MEC committee concerns about safety prior to making decisions on A/C changes.
- Company shall grant AFA Safety chair/ designee access to crash site and immediate release from duty to do so.
- Continued access to safety system formalized.
- FA required to be interviewed regarding accident will be released from duty and pay protected.
- Company will reimburse FA for Hepatitis B vaccine and annual flu shot.
- If a FA becomes ill/ injured at an international location, the Company shall ensure healthcare, FA will be liable for any healthcare not covered by healthcare coverage.
- Company shall request another crew member to accompany injured FA to hospital or treatment center.
- FA not required to ferry on AC with engine inoperative.
- Company commits to referring issues to EAP/ Professional Standards when possible.
- Crew member physical assault language expanded. Company will have “zero tolerance.”

Section 26 - Association Security

- Company shall remit dues to AFA electronically within 5 days.
- If the Company fails to restart dues deductions following a leave of absence, Company is responsible for dues not collected for the first month after being notified of such failure.

Section 27 – General – Association Information

- Increased Company-paid compensation for LEC presidents from 44 TFP per month to 65 TFP per month.
- AFA will be provided a desk/work station for crew room meetings upon request.
- Improved pay for Company business work, minimum 4TFP for any company meeting with additional pay for travel in conjunction with the meeting, or .75 TFP/ hour if greater.
- Incorporated EAP Side Letter providing for EAP trip drops and Company-paid flight pay loss.
- If FAs provided with electronic devices on a/c, AFA Contract and FA manual will be loaded. If provided, FAs may access Contract and manual inflight on the devices.
- FAs may lobby in uniform if approved by management and assist with voter registration.
- Company may maintain a "special projects" pool of FAs (current practice).

Section 28 – Domiciles

- FA shall retain awarded vacation during base swap.
- Increase LAX co-terminal pay to \$25 (from current \$10) with a cap of \$175/mo.
- Co-terminal pay applies to cancellation or reassignment within two hours of check-in, APSB, and show-no-go.
- Permanent "net zero" standing bid transfers awarded twice a year on seniority basis.
- Co shall pay broken lease penalties and utility hook-ups if the new base closes within six months of opening. New domicile definition extended to 6 months.
- Expanded commuter language to include QX/OO purchased capacity flights for the "two flights' difference" provision.
- For Company-required moves:
 - Reimbursement for driving 2 vehicles from former domicile to new domicile.
 - Meal and lodging expenses increase from \$55.00 to \$150.00 a night.
 - Minimum 3 calendar days free from duty for moving.
 - Reconnaissance visit- FA eligible for moving expenses will receive one night's lodging, max of \$50.00 a daily meal expense.
 - Positive space bump-able pass for employee and spouse / domestic partner or one dependent.
 - Receives 2 days off to look for permanent housing in new domicile w/o pay.
 - Involuntary transferees provided a minimum of 48 hours free from duty between assignments in different domiciles.

Section 29 – Profit Sharing & Retirement - Eliminate \$7,000 cap on Company contributions.

Section 30 – Training

- FA can preference out of domicile training when offered.
- Duty period minimum (DPM) for deadhead travel to training will apply at 4 TFP if travel is on a different day than training.
- Base swap or transferred FAs receive training protections for travel to the originally awarded training location.
- FAs pay protected if training cancelled within 14 days.
- AFA input into recurrent training curriculum
- Increase home study pay from \$50 to \$75
- New CBT-specific language separate from home study for recurrent.

- Company may require twice-annual Computer-based “mini-trainings” of less than one hour

Section 31 – Savings Clause – no change

Section 32 – Attendance Policy

- Ability for commuters to call in a Might Be Late (MBL).
- When a Flight Attendant calls in a MBL but scans in on time after calling in, no points will apply.
- Established new language regarding Management Drops which replaces Emergency Drops at a half (0.5) point per day and capped at 2.5 points for a Single Continuous Occurrence, and Operational Incident Drops (for serious operational incidents pursuant to Section 15.G in Leaves of Absence) will be without points.
- Single continuous occurrence timeline changed to 10 days from the first day of the absence.
- Changed “being unavailable for contact” while on reserve or during scheduled or unscheduled ground time from a No Show to its own provision labeled “Unavailable for Contact.” The penalty was reduced from two and a half (2.5) points as a No Show to one (1.5) points per “Unavailable for Contact” occurrence.
- The Attendance Policy is now a pure point system that does not encompass other work-related performance issues for the possibility of termination.
- Attendance points for a “true” No Show was increased from two and a half (2.5) to three (3) points.
- A reported illness using quarterly point reduction will be subject to “blackout dates”: the Flight Attendant paid holidays under Section 21.G. When an absence—including a single continuous occurrence of illness—touches a Flight Attendant paid holiday (meaning on the holiday and not simply next to the holiday), the FA may not utilize a point reduction form.
- Increased the number of bank points from four (4) to six (6).
- Quarterly and annual points reductions now have flying requirements (120 TFP/ calendar quarter including vacation + PTO); however, taking a leave in a quarter no longer automatically precludes one from record improvement.
- If a FA “No Shows,” s/he is subject to counseling

Section 33 – Charters

- Charters section drawn from rules outlined in World of Inflight on First Class.
- Charter language previously found throughout the Agreement now in one place.
- FA can bid charters on vacation.
- Out of base charter awards will be limited to two per month.
- Reserve ability to voluntarily fly an over-duty charter and be paid 2x.

Section 34 – Hotels

- New section locks in minimum hotel provisions and standards such as proximity to restaurants, no ground-floor rooms, not located near elevators, ice machines, etc.
- Company must include AFA Hotel Committee in its search for hotels and final decision.
- International Locations: scheduling, no crew-member will overnight alone in a hotel Toll-free number to crew (exclude Canada + US territories),

- If transportation to hotel not provided w/in 35 minutes from block in (or 10 min from scheduled departure time from hotel) FA may take alternate transportation and will be reimbursed. [Cross referenced in S22 Expenses.]
- AFA Hotel Committee member(s) will accompany Company personnel on hotel site visits.
- Enhanced minimum Hotel Category Guarantee: Hotel & Travel Index, Tier 5 minimum.

Section 35 – Duration - 5 year duration

Implementation Agreement:

There are several changes to the Agreement that require in-house IT software accommodations and changes made by Navtech and Jeppesen. Especially changes to trading and OT.

All pay provisions including rates, premiums, Minimum Pay Rules, Longevity and all Reserve improvements (including those involving IT changes) will be implanted immediately.

In order to ensure that the more complex scheduling and trading provisions are implemented in a timely manner, we have secured the following provision from management:

The company will target to implement the TA ASAP. In addition, the company agrees that penalties will apply to trading related items (ie, Open Time) and the company has until the end of October to implement before penalties apply.

The penalty will be \$50 per FA if not implemented by the end of Oct, an additional \$100 if not implemented by the end of Nov and \$200 if not implemented by Dec. The penalty will cap at this amount for subsequent months until implemented.

Road Show Schedule

January 2014

Check AlaskaMEC.org for locations and meeting time confirmation

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6 SEA 9am-5 pm Central Auditorium in Airport	7 SEA 9am-5 pm Central Auditorium in Airport	8 PDX 9am – 5pm Sheraton, airport	9 PDX 9am – 5pm Sheraton, airport	10 ANC 9am – 5pm Millennium Hotel	11
12	13	14 SAN 9am – 5pm Doubletree Little Italy	15 LAX 9am – 5pm Westin, airport	16 SNA 9am – 4pm Embassy Suites Embassy Suites Santa Ana	17 Voting Starts	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
						1
2	3 PDX 9am-5 pm TBA	4 PDX 9am-5 pm TBA	5 ANC 9am – 5pm TBA	6 SEA 9am – 5pm TBA	7 SEA 9am – 5pm TBA	8
9	10	11 SAN 9am – 5pm TBA	12 LAX 9am – 5pm TBA	13 SNA 9am – 4pm TBA	14 Ballot Count Date	15