



MEMORANDUM OF UNDERSTANDING
January, 2009

1. GENERAL. Alaska Airlines, Inc. (herein "Alaska") is a Title 14 of the Code of Federal Regulations (14 CFR), air carrier operating under part 121 engaged in scheduled passenger operations. It also conducts passenger charter and cargo operations. Alaska operates 110 turbojet aircraft and has 10,500 employees including approximately 2800 Flight Attendants represented by the Association of Flight Attendants-CWA, ("AFA").

2. PURPOSE. The Federal Aviation Administration (FAA), Alaska Airlines and the Association of Flight Attendants - CWA are committed to improving flight safety. Alaska Airlines and the Association of Flight Attendants - CWA believe an employee self-disclosure safety reporting system allowing Flight Attendant protective provisions from discipline under the auspices of a Safety Action Program has the potential of enhancing the quality of our corporate safety initiative. Alaska and AFA are desirous of voluntarily extending their partnership to include the FAA in a new Aviation Safety Action Program (ASAP) for flight attendants.

The ASAP, through reporting, is designed to identify safety events and to implement corrective measures that reduce the opportunity for safety to be compromised at Alaska Airlines. Examples are: Flight Attendant Manual (FAM) without most current revision, Flight Attendant moving from their assigned station during aircraft movement for reasons other than safety. The program may also address disconnects in shared areas of responsibility such as exit row seating, carry on baggage, and security.

This Memorandum of Understanding (MOU) describes the provisions of the program.

3. BENEFITS. The program will foster a voluntary, cooperative, nonpunitive environment for the open reporting of safety of flight concerns. Through such reporting, all parties will have access to valuable safety information that may not otherwise be obtainable. The information gathered will be analyzed in order to develop and implement solutions to safety issues under the program and possibly eliminate deviations from 14 CFR. For a report accepted under this ASAP MOU, the FAA will use lesser enforcement action or no enforcement action, to address an incident involving possible noncompliance with 14 CFR by employees of Alaska Airlines. This policy is referred to in this MOU as an "enforcement-related incentive."

4. APPLICABILITY. The Alaska ASAP applies to all flight attendant employees of the airline while performing duties related to their employment. Reports involving an apparent noncompliance with 14 CFR that is not inadvertent or that appears to involve an intentional disregard for safety, criminal activity, substance abuse, controlled substances, alcohol use by a working employee, or intentional falsification are excluded from the program.

- a. Events involving possible noncompliance with 14 CFR by Alaska that are discovered under this program will be handled under the Voluntary Disclosure Reporting Program, provided that Alaska voluntarily reports the alleged

noncompliance to the FAA and that the other elements of that program are met (See AC 00-58, Voluntary Disclosure Reporting Program, FAA Order 2150.3A, Compliance and Enforcement Program, and Compliance/Enforcement Bulletin No. 90-6.).

- b. Any modifications of this MOU must be approved by all of the parties authorizing this agreement (i.e. AFA-CWA, FAA, Alaska Airlines).

5. PROGRAM DURATION. This is a continuing program subject to review and renewal every two years by the FAA. ASA, the FAA, or AFA may terminate the program at any time for any reason. The termination or modification of a program will not adversely affect anyone who acted in reliance on the terms of a program in effect at the time of that action; i.e., when a program is terminated, all reports and investigations that were in progress will be handled under the provisions of the program until they are completed. Failure of any party to follow the terms of the program ordinarily will result in termination of the program. Failure of ASA to follow through with corrective action acceptable to the FAA to resolve any safety deficiencies ordinarily will result in termination of the program.

6. REPORTING PROCEDURES. When a flight attendant observes a safety problem or has a safety incident related to flight, he or she should note the problem or incident and describe it in enough detail so that it can be evaluated by a third party.

- a. **ASAP Reporting.** The flight attendant must voluntarily make initial notification of the possible violation or unsafe event. This ASAP Report should be made electronically through the company's Flight Attendant Website. Each employee participating in ASAP must individually submit a report in order to receive enforcement-related incentives and benefits of the ASAP policy. However, in cases where an event may be reported by more than one person, each individual who seeks coverage under ASAP may either sign the same report or submit separate signed reports.
- b. **Time Limit.** The flight attendant must submit a report in a timely manner as soon as possible after the event, but in no case longer than 24 hours after the Flight Attendant completes his/her duty assignment or becomes aware of the event, absent extraordinary circumstances (including but not limited to illness). The report may be filed electronically or a telephone report may be made through the 24-hour ASAP Hot Line (1-877-897-ASAP, 1-877 897-2727). The 24-hour reporting requirement also applies to telephonically filed reports. When reporting by telephone, the flight attendant must follow up with an electronic report within three calendar days.
- c. If a report is submitted later than the time limit specified in paragraph 6b by an employee covered under the MOU, the ERC will review all available information to determine whether the employee knew or should have known about the

possible noncompliance within that time limit. If the employee did not know or could not have known about the apparent noncompliance(s), then the report would be included in the ASAP, provided all other ASAP acceptance criteria have been met. If the employee knew or should have known about the apparent noncompliance(s) during the applicable period, then the report will not be included in the ASAP except as follows: For sole source reports that are solicited by the ERC because an event raises significant safety issues and it is essential to obtain this additional information to gain an understanding of the event, the ERC may waive the conditional acceptance criteria of this paragraph. Sole source reports obtained on this basis will be accepted under the ASAP, provided that all other ASAP acceptance criteria are met.

- d. Non-reporting employees covered under this ASAP MOU: If an ASAP report identifies another covered employee in an event involving possible noncompliance with 14 CFR and that employee has neither signed that report nor submitted a separate report, the ERC will determine on a case-by-case basis whether that employee knew or reasonably should have known about the possible noncompliance. If the ERC determines that the employee did not know or could not have known about the apparent possible noncompliance, and the original report otherwise qualifies for inclusion under ASAP, the ERC will offer the non-reporting employee the opportunity to submit his/her own ASAP report. If the non-reporting employee submits his/her own report within 24 hours of notification from the ERC, that report will be afforded the same consideration under ASAP as that accorded the report from the original reporting employee, provided all other ASAP acceptance criteria are met. However, if the non-reporting employee fails to submit his/her own report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement authorities, if warranted.
- e. Non-reporting employees not covered under this ASAP MOU: If an ASAP report identifies another Alaska employee who is not covered under this MOU, and the report indicates that employee may have been involved in possible noncompliance with 14 CFR, the ERC will determine on a case-by-case basis whether it would be appropriate to offer that employee the opportunity to submit an ASAP report. If the ERC determines that it is appropriate, the ERC will provide that employee with information about ASAP and invite the employee to submit an ASAP report. If the employee submits an ASAP report within 24 hours of notification from the ERC, that report will be covered under ASAP, provided all other ASAP acceptance criteria are met. If the employee fails to submit an ASAP report within 24 hours of notification from the ERC, the possible noncompliance with 14 CFR by that employee will be referred to an appropriate office within the FAA for additional investigation and reexamination and/or enforcement action, as appropriate, and for referral to law enforcement agencies, if warranted.

f. **NASA ASRS REPORTING:** Voluntary participation in the ASAP program also includes participation in the NASA Aviation Safety Reporting System (ASRS), as described in FAA Advisory Circular 00-46D. Upon receipt of an ASAP report from a flight attendant the ASAP Manager will immediately forward a copy of the report to NASA for inclusion in ASRS. The ASAP Manager assumes the responsibility of fulfilling the ten-day ASRS reporting requirement on all reports that meet the ASAP 24 hour reporting deadline.

7. POINTS OF CONTACT. The ERC will be comprised of one representative from Alaska Inflight management; one representative from the AFA; and one FAA inspector assigned as the ASAP representative from the Certificate Holding District Office (CHDO) for Alaska; or their designated alternates in their absence. The Alaska Airlines Safety Department ASAP manager will be responsible for program and meeting administration, and will not serve as a voting member of the ERC.

8. ASAP MANAGER & REPORT MANAGEMENT. The ASAP Manager shall provide administrative support to the ASAP ERC, with regard to the receipt of ASAP reports, acknowledgement of receipt, the tracking of the ASAP report status, and record keeping. When an ASAP report is received by the ASAP manager, he or she will record the date and time of any incident described in the report and the date and time the report was submitted either through the ASAP system or the 24-hour ASAP Hot Line. The ASAP manager will enter the report, along with all supporting data, on the agenda for the next ERC meeting. The ERC will determine whether a report is submitted in a timely manner or whether extraordinary circumstances precluded timely submission. To confirm that a report has been received, the ASAP manager will electronically acknowledge receipt of the report to the submitter. The ASAP manager will serve as the focal point for information about, and inquiries concerning the status of, ASAP reports, and for the coordination and tracking of ERC recommendations.

9. EVENT REVIEW COMMITTEE (ERC). The primary role of the ERC is oversight and execution of the Aviation Safety Action Program in accordance with this MOU. The ERC will review, investigate, and analyze all reports submitted by the flight attendants under the program, determine through consensus whether an ASAP report should be accepted or excluded from the program, identify actual or potential safety problems from the information contained in the reports, formulate recommendations for corrective action, when appropriate, and propose solutions for those problems. The ERC will provide feedback to the individual who submitted the report.

a. The ASAP manager will maintain a database that continually tracks each event and the analysis of those events. The ERC will conduct quarterly reviews of the ASAP database with emphasis on determining whether corrective actions have been effective in preventing or reducing the recurrence of safety-related events of a similar nature. That review will include recommendations for corrective action for recurring events indicative of adverse safety trends.

- b. This review is in addition to any other reviews conducted by the FAA. The ERC will also be responsible for preparing a final report on the demonstration program at its conclusion. If an application for a continuing program is anticipated, the ERC will prepare and submit a report with the certificate holder's application to the FAA 60 days in advance of the termination date of the demonstration program.

10. ERC PROCESS.

- a. The ERC will meet as necessary to review and analyze reports that will be listed on an agenda submitted by the ASAP manager. The ERC will determine the time and place of the meeting. The ERC will meet at least once a month and the frequency of meetings will be determined by the number of reports that have accumulated as well as the ability to access time-sensitive information.
- b. The ERC will make its decisions involving ASAP issues based on consensus. Under the Alaska ASAP, consensus of the ERC means the voluntary agreement of all representatives of the ERC. It does not require that all members believe that a particular decision or recommendation is the most desirable solution, but that the result falls within each member's range of acceptable solutions for that event in the best interest of safety. The ERC representatives will strive to reach consensus on whether a reported event is covered under the program, how that incident should be addressed, and the corrective action or any enforcement action that should be taken as a result of the report. The corrective action process would include working the safety issue(s) with the appropriate departments at the airline and the FAA that have the expertise and responsibility for the safety area of concern. Recognizing that the FAA holds statutory authority to enforce the necessary rules and regulations, it is understood that the FAA retains all legal rights and responsibilities contained in Title 49, United States Code, and FAA Order 2150.3A. In the event there is not a consensus of the ERC on decisions concerning a report involving an apparent violation(s), or a qualification issue, the FAA ERC representative will decide how the report should be handled. The FAA will not use the content of the ASAP report in any subsequent enforcement action, except as described in paragraph 11a(c) of this MOU.
- c. All safety-related reports shall be fully evaluated and, to the extent appropriate, investigated. If the ERC determines that the investigation performed by Alaska's Safety Department is incomplete in any respect, it will conduct further investigation of any matter before it. It is anticipated that three types of reports will be submitted to the ERC:
 - (1) Safety-related reports that appear to involve a possible noncompliance with 14 CFR;
 - (2) Reports that are of a general safety concern, but do not appear to involve possible noncompliance with 14 CFR; and,
 - (3) Any other reports, e.g., involving catering and passenger ticketing issues.

- d. The ERC will forward non-safety reports to the appropriate Alaska department head for his/her information and, if possible, internal resolution. For reports related to flight safety, including reports involving possible noncompliance with 14 CFR, the ERC will analyze the ASAP report, analyze the findings of Alaska's Safety Department, conduct interviews of reporting crewmembers, and gather additional information concerning the matter described in the report, as necessary.
- e. With reports that involve possible noncompliance with regulations, the ERC will review and discuss the evidence presented that supports apparent noncompliance reported under the ASAP. The ERC representatives will strive to reach consensus on whether a reported event is covered under the program, how that event should be addressed, the appropriate corrective action, if any, and the appropriate ERC action to close accepted reports. Once formulated, the recommendations as to corrective and/or administrative action will be sent to the flight attendant.
- f. The ERC should submit problem statements through the ASAP manager to the Safety Department for risk modeling and appropriate follow up with Inflight management. Such follow-up may include facilitating appropriate interventions by Flight Operations, Airport Operations, etc. The ERC should also make recommendations to Alaska for corrective action for systemic issues. Any recommended changes that affect Alaska will be forwarded through the ASAP manager to the appropriate department head for consideration and comment, and, if appropriate, implementation. The FAA will work with Alaska to develop appropriate corrective action for systemic issues. The ASAP manager will track the implementation of the recommended corrective action and report on associated progress as part of the regular ERC meetings. Any recommended corrective action or intervention that is not implemented should be recorded along with the reason it was not implemented.
- g. Any corrective action recommended by the ERC for a report accepted under ASAP must be completed to the satisfaction of all members of the ERC, or the ASAP report will be excluded from the program, and the event will be referred to the FAA for further action, as appropriate. Once completed to the satisfaction of the ERC, the matter shall be closed by notification to the flight attendant.
- h. Neither the written ASAP report nor the content of the written ASAP report will be used to initiate or support any company disciplinary action, or as evidence for any purpose in an FAA enforcement action, except as provided in paragraph 11a(c) of this MOU. The FAA may conduct an independent investigation of an event disclosed in a report.

11. FAA ENFORCEMENT.

- a. **Criteria for Acceptance.** The following criteria must be met in order for a report to be covered under ASAP:
 - a). The employee must submit the report in accordance with the time limits specified under paragraph 6 of this MOU;

b). Any possible noncompliance with 14 CFR disclosed in the report must be inadvertent and must not appear to involve an intentional disregard for safety; and,

c). The reported event must not appear to involve criminal activity, substance abuse, controlled substances, alcohol, or intentional falsification. Reports involving those events will be referred to an appropriate FAA office for further handling. The FAA may use the content of such reports for any enforcement purposes and will refer such reports to law enforcement agencies, if appropriate. If upon completion of subsequent investigation it is determined that the incident did not involve any of the aforementioned activities, then the report will be referred back to the ERC for a determination of acceptability under ASAP. Such referred back reports will be accepted under ASAP provided they otherwise meet the acceptance criteria contained herein.

- b. **Administrative Action.** Notwithstanding the criteria in paragraph 205 of FAA Order 2150.3A, possible noncompliance with 14 CFR disclosed in a Alaska ASAP report that is covered under the program and supported by sufficient evidence will ordinarily be addressed with administrative action (i.e., a FAA Warning Notice or FAA Letter of Correction, as appropriate). A Letter of Correction or Warning Notice does not constitute a finding of a violation, but is made a matter of record for a period of two years, following which it is expunged. Sufficient evidence means evidence gathered by an investigation not caused by, or otherwise predicated on, the individual's safety-related report. There must be sufficient evidence to prove the violation, other than the individual's safety-related report. In order to be considered sufficient evidence under ASAP, the ERC must determine through consensus that the evidence (other than the individual's safety-related report) would likely have resulted in the processing of a FAA enforcement action had the individual's safety-related report not been accepted under ASAP.
- c. **Sole-Source Reports.** A report is considered a sole-source report when all evidence of the event is discovered by or otherwise predicated on the report. Apparent noncompliance disclosed in ASAP reports that are covered under the program and are sole-source reports will be addressed with an ERC response (no FAA action). It is possible to have more than one sole-source report for the same event.
- d. **Accepted non sole-source reports.** Non-sole source reports supported by sufficient evidence will ordinarily be closed with administrative action (a FAA Letter of Correction, or FAA Warning Notice, as appropriate). Accepted non sole-source reports for which there is not sufficient evidence will ordinarily be closed with a FAA Letter of No Action
- e. **Reports Involving Qualification Issues.** Alaska ASAP reports covered under the program that demonstrate a lack, or raise a question of a lack, of qualification of a flight attendant will be addressed with corrective action, if such action is

appropriate and recommended by the ERC. All training sessions are considered training, rather than testing and checking. If an employee fails to complete the corrective action in a manner satisfactory to all members of the ERC, then his/her report will be excluded from ASAP. In these cases, the ASAP incident will be referred to an appropriate office within the FAA for any additional investigation and reexamination and/or enforcement action, as appropriate.

- f. **Reports Excluded from ASAP.** Any safety-related ASAP event that concerns apparent noncompliance with 14 CFR that is excluded from ASAP will be referred by the FAA ERC member to an appropriate office within the FAA for any additional investigation and re-examination and/or enforcement action, as appropriate.
- g. **Corrective Action.** Employees initially covered under an ASAP will be excluded from the program and not entitled to the enforcement-related incentive if they fail to complete the recommended corrective action in a manner satisfactory to all members of the ERC. These cases may be reopened and the matter referred for appropriate action.
- h. **Repeated Instances of Noncompliance with 14 CFR.** Reports involving the same or similar possible noncompliance with the Regulations that were previously addressed with administrative action under ASAP will be accepted into the program, provided they otherwise satisfy the acceptance criteria in paragraph 6 above. The ERC will consider on a case-by-case basis the corrective action that is appropriate for such reports.
- i. **Closed Cases.** A closed ASAP case including a related enforcement investigative report involving a violation addressed with administrative action, or for which no action has been taken, may be reopened and appropriate enforcement action taken if evidence later is discovered that establishes that the violation should have been excluded from the program.

12. EMPLOYEE FEEDBACK. The ASAP manager will publish a synopsis of the reports received from the flight attendants at least quarterly in a bulletin and on the Flight Attendant Web Page. Inflight management will issue an immediate communication to flight attendants regarding any circumstances that significantly compromise safety of flight. The synopsis will include enough information so that the flight attendants can identify their reports. Employee names, however, will not be included in the synopsis. The outcome of each report will be published. Any employee who submitted a report may also contact the ASAP manager to inquire about the status of his/her report. In addition, each employee who submits a report accepted under ASAP will receive individual feedback on the final disposition of the report.

13. COMMUNICATION AND TRAINING. The details of the ASAP will be made available to all flight attendants and their supervisors by publication in Alaska's Flight

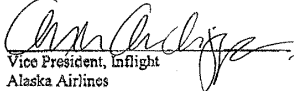
Attendant Manual. Each flight attendant and manager will receive written guidance outlining the details of the program at least two weeks before the program begins. Each flight attendant will also receive additional instruction concerning the program during the next regularly scheduled recurrent training session, and on a continuing basis in recurrent training thereafter. All new-hire flight attendant employees will receive training on the program during initial training.

14. **REVISION CONTROL.** Revisions to this MOU shall be documented using standard revision control methodology.

15. **RECORDKEEPING.** All documents and records regarding this program will be kept by the ASAP manager and made available to the other parties of this agreement at their request. All records and documents relating to this program will be appropriately kept in a manner that ensures compliance with 14 CFR and all applicable law. The AFA and the FAA will maintain whatever records they deem necessary to meet their needs.

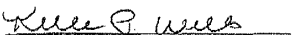
16. **SIGNATORIES.** All parties to this ASAP are entering into this agreement voluntarily.

For Alaska Airlines:


Vice President, Inflight
Alaska Airlines

1-30-09
Date

For AFA-CWA:


MEC President, AFA-CWA Alaska Airlines

1.30.09
Date

For Federal Aviation Administration:


FAA, Certificate Manager

1/30/09
Date