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**LETTER OF AGREEMENT
by and between
ALASKA AIRLINES, INC.
and the**

ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO

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**LEGACY ALASKA AIRLINES FLIGHT ATTENDANT TRANSITION AGREEMENT
2018**

13 This Letter of Agreement is made between Alaska Airlines, Inc. ("Company") and the
14 Flight Attendants in the service of Alaska Airlines, Inc., as represented by the
15 Association of Flight Attendants-CWA, AFL-CIO ("Association").

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BACKGROUND

19 The Company is in the process of executing a merger with Virgin America, which
20 requires a negotiated transition agreement and single Collective Bargaining Agreement
21 (CBA) with the Association; and the Company and the Association have negotiated a
22 2018-2021 AFA Alaska Airlines Joint Collective Bargaining Agreement (JCBA) during the
23 Virgin America and Alaska Airlines merger negotiations.

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§4 [STATUS OF AGREEMENT]: SEPARATION OF GROUPS

29 NOW, THEREFORE, until "Full Integration" (i.e. the first day of the bid month in which
30 "legacy" Alaska Airlines (L-AS) and "legacy" Virgin America (L-VX) Flight Attendants are
31 integrated into the Jeppesen Crew Tracking Enterprise software platform and combined
32 on all pay, scheduling and crew tracking systems), the Company will maintain separate
33 flight operations with regard to L-AS and L-VX Flight Attendants.

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35 During this period of separate operations, the Company shall provide the following
36 protections:

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1. The Company will not utilize in its flight operations of one partition, a Flight Attendant from the other partition.
 2. No Flight Attendant of either L-AS or L-VX shall fly as a crewmember on an aircraft in the Fleet of the other partition. The "Fleet" of each airline shall be defined to include all aircraft in the service of or stored by the pre-merger airline or on order or option by the airline, as April 1, 2016. In addition, L-VX Flight Attendants will not fly on Boeing aircraft and L-AS Flight Attendants will not fly on Airbus aircraft except for purposes of Transition Training and deadheading.

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50 3. The Company will not open a new Flight Attendant domicile in any location in
51 which either Alaska Airlines or Virgin America had an existing Flight Attendant
52 domicile as of January 1, 2018.
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55 **§6 [SENIORITY]: RELEASE AND ACTIVATION OF THE INTEGRATED**
56 **SENIORITY LIST (ISL)**
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59 WHEREAS, the Section X [Merger Policy...] of the AFA-CWA Constitution & Bylaws
60 provides for the Company to be given the right to use the Integrated Seniority List (ISL)
61 following successful conclusion of a JCBA;
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63 NOW, THEREFORE, the parties agree to the following provisions upon ratification of the
64 AFA Alaska Airlines-Virgin America Merger Agreement:
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- 66 1. The Association will release the ISL as soon as it is certified by the AFA Seniority
67 Merger Integration Committee.
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69 2. Under no circumstances will the Company activate the ISL for any application
70 until the full ISL can be inputted into the Alaska Airlines crew tracking system.
71 Such inclusion of the full ISL into the Alaska Airlines crew tracking system will be
72 accomplished as soon as practicable. Once Flight Attendants have been entered
73 into the Alaska Airlines crew tracking system, the ISL will be implemented for all
74 Alaska Flight Attendant contractual applications.
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77 **§6 [SENIORITY] AND §21 [COMPENSATION]: COMPETITIVE BIDDING AND**
78 **OCCUPATIONAL SENIORITY DATE SYNCH-UP**
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81 WHEREAS, pre-merger Alaska Airlines Flight Attendants received Competitive Bidding
82 Seniority credit for time spent in Initial Training;
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84 NOW, THEREFORE, the parties agree to the following provisions upon ratification of the
85 AFA Alaska Airlines-Virgin America Merger Agreement:
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- 87 1. As soon as practicable following ratification, each pre-merger Alaska
88 Airlines Flight Attendant's Occupational Seniority date (see JCBA §5
89 Definitions) will be synched up with her/his adjusted Competitive Bidding
90 Seniority date, which is the date set forth in the Integrated Seniority List
91 (ISL) certified by the AFA Seniority Merger Integration Committee (SMIC).
92
93 2. Any pre-merger Alaska Airlines Flight Attendant whose Occupational
94 Seniority date and Company Seniority date is the same date prior to
95 receiving an adjustment to her/his Occupational Seniority date will have
96 her/his Company Seniority date synched up with her/his new Occupational

97 Seniority date. The Company agrees to recognize adjusted Company
98 Seniority for the appropriate Company benefits including but not limited to
99 pass travel and vacation accrual as soon as practicable. The Company also
100 agrees to re-issue Crew ID badges with the adjusted Company Seniority
101 date as soon as practicable at no cost to the Flight Attendant.
102

- 103 3. Retroactive to January 1, 2018, and on a go-forward basis, each pre-
104 merger Alaska Airlines Flight Attendant will advance to the next step rate of
105 pay, qualify for the appropriate Longevity Premium and Vacation Paid Time
106 Off entitlement in accordance with her/his adjusted Occupational Seniority
107 date.
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110 **§21 [COMPENSATION]: PRODUCTIVITY PREMIUM PROGRAM (PPP)**
111 **IMPLEMENTATION**
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113

114 WHEREAS, the Company and the Association agreed to changes to the Quarterly
115 Productivity Premium (QPP) in Section 21.R [Compensation: Quarterly Productivity
116 Premium];
117

118 NOW, THEREFORE, the parties agree to the following provisions upon ratification of the
119 AFA Alaska Airlines-Virgin America Merger Agreement:
120

- 121 1. For the first and second quarters of 2018, the QPP will remain as designated in
122 Section 21.R [Compensation: Quarterly Productivity Premium] of the 2014-2019
123 CBA.
124
- 125 2. Beginning July 1, 2018, the QPP will be changed to "Productivity Premium
126 Program" (PPP) and implemented as follows in 2018:
127
- 128 a. The PPP for the bid months of July, August, and December 2018 will be
129 considered individually and paid at three-hundred and fifty dollars (\$350)
130 per month. To qualify for the PPP in any of these months, a Flight
131 Attendant's Worked TFP plus any paid vacation credit (inclusive of
132 Longevity Paid Time Off) and unpaid vacation credit of four (4.0) TFP per
133 day in that month must meet or exceed the TFP equivalent of the Flight
134 Attendant's PBS bid award by at least five (5.0) TFP.
135
- 136 b. The PPP for the bid months of September, October, and November 2018
137 will be considered collectively as a block and paid at four-hundred and
138 fifty dollars (\$450) for the block. To qualify for the PPP in these months,
139 a Flight Attendant's Worked TFP plus any paid vacation credit (inclusive
140 of Longevity Paid Time Off) and unpaid vacation credit of four (4.0) TFP
141 per day in that block must meet or exceed the TFP equivalent of the
142 Flight Attendant's PBS bid award in that block by at least fifteen (15.0)
143 TFP.
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**§32 [ATTENDANCE POLICY]: TWO (2) ATTENDANCE POINTS
REDUCTION/CREDIT**

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151 WHEREAS, the Company and the Association have negotiated a two (2) attendance
152 points reduction/credit for Legacy Virgin America Flight Attendants in the "Legacy Virgin
153 America Flight Attendant Transition Agreement 2018" in order to transition the Legacy
154 Virgin America Flight Attendants from the Virgin America Work Rules into the 2018-2021
155 AFA Alaska Airlines Flight Attendant JCBA; and

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157 WHEREAS, the two (2) attendance points reduction/credit for Legacy Virgin America
158 Flight Attendants was negotiated as a result of disparate attendance policy provisions in
159 the Virgin America Work Rules and in the CBA; and

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161 WHEREAS, the parties desire to achieve parity in negotiated provisions as much as
162 possible for Legacy Alaska Airlines and Legacy Virgin America Flight Attendants;

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164 NOW, THEREFORE, the parties agree to the following provisions upon ratification of the
165 AFA Alaska Airlines-Virgin America Merger Agreement:

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167 1. Effective date of ratification, every "legacy" Alaska Airlines Flight Attendant
168 will receive a one-time reduction and/or credit of two (2) total points to
169 her/his Attendance Points balance pursuant to Section 32 [Attendance
170 Policy].
171
172 2. The reduction and/or credit in paragraph 1., above, will be made available
173 for immediate use. However, the parties recognize there may be an
174 administrative lag in the points being reflected on a Flight Attendant's
175 Attendance Points balance. The two (2) point reduction and/or credit, as
176 appropriate, will be applied before any discipline is administered. Updated
177 Attendance Points balances will be reflected as soon as administratively
178 possible, but no later than May 31, 2018.
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180 3. A Flight Attendant may have up to ten (10) bank points in conjunction with
181 previously accrued bank points and other one-time adjustments.
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183 *Examples:*

- 184
185 1. Attendance Point balance of 2 points is reduced to 0
186 2. Attendance Point balance of 1 point is reduced to 0 with 1 bank point added
187 3. Attendance Point balance of 0 with 8 bank points will increase to 10 bank points
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INCORPORATION OF THE AFA ALASKA AIRLINES 2014-2019 CBA LETTERS OF AGREEMENT

WHEREAS, the Company and the Association desire to retain the provisions contained in several Letters of Agreement within the 2014-2019 AFA Alaska Airlines Flight Attendant Collective Bargaining Agreement;

NOW, THEREFORE, upon ratification of the AFA Alaska Airlines-Virgin America Merger Agreement, the following Letters of Agreement, which contain sunset provisions, will have their respective sunset provisions extended through the 2018-2021 AFA Alaska Airlines Joint Collective Bargaining Agreement:

- LOA 1 - Boeing Purchase Order
- LOA 2 - Alaska Air Group
- LOA 3 - Job Protection
- Continuation of Medical Health Insurance Upon Separation for Flight Attendants Aged 62-65 Years Using Sick Leave

JCBA IMPLEMENTATION SCHEDULE

NOW, THEREFORE, Upon ratification of the AFA Alaska Airlines-Virgin America Merger Agreement, the Company and the Association agree the provisions of the 2018-2021 AFA Alaska Airlines Joint Collective Bargaining Agreement will be in full force and effect on the following schedule unless indicated otherwise in the Merger Agreement and related Letters of Agreement:

- §21.A [Compensation: Step Rates of Pay] –Step rates of pay will be retroactive to January 1, 2018.
- All other provisions – Date of ratification.

225 IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement this 9th
226 day of February 2018.

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228 FOR:

229 ASSOCIATION OF FLIGHT
230 ATTENDANTS-CWA, AFL-CIO

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233 /s/ _____

234 Sara Nelson

235 International President

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238 /s/ _____

239 Jeffrey Peterson

240 Master Executive Council President

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243 /s/ _____

244 Jennifer Wise MacColl

245 Negotiating Committee Member

246

247

248 /s/ _____

249 Jamie Cogen

250 Negotiating Committee Member

251

252

253 /s/ _____

254 Lindsey Steele

255 Negotiating Committee Member

256

257

258 /s/ _____

259 Paula Mastrangelo

260 Senior Staff Negotiator

261

FOR:

ALASKA AIRLINES, INC.

/s/ _____

Jeff Butler

Vice President, Inflight & Call Center Svcs

/s/ _____

Greg Mays

Vice President, Labor Relations

/s/ _____

Elizabeth Ryan

Managing Director, Labor Relations

/s/ _____

Emily Kimmel

Manager, Labor Relations