



JFK InFlight Base Closure: Q & A

This document was developed to help our JFK Inflight Teammates navigate the closure of the JFK InFlight base effective November 1, 2017. While we hope to answer as many questions as possible with this Q & A, we also know that there might be further questions after reviewing this document. Please don't hesitate to reach out to Shemeka Watson (shemeka.watson@alaskaair.com) if you need additional resources to answer your questions and need to be directed to the right contact.

Background

Q: You said previously no changes would be required prior to January 2018. Why is the JFK InFlight base closing November 1, 2017?

In order to protect coverage over this critical time, it makes the most sense to transition JFK ITMs to SFO or LAX prior to the end of the year. True to our word, we are not requiring any ITM to move addresses prior to the holidays. To assist with commuting through January 30, 2018 we are providing confirmed business travel and a commuter accommodation stipend to all JFK ITMs.

We understand how difficult this will be for those affected and want to be thoughtful of all JFK ITMs. This was not an easy decision and we know that the impacted ITMs will need time to process. We also don't want to be disruptive to ITMs during the holiday season and are attempting to provide as much lead time for this transition as possible.

Q: Are there any expenses associated with closing down the JFK InFlight base for ITMs?

As with any company decision that involves teammates there is an initial cost. We are committed to doing the right thing and will be offering assistance in relocation. We currently project that these costs will be recouped in less than two years due to the lowered costs of not having a JFK InFlight base

Q. Why are we not closing the New York base for Pilots?

The New York Flight Ops base was originally created to accommodate the changes to F.A.R. 117 that applied to Pilots. These regulations are not applicable to ITMs. F.A.R. 117 continues to create a need for a Pilot base in the New York area and we do not currently have any plans to close the Pilot base. In addition, the Pilots' Transition Process Agreement does not permit the Company to close any pilot base prior to mid-2018.

Q: Why are we closing the JFK InFlight Base for ITMs?

This was an extremely difficult decision to make. There are several reasons and some of the considerations that went into the decision include:

- InFlight pairing cost benefits at JFK are more than offset by overhead and reserve guarantee expenses. The JFK InFlight domicile regularly uses the same number of reserves for coverage as LAX which is 4x the size of JFK. This is a significant cost and there is no other base or station in the system that could sustain this cost structure without closer examination and hard decisions.
- Currently, the JFK InFlight base does not make sense for the Company's cost and route structure. Our secret to long-term growth and success has always been the ability to maintain low costs and provide guests with low fares. Closing the JFK InFlight base will allow us to recoup the next five years' worth of continued anticipated losses from this base as well as the costs associated with the closure itself.
- In addition, closing the base now, prior to full integration with the AFA, avoids the possibility of a system-wide "flush bid" that could potentially disrupt ITMs at all Alaska and Virgin America bases (where an ITM in SFO or LAX could be involuntarily relocated to ANC, SEA, PDX, or SAN). We want to avoid that scenario and are attempting to disrupt the smallest number of ITMs as possible. In the end, we must balance what is right for our people and what is right for the development of the Company.

Q: How does closing the JFK InFlight base prior to Single Operating Certificate (SOC) benefit ITMs?

We are currently working on a transition agreement with AFA for the integration of the ITMs and FAs. If we reach an agreement prior closing the JFK InFlight base, closing the base after that time would require a "flush bid" of all Alaska FAs and Virgin America ITMs. (where everyone has to bid and compete to remain in their current base). There is a larger risk of *all* VX ITMs and Alaska FAs having to put in a master bid and FA/ITMs across the entire system being displaced if we waited.

Bidding

Q: Will other ITMs be impacted by this decision?

Possibly. JFK ITMs will be assigned a new domicile based on system-wide InFlight Seniority. There are currently 38 ITMs based in JFK that will be given the opportunity to transition to SFO or LAX. Depending on seniority, some ITMs in both LAX and/or SFO may get a line or go back on reserve. However, along with the base closure comes additional pairings for ITMs to bid for.

It is also important to point out that SFO and LAX ITMs would be much more heavily impacted if we waited and had to do the “flush bid” that is required under the AFA contract. By closing the JFK InFlight base prior to the merged AFA agreement, the Virgin America “no displacement” work rule can keep all SFO and LAX ITMs in their current base if they prefer.

SFO and LAX teammates who have not transferred bases in the 90 days prior to November 1, 2017 will also be eligible to bid for openings based on seniority.

Q: How will base bidding work?

On Friday - August 11, 2017, Crew Planning will open a systemwide base bid. All JFK ITMs and ITLs will be required to submit a bid for either SFO or LAX. JFK teammates who decide not to enter a bid, forget to bid, or for any reason don't enter a bid for LAX or SFO, will have their new base assigned by Crew Planning.

SFO and LAX ITMs who have not transferred bases in the 90 days prior to November 1, 2017 will also be eligible to bid for openings based on seniority. SFO and LAX ITMs who do not bid for a new base will remain in their current base.

Q. Will there still be a January 1, 2018 quarterly base bid?

Yes. The quarterly base bid effective January 1, 2018 will still run on its normal schedule

Q. If I change bases on November 1, 2017 will I be eligible to change bases again in the quarterly base bid that is effective January 1, 2018?

No. As always, to be eligible to participate in a base bid, ITMs may not have moved bases in the 90 days prior to the effective date of that bid.

Q: When is the November 1, 2017 base bidding going to occur?

The base bid for November 1, 2017 will begin this Friday– August 11, 2017. The bid will close on Thursday, August 24, 2017 at 0900 PDT and the awards will be announced no later than Thursday August 31, 2017.

Q: When will I be awarded a new base?

New base assignments for JFK ITMs will be announced no later than Thursday - August 31, 2017.

Q: What will happen if I do not put in for a base relocation?

Any JFK ITM that does not submit a base bid for either SFO or LAX will have their base assigned by the Company.

Scheduling

Q: When will I begin work in my new base?

JFK ITMs will begin working in your new base effective November 1, 2017, which means bidding for their first schedule in their new base will occur on October 1, 2017.

Q: What if I fly a carryover trip into November?

Carry over trips will be completed in their entirety as scheduled. Your next trip will start out of your new base.

Q: What happens if when my carryover trip ends, I am scheduled to work the following day out of my new base? What do I do?

Crew Planning will place a Guaranteed Day Off (GDO) for the day that follows your last JFK carryover pairing before awarding the November bid award to ensure you have time to commute to your new base for your next trip. The GDO will be removed during the award process so that trips can be traded after your bid is awarded. Normal out of base trip trade rules will then apply to ensure any trading still allows you to get to your next pairing.

Q: What will happen to my vacation in 2017?

All JFK ITMs will maintain their current 2017 vacation in their new base. Although this is different than how voluntary base transfers are typically handled under current policy, the JFK InFlight base closure requires an involuntary base transfer for JFK ITMs. The leadership team and AFA agree this is the right approach due to these extenuating circumstances.

Q. What about vacation in 2018?

The 2018 Vacation Bid will run as it normally does and JFK ITMs will be using their new base awarded to them in August for their 2018 vacations.

Confirmed Business Travel

Q. What is the Confirmed Business Travel Package?

The Company will provide confirmed business travel to help JFK ITMs who wish to commute by air to their new base as follows:

- Up to 4 roundtrips/per month or 8 one-way/per month on Virgin America and/or Alaska Airlines to/from one city to your new base from November 1, 2017 through January 30, 2018 (or end of final trip that exceeds January 30, 2018).
- More information will be provided about this benefit to JFK ITMs in the near future.

Commuter Accommodations

Q: What is the Commuter Accommodation package?

The Company will pay JFK teammates a 3-month commuter accommodation stipend for all JFK teammates.

- The stipend will be \$1,800 per month from November 1, 2017 – January 30, 2018.
- The stipend will automatically be added to ITM's taxable income and paid on the mid-month paycheck following each applicable bid period.
- No action is required from the teammate to receive this stipend.
- Teammates who resign or transfer out of InFlight who do not complete a full bid period as an ITM or ITL will have their stipend pro-rated.

Site Visit

Q: What is the site visit package?

The Company is providing all JFK ITMs the ability to conduct one (1) singular unpaid 3-night site visit to look at potential new housing sites as outlined below.

Q: What site visit costs will be reimbursed?

- One (1) singular site visit of up to 3 days and 3 nights.
 - *Bid can be blocked (no credit) at ITM request by emailing Crew Planning, (crewplanning@virginamerica.com), before bids open for month in which ITM wishes to do site visit.*
 - Site visits over the following holiday periods will not be blocked by Crew Planning:
 - **2017** – November 23-26 and December 22-31.
 - **2018** – January 1-3, May 26-28, July 1-4, and September 1-3.
 - *If the number of requests for the same date(s) is higher than what Crew Planning can accommodate, requests will be approved on a first come, first served basis.*
- Lodging reimbursement during site visits reimbursable up to \$675 (average of \$225/night) total for the entire stay, inclusive of taxes, resorts fees, etc. Amounts in excess of \$675 are not reimbursable.
 - *Receipts are required for reimbursement and must be submitted to your InFlight Supervisor*
- Transportation costs (car rental, Uber, public transit) up to an average of \$55 per day for up to 3 days.
 - *Receipts are required for reimbursement and must be submitted to your InFlight Supervisor*
- Meals up to \$48 per day for up to 3 days.
 - *Receipts are required for reimbursement and must be submitted to your InFlight Supervisor.*
- Reimbursements will be made to ITMs within 30 days of submission of receipts.

Q: How long do I have to do my one (1) site visit?

The site visit must be completed by November 1, 2018. Receipts must be submitted within 30 days after the site visit.

Q: Are there any days that I can't do my site visit?

Yes. If the number of requests for the same date(s) is higher than what Crew Planning can accommodate, requests will be approved on a first come, first served basis.

In addition, the following dates will not be blocked on an ITM's schedule for site visits:

- **2017** – November 23-26 and December 22-31.
- **2018** – January 1-3, May 26-28, July 1-4, and September 1-3.

Q: Do I get paid for my site visit?

Site visits will be unpaid. However, they can be blocked on your bid by emailing Crew Planning, (crewplanning@virginiamerica.com), before bids open for the bid period in which the dates fall.

Q: I want to do the site visit but I don't want my bid blocked for the days off (I can do this on my days off and I don't want it to impact my productivity). Am I still eligible for reimbursement for the hotel, cars, and per diem?

Yes. You will need to submit your receipts for the site visit to be eligible for reimbursement.

Q. If I already completed my move, am I eligible for a site visit?

No.

Relocation

Q: What is the relocation package?

The Company is offering the following relocation package to any JFK ITM who completes a move of at least 100 miles from their current address on file with ADP as of August 9, 2017.

- Continental United Van Lines is the company approved moving company that will transport up to 14,000 pounds with valuation insurance for actual replacement value.
 - Vehicle(s) moved will be part of the 14,000 pounds, or you may elect to drive your vehicle and be reimbursed for mileage based on current IRS reimbursement rates.
- Paid moving days based on shortest Google Map distance of new address from previous address on file with ADP as of August 9, 2017.

- 3.50 paid credit hours per 350 miles of distance, or fraction thereof, based on the shortest Google Map distance between the previous address on file with ADP as of August 9, 2017 and the new address
- Moving days can be blocked on your bid and count towards the minimum credit requirement by emailing Crew Planning prior to the opening of the bid (e.g. March 1st for moves in April)
- If the number of requests for the same date(s) is higher than what Crew Planning can accommodate, requests will be approved on a first come, first served basis.
- For ITMs who move their own car, reimbursement mileage, hotels, and meals are reimbursable as follows:
 - For every 350 miles of distance, or fraction thereof, based on the shortest Google Map distance between the previous address on file with ADP as of August 9, 2017 and the new address, ITMs are eligible for:
 - Lodging reimbursement of up to an average of \$133 per night inclusive of taxes, resort fees, etc.
 - Meals up to \$48 per day
 - ITMs are also eligible for vehicle mileage reimbursement based on established IRS rates in effect of the year of the move (for 2017, the IRS mileage rate is \$0.535 per mile driven based on address criteria above. This rate may change (higher or lower) on January 1, 2018 based on the IRS.
- Proof of new address and receipts for the move itself and the items described herein are required for reimbursement. Proof of new address can be a utility bill such as the gas, electric, water, television, or home internet bill from the new address.
- Reimbursements will be made to ITMs within 30 days of submission of receipts.

Q. Whom do I contact to get paid moving days?

Email Shemeka Watson shemeka.watson@alaskaair.com (or your new InFlight Base Supervisor after 11/1/17) before bidding opens to request your move dates. Your Supervisor will calculate the number of moving days that you are eligible for (based on the address distance outlined above) and forward your request to Crew Planning.

Q: I would rather use my existing days off for my move without blocking my bid. Am I still eligible for the pay for my moving days?

Yes, you can do this by emailing your Supervisor who will calculate the number of moving days that you are eligible for (based on the address distance outlined above) and forward your request for pay-only credit to Crew Payroll.

Q: Are there any days that I can't do my relocation?

Yes. If the number of requests for the same date(s) is higher than what Crew Planning can accommodate, requests will be approved on a first come, first served basis.

In addition, the following dates will not be blocked on an ITM's schedule for relocations:

- **2017** – November 23-26 and December 22-31.
- **2018** – January 1-3, May 26-28, July 1-4, September 1-3, and November 22-25.

Q: Do I need to update my telephone/address after I move?

Yes. This is a two-step process:

- Update your address on the ADP Portal at: <https://online.adp.com/portal/login.html>
- Email your new address and phone number to occ.css@virginamerica.com

Q: How long do I have to complete the move?

Moves must be completed by November 30, 2018. Receipts must be submitted within 30 days after the move occurs.

This provides one full calendar year from the date your new flying will originate out of SFO or LAX.

Q: Who qualifies for moving expenses?

All JFK ITMs who move addresses at least 100 miles from the previous address on file with ADP as of August 9, 2017 are eligible. Proof of both the move and the new address are required.

Q: What qualifies under moving expenses?

ITMs will need to provide company with proof of new address to eligible for reimbursement of hotels, move per-diem, and pay for moving.

Household Items

- Actual moving expenses including: packing, unpacking and insurance for your household effects up to 14,000 lbs. or 1,400 cu. ft. including up to sixty (60) days of storage.
 - Vehicle(s) moved will be part of the 14,000 pounds, or you may elect to drive your vehicle and be reimbursed for mileage based on current IRS reimbursement rates.

Q: Whom do I contact when I am ready to move?

- Reach out to Shemeka Watson, shemeka.watson@alaskaair.com, (or your new InFlight Base Supervisor if you have already transferred bases) who will verify eligibility for moving days and will then inform Crew Planning about blocking your bid.
- To arrange for the only company approved moving company, contact:

Continental United Van Lines

Trevor Jess

Desk	206-344-5107
Fax	253-682-5707
E-mail	tjess@continentalvan.com

Q: Can I rent a moving truck instead of using a relocation company?

Yes. Moving truck expenses, including gasoline and insurance, are reimbursable but with a limit of no more than \$2,500 for the total of these items. Moves must be completed by November 30, 2018. Receipts are required for reimbursement and must be submitted within 30 days after move occurs.

Q: I am based in JFK, but my address is in MCO. I have been awarded the SFO base. I plan on moving to SFO. Will the company cover any moving expenses?

Yes.

Q. I am based in JFK, but my address is in ATL. I have been awarded the LAX base. I plan on moving to LAS to commute from there. Am I eligible for the relocation package?

Yes.

Benefits

Q: Will there be a Career Choice option?

We are not offering Career Choice packages due to the fact that we are in period of growth and need all hands on deck. We have slated a high number of new ITM classes for 2018.

Q: I am looking at retirement options. Whom should I contact?

Virgin America does not offer retirement health benefits, but if you have questions regarding eligibility for retirement travel, please reach out to team.travel@virginamerica.com.

Please note that retirement under the AFA contract has different eligibility requirements than at Virgin America. Unfortunately, we cannot predict exactly when we will achieve a merged agreement with the AFA, but we are actively working towards it.

Q: How do I find out what the Health Care plans are for my new base?

benefits@virginamerica.com can assist you once you identify if you are moving out of state. Benefit packages vary based on the new state that you are moving to.

Resignations

Q: May I resign if I do not want to relocate to a new base?

Yes, with at least 14 days' advance notice, in writing, to your Supervisor.

General

Q: What happens now that email addresses are changing to alaskaair.com?

If an ITM receives an email that informs them the virginamerica.com email is no longer valid, they can contact their Base Supervisor to request the alaskaair.com email address of the department they are trying to reach.

Q: Whom should I reach out to if I have additional questions that are not addressed in this document?

Please reach out to Shemeka Watson or your current InFlight Base Supervisor for assistance.