LETTER OF AGREEMENT  
by and between  
ALASKA AIRLINES, INC.  
and the  
ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO  

VIRGIN AMERICA “RED-CIRCLED” PAY RATES  

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

WHEREAS, the Company is in the process of executing a merger with Virgin America, which requires a negotiated transition agreement and single Collective Bargaining Agreement (CBA) with the Association; and  

WHEREAS, the Company and the Association have negotiated a 2018-2021 Joint Collective Bargaining Agreement (JCBA) during the Virgin America and Alaska Airlines merger negotiations; and  

WHEREAS, the practice at Virgin America (VX) is to give longevity credit to employees who transferred into the Flight Attendant job classification for the purpose of establishing pay rates, and that is not the practice at Alaska Airlines (AS);  

NOW, THEREFORE, the parties agree that upon ratification of the AFA Alaska Airlines-Virgin America Merger Agreement, this Letter of Agreement will be incorporated into the 2018-2021 AFA Alaska Airlines Joint Collective Bargaining Agreement (JCBA), and the following provisions will be in full force and effect:  

1. Effective the last day of the bid month in which ratification of the JCBA occurs, Legacy Virgin America ("Alaska Airbus") Flight Attendants whose Company Seniority is greater than their VX Occupational Seniority (i.e. date of hire with the Company is prior to their date of hire as a Virgin America Flight Attendant) due to a transfer from another Company job classification will have their pay step “red-circled” at their pay step as determined by their Company Seniority. Such Flight Attendants will remain “red-circled” at that pay step, inclusive of any down-line increases, until their pay step as determined by their Occupational Seniority exceeds their “red-circled” pay step.  

2. Once the Flight Attendant’s pay step, as determined by her/his Occupational Seniority, exceeds her/his “red-circled” pay step, then s/he will advance to the appropriate pay step determined by her/his Occupational Seniority. Every anniversary thereafter, the Flight Attendant
will advance to the next pay step as determined by Occupational Seniority and receive the appropriate down-line increase(s).

Example:

A Legacy Virgin America Flight Attendant is originally hired 1/1/2012 as a Guest Services Teammate (GST) (equivalent to a Customer Service Agent at Alaska Airlines). S/he transfers to the Flight Attendant occupation on 1/1/2014. Therefore, the Flight Attendant’s Company Seniority date is 1/1/2012 and her/his Occupational Seniority date is 1/1/2014.

Effective date of ratification in 2018, s/he will be “red-circled” at the 7-year pay step (AS “Year 7”, which includes the 4.5% increase to the pay scale effective 1/1/2018). Such pay will be retroactive to 1/1/2018.

The Flight Attendant will stay at the “red-circled” Year 7 pay step and continue to receive the contractual down-line increases to that pay step of 1.5% on 12/17/2018, 1.5% on 12/17/2019 and 2.5% on 12/17/2020.

Effective 1/1/2021 s/he will advance to the 8-year pay step (AS Year 8) because the pay step determined by her/his Occupational Seniority will have exceeded her/his “red-circled” pay step. Every January 1 thereafter, s/he will advance to the next pay step as appropriate.
IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement this 9th day of February 2018.

FOR: ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO

/s/______________________________  /s/______________________________
Jeffrey Peterson                Jeff Butler
Master Executive Council President  Vice President, Inflight & Call Center Svcs

/s/______________________________  /s/______________________________
Jennifer Wise MacColl            Greg Mays
Negotiating Committee Member      Vice President, Labor Relations

/s/______________________________  /s/______________________________
Jamie Cogen                     Elizabeth Ryan
Negotiating Committee Member     Managing Director, Labor Relations

/s/______________________________  /s/______________________________
Lindsey Steele                  Emily Kimmel
Negotiating Committee Member     Manager, Labor Relations

/s/______________________________
Paula Mastrangelo
Senior Staff Negotiator