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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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**VIRGIN AMERICA "RED-CIRCLED" PAY RATES**

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12 This Letter of Agreement is made between Alaska Airlines, Inc. ("Company") and the  
13 Flight Attendants in the service of Alaska Airlines, Inc., as represented by the  
14 Association of Flight Attendants-CWA, AFL-CIO ("Association").  
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16 WHEREAS, the Company is in the process of executing a merger with Virgin America,  
17 which requires a negotiated transition agreement and single Collective Bargaining  
18 Agreement (CBA) with the Association; and  
19

20 WHEREAS, the Company and the Association have negotiated a 2018-2021 Joint  
21 Collective Bargaining Agreement (JCBA) during the Virgin America and Alaska Airlines  
22 merger negotiations; and  
23

24 WHEREAS, the practice at Virgin America (VX) is to give longevity credit to employees  
25 who transferred into the Flight Attendant job classification for the purpose of  
26 establishing pay rates, and that is not the practice at Alaska Airlines (AS);  
27

28 NOW, THEREFORE, the parties agree that upon ratification of the AFA Alaska Airlines-  
29 Virgin America Merger Agreement, this Letter of Agreement will be incorporated into the  
30 2018-2021 AFA Alaska Airlines Joint Collective Bargaining Agreement (JCBA), and the  
31 following provisions will be in full force and effect:  
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- 34 1. Effective the last day of the bid month in which ratification of the JCBA  
35 occurs, Legacy Virgin America ("Alaska Airbus") Flight Attendants whose  
36 Company Seniority is greater than their VX Occupational Seniority (i.e. date  
37 of hire with the Company is prior to their date of hire as a Virgin America  
38 Flight Attendant) due to a transfer from another Company job classification  
39 will have their pay step "red-circled" at their pay step as determined by  
40 their Company Seniority. Such Flight Attendants will remain "red-circled" at  
41 that pay step, inclusive of any down-line increases, until their pay step as  
42 determined by their Occupational Seniority exceeds their "red-circled" pay  
43 step.
  - 44 2. Once the Flight Attendant's pay step, as determined by her/his  
45 Occupational Seniority, exceeds her/his "red-circled" pay step, then s/he  
46 will advance to the appropriate pay step determined by her/his  
47 Occupational Seniority. Every anniversary thereafter, the Flight Attendant

48 will advance to the next pay step as determined by Occupational Seniority  
49 and receive the appropriate down-line increase(s).

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51 Example:

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

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

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63 The Flight Attendant will stay at the "red-circled" Year 7 pay step and continue to  
64 receive the contractual down-line increases to that pay step of 1.5% on 12/17/2018,  
65 1.5% on 12/17/2019 and 2.5% on 12/17/2020.

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67 Effective 1/1/2021 s/he will advance to the 8-year pay step (AS Year 8) because the pay  
68 step determined by her/his Occupational Seniority will have exceeded her/his "red-  
69 circled" pay step. Every January 1 thereafter, s/he will advance to the next pay step as  
70 appropriate.

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73 IN WITNESS WHEREOF, the parties hereto have signed this Letter of Agreement this 9<sup>th</sup>  
74 day of February 2018.

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76 FOR:  
77 ASSOCIATION OF FLIGHT  
78 ATTENDANTS-CWA, AFL-CIO

FOR:  
ALASKA AIRLINES, INC.

80  
81 /s/ \_\_\_\_\_  
82 Jeffrey Peterson  
83 Master Executive Council President

81 /s/ \_\_\_\_\_  
82 Jeff Butler  
83 Vice President, Inflight & Call Center Svcs

84  
85  
86 /s/ \_\_\_\_\_  
87 Jennifer Wise MacColl  
88 Negotiating Committee Member

86 /s/ \_\_\_\_\_  
87 Greg Mays  
88 Vice President, Labor Relations

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90  
91 /s/ \_\_\_\_\_  
92 Jamie Cogen  
93 Negotiating Committee Member

91 /s/ \_\_\_\_\_  
92 Elizabeth Ryan  
93 Managing Director, Labor Relations

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95  
96 /s/ \_\_\_\_\_  
97 Lindsey Steele  
98 Negotiating Committee Member

96 /s/ \_\_\_\_\_  
97 Emily Kimmel  
98 Manager, Labor Relations

99  
100  
101 /s/ \_\_\_\_\_  
102 Paula Mastrangelo  
103 Senior Staff Negotiator

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