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

LEGACY ALASKA AIRLINES FLIGHT ATTENDANT TRANSITION AGREEMENT
2018

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").

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

§4 [STATUS OF AGREEMENT]: SEPARATION OF GROUPS

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

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

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.
3. The Company will not open a new Flight Attendant domicile in any location in which either Alaska Airlines or Virgin America had an existing Flight Attendant domicile as of January 1, 2018.

§6 [SENIORITY]: RELEASE AND ACTIVATION OF THE INTEGRATED SENIORITY LIST (ISL)

WHEREAS, the Section X [Merger Policy...] of the AFA-CWA Constitution & Bylaws provides for the Company to be given the right to use the Integrated Seniority List (ISL) following successful conclusion of a JCBA;

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

1. The Association will release the ISL as soon as it is certified by the AFA Seniority Merger Integration Committee.

2. Under no circumstances will the Company activate the ISL for any application until the full ISL can be inputted into the Alaska Airlines crew tracking system. Such inclusion of the full ISL into the Alaska Airlines crew tracking system will be accomplished as soon as practicable. Once Flight Attendants have been entered into the Alaska Airlines crew tracking system, the ISL will be implemented for all Alaska Flight Attendant contractual applications.

§6 [SENIORITY] AND §21 [COMPENSATION]: COMPETITIVE BIDDING AND OCCUPATIONAL SENIORITY DATE SYNCH-UP

WHEREAS, pre-merger Alaska Airlines Flight Attendants received Competitive Bidding Seniority credit for time spent in Initial Training;

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

1. As soon as practicable following ratification, each pre-merger Alaska Airlines Flight Attendant’s Occupational Seniority date (see JCBA §5 Definitions) will be synched up with her/his adjusted Competitive Bidding Seniority date, which is the date set forth in the Integrated Seniority List (ISL) certified by the AFA Seniority Merger Integration Committee (SMIC).

2. Any pre-merger Alaska Airlines Flight Attendant whose Occupational Seniority date and Company Seniority date is the same date prior to receiving an adjustment to her/his Occupational Seniority date will have her/his Company Seniority date synced up with her/his new Occupational
Seniority date. The Company agrees to recognize adjusted Company Seniority for the appropriate Company benefits including but not limited to pass travel and vacation accrual as soon as practicable. The Company also agrees to re-issue Crew ID badges with the adjusted Company Seniority date as soon as practicable at no cost to the Flight Attendant.

3. Retroactive to January 1, 2018, and on a go-forward basis, each pre-merger Alaska Airlines Flight Attendant will advance to the next step rate of pay, qualify for the appropriate Longevity Premium and Vacation Paid Time Off entitlement in accordance with her/his adjusted Occupational Seniority date.

§21 [COMPENSATION]: PRODUCTIVITY PREMIUM PROGRAM (PPP) IMPLEMENTATION

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

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

1. For the first and second quarters of 2018, the QPP will remain as designated in Section 21.R [Compensation: Quarterly Productivity Premium] of the 2014-2019 CBA.

2. Beginning July 1, 2018, the QPP will be changed to “Productivity Premium Program” (PPP) and implemented as follows in 2018:

   a. The PPP for the bid months of July, August, and December 2018 will be considered individually and paid at three-hundred and fifty dollars ($350) per month. To qualify for the PPP in any of these months, a Flight Attendant’s Worked TFP plus any paid vacation credit (inclusive of Longevity Paid Time Off) and unpaid vacation credit of four (4.0) TFP per day in that month must meet or exceed the TFP equivalent of the Flight Attendant’s PBS bid award by at least five (5.0) TFP.

   b. The PPP for the bid months of September, October, and November 2018 will be considered collectively as a block and paid at four-hundred and fifty dollars ($450) for the block. To qualify for the PPP in these months, a Flight Attendant’s Worked TFP plus any paid vacation credit (inclusive of Longevity Paid Time Off) and unpaid vacation credit of four (4.0) TFP per day in that block must meet or exceed the TFP equivalent of the Flight Attendant’s PBS bid award in that block by at least fifteen (15.0) TFP.
§32 [ATTENDANCE POLICY]: TWO (2) ATTENDANCE POINTS REDUCTION/CREDIT

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

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

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

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

1. Effective date of ratification, every “legacy” Alaska Airlines Flight Attendant will receive a one-time reduction and/or credit of two (2) total points to her/his Attendance Points balance pursuant to Section 32 [Attendance Policy].

2. The reduction and/or credit in paragraph 1., above, will be made available for immediate use. However, the parties recognize there may be an administrative lag in the points being reflected on a Flight Attendant’s Attendance Points balance. The two (2) point reduction and/or credit, as appropriate, will be applied before any discipline is administered. Updated Attendance Points balances will be reflected as soon as administratively possible, but no later than May 31, 2018.

3. A Flight Attendant may have up to ten (10) bank points in conjunction with previously accrued bank points and other one-time adjustments.

Examples:

1. Attendance Point balance of 2 points is reduced to 0
2. Attendance Point balance of 1 point is reduced to 0 with 1 bank point added
3. Attendance Point balance of 0 with 8 bank points will increase to 10 bank points
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:

• All other provisions – Date of ratification.
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

ALASKA AIRLINES, INC.

/s/ ____________________________  /s/ ____________________________
Sara Nelson                       Jeff Butler
International President           Vice President, Inflight & Call Center Svcs

/s/ ____________________________  /s/ ____________________________
Jeffrey Peterson                  Greg Mays
Master Executive Council President Vice President, Labor Relations

/s/ ____________________________  /s/ ____________________________
Jennifer Wise MacColl             Elizabeth Ryan
Negotiating Committee Member      Managing Director, Labor Relations

/s/ ____________________________  /s/ ____________________________
Jamie Cogen                      Emily Kimmel
Negotiating Committee Member      Manager, Labor Relations

/s/ ____________________________
Lindsey Steele
Negotiating Committee Member

/s/ ____________________________
Paula Mastrangelo
Senior Staff Negotiator