

ARTICLE 31 - GRIEVANCE PROCEDURE FOR CONTRACTUAL DISPUTES

(a) An employee who believes that he has been unjustly dealt with or that any provision of this Agreement has not been properly applied or interpreted, ~~or against whom the Company has issued written disciplinary action,~~ may submit his grievance in person or through his representatives within seven (7) calendar days. The grievance will be presented to his immediate supervisor, who will evaluate the grievance or complaint and render his written decision as soon as possible, but not later than seven (7) calendar days following his receipt of the grievance. Inability of the immediate supervisor to complete the investigation and render his written decision within the respective time limits will permit the Union to move directly to the next step of the grievance process.

(b) If the written decision of the immediate supervisor is not satisfactory to the employee whose grievance is being considered, it may be appealed within ten (10) calendar days to the Chief Operating Officer, with a copy to the appropriate Human Resources ~~Office Representative~~. The Chief Operating Officer will fully investigate the facts ~~of the matter and will render a written decision~~ as soon as possible, but not later than twelve (12) calendar days, unless mutually agreed otherwise, following his receipt of the appeal. A copy of the written decision will be provided to the Union.

The inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration, within the time limits as prescribed in Article 31(c) and result in a monetary penalty of eight (8) hours additional pay, as if working, to the grievant. Any monetary penalty paid does not cancel or render any ~~judgement~~ judgment regarding the merits of the grievance.

(c) If the decision of the Chief Operating Officer is not satisfactory to the employee, the grievance and the decision may be appealed to the System Board of Adjustment, as provided for in Article 32 . The appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the aggrieved employee authorizes his representative to handle his grievance for him, the submission of the grievance or appeal will be accompanied by a statement signed by the employee fully authorizing his representative to act for him in the disposition of his grievance. Two (2) copies of all grievance answers will be given to the Local Union.

(e) An employee who has a grievance may present his grievance to his immediate supervisor during regular work hours. An Accredited Representative of the Union may investigate, discuss and present a grievance of an employee or employees during regular work hours without suffering loss of pay for time so spent.

(f) If any decision made by the Company under the provisions of this Article is not appealed by the employee affected within the time limit prescribed for appeals, the decision of the Company will become final and binding.

~~(g) — If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, all related disciplinary records will be removed from the employee's personnel file. In addition, if he has been held out of service, he will be reinstated without loss of seniority and he will be paid at regular rates for his regularly scheduled hours as if working.~~

~~(h)~~(g) When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested will be borne equally by both parties to the dispute.

~~(i)~~(h) Upon the request of an Accredited Union Representative, the Company will inform the Union of its decision on any grievance ~~regarding which involving~~ a formal hearing or investigation ~~has been held~~ at which the ~~aggrieved employee grievant~~ was not represented by his Accredited Union Representative.

ATTACHMENT 31.1 – SYSTEM BOARDS OF ADJUSTMENT

May 1, 2008

Mr. Dennis Burchette
International Vice President
AA System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Time Limits – Article 31 – Fleet Service/Ground Service Agreement

Dear Dennis,

This letter will serve to interpret the time limits referenced in Article 31 of the above referenced AA/TWU agreement. Specifically, what constitutes the meaning of seven (7), ten (10), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 31 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his/her hands or the postmarked date if the answer is mailed. The following examples of the grievance process will clarify our understanding:

1. 1st Step Answer – A grievance is filed on October 3, 2007.

The response from the supervisor must be in the employee's hands or postmarked, if placed in the mail, no later than October 9, 2007. (7 days to render a decision – October 3 counts as Day one)

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2. 2nd Step Appeal – The employee receives an answer on October 9, 2007.

If the employee is not satisfied with the supervisor's answer, he must appeal his grievance to the Chief Operating Officer (COO) no later than October 18, 2007. (10 days to appeal to 2nd step from the date of his receipt or the postmarked date, if mailed – October 9 counts as Day one)

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3. 2nd Step Answer – A grievance is appealed on October 18, 2007.

The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 29, 2007. (12 days to render a decision – October 18 counts as day one) **Note: If the COO does not answer the 2nd step appeal in a timely manner, monetary penalties as outlined in Article 31 will be incurred.**

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4. System Board Appeal – The employee receives his 2nd step answer on October 29, 2007.

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If the employee is not satisfied with the COO's answer, he must appeal his grievance to the System Board no later than November 17, 2007. (20 days to appeal to the System Board from the date of his receipt or the post marked date, if mailed – November 17 counts as Day one)

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Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time when he/she first has knowledge or should reasonably have had knowledge of the alleged contractual violation.

In addition, Article 31 does afford the Chief Operating Officer (COO), with agreement from the local TWU, an extension of time limits.

If the above accurately reflects our understanding, please indicate by signing below.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to:

Dennis Burchette
International Vice President
AA System Coordinator
Transport Workers Union, AFL-CIO