

**Company Counter Comprehensive Package Proposal – Flight Attendants**  
**Version 2.0**  
**Date: 1/20/2010**

**ARTICLE 3 – COMPENSATION (Modify)**

- Signing Bonus – 1.5% previous calendar year earnings (non pensionable)
- DOS – 3% lump sum (pensionable)
- DOS + 12 months – 3% lump sum (pensionable)
- DOS + 24 months – 3% lump sum (pensionable)
- DOS + 36 months – 3% convertible lump sum (pensionable)
  - (New) Lump sum of 3% thirty six (36) months after date of signing, convertible in whole or part to a structural increase to retain AA's relative standing of the APFA's max Domestic hourly pay rate as compared to the max Domestic hourly pay rate(s) of CO, DL, UA, US, WN
- New profit sharing plan
  - 30% of first \$250M in operating earnings
  - 25% of \$250,000,001 - \$500M in operating earnings
  - 20% over \$500M in operating earnings
    - The above percentages will create a fund from which awards are distributed to all participating employee groups. Individual awards will be distributed March 15 of the following year. Payments are not pensionable. Each employee's award will be determined by the percentage of their earnings relative to overall payroll participants. This plan replaces the existing profit sharing plan.
- Eliminate AIP
- Create customer service incentive up to \$100 per month for achieving designated customer service targets
- (New) Eliminate Domestic Coach galley pay
  - Create 757 IFS First Class galley position pay

- Increase Purser pay
  - Domestic wide-body – \$2.50 / hour
  - International narrow-body – \$2.50 / hour
  - International wide-body – \$4.00 / hour

**ARTICLE 4 – EXPENSES**

- Eliminate TAFB for Turns (as proposed on 7/24/09)
- Increase Per Diem to \$1.65 Dom / \$1.90 Intl (as proposed on 7/24/09)
- Remainder of Article 4 as proposed on 7/24/09

**ARTICLE 6 – VACATION**

**Amend 8/31/09 proposal as follows:**

- Limit PVDs to six (6) at 3:00 hour daily rate (as proposed on 8/31/09)
- **(Modify)** Sliding Scale increase / decrease accrual based on the following:

Annual Vacation Accrual	Less than 540 paid hours	Current Accrual	540 – 739 paid hours	740 – 939 paid hours	940 or more paid hours
0-5 years	0	9	8	10	11
5-12 years	0	14	13	15	18
12-20 years	0	19	17	21	24
20-25 years	0	23	21	25	29
25+ years	0	28	26	30	35

\* Must maintain an average of 45:00 hours per active month

- Option to sell back up to two (2) weeks of vacation at 3:00 hour daily rate (FA must choose this option during annual bidding period) (as proposed on 8/31/09)

- Increase value of 401(k) converted vacation to 3:00 hours/day for Domestic and International
- Vacation converted to the Flight Attendant's 401(k) account will be credited as soon as administratively feasible after the start of the fiscal vacation year (as proposed on 8/31/09)
- **(Modify)** Reduce 570 threshold to 540 hours
- Remainder of Article 6 as proposed on 8/31/09

## **ARTICLE 7 – HOURS OF SERVICE**

### **Amend 9/16/09 proposal as follows:**

- **(Modify)** Scheduled Monthly Max
  - DOS – 82:00 Dom / 87:00 Intl
    - Eliminate Pure Bid Restrictions – The Company will attempt to maintain purity in the lines as operationally feasible
    - A Flight Attendant will not be involuntarily reassigned above 87:00 hours
  - DOS + 12 months – 85:00 Dom / 90:00 Intl
    - A Flight Attendant will not be involuntarily reassigned above 87:00 hours unless awarded a bid line with a line value above 87:00 hours. A Flight Attendant awarded a bid line above 87:00 will not be involuntarily reassigned above 95:00 hours
  - DOS + 24 months – 92:30 Dom / 92:30 Intl
    - 30% of lines can be built to 95:00 hours
    - A Flight Attendant will not be involuntarily reassigned above 87:00 hours unless awarded a bid line with a line value above 87:00 hours. A Flight Attendant awarded a bid line above 87:00 will not be involuntarily reassigned above 95:00 hours
- Eliminate 30-in-7 (as proposed on 9/16/09)
- On-Duty Limitations (as proposed on 9/16/09)
- High Time Turns (as proposed on 9/16/09)
- Regular FA duty free period in 24's (as proposed on 9/16/09)

- Delete current language in 7-Letter-IV – Pilot on-duty me too (as proposed on 9/16/09)
- Create daily rate of 3:00 hours for PVDs (as proposed on 9/16/09)
- Incorporate 2006 Deadhead Flexibility letter (as proposed on 9/16/09)
- Remainder of Article 7 as proposed on 9/16/09

#### **ARTICLE 8 – MINIMUM PAY & CREDIT**

- The Company proposes no change

#### **ARTICLE 9 – SCHEDULING**

- Article 9 proposal (See **revised** attachment)
- Combine Domestic / International (See **revised** attachment)
- Bid line protection (See **revised** Article 9 proposal attachment)

#### **ARTICLE 10 – RESERVE**

##### **As agreed to on 5/29/09**

- Reduced days of Reserve Availability
- L2 and OE paid above guarantee
- Eliminate Duty Free patterns
- AM / PM Reserve (Refer to 1/13/10 Reserve Guideline document)
- Reserve PVD / ER option
- Automated Reserve Line Builder

#### **ARTICLE 26 – SICK LEAVE**

##### **Amend 9/3/09 proposal as follows:**

- Transitional Duty (as proposed on 9/3/09)

- Sick clearance at noon (as proposed on 9/3/09)
- **(Modify)** Sliding Scale increase / decrease accrual based on the following:

Annual Sick Accrual	Less than 540 paid hours	540 – 739 paid hours	740 – 939 paid hours	940 or more paid hours
	0	24 hours	36 hours	48 hours

\* Must maintain an average of 45:00 hours per active month

- Create option to receive annual payout of 50% of yearly sick accrual net of any usage at 50% of hourly rate of pay (as proposed on 9/3/09)
- **(Modify)** Increase 420 threshold to 540 hours
- Remainder of Article 26 as proposed on 9/3/09

**ARTICLE 33 (New) – CREW REST**

- 787 crew rest per Boeing specifications

**ARTICLE 35 – GROUP LIFE & HEALTH BENEFIT PLAN**

**Amend 7/22/09 proposal as follows:**

- **(Modify)** Contribution rate scaled
  - 7/1/2010 – 15%
  - 1/1/2011 – 17%
  - 1/1/2012 – 19%
  - 1/1/2013 – 20%
- **(Modify)** Increase 420 threshold to 540 hours with annual look-back prior to open enrollment (as proposed 7/22/09)
- Offer the Management High Deductible Plan to Flight Attendants
- Include pre-65 retiree medical in Agreement and change to management plan

- Eliminate post-65 plan in favor of a guaranteed issue Medigap plan at employee expense (as proposed 7/22/09)
- Refund pre-funding contributions and Company will cease making contributions (as proposed 7/22/09)
- Future hires – Retiree medical access only (No Company subsidy) (as proposed 7/22/09)
- Remainder of Article 35 as proposed on 7/22/09

**ARTICLE 36 – FLIGHT ATTENDANT RETIREMENT BENEFIT PROGRAM**

**Amend 7/21/09 proposal as follows:**

- Defined Contribution (DC) choice for current employees with hard freeze
- DC for new hires – Auto enrolled at 3%; Company match up to 5.5% (as proposed on 7/21/09)
- Remainder of Article 36 as proposed on 7/21/09

**ARTICLE 38 – DURATION**

- Duration of agreement – four (4) years from date of signing

Previous tentative agreements are incorporated as agreed.

The Company reserves the right to propose further additions, deletions and/or modifications at any time prior to the parties' execution of a collective bargaining agreement succeeding the current agreement.