

**Company Counter Comprehensive Package Proposal – Flight Attendants  
Version 6.0  
Date: 5/21/2010**

**ARTICLE 1 – RECOGNITION AND MERGER / ACQUISITION PROTECTION**

- As agreed to on 7/24/09

**ARTICLE 2 – DEFINITIONS**

- Modify as necessary

**ARTICLE 3 – COMPENSATION (Modify)**

- 3.A. – In consideration of a five (5) year agreement, the Company is willing to propose structural increases as indicated below:
  - Signing Bonus – 3% previous calendar year earnings (non pensionable)
  - DOS – 2% structural
  - DOS + 12 months – 2% structural
  - DOS + 24 months – 2% structural
  - DOS + 36 months – 2% structural
  - DOS + 48 months – 1.5% structural
- Note: Reflect recently announced Continental plan. New profit sharing plan
  - 15% of all operating earnings
    - The above percentage 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 (financial and customer service components)

- Create customer service incentive up to \$100 per month (paid monthly, quarterly, semi-annually or annually at Company discretion) for achieving designated customer service targets as designated by the Company on an annual basis
- 3.Q.3. – Modify to include drug testing
- 3.S. – Eliminate Domestic Coach galley pay
  - Create 757 IFS First Class galley position pay – \$.88 / hour
- 3.M. – Increase Purser pay
  - Domestic wide-body – \$2.50 / hour
  - International narrow-body – \$2.50 / hour
  - International wide-body – \$4.00 / hour

**ARTICLE 4 – EXPENSES**

- 4.A.1. – Increase Per Diem
  - DOS – \$1.80 Dom / \$2.00 Intl
- Eliminate Appendix I.4. and incorporate into Article 4

**ARTICLE 5 – UNIFORMS AND ACCESSORIES**

- As agreed to on 12/13/08

**ARTICLE 6 – VACATION**

- 6.A.8. – Sliding Scale increase accrual based on the following:

Annual Vacation Accrual	Less than 540 paid hours	540 – 739 paid hours (Current Accrual)	740 – 939 paid hours	940 or more paid hours
0-5 years	0	9	10	11

5-12 years	0	14	15	17
12-20 years	0	19	21	23
20-25 years	0	23	25	28
25+ years	0	28	30	35

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

- 6.O.1. – Limit PVDs to six (6) at 3:30 hour daily rate
- 6.P. – Option to sell back one (1) or two (2) weeks of vacation at 3:30 hour daily rate (FA must choose this option during annual bidding period)
- 6.Q.5. – Increase value of 401(k) converted vacation to 3:30 hours/day for Domestic and International
- 6.Q.7. – 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
- Attachment E – Increase 420 threshold to 540 hours

## ARTICLE 7 – HOURS OF SERVICE (Modify)

- 7.A.1. – Schedule Monthly Max
  - DOS – 80:00 Dom / 85:00 Intl
    - Pure bids to 84:00 Dom / 89:00 Intl
      - Exception: Three (3) India / China sequences per bid line is acceptable
      - Redefine pure bids as: Sequences with the same number of legs (not to exceed 12 International), and home based departures variance no greater than four (4) hours
      - A “No Option” Flight Attendant will not be involuntarily reassigned above schedule max
      - An “Option” Flight Attendant will not be involuntarily reassigned more than five (5) hours above the schedule max
  - DOS + 12 months – 89:00 Dom / 89:00 Intl
    - 5% of lines can be built to 92:00 Dom / 92:00 Intl (without restrictions)

- 15% of lines can be pure bid and built to 92:00 Dom / 92:00 Intl
  - Exception: Three (3) India / China sequences per bid line is acceptable
  - A “No Option” Flight Attendant will not be involuntarily reassigned above schedule max
  - An “Option” Flight Attendant will not be involuntarily reassigned more than five (5) hours above the schedule max

- 7.B. – Revise “actual” monthly maximum to one hundred (100) hours
- 7.C. – Eliminate Option I flying and create new Flight Attendant designators of “limit” and “no limit” flying
- 7.D. – Option II: Revise to reflect the elimination of monthly maximum
- 7.E. – Delete current language
- 7.F. – Delete current language
- 7.G.2. – Delete current language
- 7.I.1. – Delete thirty (30) hour in seven (7) day limitation
- 7.J. – Modify duty aloft limitations to allow for “high time” turns
- 7.K.1. – On-Duty Limitations

Departure	Scheduled On-Duty Max	Rescheduled On-Duty Max	Operational On-Duty Max
0600-1959	13 hours	13 hours	15 hours
2000-0559	10 hours	11 hours	12 hours

\* AM Standby on-duty Maximums will be 13/13/15

- 7.K.2. – Revise to allow 14:00 hours scheduled on-duty limitation for the purpose of “high-time” turns
- 7.N.1. – Revise to require ten (10) separate periods of twenty-four (24) consecutive hours free from all duty
- 7.N.2. – Delete current language and add that Company will not build bid lines with more than two (2) stand alone twenty-four (24) hour duty-free periods

- 7.N. – NEW LANGUAGE: Allow Flight Attendant option to relinquish up to two (2) of the required ten (10) twenty-four (24) consecutive hour duty-free periods to pick up additional flying, but in no case may a Flight Attendant have less than eight (8) duty free periods
- 7.O.3. – Delete current language
- 7.S. – Include the daily rate of 3:30 hours for PVDs
- 7-Letter-I “Increased Flexibilities for Deadheading Flight Attendants” – Incorporate 2006 letter and revisions
- 7-Letter-III – Revise to eliminate averages and Company will not build any lines less than seventy (70) hours
- 7-Letter-IV “Article 7.K. On-Duty Limitations” – Delete
- Eliminate Appendix I.7. and incorporate into Article 7

#### **ARTICLE I.7 – HOURS OF SERVICE**

- Eliminate Appendix I.7. and incorporate into Article 7
- I.7.A. – Delete existing language
- I.7.B. – Delete existing language
- I.7.C. – Delete existing language
- I.7.D. – Delete existing language
- I.7.E. – Delete existing language
- I.7.F. – Delete existing language
- I.7.G. – Move existing language to Article 7
- I.7.H. – Delete existing language
- I.7.I. – Delete existing language

- I.7.J. – Move existing language to Article 7
- I.7.K. – Move existing language to Article 7
- I.7.L.1. and 2. – Move existing language to Article 7

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

- The Company proposes no change

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

- Eliminate Appendix I.8. and incorporate into Article 8
- I.8.A. – Delete existing language
- I.8.B. – Delete existing language
- I.8.C. – Delete existing language
- I.8.D. – Delete existing language
- I.8.E. – Delete existing language

#### **ARTICLE 9 – SCHEDULING (Modify)**

- Eliminate Appendix I Article 9 and incorporate into Article 9
  - Move applicable HIDIR / DECS entries to On-Duty Contract Guide
  - Include applicable HIDIR / DECS entries in CBA
- Eliminate Appendix I Article 9 – Scheduling Table of Contents
- NEW – Divide Article 9 into three sections: General, Bidding, and Current Month
- Explore virtual satellite bases flying from which Flight Attendants from any base may fly. And explore out of base flying.

- 9. B.1.c. NEW – Standby assignments will be available in open time during day-before coverage and may be bid/awarded/assigned to reserve and bid/awarded to regular Flight Attendants. Standby pay and work rules remain status quo.
- 9.B.1.c. NEW – Define Dual Qualified (DQ) Flight Attendants and execute Letter of Agreement regarding combined Domestic and International operations
  - (Revised) Operations will be combined at 80%
- 9.C.2.a Regular Replacement (Vacation Relief) (VR)
  - Incorporate Relief Bidding – 9-Letter III
  - Allow VR and RR to request No Plot and/or to preference flying from available Open Time during Phase 2 of the bid run
- 9.C.2.b.(3) – Modify to reflect an Open Replacement Flight Attendant who is not on availability on the last day of the contractual month, and has reached XX:XX hours in his/her scheduled projection (SPROJ) column shall be released from all remaining AVBL days
- 9.C.2.b.(4) – Modify to reflect in the event the Company pre-plots trip(s) on an Open Replacement Flight Attendant's schedule and the combination of the self-plotted and the Company pre-plotted trip(s) results in the Flight Attendant reaching XX:XX hours in his/her scheduled projection (SPROJ) column, any AVBL days remaining on his/her schedule will be converted to DOs

Note: XX will be determined once we have agreement on schedule max.

- 9.C.4.c. – Amend to include daily bid procedures
- 9.C.4.d. – Allow regular replacement and open replacement to preference no plot, and/or to request flying from available open time during Phase 2 of the bid run (same as current process)
- 9.C.6 – Amend to include trading of block of AVBL days
- 9.D. – Incorporate language that locks in value of carryover trips at the point of removal

- (Modify) 9.E.3. – Delete reference to “balance” and insert “multiple sequences.” Amend to specify sequence protection on days originally scheduled to fly, and excluding trips removed due to monthly overlap conflicts, trips voluntarily dropped and OE trips
- 9. F.1. Calendar Bidding Period
  - a. The monthly trip selections shall be distributed and made available to Flight Attendants for selection no later than 0001 on the sixteenth (16<sup>th</sup>) day of the contractual month. The due date for the bid submission shall be no earlier than 0001 of the twentieth (20<sup>th</sup>) day of the contractual month. Such bid ballot submission deadline may be deferred by Crew Resources. Such deferral shall be noted on the monthly trip selection. Bid results shall be posted by midnight of the twenty-fifth (25<sup>th</sup>) day of the contractual month. If during the course of this agreement, bid sheets are moved online by mutual agreement, bid distribution, due date, and posting date will be moved one day earlier.
- 9.F. – Explore improved methods of notification of changes to Flight Attendant schedules
- 9.F. – SEP bid run (need to clarify how this additional pass through will work)
- 9.F.2. – Update language to remove “in writing”
- 9.F.5.a. – Update language to delete 5.a.1, 3, and 4
- 9.F.9.a – Move to Article 22 – Training and Meetings
- 9.F.9.b – Move to Article 11 – Language and Article 34 – Pursers
- 9.F.10 – Move to Article 22 – Training and Meetings
- 9.G. – Amend to include “proferring” into a base
- 9.H. – Rename title to “Company Error”
- 9.I.3. – Incorporate 6/3/05 Letter of Agreement (permitting removal of the sequence in conflict 72 hours prior to beginning of next contractual month)
- 9. I.5. Amend to reflect Low Available Day (LVBL) access –9.K access today, not subject to assignment

- 9.J. – Amend to reflect changes related to Daily Bid
- 9.J.3. – Make up obligated (MO) list
- 9.J.4. – Cross Division list
- 9.J.5 – Out of base list
- 9.K. – Amend to reflect Low Available (LVBL) access same as 9.K. access today and add High Available access (HVBL), not subject to assignment. Amend to reflect daily bid process.
- 9.K.1.a.(2) – Delete reference to “balance of their month” replace “with multiple cancellations”
- 9.K.1.e.(1) Modify to delete “nor terminate”
- 9.K.1.e.(3) – Modify to allow pre-plot of turn-around on last remaining day in available block and delete 4-day prior restriction
- 9.L.
  - Modify Order of Open Time including SK clearance at 1200
  - Create automated daily bidding and assignment process
  - Permit involuntarily low Flight Attendants first opportunity to access and be assigned open time
  - Provide access for Dual Qualified (DQ) reserves to be assigned across both Divisions
  - Provide access for Dual Qualified (DQ) Flight Attendants to pick up trip sequences in either Domestic or International Divisions
- 9.L. Open Time – Order of Open Time Coverage
  1. MIC
  2. AVBL/LVBL/HVBL
  3. Regular Make-up / Sick Make-up
  4. Steps at Company Option:
    - a. Cross Division Make-up adjacent base if needed\*
    - b. Option II / Limited Option II\*
    - c. Cross Division Option II / Limited Option II adjacent base\*

- d. Out of base\*
  - e. Voluntary Reserve 12-hour duty-free period slide\*
  - f. Voluntary Reserve 24-hour duty-free period slide\* (if this can be accomplished with no IT issues)
5. Reserves within division
  6. Reserves adjacent base
  7. Reserve involuntary duty-free period slide no later than twelve (12) hours from the scheduled start of his/her duty-free period\*
  8. Flight Attendants low on time
  9. Reserve who is scheduled for a duty-free period
  10. Regularly scheduled Flight Attendant on a duty-free period

\* This option(s)/flying may not be available and is subject to Company need

**Proposed Order of Open Time Coverage – Day Before (Fully Automated)**

0800 - Seat swap closes in TTOT

0830 - PVD / ER for Regular lineholders including AVBL

1200 - Sick Clearance deadline for Regular and Reserve Flight Attendants

1215 - Purser ballots and Language moves

1300 - Round One – (groups awarded/assigned in seniority order)

Group 1 – MIC Obligations – no award/not enough bid will be assigned reverse seniority if below guarantee

Group 2 – AVBL/LVBL – no award/not enough bid for Vacation Replacement (RL) “may” be assigned or released as needed

Group 3 – Regular Makeup, Sick MU

Group 4\* – Cross Division Makeup adjacent base if needed

Group 5\* – Option II / Limited Option II

Group 6\* – Cross Division Option II / Limited Option II adjacent base

Group 7\* – Out of base

Publish awards

1500 - PVD / ER for Reserves

- 1600 - Round Two – (groups awarded/assigned in seniority order)
  - Group 1 – New MIC Obligations – no award/not enough bid will be assigned reverse seniority if below guarantee
  - Group 2 – AVBL – no award/not enough bid will be assigned or released as needed
  - Group 3 – LVBL / HVBL / Regular Makeup / Sick Makeup
  - Group 4\* – Cross Division Makeup adjacent base if needed
  - Group 5\* – Option II / Limited Option II
  - Group 6\* – Cross Division Option II / Limited Option II adjacent base
  - Group 7\* – Out of base
  - Group 8 – Reserves within division (until Reserve list combined)
  - Group 9\* – DQ Reserves cross division – preferences considered
- 1700 - Reserve assignments complete
- 2000 - Clean-up Round
  - Group 1 – New MIC Obligations - no award/not enough bid will be assigned reverse seniority if below guarantee
  - Group 2 – Regular Makeup, Sick MU
  - Group 3\* – Cross Division Makeup adjacent base if needed
  - Group 4\* – Option II / Limited Option II
  - Group 5\* – Cross Division Option II / Limited Option II adjacent base
  - Group 6\* – Out of base

**Proposed Order of Open Time Coverage – Same Day**

- 0800 - Automated Round (for same day trips signing in 1200 or later)
  - Group 1 – New MIC Obligations – no award/not enough bid will be assigned reverse seniority if below guarantee
  - Group 2 – Regular Makeup, Sick MU
  - Group 3\* – Cross Division Makeup adjacent base if needed
  - Group 4\* – Option II / Limited Option II
  - Group 5\* – Cross Division Option II / Limited Option II adjacent base
  - Group 6\* – Out of base

Publish awards

### **Ad Hoc Coverage – Same Day**

#### **Under six (6) hours to departure**

- Short Call MU
- Short Call Reserves
- \*Cross Division Makeup adjacent base if needed
- \*Option II / Limited Option II
- \*Cross Division Option II / Limited Option II adjacent base
- \*Out of base
- Regular Reserves (AM/PM/Ready/Standby)

#### **Six (6) hours or more to departure**

- MU
- Regular Reserves (AM/PM/Ready)
- \*Cross Division Makeup adjacent base if needed
- \*Option II / Limited Option II
- \*Cross Division Option II / Limited Option II adjacent base
- \*Out of base
- Regular Reserves (AM/PM/Ready)

*\*This option(s)/flying may not be available and is subject to Company need*

**NOTE: Company reserves right to use other steps in 9.L. such as low time, reassign, move DFPs, etc.**

**NOTE: Specific times will not be included in contractual language, with the exception that Reserve assignments will be posted by no later than 1700 local base time.**

### **Proposed Order of Open Time Coverage – Day Before (Pre-Automation)**

0800 - Seat swap closes in TTOT

0830 - PVD / ER for Regular lineholders including AVBL

1200 - Sick Clearance deadline for Regular and Reserve Flight Attendants

1215 - Purser ballots and Language moves

0900-1300 MIC Obligations – no award/not enough bid will be assigned reverse - no award/ seniority if below guarantee

1300 - Round One – (groups awarded/assigned in seniority order)

Group 1 – AVBL/LVBL – no award/not enough bid for Vacation Replacement (RL) “may” be assigned or released as needed

Group 2 – Regular Makeup, Sick MU

Group 3\* – Cross Division Makeup adjacent base if needed

Group 4\* – Option II / Limited Option II

Group 5\* – Cross Division Option II / Limited Option II adjacent base

Group 6\* – Out of base

~~Publish awards~~

1500 - PVD / ER for Reserves

1600 - Round Two – (groups awarded/assigned in seniority order)

~~Group 1 – New MIC Obligations – no award/not enough bid will be assigned reverse seniority if below guarantee~~

Group 1 – AVBL – no award/not enough bid will be assigned or released as needed

Group 2 – LVBL / HVBL / Regular Makeup / Sick Makeup

Group 3\* – Cross Division Makeup adjacent base if needed

Group 4\* – Option II / Limited Option II

Group 5\* – Cross Division Option II / Limited Option II adjacent base

Group 6\* – Out of base

Group 7 – Reserves within division (until Reserve list combined)

Group 8\* – DQ Reserves cross division – preferences considered

1700 - Reserve assignments complete

2000 - Clean-up Round

~~Group 1 – New MIC Obligations – no award/not enough bid will be assigned reverse seniority if below guarantee~~

Group 1 – Regular Makeup, Sick MU

Group 2\* – Cross Division Makeup adjacent base if needed  
Group 3\* – Option II / Limited Option II  
Group 4\* – Cross Division Option II / Limited Option II adjacent base  
Group 5\* – Out of base

**NOTE: Company reserves right to use other steps in 9.L. such as low time, reassign, move DFPs, etc.**

Cross Division Options may be offered prior to full automation

- 9.M. – Move to new Article 22 – Training and Meetings
- 9. N. Accept I.9.N grievance settlement proposal dated 7-30-09 for international trips
- 9.P. – Incorporate 9-Letter-VII (Clarification to 9.P.2 - MIC)
- **(Modify)** 9.P. MIC - Amend to reflect sequence protection up to schedule max including carry-over time from the prior month, and excluding trips removed due to monthly overlap conflicts and trips voluntarily dropped and OE trips
- 9.P.2.b. – Modify to include possible award/assignment of airport standby duty. Standby sequence must be in open time at time of bidding.
- 9.P.2.d. MIC - Amend to daily bid obligation in lieu of specified call-in period. Flight Attendant required to bid or be assigned trip that originates within days originally scheduled to fly (DOSTF). Turnaround Flight Attendants may be assigned comparable day later in the month at Company option.
- 9.P.3. – Rename title to “Assignments Resulting From a MIC Trip Sequence” and remove “first 23 or 24 days reference from paragraph.
- **(Withdraw)** 9.P.6.. – Modify to reflect last 5 day pay protection will be net of any line protection.
- **(New)** 9.P.6. - Eliminate
- 9.T. – Modify language to include credited absences
- 9.U. – Amend to comport with Purser Flex/Language Flex Test language and incorporate undefined scheduling terminology 9-Letter-VI into the new scheduling General section. Incorporate Charter Operations 9-Letter-IV into the

new scheduling General section. Incorporate Company's Release of Open Time 9-Letter-V into the new schedule General section.

- 9.V.1. – Delete existing language
- Delete 9-Letter-I (Availability Self-Plot) (With automated daily bid)
- Delete 9-Letter-III (Part Time) and incorporate current (Replacement FAs/7-Day or greater VC Relief) Letter of Agreement dated 4/19/06
- Create sequence pay protection
  - **(Modify)** Sequence pay protection up to the schedule max (including carryover time, excluding trips removed due to monthly overlap conflicts, trips voluntarily dropped and OE trips)
  - **(Delete)** Company offered "Option II" flying will be sequence protected above the schedule max
  - Must bid or be assigned a trip that originates within days originally scheduled to fly (DOSTF) unless assigned comparable days later in the month
  - **(Modify)** Flight Attendant may bid or be assigned multiple sequences originating within DOSTF
  - If protected for turn-around, Flight Attendant may be assigned airport stand-by duty. Stand by assignment must be in open time at time of bidding
  - Sequence pay protection does not apply to Reserves
  - Eliminate 9.P.6.
  - All other Article 9.P. rules will apply
- The parties agree to create a joint committee to explore alternative line construction and bidding systems
- **(Modify)** Combine Domestic / International operations for all Flight Attendants at DOS + 48 at the Company's discretion (See Attachment titled Dual Qualified LOA Proposal v. 2.1, 5/21/10)

## **ARTICLE I. 9 – SCHEDULING**

- Eliminate Appendix I.9 and incorporate into Article 9
- I.9.A. – Delete existing language
- I.9.B. – Delete existing language

- I.9.C. – Delete existing language
  - Reconcile 9.C.2.a.1.c.
- I.9. D. – Delete existing language
- I.9.E. – Delete existing language
- I.9.F. – Delete existing language
- I.9.F.9.b.(3) – Move existing language to Article 9
- I.9.G. – Delete existing language
- I.9.H. – Delete existing language
- I.9.I. – Delete existing language
- I.9.J. – Delete existing language
- I.9.K. – Delete existing language
- I.9.K.1.a.(2) – Missing
- I.9.K.1.a.(6) – Mis-referenced
- I.9.L. – Delete existing language
- I.9.M. – Delete existing language
- I.9.N. – Delete existing language
- I.9.O. – Delete existing language
- I.9.P. – Delete existing language
- I.9.Q. – Delete existing language

- I.9.R. – Delete existing language
- I.9.S. – Delete existing language
- I.9.T. – Delete existing language
- I.9.U. – Delete existing language
- I.9.V. – Move existing language to Article 9
- I.9.W. – Delete existing language with the exception of I.9.W.2.
- Incorporate I-9-Letter-I (MAC Flying) as needed. Delete I-9-Letter-III (Rio de Janeiro Service), however any pertinent provisions of the Arbitration award dated August 12, 1982 from James Harkless shall continue to apply in all respects.

#### **ARTICLE 10 – RESERVE**

- As agreed to on 5/29/09

#### **ARTICLE 11 – LANGUAGE**

- As agreed to on 4/2/09

#### **ARTICLE 12 – FILLING OF VACANCIES**

- As agreed to on 11/20/08

#### **ARTICLE 13 – SENIORITY GENERAL**

- As agreed to on 7/24/09

#### **ARTICLE 14 – SENIORITY LIST**

- As agreed to on 10/14/08

**ARTICLE 15 – PERIOD OF PROBATION**

- As agreed to on 10/8/08

**ARTICLE 16 – REDUCTION IN FORCE**

- As agreed to on 7/24/09

**ARTICLE 17 – TRANSFER TO NON-FLYING OR SUPERVISORY DUTIES**

- As agreed to on 10/8/08

**ARTICLE 18 – MOVING EXPENSES**

- As agreed to on 12/16/08

**ARTICLE 19 – LEAVES OF ABSENCE**

- As agreed to on 12/16/08

**ARTICLE 20 – MEDICAL APPEALS / ARBITRATION**

- As agreed to on 4/2/09

**ARTICLE 21 – HOTELS AND TRANSPORTATION**

- As agreed to on 12/18/08

**ARTICLE 22 – JOINT SCHEDULING COMMITTEE**

- As agreed to on 11/18/08

**ARTICLE 22 (NEW) TRAINING AND MEETINGS**

- As agreed to on 7/23/09

**ARTICLE 23 – EMERGENCY ASSIGNMENTS**

- As agreed to on 11/18/08

**ARTICLE 24 – COPIES OF AGREEMENT**

- As agreed to on 12/12/08

**ARTICLE 25 – EXCHANGE OF TRIPS**

- As agreed to on 7/31/09

**ARTICLE 26 – SICK LEAVE**

- Modify Article title to reflect “Sick Leave and Injury on Duty”
- Create option to receive annual payout of 50% of yearly sick accrual net of any usage at 50% of hourly rate of pay
- 26.A.1. – Sliding Scale increase accrual based on the following:

Annual Paid Hour Threshold	Less than 540 paid hours	540 – 739 paid hours	740 – 939 paid hours	940 or more paid hours
Accrual hours per active month	0	3:00 hours	3:30 hours	4:00 hours

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

- 26.C.1.b. – Modify to reflect any replacement Flight Attendant must clear the sick list prior to 1200 local base time or be charged daily rate
- 26.C.1.c. – Modify to reflect any reserve Flight Attendant must clear the sick list prior to 1200 local base time or be charged daily rate
- 26.E. – Limit to Rough Air and Passenger Assault. Terrorism/Forced Landing/Hijacking/Sabotage/Military Counter Action will be covered under Article 30.M.

- Move Article 30.M. – Benefits for Flight Attendants in the Event of Terrorism or Sabotage to Article 26
- 26.H.3. – Move day-before sick clearance time from 1600 to 1200 local base time
- **(Withdraw)** 26.D.5.– Transitional Duty  
The Company may require a Flight Attendant to perform Transitional Duty (TD) work assignments following a compensable work related injury, once released to return to work with temporary work restrictions from his/her state acknowledged treating doctor. The duties assigned will be consistent with the treating physician’s limitations, and may include duties outside the normal scope of Flight Attendant duties.

HOW IT WORKS:

- Transitional Duty is not permanent and may be discontinued at any time by the Company
- If the FA refuses the work assignment of TD, the claims handler will be notified. The claims handler will determine if the state mandated wage replacement benefit will cease
- If a TD assignment is unavailable or the FA does not meet established criteria for return to work on TD, the injured FA will remain on injury-on-duty status and state mandated wage replacement benefits will continue
- Once TD is exhausted FA will be placed on IH or Unpaid Injury on-Duty leave of absence
- Increase 420 threshold to 540 hours

**ARTICLE 27 – BEREAVEMENT / PERSONAL / EMERGENCY LEAVE**

- As agreed to on 2/12/09

**ARTICLE 28 – DISPUTE RESOLUTION AND GRIEVANCE PROCEDURE**

- As agreed to on 10/8/08

**ARTICLE 29 – SYSTEM BOARD OF ADJUSTMENT**

- As agreed to on 10/8/08

**ARTICLE 30 – GENERAL**

- As agreed to on 4/2/09

**ARTICLE I.30 – GENERAL**

- As agreed to on 4/2/09

**ARTICLE 31 – UNION SECURITY**

- As agreed to on 2/11/09

**ARTICLE 32 – HEALTH AND SAFETY COMMITTEES**

- As agreed to on 4/2/09

**ARTICLE 33 – NO STRIKE – NO LOCK OUT**

- As agreed to on 10/14/08

**ARTICLE 33 (New) – CREW REST**

- 33.M. - The Flight Attendant crew rest facility provided by Boeing shall be deemed to meet the contractual requirements for crew rest on the 787. Should any of the specs which have been provided to APFA be modified by Boeing prior to delivery of the aircraft the Company will meet and discuss such modifications with the APFA.

**ARTICLE 34 – PURSER**

- As agreed to on 4/2/09

**ARTICLE 35 – GROUP LIFE & HEALTH BENEFIT PLAN (Modify)**

- 35.B – Employee contributions for the active standard medical plan shall be amended to the following:

**Employee Monthly Contributions for the  
\$300 deductible contractual option**

<b>Tier</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
EE Only	\$50.00	\$60.00	\$70.00	\$80.00	\$90.00
EE + 1	\$100.00	\$120.00	\$140.00	\$160.00	\$180.00
EE + 2	\$150.00	\$180.00	\$210.00	\$240.00	\$270.00

The employee monthly contributions for the PPO with H S A shall be zero through 2015

- 35.D. The Company proposes the following changes:

The following features of the active basic benefit plan will be incorporated in this agreement. All other benefit plan design elements such as medical necessity, administration of benefits, and all other plan design features that are outlined in the Plan Document remain subject to change as provided in the plan document. The Company is committing to offer the FAs a free health plan option that conforms to the IRS high deductible health plan regulations with plan design subject to change at Company discretion.

2011 Plan Design (APFA)	Free Option	Contractual Option
	PPO w/H S A**	\$300 Deductible
In Network Deductible (Single/Family)	\$1,500 / \$3,000	\$300 / \$800
Out of Network Deductible (Single/Family)	\$3,000 / \$6,000	\$600 / \$1,600
Coinsurance (In/Out)	20%/40%	20%/40%
In Network Out of Pocket Max (Single/Family)	\$4,000 / \$8,000	\$2,000 / \$3,250
Out of Network Out of Pocket Max (Single/Family)	\$8,000 / \$16,000	Unlimited
PCP/Specialist Copay	20%	20%
Retail Clinics Copay	20%	20%
Preventive Care Office Visit Only*	0%	0%
<b>Pharmacy**</b>		
Retail		
Generic	Subject to	Subject to
Formulary Brand***	deductibles and	deductibles and
Non-Formulary Brand***	coinsurance***	coinsurance***
Mail-order		
Generic		\$25* per prescription
Formulary Brand***		or actual cost if less
Non-Formulary Brand***		

\* Not subject to deductible, copays do not apply to deductible. Does apply to OOP.

\*\* Preventive Rx in PPO w/H S A for in-network only not subject to deductible, coinsurance still applies

\*\*\* If Generic is available, members pays 20% + cost difference.

\*\* PPO w/H S A: each tier the deductible is an aggregate that needs to be satisfied in total before coinsurance applies up to the Out-of-Pocket Maximum.

\*\* PPO w/H S A: each tier the Out-of-Pocket Maximum is an aggregate that needs to be satisfied in total before receiving 100% coverage.

- 35.C & D. – Remove sections 1 – 7 in C, eliminating prefunding arrangements. Employee prefunding balances would be refunded to each employee in 1Q2011.

The Company proposes adding the following to C; which refers to retiree medical:

The Company proposes to replace the existing non-contractual Flight Attendant Retiree Medical Benefit Plan with the plan provided to management employees, which may be amended from time to time. This change would be effective for people retiring after 12/31/2010.

No contribution changes to existing retirees (people retired by 12/31/2010). Flight Attendants who advise the Company no later than 12/31/2010 of their intent to retire will do so with current retiree medical benefits. Current retiree medical terms and conditions remain unchanged. The actual separation date will be determined by the Company based on operational needs.

Employer prefunding contributions would cease at ratification date.

Flight Attendants who retire before Age 60 would pay premiums for Pre-65 retiree healthcare coverage at time of retirement at the same contribution rate as active flight attendant contributions for the contractual option..

Flight Attendants who retire on or after Age 60 will be eligible to use remaining sick bank hours to pay premiums for the Pre-65 retiree medical coverage for the retiree and eligible family members. Twelve (12) sick hours will provide one (1) month of retiree medical coverage for the retiree standard medical option and six (6) sick hours provide one (1) month of retiree medical coverage for the PPO with H S A (a high deductible medical plan option). Should the Flight Attendant have insufficient hours to pay for retiree medical coverage to age 65, the Flight Attendant will be eligible to continue retiree healthcare coverage at the post-funded contribution rate for retiree and eligible family members, as it may be amended from time to time.

The Company will evaluate the sick hour to medical cost ratio every three (3) years and adjust the sick hours required for one month of medical coverage in accordance for future retirements.

Flight Attendant who turns age 65 prior to spouse may use remaining sick hours to provide continuing retiree medical coverage for spouse/domestic partner until the spouse/domestic partner turns age 65 or sick hours are exhausted, whichever comes first. Spouse/domestic partner will be allowed to continue retiree healthcare coverage at the post-funded contribution rate until the spouse reaches age 65, as it may be amended from time to time.

Surviving spouse/domestic partner eligibility will be in accordance with the Plan provisions, which may be amended from time to time.

Flight Attendants hired after ratification date would have guaranteed access to pre-65 retiree medical coverage and pay 100% of plan costs.

Medicare-Eligible Retirees would be offered access to guaranteed issue Medicare supplement options through a third party administrator and would pay 100% of premiums for their election.

The APFA will withdraw, with prejudice, all of the current grievances with respect to active and retiree medical plans, and administration.

- 35.B. Change minimum annual hour threshold of 420 hours to 540 hours with an annual twelve (12) months “look-back” from August 31st of the current calendar year to determine eligibility for Company paid health benefits for the following calendar year. Flight Attendants who do not meet the 540 hours threshold will have the option to maintain health benefits by assuming the Company’s applicable portion of the cost in addition to their applicable employee contributions.

Example: September 1, 2009 to August 31, 2010 is the look back period; October 1 through October 31, 2010 is annual enrollment for the 2011 calendar year. Flight Attendants not meeting the minimum threshold during the look back period, will be able to enroll in benefits for calendar year 2011 and pay the Company’s applicable portion of the health benefits cost in addition to their applicable employee contributions.

The letter of agreement between the Company and APFA regarding administration of benefits will be withdrawn.

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

- Enroll new hire Flight Attendant employees in the Super Saver Plus – 401(k) Plan, a defined contribution (DC) plan
  - An automatic 3% employee pre-tax contribution would commence as soon as administratively practicable
  - Employee would have a one-time 90 day option to elect out and withdraw the automatic enrollment contributions without penalty
  - Thereafter, the employee contribution would increase 1% each year until a 5.5% employee contribution is achieved
  - Employee would have the option to increase or decrease their contribution level at any time
  - After completion of one year eligibility service, AA would match employee’s contribution dollar-for-dollar up to 5.5% of qualified pay (Company Match)
- Flight Attendant employees hired after the effective date of this CBA would not be eligible to participate in the Flight Attendant Defined Benefit (DB) pension plan

- Current Flight Attendant employees (those hired before the effective date of this CBA) would be provided a one-time election (Choice) to either: 1) remain in the current Defined Benefit plan, or 2) move to the Super Saver Plan with the 5.5% Company Match on qualified pay
  - DB benefits for those who choose to move to the Super Saver Plan would have a hard freeze, meaning no additional years of credited service and no increase in earnings in the DB plan
  - However, final average earnings used to calculate the DB annuity would include pay growth up to the time of separation from AA

#### **ARTICLE 37 – EFFECT ON PRIOR AGREEMENTS**

- As agreed to on 7/23/09

#### **ARTICLE 38 – DURATION (Modify)**

- Duration of agreement – five (5) years from date of signing (July 1, 2015)

The APFA and Company scheduling sub-committees will continue to meet and discuss scheduling related system requirements and an implementation schedule before the Company makes a final determination.

In consideration of the above, the APFA agrees to:

- Incorporate Joint Leadership Teams (JLT) / Customer Experience Leadership (CEL) participation language into the contract
  - The Company and APFA will agree on an acceptable method of pay for participation in JLT / CEL meetings
- Change the Flight Attendant payroll process to address overpayments (Pay in Arrears)
- Withdrawal of all Presidential grievances except “tray in hand, PVDs and liquor audits.”
- Support for Onboard sales

The Company is willing to discuss an early out program for Flight Attendants.

The Union will withdraw its proposals on the open issues as follows:

- Article 3 – Compensation
- Article 4 – Expenses
- Article 6 – Vacation
- Article 7 – Hours of Service
- Article 8 – Minimum Pay and Credit
- Article 9 – Scheduling
- Article 10 – Reserve
- Article 26 – Sick Leave
- Article 33 (New) – Crew Rest
- Article 35 – Group Life and Health Benefits
- Article 36 – Retirement Benefit Plan for Flight Attendants

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.