

## Company Work Rules Proposal

Our pilots work hard and many are flying as much as they can. However, the inefficiencies in the contract and additional reserves means that overall, American pilots fly less on average than our competitors. The current contract limits the number of hours a month our pilots can fly, creates additional reserves and inflates our costs, creating major operational inefficiencies. We need a contract that removes the inefficiencies and allows pilots to fly more – and earn more – giving American a competitive advantage, and with no cost of pilot jobs.

By removing the current hard monthly maximum and moving to a higher annual average maximum, pilots will have greater flexibility over the number of hours they fly each month, and have opportunities to pick up additional trips and earn more money. This means the company gets more productivity, and has guaranteed that no pilots will be furloughed as a result of the contractual changes. We'll transition to the appropriate staffing levels through normal attrition and potential growth.

In addition to the ability to increase earnings, pilots can better predict their income through sequence pay protection, provided that the loss of flying is beyond the control of the pilot. To recapture lost pay, pilots would be required to be available for make-up flying within an agreed to window of their cancelled sequence.

Today pilots are limited by the older Trip Trade with Open Time system, so we're proposing an industry-leading Trip Trade system that will enhance pilots' scheduling flexibility. Pilots will be able to trip trade among themselves to a much greater degree than today, thus improving the quality of life/scheduling benefits by enabling greater control over their schedule. It will also create opportunities to increase their monthly projections, and consequently, enhance their earning power.

Another priority for both the company and the APA has been to create a greater ratio of line holders to reserves. Today, reserves make up about 30 percent of our total active headcount on an annual basis. By comparison, our network competitors' ratio of reserves to line holders is, on average, around 15 percent. We'd like to significantly reduce our number of reserves and move more of that flying to line holders.

We're also attempting to reduce the number of days a reserve pilot is required to be available – from 19 to 17 days per month, the lowest among network carriers. Changes to the system will allow reserve pilots to better predict their schedule and provide an opportunity for additional pay above guarantee for voluntary flying completed on off duty days.

We are very focused on finding a way to finalize our scheduling discussions and appreciate APA's desire to link improved productivity and work rule changes to future growth. We believe this is a straightforward and transparent approach that produces the output we need to be successful.

# AA Proposal

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Date: 11/03/2011

Time:

<b>Subject: Hours of Service</b>	<b>Version:</b>
<b>Proposal Reference(s):</b>	
<b>Contract Reference(s): Section 15 – Hours of Service</b>	
<ul style="list-style-type: none"><li>• <b><u>Flight Time Limitations</u></b></li><li>• Rolling Average Line Value (RALV) and Monthly Average Line Value (MALV) – moved to Section 18</li><li>• Individual Monthly Maximum (IMAX) (Groups I – III)<ul style="list-style-type: none"><li>○ In any contractual month, a pilot’s IMAX may go up to the FAR limits, limited only by:<ul style="list-style-type: none"><li>▪ The monthly maximum established by the Company for any 3-part bid status.<ul style="list-style-type: none"><li>• The monthly maximum established by the Company for any 3-part bid status shall never be less than the Monthly Average Line Value plus the upper limit of the Line Construction Window (LCW).</li></ul></li><li>▪ The monthly maximum for a reserve pilot shall be the lesser of the Monthly Average Line Value (MALV) plus the upper limit of the LCW.</li></ul></li></ul></li><li>• Individual Monthly Maximum (IMAX) (Groups IV – VII)<ul style="list-style-type: none"><li>○ In any contractual month, a pilot’s IMAX may go up to the FAR limits, limited only by:<ul style="list-style-type: none"><li>▪ The individual pilot’s rolling 12-month average maximum of eighty-nine (89) hours, or</li><li>▪ The monthly maximum established by the Company for any 3-part bid status.<ul style="list-style-type: none"><li>• The monthly maximum established by the Company for any 3-part bid status shall never be less than the Monthly Average Line Value plus the upper limit of the Line Construction Window (LCW).</li></ul></li><li>▪ The monthly maximum for a reserve pilot shall be the lesser of the Monthly Average Line Value (MALV) plus the upper limit of the LCW.</li></ul></li></ul></li><li>• Pilot-to-pilot trades are limited only by those pilot’s IMAX or FAR limitations</li><li>• Flight time limitations based on credited projection (PROJ)</li></ul>	

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- Eliminate VJA
- Eliminate CPA
- Fly Through Time
  - Fly through time is paid, uncredited
- Vacation Bank (Move to Section 9 – Vacation)
  - Allow payout from vacation bank
  - Pilot may elect one of the following:
    - Full vacation bank payout at start of vacation year, or
    - Up to 10 hours per month, with remaining balance paid out at end of vacation year.
- Unaugmented Block Time over Eight (8) Hours per Duty Period
  - A pilot cannot be scheduled for more than nine (9) hours duty aloft in a single duty period
  - For unaugmented block Time  $> 8 \leq 9$  hours per duty period, the following shall apply:
    - 9:00 hours maximum block per duty period
    - Sign-in 0700-1230 HBT
    - Duty Day IAW collective bargaining agreement duty time provisions
    - Minimum 2 legs, maximum 3 legs per duty period
    - No single leg greater than 6 hours
    - Scheduled for same aircraft per duty period
    - Minimum 10 hour layovers between duty periods containing  $>8:00$  block
    - Domestic and International Divisions
- **Notification**

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- Parties agree to discuss modifications to the dates for publishing, closing, and awarding of monthly bids. This will not require the Company to complete the allocation process any earlier than current practice
- Alternative methods of notification between the Pilots and Crew Schedule utilizing new technology options shall be discussed.
  - Enhanced obligation for the pilots to confirm assignments/awards to the Company in a timely manner
- TA dated 6/22/2010 – Telephonic Recording
- Minimize Crew Schedule manual contact of reserve pilots for trip awards/assignments during and outside of “Daily Open Time Coverage” (DOTC)
- Intent is to automate to the extent possible the assigning/ awarding of sequences/RAPs based on days of availability (block), RPV number and reserve pilot preferences.
- Notification and confirmation via various mediums to include, but not limited to:
  - Text message
  - E-mail
  - Automated phone contact

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- **On Duty Time (Domestic)**

<u>Sign-In Time</u>	<u>Ldgs</u>	<u>Schedule</u>	<u>Schedule Notes</u>	<u>Maximum</u>
2200 - 0359	(2)	9:00		+2
0400 - 0459	(2)	10:00		+2
0500 - 0629	(5)	11:00	Increase by :01 for each :01 between 0500 and report; Duty reduced by 1:00 hr if 5 scheduled landings	+2 (not > 14 hours)
0630 - 0659	(5)	12:30		+2 (not > 14 hours)
0700 - 0759	(5)	12:30	Increase by :01 for each :02 between 0700 and report	+2 (not > 14 hours)
0800 - 1159	(5)	13:00		+2 (not > 14 hours)
1200 - 1259	(5)	12:30		+2 (not > 14 hours)
1300 - 1859	(5)	12:30	Reduced :01 for each :03 between 1300 and report	+2 (not > 14 hours)
1900 - 2059	(4)	10:30		+2
2100 - 2159	(2)	10:00	Reduced :01 for every :01 between 2100 and report	+2

- Incorporate flight and duty time exceptions per NPRM and FRMS. Contractual limits may be exceeded in accordance with the Fatigue Risk Management System and associated Ops Spec.
- Eliminate the 9:30 reduced rest exception at non-crew based stations
- Off duty period immediately following a training duty period shall not be less than 12 hours at the pilot's base. Pilot option to reduce to ten (10) hours.
- TA dated 2/17/2010 – Eliminate 15.C.3.c

- **Off duty Time**

- During the course of the a contractual month, a line holder may voluntarily drop any duty free period (DFP), including one that has already commenced
- The joint scheduling committee will determine off duty time options for secondary line construction
- Domestic reserve lines will be built with a minimum of four (4) and a maximum of six (6) consecutive reserve available days
- International reserve lines will be built with a minimum of four (4) and a maximum of twelve (12) consecutive reserve available days

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- Reserve days off shall be awarded based on a pilot's preference ballot and subject to company staffing requirements
  
- **Minimum Pay and Credit**
- TA dated 1/13/2011 – Sit Times
- 15.E.2. – eliminate exception
  
- **Time Away from Base**
- Calendar Days > Duty Periods – 1:3.25 pay only, no credit (for the difference between 1:3.5 and 3.25). Excludes single duty periods covering 2 calendar days.
  
- **Duty Period – Average and Minimum**
- Minimum day 3:15
- Average day 5:00 (single day two leg turn-around)
  - Average day 5:20 (multi-day) or single-day 3+ flight leg duty period.
  
- **Application of Minimum Flight Time Pay and Flight Time Credit**
- Eliminate H.9.a. and H.9.b.

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Date: 11/03/2011

Time:

Subject: Trip Selections, Reserve Rest

Version:

Proposal Reference(s):

Contract Reference(s): Section 18 – Trip Selections; Supplement AA – Reserve Rest

## Monthly bidding/scheduling timeline

- To the extent possible, adjust monthly timeline forward for publishing, closing, awarding of monthly bids. This will not require the Company to complete the allocation process any earlier than currently done.
- Adjust other timelines as necessary.

## Line Construction

- With the exception of sequences selected for Flight Standards purposes, all known flying shall be published in bid sheets as lines of flying
- The Company may schedule up to two (2) sequences and twenty-five (25) hours of Domestic flying per International bid line.
- Initial lines will be built using the following parameters:
  - Lines constructed by the Company and published for bid

## **Option I Line Construction Values (Per Company Growth Metric Chart - With Service Level Agreement)**

- Groups I and II:
  1. Monthly Average Line Value (MALV): FARs (maximum value of the average of all regular lines, by three-part bid status (Seat/Equip/Division) for a bid month
  2. Rolling Average Line Value (RALV): FARs (based on a rolling twelve month look back of any three-part bid status)
- Group III:

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1. Monthly Average Line Value (MALV): 72 – 83 hours (maximum value of the average of all regular lines, by three-part bid status (Seat/Equip/Division) for a bid month)
  2. Rolling Average Line Value (RALV): 74 – 80 hours (based on a rolling twelve month look back of any three-part bid status)
- Groups IV – VII:
    1. Monthly Average Line Value (MALV): 72 – 81 hours (maximum value of the average of all regular lines, by three-part bid status (Seat/Equip/Division) for a bid month)
    2. Rolling Average Line Value (RALV): 74 – 79 hours (based on a rolling twelve month look back of any three-part bid status)

### **Option II Line Construction Values (Per Company Growth Metric Chart - Without Service Level Agreement)**

- Groups I and II:
  1. Monthly Average Line Value (MALV): FARs (maximum value of the average of all regular lines, by three-part bid status (Seat/Equip/Division) for a bid month)
  2. Rolling Average Line Value (RALV): FARs (based on a rolling twelve month look back of any three-part bid status)
- Group III:
  1. Monthly Average Line Value (MALV): 70 – 87 hours (maximum value of the average of all regular lines, by three-part bid status (Seat/Equip/Division) for a bid month)
  2. Rolling Average Line Value (RALV): 72 – 84 hours (based on a rolling twelve month look back of any three-part bid status)
- Groups IV – VII:
  1. Monthly Average Line Value (MALV): 72 – 83 hours (maximum value of the average of all regular lines, by three-part bid status (Seat/Equip/Division) for a bid month)
  2. Rolling Average Line Value (RALV): 74 – 80 hours (based on a rolling twelve month look back of any three-part bid status)

### **Line Construction: General**

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- Line Construction Window:  $\pm 7$  hours (range within which all individual lines must be built); may be adjusted by mutual agreement
- Individual bid lines may be built above the MALV plus the LCW, with the following restrictions:
  - Limited to a maximum of thirteen (13) calendar days
  - Three (3) sequences max
  - Sequence contains no more than two (2) scheduled legs
  - Sequence is pure (same sequence) throughout the month

### MALV and RALV Exception

- If staffing falls below the minimum defined in 17.X.1.d. due to extraordinary staffing shortages:
  - MALV and RALV may be increased by up to five (5) hours for up to three (3) contractual months, by four-part bid status
  - An additional reserve available day may be scheduled at Company option

### Secondary Lines

- Secondary lines will be built using the following parameters:
  1. A “dynamic” based system for plotting sequences will be used to construct lines
  2. Lines will be built by pilots individually bidding on known open sequences
  3. The bid ballot will allow a pilot to create a detailed and/or generic ballot
  4. Lines will be built in seniority order, using the same MALV and LCW as above for each three-part bid status (Seat/Equipment/Division)
  5. Primary goal is to create as many lines as possible from open time in a bid status through the construction of secondary lines, to the extent that no legal line can be constructed within the LCW for each bid status.
  6. A regular line holder may participate in the Secondary Line construction process by transferring the entire contents of such pilot’s awarded or assigned bid line into the Secondary process.
  7. No sequence(s) will be plotted that conflicts with:
    - any flying from the previous month,
    - recurrent training,

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- vacation, or
  - any other planned absence
- 8. Each day of vacation and training will be credited, for line building purposes only, at a daily rate of (MALV – LCW) / 30 or 31, as applicable.
- 9. In the case where there is, at the end of the Secondary Line construction process, sufficient open time available to complete one or more additional Secondary lines, such lines shall be first awarded in seniority order, and then assigned in reverse seniority order to reserve pilots as necessary.
- Reserve lines will be built using the following parameters:
  - 1. Will be constructed in seniority order, in conjunction with Secondary lines, using the same “dynamic” bidding system for plotting days off/days on duty.
  - 2. Recurrent training will be pre-plotted prior to the construction of a pilot’s reserve line.
  - 3. At Company option, recurrent training may be scheduled on a reserve pilot’s days off.
    - Reserve pilots scheduled for recurrent training on days off (excludes distance learning) will receive pay, no credit above reserve guarantee/actual hours flown at the daily training rate.
  - 4. All other known planned absences will be pre-plotted prior to the construction of a pilot’s reserve line, and reserve available days shall be prorated in accordance with Appendix I.
  - 5. Reserve pilots will be scheduled for either sixteen (16) or seventeen (17) days of availability, depending upon the contractual month. A Duty Free Period (DFP) is considered any day other than a reserve available day.
- Conflict Resolution Period (CRP)
  - A contractually defined period of four (4) days after the finalizing of the next month’s bid awards. During the CRP, any trip that would potentially drop due to month-to-month conflicts, vacation, recurrent training or other planned absences will be identified and held in abeyance from dropping into open time until the conclusion of the CRP.
  - During the CRP period, all pilots (excluding second round and reserve pilots) are eligible to use the Trip Trade System (via individual or multiple pilot-to-pilot trip trades) for the purpose of minimizing all conflicts, and otherwise adjusting their schedule. During the CRP a pilot’s next month PROJ must remain within the LCW (other than as a result of a direct conflict).
    - EXCEPTION: A pilot who picks up a sequence that originates within the first three (3) contractual days

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of a month may exceed the LCW, provided the pilot's IMAX is not exceeded.

At the conclusion of the CRP, the TT system will be temporarily closed (for next month's schedule) to permit the following process to occur in order:

1. Sequences in the new bid month that conflict with sequences in the current bid month will drop into open time.
2. Sequences in the new bid month that conflict with vacation, recurrent (or longer) training periods and other planned absences will drop into open time.
3. Sequences dropped as a result of a conflict shall be unpaid and uncredited.
4. Pilots who are below next month's LCW, due to a month-to-month conflict, may elect to participate in the Secondary line construction process.
  - This group of pilots will be the first group processed in the Secondary Line construction. The Secondary process will award sequence(s) to these pilots only to the extent that their projection results in a value within the LCW of their bid status.
5. Stack Resolution Process: (NOTE – Definition of a stack: If at the conclusion of the Secondary line construction process, the number of open trips is greater than 25% of the available reserve pilots on a given day, then it is a stack of open time for that day.)
  - Pilots in number 4 above may be assigned a sequence only to the extent necessary to resolve stacked open time:
    - Pilots who elect to participate will fill out a ballot with their desired preferences.
    - If, after attempting to resolve the stack of open time via pilot's ballots, the stack of open time still remains, modifications shall be made in inverse seniority order to those pilots (with a month to month conflict who opted into the secondary line construction process) who are still below the LCW window.
    - If the Company cannot get the pilot within the LCW window by making a straight sequence "add" to the pilot's schedule, the Company may replace one (1) sequence on a pilot's schedule for the purpose of adding a sequence from the stack to the pilot's schedule during the first three (3) calendar days of the new bid month.
      - Eg. A pilot has a three (3) day sequence originating on the 4<sup>th</sup>. The Company may replace this sequence with a sequence originating on the 6<sup>th</sup> in order to assign the pilot a sequence originating on the 1<sup>st</sup>.

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- In the event stacked open time still remains, all pilots who originally had month to month conflicts may be assigned an undesired solution only to the extent necessary to resolve remaining stacked open time remaining. In the event this is necessary, modifications shall be made in inverse seniority order.
- **MINIMUM GUARANTEES:** Pilots with month-to-month conflicts who participate in the Secondary process (step 4 above) will, at the end of the Secondary process, receive an initial guarantee for next month's schedule at the greater of:
  - The PROJ of their next month's schedule, or
  - The MALV minus the LCW for their bid status.

### **Temporary Assignment / Temporary Duty**

- Tentative Agreement dated 5/7/2009

### **Reserve Flying**

- Days of Availability
  - Pilots on reserve shall be scheduled for seventeen (17) days of duty in the four (4) peak months (June, July, August, December) and sixteen (16) days of duty in the eight (8) non-peak months (January – May, September – November).
- Pilots may elect to fly on days off as follows:
  - Peak months – pilot option for the first three (3) days \*; Company concurrence required for any additional days
  - Non–Peak months – Company concurrence required for all days\*
  - Flying on days off paid above guarantee
  - Flying on days off is not included in reserve pilot's projection, but does count towards such pilot's IMAX.
  - Additional days flown will first be used to replenish a reserve pilot's sick bank if sick anytime during the month. In the peak months, such days will not count against the three (3) days at pilot option (e.g. In a peak month, a pilot is on the sick list for 3 days of reserve availability. The first 3 days picked up by the pilot on off days used to replenish sick bank. Pilot may still pick up 3 additional days at such pilot's option for pay above guarantee.)

\* Reserve flying on days off cannot impact a reserve pilot's available days. A pilot's request to fly a particular sequence may be

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denied in the event the sequence affects the pilot's next scheduled reserve available day.

- Compression rate in accordance with the attached chart.
- Reserve Assignments – will be determined by block (days of availability remaining to next DFP, Planned Absence or Sequence), sequence length (in days), then by Reserve Priority Value (RPV) & Qualified Legal and Available (QLA).
  - RPV formula – takes into account days worked and days remaining; actual formula to be finalized in sub-committee
- Reserve Guarantee (Sections 4 / 11)
  - Peak Months (17 Days) – seventy-three (73) hours
  - Non-Peak Months (16 Days) – seventy (70) hours
  - Guarantee reduced for Military Leave
- Reserve Maximums
  - The maximum number of hours a reserve pilot can be assigned to fly in a bid month is the MALV plus the LCW variance (excludes voluntary flying on days off).
  - A pilot may be awarded reserve flying not to exceed that pilot's individual rolling 12-month maximum (includes voluntary flying on days off). (IMAX)
- A319 / A321 Reschedule / Reassignment / Reserve Assignment
  - The Company may reschedule or reassign an A319 lineholder to an A321 flight, or an A321 lineholder to an A319 flight, to protect the operation. The pilot will be paid at the A321 rate for any such flying.
  - The Company may assign an A319 reserve pilot to an A321 flight, or an A321 reserve pilot to an A319 flight, to protect the operation. The pilot will be paid at the A321 rate for such flying.
- Reserve Rest (Short Call / Long Call)
  - Domestic / International (unaugmented) Reserve Rest
    1. Modify current shifting limits as follows:

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- In the event a RAP on any day of a string of available days commences in the WOCL, no subsequent RAP in the same string of available days may end in the WOCL.
  - In contrast, if any RAP on any day of a string of available days ends in the WOCL, no subsequent RAP in the same string of available days may commence in the WOCL.
2. Eliminate 0500 RAP, 0700 sign-in restrictions following DFP / Planned absence
  3. All RAPs will be fifteen (15) hours, extendable to sixteen (16) hours to accommodate a duty assignment
  4. RAPs may begin at any time; 12 hours notice (Long Call) or 9 hours notice (Short Call)
  5. Pilots released from responsibility for duty after twelve (12) hours; remain contactable to end of RAP (current book)
  6. Preceding any DFP or Planned Absence, pilots released from RAP at midnight HBT if not assigned duty
  7. RAP assignment process follows DOTC
  8. Short Call – nine (9) hours PTP (current book)
  9. RAP's assigned following the completion of DOTC, and based on Company requirements, days of availability and to the extent possible, pilot preferences.
  10. Eliminate pay for RAPs in excess of seven per month
  11. Eliminate partial RAPs
  12. Move Reserve Fatigue Policy to revised Supplement BB
- International (augmented) Reserve Rest – per NPRM

Miscellaneous: (From Company proposal dated 6/28/2011)

- For purposes of displacement on international flights requiring more than a two (2) pilot cockpit crew, First Officers may be assigned to a vacant crew position on the same sequence (FB, FC).
- In the event the FAA issues a Final Rule on Flight Crewmember Duty and Rest Requirements that requires changes in scheduling / work rules that the Company and the Association have agreed to during these negotiations, the parties shall meet and agree on any contractual modifications that may be required as a result of such issuance of the Final Rule. The parties agree that any contractual modifications that may be required should maintain a neutral cost and/or manning result from the status quo achieved upon ratification of this Agreement.

If no such agreement can be mutually agreed to, the parties agree to submit the issue(s) to interest arbitration.

# Group III Service Level Agreement Proposal

Date: 11/03/2011 Time: 1000

In an effort to further discussions between the parties on proposed Group III work rule changes, and with the goal of reaching agreement on mutually acceptable Group III work rule changes that will achieve their intended result, the parties agree as follows:

1. It is in our mutual best interests to reach agreement on Group III work rule changes that achieve their intended result.
2. Recognizing the significance of the work rule changes being proposed by both parties, the numerous and varying assumptions underlying those proposals, and the unavailability of any current and/or historic data that could assist the parties in more precisely estimating the result of the proposed changes, the parties agree that any and all agreed-upon Group III work rule changes are intended to produce an annual average of sixty-four (64) block hours per pilot, with overtime not to exceed an annual average of twenty (20) hours per lineholder. Any overtime at 25% will be counted as half (½) of an overtime hour for this calculation.
3. If, once implemented, the agreed upon Group III work rule changes do not achieve these targets, the parties will meet for the purpose of reaching agreement on additional Group III work rule changes that will achieve the targets. If the parties are unable to reach agreement on such changes, the Company will implement changes to the Group III work rules to achieve the targets:

Actual Productivity	Overtime	MALV	RALV	Rigs	Reserve Days of Availability
>=64	21-30	70-84	72-81		
>=64	>30	70-87	72-83		
59-64		70-87	72-83		
57-59		70-87	72-83	Avg Day = 5 Min Day = 3	+1
<57		70-91	72-87	No Rigs	+2

4. If, once implemented, the agreed upon Group III work rule changes produce greater than the targets, the parties will calculate the value of the additional productivity [(average rate on aircraft (blend of CA and FO) \* average paid not flown hours + associated fixed benefits cost) \* number of pilots saved versus 64 hours of block]. The product of this formula will be distributed pro rata to all pilots in Group III.

5. The measurement period will begin the later of (1) 01/01/2014, or (2) upon the delivery of the fifteenth (15<sup>th</sup>) aircraft. This will be measured annually thereafter.
6. The parties agree to exclude from the annual average block hour per pilot calculation any temporary negative or positive variances not directly related to the agreed-upon Group III work rule changes (e.g., temporary training bubble).
7. If there are any disputes regarding the application of this provision, Sections 21.D.3. and 23.D.3. will apply (expedited grievance).

# Group IV-VII Service Level Agreement Proposal

Date: 11/03/2011 Time: 1000

In an effort to further discussions between the parties on proposed Group IV-VII work rule changes, and with the goal of reaching agreement on mutually acceptable Group IV-VII work rule changes that will achieve their intended result, the parties agree as follows:

1. It is in our mutual best interests to reach agreement on Group IV-VII work rule changes that achieve their intended result.
2. Recognizing the significance of the work rule changes being proposed by both parties, the numerous and varying assumptions underlying those proposals, and the unavailability of any current and/or historic data that could assist the parties in more precisely estimating the result of the proposed changes, the parties agree that any and all agreed-upon Group IV-VII work rule changes are intended to produce an annual average of fifty-nine (59) block hours per pilot per month, with overtime not to exceed an annual average of twenty (20) hours per lineholder. Any overtime at 25% will be counted as half (1/2) of an overtime hour for this calculation.
3. If, once implemented, the agreed upon Group IV-VII work rule changes produce less than the above targets, the parties will meet for the purpose of reaching agreement on additional Group IV-VII work rule changes that will achieve the targets. If the parties are unable to reach agreement on such changes, the parties will implement the following changes to achieve the targets:

Actual Productivity	Overtime	MALV	RALV	Rigs	Reserve Days of Availability
>=59	21-30	72-82	74-79		
>=59	>30	72-83	74-80		
55-59		72-83	74-80		
<55		72-83	74-80	Avg Day = 5 Min Day = 3	+1

4. If, once implemented, the agreed upon Group IV-VII work rule changes produce greater than the targets, the parties will calculate the value of the additional productivity [(average rate on aircraft (blend of CA and FO) \* average paid not flown hours + associated fixed benefits cost) \* number of pilots saved versus 59 hours of block]. The product of this formula will be distributed pro rata to all pilots in Group IV-VII.
5. The above chart applies to growth metric 2 and will be measured annually. Targets for DOS and growth metric 1 are to be determined at a later date.
6. The parties agree to exclude from the annual average block hour per pilot calculation any temporary negative or positive variances not directly related to the agreed-upon Group IV-VII work rule changes (e.g. temporary training bubble).
7. If there are any disputes regarding the application of this provision, Sections 21.D.3. and 23.D.3. will apply (expedited grievance).

# AA Proposal

AA Proposal

Date: 11/03/2011

Time:

Subject: Filling of Open Time

Version:

Proposal Reference(s):

Contract Reference(s): Section 18 – Trip Selections; Supplement AA – Reserve Rest

## Daily Open Time Coverage (DOTC)

- Company may identify any sequence at any time in the process as one that pays premium pay
- Filling of Open Time – Basic Rules
  1. 10:00 Home Base Time (HBT) – sick removals and sequences placed into open time
  2. 12:00 HBT (or earlier TBD) – Begin Filling of Open Time for any open flying for the next day(Note: The start time of 1. and 2. may be modified by mutual agreement between the Company and the Association)
- Filling of Open Time – Order (Suggest renaming “Make Up” to “Voluntary Flying”)
  1. Sequence Protection Recovery pilots (specific application to be detailed / discussed within Sequence Protection section)
  2. Make up in Base – Maximum extent via TTS
    - a. Regular Make Up In Division / – including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly on a DFP at Company option (as applicable). DFP will not be replaced.
    - b. Regular Make Up Opposite Division / - including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly at Company option (as applicable). DFP will not be replaced.
    - c. Company Option: Make Up w/conflict
    - d. Company Option: Greater of Make up with Conflict
  3. Make up out of Base
    - a. Regular Make Up In Division / – including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve

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pilot volunteering to fly on a DFP at Company option (as applicable). DFP will not be replaced. b. Regular Make Up Opposite Division / - including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly at Company option (as applicable). DFP will not be replaced.  
c. Company Option: Make Up w/conflict  
d. Company Option: Greater of Make up with Conflict  
e. Pay, credit and legalities in a. through d. above apply as if flown by in-base pilot. Company option to provide priority travel.

4. Crew Schedule *option* to split trips and/or reallocate flight legs and commence again, following steps 3. through 5. above.
5. *Assign* to Reserves within Division (at Company option)
  - a. Block, RPV, Seniority
  - b. No involuntary assignment into *any* DFP (including DFP in following month) or conflict with next month sequence
6. *Award* to a reserve volunteering to fly into a DFP (unconditional day Pilot option, conditional day Company option, as applicable). DFP will not be replaced.
7. *Award* to Reserves in opposite Division (at Company option).
  - a. Block, RPV, Seniority
8. At Company option, transfer sequence(s) to another base. Process starts at #3 at other base.
9. The sequence(s) must now be proffered to Pilots on the Premium list.
  - a. In Base Pilots
    - i. Premium Make-up In Division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs) DFP will not be replaced.
    - ii. Premium Make-up Opposite Division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs). DFP will not be replaced.
    - iii. Premium Make-up In Division with conflict.
    - iv. Premium Make Up Opposite Division with conflict.
  - b. Out of Base pilots
    - i. Premium Make-up In Division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs) DFP will not be replaced.
    - ii. Premium Make-up Opposite Division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs). DFP will not be replaced.
    - iii. Premium Make-up In Division with conflict
    - iv. Premium Make Up Opposite Division with conflict.
    - v. Pay, credit and legalities in i. through iv. above apply as if flown by in-base pilot. Company option to provide priority travel.

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- c. Crew Schedule option to split trips and re-proffer for premium pay.
10. Company option to use CKA or Mgmt. pilot.
11. Assign to reserve in opposite division (provided all QLA, in-division reserve pilots have been used).
  - a. Block, RPV, Seniority
  - b. No involuntary assignment into any DFP (including DFP in following month) or conflict with next month sequence
12. Inverse Assign to reserve pilot in division into any DFP (premium pay) or conflict with next month sequence (premium pay with conflict).
  - a. If a DFP, DFP will be replaced unless the pilot's sequence terminates before noon on the first day of DFP.
  - b. If conflict with sequence, single pay / credit for sequence removed, single pay/ no credit for sequence added.
13. Inverse Assign to reserve pilot in opposite division into any DFP (premium pay) or conflict with next month sequence (premium pay with conflict).
  - a. If a DFP, DFP will be replaced unless the pilot's sequence terminates before noon on the first day of DFP.
  - b. If conflict with sequence, single pay / credit for sequence removed, single pay/ no credit for sequence added.
14. Inverse Assign (regular pilot) within Division, then in opposite Division (premium pay, or premium pay with conflict whichever is applicable).

### **Filling of Open Time – Non DOTC**

- Company may identify any sequence at any time in the process as one that pays premium pay.

### **Filling of Open Time - Order**

1. Within three (3) hours of scheduled or rescheduled departure, Company option to assign to short call reserve pilot or to an aggressive pick-up pilot. Aggressive pick-up is open on a first-come, first-served basis via TTS for in-base and out of base pilots, including at Company option, reserve pilots on DFPs. DFP will not be replaced.
2. Sequence Protection Recovery pilots (during that pilot's Cancellation Notification Window – in accordance with Sequence Protection provisions)
3. Make up in Base– Maximum extent via TTS
  - a. Regular Make Up In Division / – including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly on a DFP at Company option (as applicable) DFP will not be replaced.
  - b. Regular Make Up Opposite Division / – including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly on a DFP at Company option (as applicable) DFP will not be replaced.

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- c. Company Option: Make Up w/conflict
  - d. Company Option: Greater of Make up with Conflict
4. Make up out of Base
    - a. Regular Make Up In Division / – including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly on a DFP at Company option (as applicable) DFP will not be replaced.
    - b. Regular Make Up Opposite Division / – including a reserve pilot volunteering to fly on a DFP at pilot option and a reserve pilot volunteering to fly on a DFP at Company option (as applicable) DFP will not be replaced.
    - c. Company Option: Make Up w/conflict
    - d. Company Option: Greater of Make up with Conflict
    - e. Pay, credit and legalities in a. through d. above apply as if flown by in-base pilot. Company option to provide priority travel.
  5. Crew Schedule *option* to split trips and/or reallocate flight legs and commence again, following steps 1. through 4. above.
  6. *Assign* to Reserves within Division (at Company option)
    - a. Block, RPV, Seniority
    - b. No involuntary assignment into *any* DFP (including DFP in following month) or conflict with next month sequence
  7. *Award* to a reserve volunteering to fly into a DFP (unconditional day Pilot option, conditional day Company option, as applicable) DFP will not be replaced.
  8. *Award* to Reserves in opposite Division (at Company option).
    - a. Block, RPV, Seniority
  9. At Company option, transfer sequence(s) to another base. Process starts at #1 at other base.
  10. The sequence(s) must now be proffered to Pilots on the Premium list.
    - a. In Base Pilots
      - i. Premium Make-up In Division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs) DFP will not be replaced.

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- ii. Premium Make-up Opposite Division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs) DFP will not be replaced.
  - iii. Premium Make-up with conflict
  - iv. Premium Make-up opposite division with conflict
- b. Out of Base pilots
- i. Premium Make-up (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs) DFP will not be replaced.
  - ii. Premium Make-up opposite division (including reserve pilots flying on DFPs, and reserve pilots volunteering to fly into DFPs) DFP will not be replaced.
  - iii. Premium Make-up with conflict
  - iv. Premium Make-up opposite division with conflict
  - v. Pay, credit and legalities in i. through iv above apply as if flown by in-base pilot. Company option to provide priority travel.
- c. Crew Schedule option to split trips and re-proffer for premium pay.
11. Company option to use CKA or Mgmt. pilot.
12. Assign to reserve in opposite division (provided all QLA, in-division reserve pilots have been used).
- a. Block, RPV, Seniority
  - b. No involuntary assignment into *any* DFP (including DFP in following month) or conflict with next month sequence
13. Inverse Assign to reserve pilot in division into any DFP (premium pay) or conflict with next month sequence (premium pay with conflict).
- a. If a DFP, DFP will be replaced unless the pilot's sequence terminates before noon on the first day of DFP.
  - b. If conflict with sequence, single pay/credit for sequence removed, single pay/no credit for sequence added.
14. Inverse Assign to reserve pilot in opposite division into any DFP (premium pay) or conflict with next month sequence (premium pay with conflict).
- a. If a DFP, DFP will be replaced unless the pilot's sequence terminates before noon on the first day of DFP.
  - b. If conflict with sequence, single pay/credit for sequence removed, single pay/no credit for sequence added.

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15. Inverse Assign to (regular pilot) within Division, then in opposite Division (premium pay, or premium pay with conflict, whichever is applicable).