

Ms. Laura R. Glading  
President  
Association of Professional  
Flight Attendants  
1104 W. Euless Boulevard  
Euless, TX 76040-5018

**Re: Conditional Labor Agreement Implementation Timeline**

Dear Laura,

The following represents the understanding and agreement between the parties American Airlines, Inc. ("American Airlines"), US Airways, Inc. ("US Airways") and the Association of Professional Flight Attendants ("APFA") with respect to the implementation of the Conditional Labor Agreement ("CLA") between US Airways and APFA dated April 12, 2012 (attached) entered into in connection with the consideration of a potential merger between US Airways and American Airlines, along with the attached supplemental letters dated December 31, 2012, February 12, 2013 and April 11, 2013. This LOA is intended to outline the timeline of implementation of the CLA provisions.

**The following provisions will be implemented on the date the Plan of Reorganization becomes effective (the "Plan Effective Date"):**

Employment Threshold – Article 14.A.3. (2012 CBA)

Eliminate 420 hour threshold to maintain employment

Staffing – Article 9.B.2.b.-c. (2001 CBA)

Reinstate APFA's right to grieve an unreasonable workload associated with staffing or service level changes.

Hotel Accommodations – Article 21.H. (2001 CBA)

Changes made in hotel accommodations on or after Plan Effective Date will be made in accordance with the provisions of the 2001 Agreement.

**The following provisions will be implemented on the 1<sup>st</sup> day of the bid month following the Plan Effective Date:**

International Override – Article 3 (2012 CBA)

The International override of \$3.00 will apply to paid trip removals.

Per Diem – Article 4.A.1. (2003 RPA)

Increase per diem rates to \$2.00 Domestic and \$2.20 International.

Galley Pay – Article 3.S.b. (2003 RPA)

Restore Aft Galley Pay/Domestic to \$.63

Thresholds Restoration – Article 26.A.4. (2003 RPA)

- Medical Benefits threshold restored to 420 hours and measured on a monthly look back

- Vacation/Sick Accrual threshold restored to 420 hours

**Note:** Should the CLA become effective on or before December 16, 2013, the 2012 CBA 600 hour threshold (50 hours per active month) shall be applied through November 2013 and the month of December 2013 will have a threshold of 35 hours.

Should the CLA become effective on or after December 17, 2013, the 2012 CBA 600 hour threshold (50 hours per active month) will apply to vacation and sick accruals for 2014.

Personal Vacation Days (PVDs) Pay – Article 6.O. (2001 CBA and 2003 RPA)

- Pay PVDs at trip value until PBS is implemented
- Restore ability to use unlimited PVDs up to expected accrual

Pension – Article 36

Flight Attendants on the American Airlines system seniority list as of April 12, 2012 (“Eligible Flight Attendants”) will have the following Company Contribution rates in the Super Saver Plan, a defined contribution plan, or equivalent defined contribution plan, for a duration of five (5) years:

- a. Eligible FAs under 40 years old – \*Company Contribution of 5.5% of eligible compensation
- b. Eligible FAs 40-49 years old – \*Company Contribution of 6.75% of eligible compensation
- c. Eligible FAs 50 years old and older – \*Company Contribution of 9.9% of eligible compensation

\*For example, if Plan Effective Date is January 19, 2014, the appropriate Company Contribution will take effect on January 31, 2014 (first day of contractual month) and will be reflected on the February 14, 2014 (mid-month) paycheck.

**Note:** When a Flight Attendant’s birthday moves them from one age category to another as described above, the corresponding Company Contribution shall take effect concurrent with the first day of the next full pay period following the birthday.

After five (5) years, Eligible Flight Attendants on the AA system seniority list as of April 12, 2012, will receive a Company Contribution of 3% of eligible compensation. In addition to the Company Contribution, Eligible Flight Attendants making employee pre-tax contributions and/or Roth contributions to the Super Saver Plan (or equivalent defined contribution plan) are eligible to receive a dollar-for-dollar Company Matching Contribution of up to 2.5% of eligible compensation. In no event will the Company Contribution plus Company Matching Contribution exceed 5.5% of eligible compensation.

Flight Attendants whose employment at American Airlines commenced after April 12, 2012, (New Hires) and have met the eligibility requirements of the Plan will receive a Company Contribution of 3% of eligible compensation. In addition to the Company Contribution, Flight Attendants making employee pre-tax contributions and/or Roth contributions to the Super Saver Plan (or equivalent defined contribution plan) are eligible to receive a dollar-for-dollar Company Matching Contribution of up to 2.5% of eligible compensation. In no event will the Company Contribution plus Company Matching Contribution exceed 5.5% of eligible compensation.

The Company Contribution will be 100% vested after the completion of three (3) years of service.

The following provisions will be implemented concurrent with the 1<sup>st</sup> day of the 2<sup>nd</sup> full bid month following Plan Effective Date.

Scheduling – Article 7

Restore the following provisions:

- 8:59 Duty Aloft (Domestic Only) – Article 7.J. (2003 RPA)
- On-Duty Limitations and On-Duty Diurnals (Domestic Only) – Article 7.K. (2003 RPA)
- Duty Free Periods (DFP) (Domestic Only) – Article 7.N. (2001 CBA)

Line Build/Monthly Limitation – Article 7

Lines shall be constructed to create lines of flying containing a minimum of seventy (70) credit hours and maximum of ninety (90) credit hours per bid period. The Company may flex the maximum line value by an annual amount of twenty (20) hours per base and division, but in no case more than five (5) hours during any given month. Flexes beyond twenty (20) hours in a year will require agreement of the Union. The Company may set a targeted system-wide line average between seventy-five (75) and eighty-five (85) hours. Pure bids are included in the system-wide average calculation. In months the Company flexes the maximum line value, the targeted line average may exceed eighty-five (85) hours, but no more than eighty-seven (87) hours. The established monthly maximum will apply in actual operations.

FLIGHT ATTENDANT MONTHLY MAXIMUMS (Domestic/International)			
Type of Schedule	Trip Selection Maximum	SPROJ Maximum	PROJ Maximum
No Option	90	90	90
Option I*	90:01 – 95:00	95	No Limit
Make-Up Over Monthly Max		100	No Limit
Option II		> 95:00	No Limit
Reserve			85 Hours

- \*Pure Bids - Maximum 95:00 hours, unless mutually agreed to exceed. If awarded a “pure bid” the Flight Attendant is automatically considered Option I and must fly and complete the published schedule.
- \*Flex Lines – includes lines in a flex month awarded/assigned

The following pay protection was implemented on November 1, 2013 consistent with the terms of the 2012 AA/APFA CBA. This provision fulfills the Sequence Pay Protection obligation under the CLA.

Pay Protection

Pay protection (see Attachment 1).

The following provisions will be implemented on a date to be determined:

Combined Domestic and International Operations (2012 CBA)

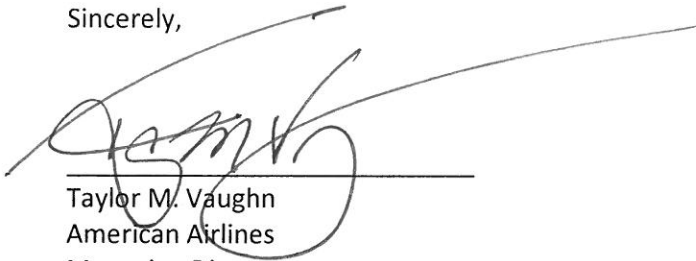
The current procedures for combining the domestic and international operations will continue to be applied. The domestic and international operations may be fully combined prior to the implementation of PBS. A combined Reserve pool will be implemented as soon as possible.

Preferential Bidding System (PBS) – Article 2 (2012 CBA)


Lineholders and Reserves will adopt PBS consistent with the terms of the 2012 Flight Attendant Collective Bargaining Agreement (2012 CBA). Current system to remain in place until PBS is implemented.

**Additional clarifications – see Attachment 1**

Sincerely,



Taylor M. Vaughn  
American Airlines  
Managing Director  
Employee Relations



Cindi Simone  
US Airways  
Managing Director  
Labor Relations

Agreed and accepted:



Laura Glading, President  
Association of Professional Flight Attendants

11/21/2013

Date

cc: Laura Einspanier  
Lauri Curtis  
Al Hemenway  
Doug Brown  
Steve Iverson  
Marcus Gluth

## ATTACHMENT 1 ADDITIONAL CLARIFICATIONS

### **Pay Protection**

The parties met to review and discuss the CLA provisions and implementation timelines, and agreed to the following pay protection provisions which comport with other scheduling provisions of the CLA. Due to the complexity of programming and implementation of required changes, the parties agreed to the following solution that will provide an immediate Pay Protection benefit to Flight Attendants. This solution will fulfill the requirements of the CBA, and the CLA once the merger is complete:

- Individual FA guarantee based on value of Monthly Bid Line will replace the current 70 hour guarantee
- Includes all D-time and P-time
- Excludes carry-over time
- Adjustments to Individual FA guarantee will be handled same as today, except Last Five Days
- Replacement FAs will have a 75 hour minimum guarantee that will increase to 80 hours once we combine the Domestic / International operations
- All non-reserve and non-replacement FAs will be awarded a monthly bid of no less than 70 credit hours
- 2001 CBA MIC rules remain in effect, except as specifically modified
- Last Five Day Protection will remain with the following modifications:
  - FAs required to bid during each HISEND round until obligation is fulfilled
    - FA obligation will be fulfilled with the first trip flown
  - Individual FA guarantee will be reduced by value of trip if obligation is not met

### **Reserve**

Reserves shall continue to receive an earlier Reserve assignment notification consistent with the current “day-before coverage” timeline, which will remain in effect. Reserves shall continue to be paid above guarantee for all supplemental flying performed under Article 10.D. Reserve PVDs will continue to be processed at 1500 Home Base Time consistent with the current daily timeline. The Company will continue with the rollout of Reserve AM/PM until fully automated.

### **Critical Coverage / AVBL Scheduling Rules / Calendar Month / 30-in-7**

The parties have agreed to continue critical coverage pay as provided for in the 2012 CBA, to apply the vacation relief (RL) rules to the open replacement (RP) AVBL Flight Attendants, and apply the definition of calendar month as provided for in the 2012 CBA, consistent with the pilots. The Thirty (30) Hour-in-Seven (7) day limitation for Domestic Flight Attendants as provided for in the 2001 CBA was reinstated for August 2013.

### **Filling of Vacancies**

Consistent with the combining of the international and domestic operations, the parties have agreed to continue to process transfers/proffers and mutual transfers as agreed to in the 2012 CBA – Article 12.

### **Training**

The parties have agreed to continue Training & Meetings as agreed to in the 2012 CBA – Article 22 with the following exceptions:

- Article 22.D.2 - Will only apply to Annual Recurrent Training
- Article 22.G.5.a – Delete training slots will be awarded in seniority order

**Letters of Agreement**

Any Letters of Agreement entered into after April 12, 2012 shall remain in effect until they expire or such time as they are modified by the parties.