

**APFA
SPECIAL BOARD OF DIRECTORS MEETING
DECEMBER 8, 2017**

**DFW Marriott Solana
Westlake, TX**

1510 Call to Order

The National President called the Special Board of Directors Meeting to order. The National Secretary was asked to take the roll of those members present.

1511 Roll Call

All members of the APFA Board of Directors were present.

1512 National President's Remarks

The National President stated that the purpose of the special meeting is to discuss the status of a Presidential Grievance, filed in September concerning the FOI Timeline. APFA has been in pre-arbitration discussions with the Company and has reached a tentative settlement agreement. The National President wished to present this to the Board. The agenda must be approved prior to the presentation.

1513 Agenda Review and Approval

Additions and revisions to the agenda were requested. Several items were brought forth and included in the agenda.

1519 Resolution #1a - Amend the Agenda
Maker: Babi
Second: Nikides

The amendments to the agenda were put forth for a roll call vote as Resolution #1a and passed. (14-yes, 0-no)

1520 Resolution #1 – Approve the Agenda
Maker: Ross
Second: Dunaway

Resolution #1 approving the agenda as amended was also passed. (14-yes, 0-no)

1521 FOI Settlement Agreement

The National President began the discussion of the first agenda item under New Business. Two grievances have been filed over the FOI timeline. He explained that APFA had been in pre-

arbitration mediated discussions with the Company concerning this issue. An agreement has been reached regarding the timeline for FOI. The National President turned the discussion over to APFA Legal Counsel Rob Clayman. Mr. Clayman presented the scenario of what would happen if this Presidential were taken to arbitration to illustrate how this settlement was reached.

Mr. Clayman continued by stating there were three (3) possible outcomes. One outcome could be that the Company prevails on its position to declare FOI in October 2018 and PBS implemented in the span of 14 months following October 2018. With that decision, transfers would be available to every base, beginning in October 2018. The second possible outcome is APFA prevails in the arbitration, meaning that FOI would only be complete when all bases were converted to PBS, which would be November 2019 when PBS is implemented at the last base. Transfers would not be allowed before FOI. PBS could not be staggered and all bases would be converted to PBS at one time in November 2019. The third possibility encompasses two issues; the actual date of FOI and the staggering of PBS implementation. If we win, APFA's position is that FOI is declared in November 2019. The staggered plan, if APFA lost, would allow the Company to implement PBS on a staggered basis from October 2018 to November 2019. The consequence of a split decision is that there could be no transfers even though everyone would be moving to PBS on a staggered basis. There could be no transfers between PBS bases because FOI, according to the Arbitrator, was set for November 2019. Therefore, no movement would be allowed concerning transfers because they are not permitted until everyone is under PBS. This would curtail any transfers in a big way between PBS bases. Mr. Clayman wanted to outline the possible outcomes if this went to Arbitration. The settlement takes into account a lot of those moving pieces. A question was raised regarding the third possibility previously discussed and was clarified by Mr. Clayman who explained that in the third possible outcome, if APFA won its position on FOI, FOI wouldn't happen until all bases are on PBS. APFA could lose the staggered PBS argument. This would allow the Company to stagger PBS at all the bases. This would mean that FOI wouldn't happen until all bases were on PBS. Under the definition of the Contract, transfers do not occur until FOI.

A PowerPoint was presented to the Board. This same presentation was given to the Board on August 14, 2017. This presentation was created as a result of the Company timeline that was introduced in April 2017 without any Board input. This report contained the communication history from the point which some of the provisions were signed, leading up to the April communication from the Company on the timeline adjustment. At that meeting in August 2017, the Board examined the definition of FOI and the staggering of JCBA PBS as a violation of the JCBA. The JCBA definition of FOI was given as the date on which LUS Flight Attendants migrate to the Crew Management System under a common scheduling platform covering all Flight Attendants under this Agreement. The common scheduling platform includes PBS. The Company's timeline did not include PBS for any LAA base in October 2018. It included TTS, ETB, and ROTA but not PBS. In Section L1-5 of the JCBA, it states that when PBS, TTS, ETB and the Reserve processing are implemented, the LUS Flight Attendants will be integrated into the Flight Attendant Scheduling System with the LAA Flight Attendants. This reiterates that PBS is part of the system.

The Company planned on implementing TTS, ROTA and ETB without PBS in August 2018. In October 2018, they would integrate LUS into FOS; thus, according to their definition, creating FOI absent of PBS except for the LUS bases.

Communication history from 2014 to 2017 was displayed and reviewed by the speaker. A JSIC update from September 20, 2016 indicated that the Company informed APFA that the anticipated transition for full FOI in the second quarter of 2017 could not be met, due to significant programming issues associated with PBS and contractual language in the JCBA. This is the first communication that indicates the intent to declare FOI prior to the implementation of PBS. In October 2016, the JSIC presented an update to the Board. This update stated the sections that would be implemented prior to FOI, including PBS, TTS, ETB, and ROTA. It was clear PBS was part of the definition of FOI. The short cut plan was discussed in October 2016. This would call for implementation of all provisions of the JCBA associated with FOI, except PBS. This created issues with transfers and reserve rotation that would need to be solved. This shortcut plan was an idea that was presented. In November 2016, the Company announced they opted not to proceed with the short cut plan, stating they felt the need to stay focused on achieving end-state JCBA which includes PBS at all Flight Attendant bases. PBS, TTS, ETB, and ROTA would need to be implemented at LAA bases prior to moving LUS Flight Attendants to FOS. In April 2017, the Company put out a communication stating that PBS will occur at or after FOI; thus, establishing a new timeline.

The presentation continued by identifying the harm of redefining FOI and staggering PBS. This included cabin cleaning which, according to a Letter of Agreement in the back of the Contract, will not be implemented at LAA bases until all bases are on PBS; the inequity of different vacation systems as identified in L1-5; differences in accruing sick and vacation benefits; and different reserve rotation systems. It was never envisioned for our combined workgroup to be governed by multiple CBAs at FOI. The JCBA definition of FOI achieves common sick and vacation, common 40-hour rule, common reserve rotation, a common vacation system, all bases on PBS and then FOI. When this was presented to the Board in August, the position of the Board was not to stagger PBS, shorten the distance of time between the implementation of TTS and PBS at all bases, cabin cleaning was a concern, and facilitating transfers at all bases before PBS. The Board's position in August 2017 was that the Company was in violation of the contract, because the new definition of FOI did not meet the standard of the Contract.

The presentation moved to the Settlement Agreement.

The FOI Presidential Grievance was filed and several meetings took place with the Company. A mediator was suggested by the Company at the first meeting. This suggestion indicated the possibility of some movement from the Company's imposed timeline. A chart was used to illustrate the Company's timeline which included five tranches for PBS. According to the Company's timeline, TTS, ETB, and ROTA were to be implemented in May 2018. In the first tranche of PBS, in October 2018, CLT, PHL, PHX, and DCA-LUS would migrate into FOS with JCBA PBS. The current LUS PBS system operates under a CATS system. Once LUS migrates into FOS, they would adopt the LAA scheduling tools of TTS, ETB, and ROTA, absent of PBS (for LAA), and at that point, according to the Company's plan, FOI is declared. Transfers would be initiated the subsequent month. The second step in the process would convert 1300 Flight

Attendants from BOS, DCA-LAA, RDU, STL, and SFO to PBS. The third tranche in the Company's plan, in May 2019, would implement PBS for ORD and LGA. All of these bases would have been on the new vacation system with a daily rate. In April 2019, DCA-LUS and DCA-LAA would integrate. The fourth tranche would represent 6000 Flight Attendants from MIA and LAX converting to PBS in August 2019. The final tranche would bring DFW, with 5200 Flight Attendants, to PBS in November 2019. This would complete the process of PBS implementation. The Presidential Grievance stated that the Company could not contractually declare FOI until PBS had been implemented at all bases in November 2019. This would be the earliest transfers could take place. This was APFA's position going into the Grievance. When the timeline was examined, the Board raised concerns of some bases being disadvantaged by going on to a PBS system before others. The presenter draws attention to language in Section 10 that suggests the potential that the Company could stagger PBS across bases. The Company stated during settlement discussions that there is no possible way for all bases to be brought to PBS at the same time, however APFA's position was that implementing PBS simultaneously at all LAA bases was the most fair and equitable way. The Board was reminded that it was envisioned during negotiations, that all scheduling tools would be implemented for all bases for the May 2017 bid. The presenter draws attention to how far beyond that mark we are.

At the August meeting, the Board raised concerns about the distance of time (15 months) between the implementation of TTS and the implementation of PBS at the last LAA base. One of the disadvantages identified was that the Flight Attendants on a line-bidding system lack the opportunity to take advantage of the JCBA PBS options of bidding a high or low time schedule. Most lines at most bases do not have lines built over 90 hours. This means there is no opportunity in a line-bidding world to build a high time line. That was the main rub of implementing TTS well in advance of PBS. The first point in the settlement moved TTS from May 2018 to August 2018, lessening the distance of time between the systems. To be clear, this was not part of the grievance, but evolved from conversations during the settlement talks. Moving the implementation of TTS, ETB, and ROTA from May 2018 to August 2018 preserved the October 2018 migration of LUS into FOS.

APFA's desire was to have all bases move to PBS at once, however the Company maintained this was not possible. As a compromise, during the settlement talks, APFA agreed to fewer tranches. The first tranche would be the LUS bases in October 2018, the second tranche would be all LAA bases except DFW and MIA in February 2019. The rationale behind excluding DFW and MIA from the second tranche was because the intricacies at those bases; speaker requirements, dual qualifications, and the biggest challenge was the size of the bases. The Company never indicated during the talks that DFW and MIA dragged the PBS processing time. FOS is unable to meet the contractual timelines in processing PBS awards. According to the Company, FOS will not be able to do it in October 2018. From the first tranche in October, FOS will require 120 hours to process PBS bids.

As of February 2019, 12 of the 14 bases will meet the contractual standard of FOI (L1-5), because all the JCBA scheduling tools will be implemented at those bases. By meeting the standard of FOI, transfers among those bases could occur instead of delaying transfers until May. Also, transfers to JCBA bases from non-JCBA bases could occur.

How the JCBA PBS TTS maximums became part of the settlement agreement was reviewed. As was previously stated, in a PBS base, one has the ability to create a high bid line of 90:01 hours or higher which allows one to access open time up to 115 hours. Given the constraints of line bidding, most lines are 90 hours or less with a TTS max of 100 hours. So, in the settlement, there is a temporary provision, from October 2018 to May 2019, the TTS maximum would be 130 hours across the board. This was derived from the high option of 115 and the inability to un-credit a carry-over trip. The 130 hours was proffered to the Company and they accepted.

1558 BOARD COMMENTS

A Board member stated that the settlement makes several substantial changes to the Contract without membership ratification, even though they may be temporary. Specifically, the TTS max, the transfers and filling of vacancies, and the timeline of implementation are all changes to the Contract. The Board member recalled that the JSIC had been tasked with looking into lowering the threshold for the TTS max from 90 hours to 85 hours. The Board did not agree to looking at 130 hours TTS max. The Board had concerns over staggering, but the settlement still staggers PBS. The Board did not agree to fence DFW and MIA for transfers, to allow them to drop to zero, or to have premiums paid time off until PBS. The Board member asked to hear from JSIC regarding the Company's need for 120 hours to process PBS as there is a discrepancy between what JSIC is saying and what the Company is saying. The Board member was concerned there was no one from the LUS side during these grievance discussions. Remarks were received regarding reasons for these compromises. The grievance said FOI could not occur until November 2019 so the settlement is middle ground. The settlement was based on the direction given by the Board. The Board member wishes the Board had been consulted, but feels the settlement can be tweaked so it satisfies all 27,000 members. A question was raised as to who comprised the Committee that was involved in the discussions for the Presidential Grievance. Two LUS representatives were asked to participate in the discussions but both declined. A Board member stated another LUS negotiator should have been asked to participate if the others had declined. It was explained that this was treated like any other grievances. SBA always has a representative present to meet with the Company. This process was done by the book, just as it always is. This group also included a Board Member, a Negotiator and three National Officers. The Board gave its approval to take this Presidential Grievance forward. The speaker stated that it was not a unanimous approval vote by the Board to take this grievance forward. Another Board member stated the Board was unanimous in wanting to proceed with the grievance, but feels the Board was left out of the process. This Board member feels it is important to have dissenting opinions involved. The speaker went on to add JSIC should have been included in the discussions.

Several negative comments were brought forth from Board Members who disagreed with the results of these settlement talks and the composition of the Committee who negotiated this agreement. It was stated that this is not just a grievance settlement but one of epic proportions. The discussion continued for quite some time with several dissenting opinions brought forth. It was stated that all need to work together as one.

This was an extensive question and answer session. A question on transfers was raised and the National President explained how this would work with this settlement. Several scenarios for

transfers were discussed as they pertained to this settlement. The National President spoke to PBS versus non-PBS base transfers and the ramifications, which could affect flying and which was also a major concern of a Board member at a larger base. The seniority violations that could occur with the limited transfer situation were discussed extensively.

The question of whether there were any consequences or penalties to the Company within this agreement was raised. Legal Counsel spoke to the fact that if the Company does not implement PBS in DFW and MIA by May of 2019, they will have to pay vacation on a trips-missed basis for multiple splits and the cost of that is considerable. He further stated that if DFW and MIA are not implemented by May, it would be a breach of the Agreement. A grievance would be filed over the breach and asked that the remedy be the transfer between PBS and non-PBS bases. Legal Counsel felt that it would be an undisputable breach of the Contract.

A Board member stated that it was time to decide whether to accept this settlement, which had been signed in their absence. Legal Counsel not present at this meeting spoke to the Board via telephone. She stated that the SBA Department and the National President had the authority to sign this grievance settlement under the arbitration/grievance process and it is a binding agreement. This is different than a Letter of Agreement.

The discussion continued between members of the Board concerning their dissatisfaction with the signing of this settlement and lack of information shared prior to this finalized agreement. A member of the JSIC stated they have documentation saying PBS bids can be processed within 48 hours at every base except DFW and MIA. Remarks went back and forth concerning information each had been given by the Company which seemed to differ. The JSIC representative added the fact that Red Flag flying is in addition to the TTS max and raising the max might limit the number of Red Flag flying available.

The Board wanted to know exactly when this agreement was signed by the National President. Legal Counsel explained that it was an agreement before the formality of an actual signature.

The Board expressed, through several members, their disappointment that an agreement was signed without the approval of the Board or consultation with the JSIC.

The National President spoke to the negative comments made by several Board members. He explained the process of the approval of the agreement. Each item was initialed when the Company and Union agreed to it at the end of the mediation. This is when the actual agreement was made. The signature was for the approval of the wording of the final agreement prior to release. The actual settlement was agreed to fully and in principle on November 29, not today. This is the standard procedure for a settlement.

The main question being debated was whether the settlement is valid without formal signature but simply with verbal and initialed agreements. This created extensive discussion between the Board and both Legal Counsels. This agreement was completed prior to the Board Meeting this morning.

Once again, angry and critical statements from members of the Board were voiced. Legal Counsel stated that he felt in this case compromise was a better scenario than going to Arbitration. Whether win or lose, all three scenarios presented at the beginning of the meeting are far worse than the settlement.

A caucus of the Base Presidents was called; however, some additional questions were asked of Legal Counsel by various Board members prior to the caucus for informational purposes. The National President also clarified some statements he had previously made concerning bidsheets and critical coverage. The ability to fly high time was extensively discussed under both situations, which became a debate.

Prior to going off record, the National Secretary determined that the meeting was approaching the nine (9) hour time limit. The Board was required to take a vote on extending the meeting. The Board voted to extend the meeting for one hour. The National Officers will not be included in the caucus to which the National President disagreed as he felt he could share certain issues involved in this off the record.

1722 Caucus Off the Record

1837 Meeting Back On the Record

The National Vice President stated that she was asked by the Board of Directors to speak with the Company to explain to them that the Board had rejected the settlement and wants to return to the Company plan. The Company representative to whom she spoke inquired as to the opinions of the Board concerning good and/or bad points of this agreement. She felt that a meeting should be held and discussed dates with the National Vice President. They will meet with the entire Board and will propose dates. The Company representative said she must confer with her team and will get back to APFA as soon as she has a date and time set up. The National Vice President was awaiting a response from the Company.

The National President asked if the ultimate goal of the Board is to take it to Arbitration, then no mediation sessions would have or will be necessary. This began additional discussion amongst the Board and National Officers. The National President stated that he felt he was mandated to mediate versus taking it to arbitration. The point was made by a Board Member that the main problem was being kept out of the loop and wished to be advised as this issue progresses. The Board wishes to be present during any meeting with the Company concerning this current issue of the settlement agreement.

The meeting was extended for an additional two (2) hours by an affirmative vote of the Board.

1853 Facebook

This is a discussion item only. A Board member received a text message from a Flight Attendant who works Special Assignment as an administrator of a Facebook page. The Board member stated that it came to her attention that the National President called Jill Surdek to complain about this Flight Attendant liking an anti-Bob Ross post on her personal page on her personal

time. This troubled the Board Member who believes the union's job is to protect the membership and never turn them in to management. The National President explained he spoke personally with Jill Surdek and wanted to know if the administrator on special assignment was working for the Company when she did that. The Board Member felt this should not have even been brought up to management. The National President stated he simply wanted to know if this was done as an administrator or on the Flight Attendant's own time. There was disagreement on how this was handled by the National President. Some Board members commented that one must not respond to Facebook comments, especially as a National Officer. There was heated debate concerning this issue and how it was handled.

1919 National President's Assistant

The Board Member bringing this agenda item forward asked the National President's Assistant to explain his roles as an AdHoc and also as the National President's Assistant. It was explained that he does his Executive Committee work separately from the duties with which he may assist the National President. He does not feel that there is a conflict and would be willing to research or discuss the issue in order to correct it. The Board member continued the discussion about an email sent under a wrong address. It was concluded that both individuals felt they could work together and straighten out this issue.

1923 Presidential Grievances

The Board member bringing this subject forward wished an update on some Presidential Grievances that were or will be filed. The grievances concerned hotel selections and Premium Economy. The National President stated that a meeting has been scheduled with the Company on the hotel issue. A Presidential Grievance has not yet been filed. They are trying to ascertain who is responsible for the problems that are occurring. More information will be available after the meeting with the Company.

The next discussion was regarding Premium Economy. The National President discussed a conversation he had with the Company regarding all the different classes of service now offered and how it segregates the passengers on the aircraft. He spoke to the Company regarding the Premium Economy and the need for an additional Flight Attendant. The Board Member spoke to how it affects the service on the aircraft as the passenger expects a different level of service because it is marketed with components that represent a separate class of service. Eventually, the entire fleet will be refitted to accommodate Premium Economy. There was discussion about the differences in service within the "same" cabin. Also, on designated markets, Executive Platinum customers get a free perishable item and supplies run short for the rest of the cabin. One base will be filing a base grievance concerning Premium Economy. A Board member wanted to know what documentation is needed to file a grievance on this issue. A template used on Hawaii concerning this service will be forwarded to Base Presidents. The National President suggested a two-week blitz to accumulate information for a future grievance. The National Vice President spoke to the catering problems that have been mentioned during this discussion. She stated that the Company has committed to fixing the problems and if experienced, will send a rep to the aircraft.

1950 FSM's Not on Seniority List

The Board Member spoke about a Flight Service Manager working a trip and sitting on the jumpseat and also deplaning the aircraft prior to the passengers. The Board member felt APFA should step in and stop it as it is a violation of the Contract. A Base NOD has been filed. Some of these Flight Service Manager's are shown on the passenger list with an assigned seat and are not listed on the NS. Some of the Flight Service Managers occupy a jumpseat. There is no way for the working Flight Attendants to know if they are an FAA qualified Flight Attendant.

2005 December Pay Protections

The discussion concerned pay protections as a result of the pilot shortage. The Board member wanted to know how to direct Flight Attendants. The National Vice President has had conversations with the Company about this issue and the pay protection. She was assured that the Company would make the Flight Attendants whole if a trip was cancelled because there was not cockpit crew. There will be a special code designation for this. The National Vice President is still waiting for documentation concerning this issue and pay protection for Flight Attendants. There was a discussion concerning how LUS could determine the flights where no pilots have been scheduled. The sequences are different for pilots and Flight Attendants. APFA has a list of all flights that do not have pilot coverage. Pay protection for mid-sequence interruption due to lack of pilots was discussed as well.

2015 Utilization of JSIC

The Board member requesting this discussion reiterated her opinion that when any discussions/changes to the negotiated contract are entertained, it is imperative that JSIC be involved. It is important to have several opinions included in discussions. Other Board members expressed their agreement with the utilization of JSIC whenever possible.

Prior to adjourning, clarification was requested as to exactly what would be occurring next week. The National Vice President stated that APFA is tentatively planning for a meeting on Thursday with the Company. The Board will be advised as soon as she has more information and a firm date and time. It was felt that this meeting with the Company should include all Base Presidents and the JSIC. A Board member stated that a teleconference was already scheduled for Tuesday at 3:30 PM. This teleconference could be utilized to put all participants on the same page prior to the meeting. The National President asked that emails be submitted prior to this teleconference with the particular issues/changes they wish to include.

2021 Motion to Adjourn – Resolution #2
Maker: Valenta
Second: Dunaway

A roll call vote was taken to adjourn. Resolution #2 was passed unanimously. (14-yes, 0-no)