

December 22, 2017

Paul Jones
Senior Vice-President and General Counsel
American Airlines, Inc.
P.O. Box 619616, MD HDQ Legal
DFW Airport, TX 75261-9616

BASE CASE # 2017-APFA-3

RE: Pay Protection

Dear Mr. Jones:

In accordance with Section 30.B.2 of the Joint Collective Bargaining Agreement ("JCBA" or "Agreement") between American Airlines, Inc. and the Flight Attendants in the service of American Airlines, Inc., as represented by the Association of Professional Flight Attendants, I hereby protest the Company's recent practice regarding the Scheduling and Deadheading pay protection provisions of the 2013 Flight Attendant Agreement (hereafter, the "Red Book"), which remains in effect in relevant part pursuant to the Implementation Timeline Letter of Agreement.

I further protest the Company's interpretation of the similar provisions which will be implemented under the JCBA. By its current and announced conduct, the Company is violating Sections 10, 11, 16 and other related sections of the Red Book, and will violate Sections 10, 11, 16 and other related sections of the JCBA. The Red Book provides in pertinent part that if a Flight Attendant's pairing is modified or rescheduled after reporting,

A Flight Attendant ... will be guaranteed the pay value of his/her originally awarded or assigned pairing, as published ... or actual time, whichever is greater, excluding cancelled segments. A pairing which does not appear on the electronic bid package, e.g., ferry flights ... will be pay protected to the posted value of the pairing prior to its award or assignment. This pay protection will also apply to a Flight Attendant who is replaced as a result of a crew or equipment substitution.

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Red Book Section 10.J.9. In addition,

A Flight Attendant required by the Company to deadhead shall receive full pay and credit based on scheduled block time or actual flight time, whichever is greater.

Red Book Section 16.A.

These Sections are currently in effect for LUS Flight Attendants. Pursuant to the Implementation Timeline Letter of Agreement, this contract language will become effective for all Flight Attendants at "the point in time when PBS, TTS, ETB and the Reserve processing are implemented and the LUS Flight Attendants [are] integrated into the Flight Attendant Scheduling System with the LAA Flight Attendants." (Implementation Timeline LOA).

These current pay protections were first agreed to in the Flight Attendant Agreement at US Airways which was effective May 1, 2000 ("the 2000 Agreement"). In the negotiations leading up to the 2000 Agreement, Company negotiators provided the Union with a detailed analysis interpreting how pay protection would be applied in specific circumstances involving flight cancellations, crew substitutions, and deadheading. In every subsequent negotiation, and with every subsequently ratified Agreement, the parties agreed that the same interpretation would govern.

The parties agreed that these interpretations would be binding, and in subsequent years these interpretations were consistently followed. Among other things, the parties agreed that

In the event of a rescheduling or crew or equipment substitution, a Flight Attendant would be paid the greater of the pay value of the originally scheduled trip, or actual time, without any deduction for cancelled segments or segments flown by a substitute crew.

In addition, the parties agreed that

In the event of a cancellation, even without a rescheduling or crew substitution, a flight attendant would receive full pay and credit for required deadheading.

These interpretations continued to be applied from 2000 until approximately September 2016, when the Company began at least in some cases to apply a contrary approach.

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Among other things, the Company is now improperly deducting the pay value of cancelled segments contrary to the binding contractual language and interpretation, and is failing to properly credit Flight Attendants for deadheading time associated with a cancellation or crew substitution.

In addition to misapplying the contract to current flying, the Company has announced in meetings of the Joint Scheduling Implementation Committee that it intends to continue to follow this incorrect interpretation under the JCBA.

By its current conduct, the Company has been, and continues to violate the Red Book pay protection guarantees and has improperly deprived Flight Attendants of payments to which they are due under the contract. By its proposed implementation of the JCBA, the Company has announced its intention to continue these violations going forward.

Based on the Company's violations of the Red Book and JCBA, APFA demands the following relief:

- 1. The Company shall make whole all Flight Attendants adversely affected by its wrongful violations;
- 2. The Company immediately cease and desist from implementing its proposed interpretation of the Pay Protection provisions, whether through the BRD process or otherwise, for use under the JCBA;
 - 3. The Company shall otherwise comply in full with the JCBA;
- 4. The grievance be handled on an expedited basis so that Flight Attendants can be made whole and the JCBA can be properly implemented as quickly as possible;
 - 5. Any other relief deemed appropriate.

Sincerely,

Robert A. Ross National President

cc: Jeff Bartos SBA