

Keeping you informed on our response to COVID-19



Update 50

May 13, 2020 All Flight Service team members

Pay protection

All April pay protection to be paid by Monday, May 18

We have been working with Crew Compensation to understand the path forward and the timeline. They processed all contractual pay protections on time, however the letter of agreement providing a line guarantee was a manual pay process. The good news is this will be completed tomorrow and a special check will be issued to flight attendants who qualify for this special pay protection. We expect funds to be deposited no later than Monday, May 18, into your account - one business day after you may have expected.

Here's some additional background and information.

- Our goal is to pay this special, non-contractual pay protection to affected flight attendants by **Monday**, **May 18**, **one business day following the regular paycheck**.
- Your **benefits** will not be "turned off" just because you had a zero dollar paycheck or your paycheck wasn't enough to cover all of your deductions.
 - If you have a regular paycheck that does not cover your benefits deductions, the amount you owe may be recovered from future paychecks. Note: Depending on the amount owed, it may not be lump sum, rather spread across checks.
 - If you have a direct bill arrangement for your benefits, you'll be invoiced directly from the Benefits Service Center or your Added Benefits provider. Be sure to follow the instructions on any invoices you receive to ensure your coverage continues.
 - No benefits will be deducted from your special check.
- If you're LAA, the special check will be deposited into your main bank account only. It will not be split across multiple accounts (if you normally split your paycheck).
- If you're LUS and normally split your paycheck across multiple accounts, you should see the normal split.

• Because this is a special check, any **401(k)** employee and employer contributions will post to your 401(k) account on **Wednesday**, **May 20** and will be viewable the next day.

FAQs/Why it wasn't included on your "normal" paycheck

- Why is it taking so long? Crew Compensation could not start the process until after we closed the books on April in order to compare your PBS award to your end of the month PPROJ. Since our agreement falls outside what our systems were designed to automatically support, it requires our team in Crew Compensation to *manually* review over 33,000 lines of data. While we communicated back in March that we *expected* these special protections would be paid on the normal pay cycle, we simply didn't have full visibility at the time as to how many trips would be affected.
- Why isn't it paid automatically? Most trip cancellations are <u>not</u> pay protected under the contract. However, given the extraordinary circumstances we're facing, we felt pay protecting a sizeable portion of your pay – beyond what the contract requires – was the right thing to do. That's why we worked with the APFA and signed two letters of agreement to cover April and May trip cancellations.
- Is this a system glitch or was there an error? The zero-dollar checks or lower than expected amounts aren't a result of a system "glitch." Rather, the system did not yet account for the special agreement for the line guarantee that requires manual review.

Flight Service Virtual Town Hall

More than 750 flight attendants participated in yesterday's Flight Service Virtual Town Hall. Thank you to everyone who dialed in! I also appreciated all the emails and comments many of you sent after the call. This is a very challenging time, and I appreciated the opportunity to connect directly with you.

You and your colleagues texted in more than 260 questions. We answered as many as we could – and even extended the town hall by 30 minutes, so we could get to more questions. We plan to host another "telephone" town hall in June. So if you didn't get to attend or your question wasn't answered, you'll have another chance soon.

Without restating all 260 questions, here are some of the topics/questions that were brought up:

• Will there be flight attendant furloughs?

We're certainly facing an unprecedented situation with the steep drop in demand for air travel. It's clear that we will emerge from this crisis a smaller airline, with fewer planes and a smaller international footprint. Unfortunately, we don't know the schedule for later this year and into 2021. And the truth is, we haven't made any decisions yet on staffing. As Doug Parker said in last week's <u>Crew News</u>, our goal is to avoid furloughs. It's not a promise, but it remains our goal. To achieve it, we're working to reduce the payroll through voluntary leaves and retirements. We're also aggressively cutting costs and finding ways to reduce expenses without impacting people's jobs. I promise I will be upfront with you and will keep you updated on the situation as we know more.

• Will the company offer another VEOP? Will there be more money offered? Will the company offer another PVLOA?

It's possible that the company will offer more paid voluntary leaves or voluntary early outs. It is unlikely there will be any more money offered. As we try to preserve jobs and reduce costs, we are not in a position to spend additional cash upfront.

• What's happening with cabin cleaning? What do I do if the cabin cleaners appear to skip the cleaning?

Cabin cleaners should be wiping down jumpseats, flight attendant seatbelts, galley counters, interphones and other high touch areas in your workspace before each flight. If this is not happening, let us know using FA Reports. Unless you tell us there is an issue, we can't address it with our teams at each station. We're also rolling out an expanded cleaning process, which will include cleaning of customer tray tables, arm rests, overhead bin handles and other frequently touched surfaces before each flight. Previously, this was only done during longer sit times. This expanded process is being added to more stations each day. However, it is not currently available systemwide. The stations need time to train, hire and schedule additional cleaners to make this available on every flight. Our goal is to have this systemwide as soon as possible.

- When can I start ordering uniform pieces? We are working with Lands' End and have set up a tentative date of June 23. We will update you as we move closer to the rollout.
- I'm hearing about full flights... Can passengers sit in the middle seat? What's happening with seat blocking? American is capping the number of customers on each flight through May 31. This

American is capping the number of customers on each flight through May 31. This cap affects non-revs and commuters but does not apply to jumpseats. And in most cases, the load factor doesn't approach the cap. American will continue to not assign 50% of middle seats throughout the Main Cabin. Agents may assign these seats when necessary, but the load factor on the aircraft will remain capped. For example, they may use them to seat families together.

Again, the topics above were just a few of the items you asked about that we discussed on the call. We will share more questions in our next email update. Please stay tuned for more information on our next town hall in June.

What's happening with flight attendant staffing on cargo-only flights?

This was another topic brought up on the Virtual Town Hall. As you probably heard, our Policies and Procedures team has been coordinating with the Cargo and Safety teams on safety measures so that we could carry cargo in passenger cabins during cargo-only flights. These flights would be staffed with flight attendants. Unlike cargo loaded into the belly of the aircraft, placing containers under passenger seats and in overhead bins is much more complicated and time-consuming, so the Cargo team decided not to pursue flights with cargo in the cabin at this time. We are currently operating cargo-only flights with items carried in the belly of the aircraft. Since there is no cargo in the passenger cabin, these flights are only staffed with pilots. We will keep you posted if this changes.

Degreed: Free resource to learn new skills online

All mainline team members now have access to American's new learning platform, <u>Degreed</u>. Degreed is available 24/7, 365 days a year to give you additional resources to develop your professional and personal skills, on your own time and at your own pace. Degreed connects team members to courses, videos, articles, books, podcasts and experts from thousands of sources, including <u>Harvard Manage Mentor</u>, Skillsoft and American's Learning Hub, all for free. Please see <u>Jetnet</u> for more information on this new resource.

Taking care of customers

Our customers appreciate the fact they're still getting great customer service even though COVID-19 has made big changes to the way we travel. Here's a short but sweet customer compliment about PHX flight attendant Jeannine Schumacher and her personal service on a DFW-CLT flight:

Just wanted to say how amazing the first-class flight attendant Jeannine was. So friendly and warm! A great person to have taking care of you during these crazy times. I really hope I have her again as my flight attendant. She made an effort to know me and thanked me by name. Thanks again!

Thank you, Jeannine, for a making a great impression on this customer!

Thanks for checking in today.

Jill Surdek Senior Vice President, Flight Service

Flight Service Communications and Engagement