

Q&As

NEW Q. The Bridge Agreement states that in lieu of Profit Sharing, we would receive a 2.5% pay increase at Date of Signing [DOS], is that true? **[2.26.13]**

A. The MOU clarifies that the 2.5% raise we were to receive per the Bridge Agreement will be satisfied by the larger 3% raise received at Date of Signing [DOS] of the LBFO. We think it is helpful to recap the chronology of events last year to fully understand the interaction of each agreement as it was reached.
On February 1, 2012, American Airlines delivered to the Unions their respective 1113 "Term Sheets", about which we spent the following two months negotiating without reaching agreement. The Term Sheets provided for pay raises, but the first was not until Date of Signing [DOS] + 12.

In April 2012, when we negotiated the Bridge Agreement [CLA], it was imperative for us to have an initial pay increase immediately, or at Date of Signing [DOS]. We were able to secure with US Airways a 2.5% DOS pay increase in lieu of Profit Sharing. We knew that the Bridge Agreement [CLA] would be in effect for a short duration until a Joint CBA was reached, and during that time, Profit Sharing would most likely be minimal, if at all.

In July 2012, when we negotiated the LBFO, American was now willing to discuss a Date of Signing [DOS] pay increase. Our goal was to front-load the LBFO, and in the end we were able to negotiate a 3% pay increase at Date of Signing [DOS], which was implemented in October 2012.

The MOU clarifies the DOS pay increase, and that the 3% under the LBFO [which was greater than the 2.5%, under the Bridge Agreement] would remain in effect.

The MOU also clarifies the DOS+12 [October 2013] pay increase. Under the LBFO, it is 2% and under the Bridge Agreement [CLA], it is 1.5%. The MOU states that the Agreement we are working under at that time, will dictate which raise is applicable. So, if we are working under the Bridge Agreement [CLA], we will receive the 1.5% pay increase, and if we are still working under the LBFO, we will have a 2% increase.

Clearly, the Bridge Agreement [CLA], in its entirety is a much better agreement to be working under than the LBFO.

1. How long will we work under the LBFO?

A. The LBFO will only remain in effect through the last day of Bankruptcy. Due to implementation timelines there may be some provisions that will remain in effect during the transition to the Bridge Agreement (CLA).

2. When will the Bridge Agreement (CLA) take effect?

A. The Bridge Agreement (CLA) will take effect on the first day we exit bankruptcy. It will take time for some provisions to be implemented.

3. Is there anything new and/or different in the Bridge Agreement (CLA) from our prior CBA and LBFO?

A. Yes. Please reference "<u>Contractual Highlights on Exit</u>" chart at www.apfa.org
 → AA/US Merger.

4. What parts of the LBFO will remain in effect after the Bridge Agreement (CLA) goes into place?

A. Please reference "Contractual Highlights on Exit" chart at www.apfa.org → AA/US Merger.

5. What parts of our prior contract will be reinstated?

A. Please reference "<u>Contractual Highlights on Exit</u>" chart at www.apfa.org → AA/US Merger.

6. Will anything else be implemented from the LBFO prior to the Bridge Agreement (CLA) being implemented? If so, what?

A. It will depend on timing; however, there are several Reserve improvements that may be programmed, such as Reserve Bidding and an AM/PM system. The ability of a Regular Flight Attendant to reduce to eight (8) DFPs from ten (10) may also be implemented before the Bridge Agreement (CLA) is implemented.

7. How does APFA's deal differ from APA's and TWU's?

A. Working off of the CBAs they ratified in bankruptcy, APA and TWU chose to negotiate with US Airways for full agreements that will take effect once American emerges from bankruptcy and certain other conditions are satisfied. We chose, instead, to negotiate a transitional agreement – the Bridge Agreement (CLA) – that replaces the LBFO and allows us to negotiate with the New American, on an expedited basis, for a full contract. That was the best path for FAs.

8. Is PBS in the Bridge Agreement (CLA)? Do US Airways Flight Attendants currently have PBS?

A. Yes, the Bridge Agreement (CLA) provides for a PBS system. This will take time to implement.

The current CBA for US Airways "East" FAs has a provision for PBS however it has never been implemented. PBS is not part of the current CBA for US Airways "West". The Tentative Agreement currently under consideration for all US Airways does contain a provision for PBS.

FUTURE CONTRACT

1. What is the timeline for negotiating a new agreement for a combined AA/US FA workforce?

A. The Bridge Agreement (CLA) has a timeline for reaching a "market based" agreement on an expedited basis. The negotiation process will begin no later than thirty (30) days following APFA's being certified by the NMB as the union representing the combined FA workforce. If agreement is reached within sixty (60) days of certification and ratified, the new contract will take effect. If an agreement is reached within sixty (60) days of certification but not ratified by the membership, or if no agreement is reached within sixty (60) days of certification, APFA and the New American will submit the dispute to expedited, binding arbitration. Please reference the "Flow Chart to Joint CBA" at www.apfa.org → AA/US Merger

EQUITY CLAIM and VEOP

1. When will the VEOP provided for in the Bridge Agreement (CLA) be offered?

A. The exact dates for the VEOP have not yet been determined, however it would only take place after emergence from bankruptcy and the Bridge Agreement (CLA) is in effect.

2. What will the VEOP consist of?

A. \$40,000 lump sum payment minus taxes. You would be eligible for COBRA provided you were taking medical benefits from AA on your last date of employment. If you met the age and company seniority requirements for retiree medical you could elect retiree medical.

3. Will there be different criteria for taking/awarding this VEOP offer?

A. Flight Attendants must be at the 15th Pay Step in order to qualify. Flight Attendants must also be in an active paid status. The bridge agreement states that a minimum of 1500 FAs would be awarded VEOP. This is does not mean that a minimum of 1500 FAs must proffer in order to award any VEOPs. Rather it was intended to prevent an overwhelming number from taking the VEOP leaving

the operation with too few FAs to staff the airline.

4. What happens to the equity claim?

A. The equity claim of 3% will remain unchanged.

SENIORITY INTEGRATION

1. How will seniority be determined at the New American?

A. In accordance with the McCaskill Bond Amendment, APFA and AFA-CWA will be meeting to reach a fair and equitable agreement to integrate the seniority lists. We expect those negotiations to be amicable and straightforward and to result in an agreement. If, in the unlikely event, an agreement is not achieved, the matter will be submitted to an arbitrator who, in a final and binding decision, will determine how the seniority lists are integrated.

FENCE AGREEMENT

1. How long will flying remain separated/fenced?

A. The FAA mandates that until merged carriers have been issued a single operating certificate, the two carriers' operations will remain separate (fenced). That process will take some time once American emerges from bankruptcy. Under the MOU, flying will remain separated (fenced) until the New American is issued a single operating certificate by the FAA and there is a new Joint Collective Bargaining Agreement and an integrated seniority list, or 24 months after the effective date of the merger, whichever comes first. It is likely that discussions about a "fence agreement" will begin in the coming months.

2. When can we transfer to a US Airways' base and when can they transfer to an AA base?

A. This will happen, but not until American and US Airways's operations have been integrated and a single operating certificate has been issued to the New American. See the answer to question 1, above.

GENERAL US AIRWAYS INFORMATION

1. How many FAs are at US Airways?

A. There are approximately 6,800 Flight Attendants at the combined US Airways.

2. Where are US Airways' bases?

A. US Airways currently have bases at PHL, DCA (domestic flying only), CLT, and PHX.

3. Is there a separate International and Domestic Operation at US Airways?

A. FAs at US Airways have a combined operation.

3. What aircraft do they fly?

A. US Airways fleet consists of Airbus, Boeing, and Embraer Aircraft:

Their Airbus fleet is A319, A320, A321, A330-200, A330-300, and they have orders for the A350 [2017].

Their Boeing fleet is 737-300, 737-400, 757-200, and 767-200

They also use the Embraer-190 in their mainline flying

4. When would our travel privileges extend to US? Jumpseat? Travel Policies?

A. The time frame for extending travel and jumpseat travel has yet to be determined. We do not expect any immediate change to our current travel policies.