

## FACT Rep Q&A's

**Q: Is there an annual employment threshold in the T/A? What is this 40-hours per month I'm hearing about?**

**A:** Under the T/A, the computer system will not process transactions that bring a Flight Attendant below 40 hours. This is a scheduling limitation only; not an employment threshold. In other words, the computer system will not allow Flight Attendants to process transactions that will bring a Flight Attendant below 40 hrs/month. This limitation is flexible and non-punitive.

Flight Attendants who desire more time off will be eligible for available leaves of absence as well as use the new vacation flexibility, which includes up to 9 vacation splits.

If time is "lost" in any other way, for example leaves of absence, sick call or cancellation, as long as your status shows as "active," you will continue to accrue vacation and sick, and retain medical benefits.

*(October 1, 2014)*

**Q: I don't see Profit Sharing in the Agreement. Why?**

**A:** Profit Sharing was converted into real wages in the T/A at a value of \$50 million dollars annually above and beyond the T/A's increase of \$61m to take it to market rate. That number is based on the company's published earnings reports and its own estimates of future profits. The company was not willing to move forward with Profit Sharing and we believed we would not do better in Arbitration.

*(October 1, 2014)*

**Q: Is the Company moving to a single healthcare plan for ALL employees or just Flight Attendants?**

**A:** The company is moving to a single healthcare plan for all employee groups. The majority of AA's workgroups are already on the AA plans and as each labor contract is completed, the covered workers will move to the AA plans. The JNC impressed upon the company the importance of softening the impact of this by

keeping LUS on its current healthcare for 2015 and providing a \$3,000 transition payment to defray the costs. Both LAA and LUS Flight Attendants will have choices in healthcare as will the entire company.

*(October 1, 2014)*

**Q: Will jumpseats be issued by FCFS, seniority or a hybrid?**

**A:** The jumpseat is a “cultural” issue and will be decided by a vote of the combined membership in July 2015.

*(October 1, 2014)*

**Q: Did we retain the LUS weight-restriction language, which allows a jumpseater to be excluded from the final weight count when a flight is weight-restricted?**

**A:** The JNC made it very clear to the company our position on weight restriction. The company was not willing to agree in the JCBA to remove a revenue passenger to accommodate a jump seat rider in either the cockpit or Flight Attendant jumpseat. The JNC secured a “me-too” with the pilots stating that if APA negotiates a better rule it will apply to flight attendants, and the application of the policy must be non-discriminatory.

*(October 1, 2014)*

**Q: Were there improvements to vacation, sick or pay premiums?**

**A:** The JNC insisted that we preserve the LUS provisions in the areas of Vacation, Sick Leave and premiums, which means we would win them for LAA Flight Attendants. These are top of the industry provisions and obtaining these LUS provisions for the entire workgroup was a major win at the table. A few of the improvement are as follows: • Lead pay • Aft Lead pay • Galley pay • Purser pay • Speaker pay • International Override of \$3.00/\$3.75 depending upon the flight • Vacation will be 35 days at top years of service Sick hours will accrue at 4.5 hrs/mo. at LUS and increasing over the term of the contract at LAA from 3 to 4.5 hrs/mo.

*(October 1, 2014)*

**Q: What is the difference between International Premium Destination (IPD) Override and International Override?**

**A:** IPD is paid at \$3.75 an hour for all flights to Europe, deep South America and Asia. International Override for other international destinations such as Mexico and the Caribbean is \$3.00 an hour.

For IPD flights, Flight Attendants will sign in 1:15 prior to departure instead of the current 1:30 at LUS and 1:00 at LAA.

**(October 1, 2014)**

**Q: How did the team come to the hourly rate increases?**

**A:** On Friday, September 19th we agreed to wage rates that were 3% higher than Delta's. In response to our TA, on Wednesday, September 24th, Delta announced it would increase its top of scale (TOS) wage rate by 4% and all other steps by 3%, effective April 1, 2015. We notified senior management of this development and CEO Doug Parker agreed that he would match the TOS rate, the one step that Delta had raised above the 3% we had already agreed to. On DOS (December 1, 2014), TOS will rise by 4% to \$53.52, a 9.1% increase at LAA and a 12.4% increase at LUS.

The out-year increases are as follows: 2% DOS+12; 2% DOS+24; 2% DOS + 36; 3% DOS+48. This will top us out at \$58.50/hr Domestic (excluding premium pay add ins) and \$62.25/hr with International Premium Destination (IPD = Europe, deep South America and Asia flights) Override pay.

**(October 1, 2014)**

**Q: When and how will Preferential Bidding Service (PBS) be implemented? If we vote no, can we avoid PBS? I've heard I won't like it.**

**A:** PBS has a target date of February 2015 at LUS and 2016 for LAA. PBS will be included in our joint contract regardless of a negotiated or arbitrated Agreement. PBS has evolved a great deal since its introduction decades ago. The potential for building an even more flexible schedule with today's technology is greater than ever before. There will be extensive training at LAA, much like LUS is experiencing now, before anything is put into place.

**(October 1, 2014)**

**Q: Can you explain the Reserve rotation please?**

**A:** If the Reserve staffing requirement at your base reaches your seniority, newly-hired Flight Attendants will be subject to serving straight Reserve the first 12 months following initial training. This does not apply to those Flight Attendants on the property prior to Date of Signing (DOS).

After one full-year of being subject to straight Reserve, Flight Attendants will serve one on/one off for a period of three years, according to base operational necessity.

After four years, Flight Attendants whose seniority is still subject to Reserve based on operational necessity will serve one month on/three months off.  
*(October 1, 2014)*

**Q: Why is the company adamant about putting more Speakers on some of our flights – particularly destinations in Asia?**

**A:** The JNC fought the Speaker issue to the very end of negotiations. However, the Speaker issue goes beyond Flight Service. The company is very concerned about the lucrative Asia market not having enough Speakers on-board.

A chart will be provided soon with the break down according to aircraft size. With the merger, we will fly to many more destinations, which will increase bid positions and assist in off-setting speaker bid positions.  
*(October 1, 2014)*

**Q: If rejected and forced to Arbitration, how can we be certain we wouldn't do even better than we did in negotiations?**

**A:** Under the terms of the Negotiations Protocol Agreement (NPA), the arbitrator is not authorized to provide more than "market based in the aggregate." To bring our contract to market rate (without profit sharing) means \$61 million of improvements must be added to our current contracts (CLA and Red Book).

Adding the value for Profit Sharing (based on the company's own published

earnings reports and P.S. potential), which brings our current contracts to true market rate, would mean another \$50 million annually. Since the arbitrator cannot exceed Market Rate, this means \$111 million of improvements to our current contracts is the cap at Arbitration. Our T/A totals \$193 million in negotiated improvements. We secured \$82 million above Market Rate.  
*(October 1, 2014)*

**Q: Will the company receive any financial penalties for delayed implementation items?**

**A:** The purely-financial elements of the contract would be implemented on December 1, 2014. The other items such as Scheduling, Reserve, and Hours of Service will be part of an Implementation schedule, which may include financial penalties for delayed implementation.  
*(October 1, 2014)*

**Q: When will the implementation schedule be finalized?**

**A:** The implementation schedule is nearly finished. It will be published before voting begins.  
*(October 1, 2014)*

**Q: When will the full and final T/A language be posted online?**

**A:** The full and final T/A language will be posted before voting begins.  
*(October 1, 2014)*

**Q: Will Short-Term Disability (STD) be part of Open Enrollment?**

**A:** Yes, STD will be an optional part of open enrollment, most likely offered to LUS in 2016.  
*(October 1, 2014)*

**Q: Why are LAA and LUS not receiving the same 401(k) contributions/match?**

**A:** To mitigate the effect of LAA Flight Attendants' pensions being frozen in November 2012, the parties agreed to establish higher company contributions for a five year period ending in 2018. As of January 1, 2019 all LAA Flight Attendants will receive a company contribution of 3% and a company match up to 2.5%.

LUS will realize the same economic value as LAA's higher 401(K) contribution by adding to the company contribution of 3% a company match up to 2.5% plus a \$3,000 health care transition payment.

*(October 1, 2014)*

**Q: Why is the \$3,000 for LUS Flight Attendants taxed?**

**A:** The transition bonus is like any other bonus and will be taxed as income.

*(October 1, 2014)*

**Q: Is Holiday Pay included in this T/A?**

**A:** The JNC was able to negotiate Holiday Pay for three holidays (Thanksgiving, Christmas and New Year's) for the combined workgroup at \$75.00 per holiday. This rate simplified the complicated language in the LUS Contract.

*(October 1, 2014)*

**Q: Why did we increase the duty day on mid-range flying?**

**A:** Since the company needed to create certain types of flying, and the membership survey indicated a strong desire to realize this type of flying, the JNC was able to negotiate a "cap" on how many mid-range duty days the company would be able to create. The JNC also negotiated 200% pay/100% credit for any crew that exceeded 16 hours in "actual" operations. For LUS Flight Attendants this represents an improvement because if they are scheduled under 14 hours, the 16 hours is now a hard cap. And if they are scheduled over 14 hours, they will receive the 200%.

*(October 1, 2014)*

**Q: Explain Filler days?**

**A:** Filler days are similar to LAA "PVDs", but are drawn from a Flight Attendant's current annual vacation, not from next year's vacation accrual. Filler days are an allotment of days that a Flight Attendant can elect to bid from their annual vacation. Filler days can be bid a month in advance (awarded by seniority) or the day before (awarded first-come first-served) depending on availability.

*(October 1, 2014)*

**Q: Does the \$3,000 transition bonus for LUS Flight Attendants offset the higher cost of health care if the T/A is ratified?**

**A:** The \$3,000 is a transition payment to help LUS Flight Attendants migrate to the new plan.

*(October 1, 2014)*

**Q: Why do we have to sign in earlier on certain International Premium trips?**

**A:** The JNC was able to negotiate an additional .75 cents to the International Override of \$3.00 for all IPD sequences, which will serve to offset the earlier sign in time for LAA and the later sign in for LUS.

*(October 1, 2014)*

**Q: Why no signing bonus?**

**A:** Based on the survey results, Flight Attendants wanted the money incorporated into our hourly pay rates. Money put into the wage scale gets paid year after year, while signing bonuses are a one-time deal.

*(October 1, 2014)*

**Q: I'm a commuter. I'm based in Phoenix, but I live in Dallas. Can I drop the last leg of my trip to PHX to another Flight Attendant so I can stay in Dallas?**

**A:** Yes. This is a very popular LUS contractual provision.  
*(October 1, 2014)*

**Q:** What if my luggage breaks before 3 years are up since I read I can't order one online more frequently than every 3 years?

**A:** If your luggage is damaged and you need a replacement, notify your FSM to have it replaced.  
*(October 1, 2014)*

**Q:** Will the company raise the price of uniform items so that they are no longer affordable?

**A:** APFA will address any and all unreasonable fluctuations in price that render uniform replacement items unaffordable.  
*(October 1, 2014)*

**Q:** Will I be required to use my uniform "dollars" to buy the new uniform?

**A:** No. The new uniforms will be distributed to everyone outside of the uniform allowance.  
*(October 1, 2014)*

**Q:** Will we be able to fly during our vacation?

**A:** Yes. This LUS provision means all FAs will be able to pick up trips from ETB / HIBOARD within your Vacation period.  
*(October 1, 2014)*

**Q:** Are there any crew meals in this T/A?

**A:** Crew meals will be provided to Flight Attendants working International Premium Destination (IPD) sequences originating at PHL and/or CLT and for any



flight over 12 block hour.  
(October 1, 2014)

**Q: Did LAA maintain the current sick policy or is there now a sick policy in the T/A like LUS has?**

**A:** Legacy AA's sick policy is not incorporated into this T/A. Instead, several negotiated protections and improvements are included in the contract in this area. For example: All sick time will now be paid and credited at 100%, the company is restricted from asking for a doctor's note simply based on the number of times a Flight Attendant calls in sick, and the LAA cap on the number of hours paid for sick has been eliminated.

(October 1, 2014)

**Q: The Negotiations Protocol Agreement (NPA) addresses the impact of a United / Continental contract and the value of 'market based in the aggregate.' According to the NPA, our JCBA would be adjusted if and when a UA/CO JCBA increased that value. If the TA is ratified, would this provision of the NPA still apply in the future?**

**A:** No.

(October 1, 2014)

**Q: Why not?**

**A:** Rather than postpone improvements indefinitely while UA/CO negotiate for a T/A that may improve the 'market based in the aggregate' standard, the JNC negotiated the potential for those improvements in the T/A now. Our TA redefines the market. Just as Delta was forced to play catch-up this week by increasing their Flight Attendants' wages, United will have to deal with our having raised the market rate bar as high as we have.

Also, negotiating an industry-leading contract that establishes a new market standard was a far better outcome than going to arbitration and retaining the possibility of a UA/CO adjustment. As explained above, the arbitrators are bound by the market based in the aggregate standard, which would cap the improvements to our contracts at \$111m including profit sharing. Any increase

over that amount would depend entirely on whether United and their Flight Attendants ever reach a JCBA that raised the market rate. (After almost two years of negotiations the parties have reached agreements on only 4 sections of their contract.) Our TA gives us certainty – a collective bargaining agreement that is \$82m above market.

*(October 1, 2014)*

## **Q&As - LUS Flight Attendants - October 1, 2014**

**Q: Will LUS Flight Attendants receive Profit Sharing checks for 2014?**

**A:** Yes. LUS Flight Attendants will receive their profit sharing check in 2015 based on the company's profits for all 12 months of 2014.

*(October 1, 2014)*

**Q: How do wage rates in the T/A compare to current LUS "Red Book" pay rates?**

**A:** The current Top of Scale (TOS) at LUS today is \$47.62. The T/A TOS on Date of Signing (DOS) will be \$53.52. All wage rates at every year and pay step will increase by 2% for the first three years and conclude with a 3% increase in the last year of the contract. These out-year pay increases exceed the pay increases specified in the Red Book. By the end of the agreement, the top of scale will be \$58.50 as compared with \$49.06 in the Red Book.

*(October 1, 2014)*

**Q: Will the 401(k) plans be enhanced for LUS Flight Attendants?**

**A:** Yes. LUS Flight Attendants will gain a Company contribution of up to a 2.5% match in addition to the maintained 3% Company contribution.

*(October 1, 2014)*

**Q: Will the TI override be increased?**

**A:** Yes. The TI (now called International Premium Destination, or IPD) override

will be increased to \$3.75 per hour. In addition, report times for IPD duty periods will decrease for LUS Flight Attendants from 1:30 to 1:15.  
*(October 1, 2014)*

**Q: Did we keep any of the LUS scheduling rules?**

**A:** Yes. The industry-leading provisions in the LUS contract have been preserved. Specifically, the JNC was able to retain the vast majority of the Scheduling, Reserve and Hours of Service rules. This was no easy task as the company wanted to gut the Red Book rescheduling rules and essentially treat line holders as Reserves.  
*(October 1, 2014)*

**Q: Are the Legacy American Airlines (LAA) Flight Attendants' "ATC" and Diversion Pay" provisions maintained in the T/A?**

**A:** Yes. This provision maintains important pay protections associated with Air Traffic Control, de-icing, and other "stop at the gate" delays that will pay Flight Attendants flight-time pay instead of "Holding" pay.  
*(October 1, 2014)*

**Q: Will there be any changes to Reserve?**

**A:** Yes, Reserve will be very different under the Preferential Bidding System (PBS). The Joint Negotiating Committee (JNC) has been working on a hybrid Reserve system combining the LAA and LUS Reserve systems while making them work for both legacy groups under PBS.  
*(September 12, 2014)*

**Q: Is Pay Protection a high priority for negotiations?**

**A:** Pay Protection is important to both LAA and LUS Flight Attendants as well as to every single member of the JNC. The Team has been working towards securing the maximum amount of pay with the least amount of obligation for Flight Attendants.  
*(September 12, 2014)*

**Q: Is the JNC negotiating for profit sharing?**

**A:** Profit Sharing is important to both Flight Attendants and the JNC. The team continues to negotiate for Profit Sharing over and above any compensation.  
*(September 12, 2014)*

**Q: Will Flight Attendants be voting on bullet points/highlights or will we have full language?**

**A:** The full contractual language will be available as will highlights and bullet points.  
*(September 12, 2014)*

**Q: Under PBS, LAA Flight Attendants will be losing vacation time and pay. Is anything being done to negotiate more days or pay for each vacation day?**

**A:** LAA vacation continues to be on a "trips-missed basis" until PBS is implemented in approximately 12-18 months. The JNC is negotiating for more days as well as higher pay for each vacation day.  
*(September 12, 2014)*

**Q: Why aren't we in section 6 negotiations? Didn't we give away our leverage by eliminating our right to strike by agreeing to binding arbitration?**

**A:** Under the Railway Labor Act (RLA) section 6 negotiations would not begin until contracts at both carriers became amendable some 5 years from now. The ability to use self-help up to and including a strike would not be available until after the NMB determines that section 6 negotiations had reached an impasse.

Prior to AA's bankruptcy filing, we had been languishing for months awaiting the NMB's decision on whether to declare an impasse following years of bargaining. Our goal was to provide the fastest course for Flight Attendants to realize the benefits of a successful merger as soon as possible rather than years from now. Under the Negotiations Protocol Agreement all 24,500+ APFA Flight

Attendants at the new American will be reaping the merger's benefits by next spring – an unprecedented timetable in airline mergers. Record profits from the new American's first quarter provides strong leverage at the table during negotiations, compared to the threat of a strike several years from now. The backstop provides a baseline to ensure that the minimum we would receive is market-rate in the aggregate among Delta and Continental/US.

*(September 12, 2014)*

**Q: If we are using the 'adopt and go' method for negotiations, how will both legacy groups see improvements?**

**A:** The 'adopt and go' is for contractual sections that currently exist but it doesn't mean improvements can't be negotiated from the items that are adopted. If you look at the co-terminal T/A for example, the LAA language for co-terminals was adopted with the LUS AFA language for deadhead pay between the DCA/IAD co-terminals. The "adopt and go" addresses the language but doesn't necessarily negate improvements.

*(September 12, 2014)*

**Q: I heard we will be combining the International and Domestic operations and that all Flight Attendants will need to be Internationally trained?**

**A:** Fact. The combined operation is on track to take place on May 2, 2015. All Flight Attendants (approximately 3,200 of the remaining Flight Attendants not subject to Reserve) will be over-water trained but the type and length of training for those not subject to Reserve has yet to be determined. Discussions are ongoing and we are hopeful that a decision will be made and announced shortly. As with last year, there will not be any drafting for the months of November and December for overwater quals.

*(August 6, 2014)*

**Q: Is it true that new hire Flight Attendants will only have 40 days added to their date of hire even though our training was eight weeks long?**

**A:** Fiction. Flight Attendants hired after January 1, 2013, will get their actual

start date of training. Only those Flight Attendants hired prior to 2013 will see the 40 days added to their OCC date.

The December 20, 2013, APFA Hotline states: "AFA and APFA finalized a Seniority Protocol Agreement, which is a separate document from our agreement on Bargaining and Representation. Flight Attendants will retain length of service as Flight Attendants with their respective carrier, utilizing the Occupational Seniority Date at American and the Seniority Integration Date (SID) - commonly referred to as "Date of Hire" - at US Airways. There will be an adjustment of 40 days for Legacy AA (LAA) Flight Attendants on the seniority list prior to January 1, 2013, to reflect time spent in initial Flight Attendant training. Actual training start dates will be utilized for Flight Attendants hired at American in 2013 and later."

*(July 23, 2014)*

**Q: One rumor suggests that we will adopt the US Airways' method of arriving for our pre-flight briefing to select our cabin positions by seniority.**

A: Fiction. Currently, Legacy US (LUS) Flight Attendants are able to bid for specific positions and they will continue to bid by position when they convert over to a Preferential Bidding Service (PBS) in the fall. Eventually, when we migrate to PBS, we will also continue to bid for positions. As part of the negotiations process of the Joint Collective Bargaining Agreement (JCBA) the US and AA negotiating teams are looking to preserve the best of both agreements.

*(June 25, 2014)*

**Q: There is a rumor circulating that JFK and LGA will be combined in the next 2-3 months and will be the first base to do so.**

A: Fiction. There will not be a combining of the International and Domestic divisions until at least 2Q 2015. AA has stated that we should have a combined operation by 02MAY15.

*(June 18, 2014)*