



AMFA – ASA Virgin America Transition Agreement Discussions

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AMFA and Alaska Airlines met in Anchorage, AK on March 20-21 for a scheduled three-day session to discuss a Virgin America –Alaska Airlines Transition Agreement. The three-day session was reduced to two days when Alaska refused to respond to our proposal. As you will remember, the Company advised us in our first two Transition Agreement negotiation sessions that there would be no enhancements to existing collective bargaining agreements (CBA) as part of any work group's transition agreement. The Company, however, abandoned that mantra when it provided the Flight Attendants with several enhancements to their existing CBA and a two-year extension as part of that transition process. Therefore, in response to our members' directives, we commenced this week's session with a proposal that mirrored the enhancements received by the Flight Attendants as part of their Transition Agreement.

We started off Tuesday morning by delivering a Transition Agreement proposal, which included the following proposed enhancements:

- Two-year extension to our existing CBA with a new amendable date of October 17, 2023;
- 4.5% increase to the all-in rate on October 17, 2018, followed by 1.5% raises in each year from October 17, through October 17, 2022, and a 2.5% increase on the October 17, 2023, amendable date;
- Longevity allowance increases commensurate with what the Flight Attendants received:
 - Ten (10) through fifteen (15) years: \$.15 per hour
 - Sixteen (16) through twenty (20) years: \$ 1.00 per hour
 - Twenty-one (21) through twenty-five (25) years: \$ 1.50 per hour
 - Twenty-six (26) through twenty-nine (29) years: \$ 2.00 per hour
 - An additional \$1.00 per hour for each subsequent five years of service following an employee's 30th year of service.
- Insurance premiums that exist on January 1, 2021, would remain in effect through duration of extended CBA;
- Company will fund long-term disability (LTD) benefits equal to 60% of a covered employee's monthly earnings beginning the 181st day of disability;
- Increase in matching 401(k) to dollar for dollar up to 7.5%;
- One additional holiday of Christmas Eve;

- Five (5) minute grace period when an employee calls in “might be late;”
- Commuter status equal to all above-the-wing employee groups;
- Letter of Agreement (LOA) #9 revised to include all active members of the bargaining unit as of the time of issuance of single certification and amended to include JFK and DAL.

We delivered this proposal on Tuesday morning and it is important to note that -- outside of the LTD, which was a benefit Virgin mechanics had -- we only asked for what Alaska provided the Flight Attendants. Unfortunately, the Alaska Airlines committee refused to provide us with a counterproposal. It was made very clear to us that our group, unlike the “above-the-wing” Flight Attendants, would receive no enhancements as part of our Transition Agreement. We know this is unacceptable to you and we delivered that message to the Alaska Committee.

The refusal of Alaska to even provide a counterproposal and provide you similar transitional enhancements speaks volumes as to how the Company views our group. In fact, even prior to the Flight Attendant deal during our last session in January, the Company had rejected each of our proposed enhancements with the exception of extension of LOA #9 to existing employees and to the stations of JFK and DAL. We advised the Company that we intended to strictly enforce the provisions in our CBA that restrict the two pre-merger groups from working on each other’s aircraft until a Transition Agreement was reached.

We advised the Company at the close of this week’s session that we were ready and willing to negotiate at any time, but we would wait until Alaska was ready to abandon its outright refusal to respond to our proposal before the parties met again to continue Transition Agreement negotiations. We know you, the members, have no desire to vote on a Transition Agreement that, unlike other work groups, contains no contractual enhancements. Therefore, when Alaska decides it wants to seriously negotiate a Transition Agreement that treats our group similar to others in the Company, we stand ready to do just that. In the meantime, we must watch what the Company does as opposed to listening to what it says in order to realize exactly how they view our group as we move further towards a combined carrier.

We have tentatively scheduled our next session for May 7-9, 2018, in Seattle, WA. However, that date is subject to change depending on whether or not Alaska decides to provide us with a counter-proposal.

Fraternally,

Your Negotiating Committee

SAFETY IN THE AIR BEGINS WITH QUALITY MAINTENANCE ON THE GROUND