



AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

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To: AMFA Locals and Members
Re: Alaska Airlines Purchase of Virgin America Airlines
Date: April 4, 2016

Dear Members:

Today, April 4, 2016, Alaska Airlines announced that it is acquiring Virgin America Airlines. The transaction has generated a number of questions on how the transaction will affect Alaska Airlines Mechanics and Related Employees. The short answer is that the transaction should not impact AMFA represented employees in the near term.

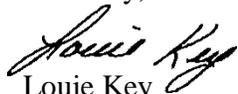
As indicated in the press release issued by Alaska Airlines, the Company intends to operate Alaska and Virgin America independently until a number of steps are completed, including review of the transaction by government agencies (DOT and DOJ), regulatory approval, and approval of shareholders. From the labor perspective, Virgin America Mechanics and Related Employees are non-union and Alaska employees are covered by their collective bargaining agreement and will continue to work separately until operations are integrated into a single entity, which is expected to happen in the 1st quarter of 2018. Operational integration will not be completed until there is an integration of seniority lists and negotiation of a single collective bargaining agreement covering the combined work group.

Under the contract covering AMFA employees at Alaska Airlines, as well as federal law, seniority integration will be accomplished utilizing a process first outlined in the Civil Aeronautics Board's decision in the Allegheny-Mohawk merger and the McCaskill-Bond Statute. Those processes call for the labor groups to first attempt to negotiate integration. If the parties are unable to reach a negotiated settlement, the matter is then subject to arbitration. Similarly, before complete integration of the work groups can be accomplished, AMFA and Alaska Airlines management will need to sit down to negotiate a single contract covering the combined group. Until then, the AMFA-Alaska Mechanic and Related Employees contract will remain in effect and will continue to proceed through the current negotiating process.

Thus, while the immediate employment situation at Alaska Airlines appears unaffected by the transaction, there may be events over the longer term that will need to be addressed with management. We went through this very process most recently with the Southwest/AirTran merger; therefore, we are very familiar with the intricacies of the procedures and I will be in continuous contact and communication as we move forward.

Be assured that your AMFA representatives will continue to monitor the transition to a merged Alaska-Virgin operation looking for any potential changes that may follow from the transaction announced today and being diligent to protect the rights of our Alaska Airlines members.

Sincerely,


Louie Key
National Director