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MITCHELL A. VASIN

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EDUCATION

Arizona Summit Law School, Phoenix, Arizona December 2013

Juris Doctor, Magna Cum Laude

Class Rank: 3 of 122

Honors: Order of the Quill

CALI Excellence for the Future Awards:

- Civil Procedure I, Property I, Constitutional Law II, Employment Law

Activities: Managing Editor, Phoenix Law Review - *Accord* Online Journal

Aviation Law Students Association, Vice-President & Founding Member

Jewish Law Students Association, Founding Chapter Member

Embry-Riddle Aeronautical University, Prescott, Arizona August 1996

Bachelor of Science in Aeronautical Science, Minor in Computer Science

Honors: Dean's List, multiple semesters

Activities: Academic Tutor & Teaching Assistant – Physics & Computer Science

Sigma Tau Gamma Fraternity, Vice-President of Programs

Volunteer, Yavapai Special Olympics

AVIATION EXPERIENCE

F.A.A. Certificates & Ratings

Airline Transport Pilot: *Airplane Multi-Engine Land; Airbus A320 series, Boeing B737, ATR 42/72*

Certified Flight Instructor: *Airplane Single & Multi Engine Land, Instrument*

First Class Medical Certificate

Flight Experience

Total Flight Time: 12,000 hours

Pilot In Command: 3,000 hours

Turbojet: 8,500 hours

LEGAL EXPERIENCE

Vasin Law Office, PLLC, Tempe, Arizona January 2015 - Present

Attorney At Law

Solo-practitioner family law and civil dispute practice, focused primarily on aviation-related matters and representing airline employees. Primary practice areas include: negotiation, drafting, and enforcement of contracts for aircraft maintenance and sale, dissolution (divorce), pre-marital agreements, and decree modification & enforcement.

Fisher & Phillips, LLP, Phoenix, Arizona April 2012 – December 2013

Law Clerk

National law firm representing employers in labor and employment matters. Engaged in various litigation-related duties, including organizing and coding discovery into case management software, and researching and composing portions of various substantive motions. Also assisted with composing and updating employee handbooks, hiring manuals, and human resource policy manuals.

Supreme Court of Arizona, Phoenix, Arizona

Summer 2011

Extern - Staff Attorneys' Office

Prepared objective legal memoranda for the Justices under supervision of court Staff Attorneys. Researched and composed legal memoranda for petitions for review, special action petitions, and rule change petitions, covering a variety of areas of procedural and substantive Arizona law, including: court rules, Arizona constitutional law, election challenges, criminal appeals, and tort law.

PROFESSIONAL EXPERIENCE

American Airlines, Phoenix, Arizona

March 2004 - Present

Airline Pilot

Serve as a first officer (co-pilot) for a scheduled major passenger airline, responsible for the safe, comfortable, and efficient operation of a 183-passenger airliner in operations throughout the United States, Canada, and Mexico. Execute scheduled airline flights with strict focus on passenger safety and comfort, compliance with Federal Aviation Regulations and company policies, and coordination of duties with other flight crew members, dispatchers, passenger service agents, and other company departments.

Airline Pilots Association

October 1999 – April 2008

Vice-Chairman, Master Executive Council

Twice elected by the union's governing body to serve as the vice-chairman of the bargaining unit that represented the 1800 pilots at America West Airlines. Primary duties included: oversight of committees (each performs a specialized function on behalf of the unit), oversight of the administration and enforcement of the pilot collective bargaining agreement, meeting and working with the airline's senior management team to resolve various flight safety and collective bargaining issues, representation of the airline's unit at the international level of the union, and serving in the chairman's capacity in his absence.

System Board of Adjustment

Worked on a 5-member panel with arbitrators to resolve labor agreement disputes, preparation for arbitration hearings with attorneys, participated in "executive sessions" between the Board members to craft decisions, and provided technical expertise to arbitrators for composing Board opinions.

Chairman, Grievance Committee

Managed a committee of pilot volunteers and paid professional staff (paralegals and attorneys) tasked with enforcement of the pilot collective bargaining agreement. Represented airline pilots at disciplinary hearings, investigated disciplinary and labor agreement grievances, and prepared evidence for and testified in arbitration hearings.

Chairman, Local Executive Council

Elected by a majority vote of a 600-pilot council to serve as their delegate to the governing body of the airline's bargaining unit. Oversaw specially-tasked committees, legislated union policy, called and chaired union meetings, and served as an advocate for airline pilots who faced a variety of career-related difficulties.

American Eagle Airlines, Chicago, Illinois & San Juan, Puerto Rico

October 1998 – March 2004

Airline Pilot

Served as a captain for a scheduled major passenger airline, responsible for the operation of aircraft throughout the United States, Canada, and the Caribbean. Responsible for all aspects of passenger and crew safety, and compliance with Federal Aviation Regulations. One year based in San Juan, Puerto Rico, flying to a variety of international destinations throughout the Caribbean.

45 USC Ch. 8: RAILWAY LABOR

From Title 45—RAILROADS

CHAPTER 8—RAILWAY LABOR

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SUBCHAPTER I—GENERAL PROVISIONS

§151. Definitions; short title

When used in this chapter and for the purposes of this chapter—

First. The term "carrier" includes any railroad subject to the jurisdiction of the Surface Transportation Board, any express company that would have been subject to subtitle IV of title 49, as of December 31, 1995,¹ and any company which is directly or indirectly owned or controlled by or under common control with any carrier by railroad and which operates any equipment or facilities or performs any service (other than trucking service) in connection with the transportation, receipt, delivery, elevation, transfer in transit, refrigeration or icing, storage, and handling of property transported by railroad, and any receiver, trustee, or other individual or body, judicial or otherwise, when in the possession of the business of any such "carrier": *Provided, however,* That the term "carrier" shall not include any street, interurban, or suburban electric railway, unless such railway is operating as a part of a general steam-railroad system of transportation, but shall not exclude any part of the general steam-

railroad system of transportation now or hereafter operated by any other motive power. The Surface Transportation Board is authorized and directed upon request of the Mediation Board or upon complaint of any party interested to determine after hearing whether any line operated by electric power falls within the terms of this proviso. The term "carrier" shall not include any company by reason of its being engaged in the mining of coal, the supplying of coal to a carrier where delivery is not beyond the mine tippie, and the operation of equipment or facilities therefor, or in any of such activities.

Second. The term "Adjustment Board" means the National Railroad Adjustment Board created by this chapter.

Third. The term "Mediation Board" means the National Mediation Board created by this chapter.

Fourth. The term "commerce" means commerce among the several States or between any State, Territory, or the District of Columbia and any foreign nation, or between any Territory or the District of Columbia and any State, or between any Territory and any other Territory, or between any Territory and the District of Columbia, or within any Territory or the District of Columbia, or between points in the same State but through any other State or any Territory or the District of Columbia or any foreign nation.

Fifth. The term "employee" as used herein includes every person in the service of a carrier (subject to its continuing authority to supervise and direct the manner of rendition of his service) who performs any work defined as that of an employee or subordinate official in the orders of the Surface Transportation Board now in effect, and as the same may be amended or interpreted by orders hereafter entered by the Board pursuant to the authority which is conferred upon it to enter orders amending or interpreting such existing orders: *Provided, however,* That no occupational classification made by order of the Surface Transportation Board shall be construed to define the crafts according to which railway employees may be organized by their voluntary action, nor shall the jurisdiction or powers of such employee organizations be regarded as in any way limited or defined by the provisions of this chapter or by the orders of the Board.

The term "employee" shall not include any individual while such individual is engaged in the physical operations consisting of the mining of coal, the preparation of coal, the handling (other than movement by rail with standard railroad locomotives) of coal not beyond the mine tippie, or the loading of coal at the tippie.

Sixth. The term "representative" means any person or persons, labor union, organization, or corporation designated either by a carrier or group of carriers or by its or their employees, to act for it or them.

Seventh. The term "district court" includes the United States District Court for the District of Columbia; and the term "court of appeals" includes the United States Court of Appeals for the District of Columbia.

This chapter may be cited as the "Railway Labor Act."

(May 20, 1926, ch. 347, §1, 44 Stat. 577; June 7, 1934, ch. 426, 48 Stat. 926; June 21, 1934, ch. 691, §1, 48 Stat. 1185; June 25, 1936, ch. 804, 49 Stat. 1921; Aug. 13, 1940, ch. 664, §§2, 3, 54 Stat. 785, 786; June 25, 1948, ch. 646, §32(a), (b), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107; Pub. L. 104–88, [title III, §322](#), [Dec. 29, 1995](#), 109 Stat. 950; Pub. L. 104–264, [title XII, §1223](#), [Oct. 9, 1996](#), 110 Stat. 3287.)

REFERENCES IN TEXT

This chapter, referred to in text, was in the original "this Act", meaning act May 20, 1926, ch. 347, 44 Stat. 577, as amended, known as the Railway Labor Act, which enacted this chapter and amended sections 225 and 348 of former Title 28, Judicial Code and Judiciary. Sections 225 and 348 of former Title 28 were repealed by section 39 of act June 25, 1948, ch. 646, 62 Stat. 992, section 1 of which enacted Title 28, Judiciary and Judicial Procedure. Section 225 of former Title 28 was reenacted as sections 1291 to 1294 of Title 28. For complete classification of this Act to the Code, see this section and Tables.

CODIFICATION

Provisions of act Aug. 13, 1940, §2, similar to those comprising par. First of this section, limiting the term "employer" as applied to mining, etc., of coal, were formerly contained in section 228a of this title. Provisions of section 3 of the act, similar to those comprising par. Fifth of this section, limiting the term "employee" as applied to mining, etc., of coal, were formerly contained in sections 228a, 261, and 351 of this title, and section 1532 of former Title 26, Internal Revenue Code, 1939.

As originally enacted, par. Seventh contained references to the Supreme Court of the District of Columbia. Act June 25, 1936 substituted "the district court of the United States for the District of Columbia" for "the Supreme Court of the District of Columbia", and act June 25, 1948, as amended by act May 24, 1949, substituted "United States District Court for the District of Columbia" for "district court of the United States for the District of Columbia".

As originally enacted, par. Seventh contained references to the "circuit court of appeals". Act June 25, 1948, as amended by act May 24, 1949, substituted "court of appeals" for "circuit court of appeals".

As originally enacted, par. Seventh contained references to the "Court of Appeals of the District of Columbia". Act June 7, 1934, substituted "United States Court of Appeals for the District of Columbia" for "Court of Appeals of the District of Columbia".

AMENDMENTS

1996—Par. First. Pub. L. 104–264 inserted ", any express company that would have been subject to subtitle IV of title 49, as of December 31, 1995," after "Board" the first place it appeared.

1995—Par. First. Pub. L. 104–88, §322(1), (2), substituted "railroad subject to the jurisdiction of the Surface Transportation Board" for "express company, sleeping-car company, carrier by railroad, subject to the Interstate Commerce Act" and "Surface Transportation Board" for "Interstate Commerce Commission".

Par. Fifth. Pub. L. 104–88, §322(2), (3), substituted "Surface Transportation Board" for "Interstate Commerce Commission" in two places and "Board" for "Commission" in two places.

1940—Act Aug. 13, 1940, inserted last sentence of par. First, and second par. of par. Fifth.

1934—Act June 21, 1934, added par. Sixth and redesignated provisions formerly set out as par. Sixth as Seventh.

EFFECTIVE DATE OF 1996 AMENDMENT

Except as otherwise specifically provided, amendment by Pub. L. 104–264 applicable only to fiscal years beginning after Sept. 30, 1996, and not to be construed as affecting funds made available for a fiscal year ending before Oct. 1, 1996, see section 3 of Pub. L. 104–264, set out as a note under section 106 of Title 49, Transportation.

EFFECTIVE DATE OF 1995 AMENDMENT

Amendment by Pub. L. 104–88 effective Jan. 1, 1996, see section 2 of Pub. L. 104–88, set out as an Effective Date note under section 701 of Title 49, Transportation.

RESTRICTION ON ESTABLISHMENT OF NEW ANNUITIES OR PENSIONS

Pub. L. 91–215, §7, Mar. 17, 1970, 84 Stat. 72, provided that: "No carrier and no representative of employees, as defined in section 1 of the Railway Labor Act [this section], shall, before April 1, 1974, utilize any of the procedures of such Act [this chapter], to seek to make any changes in the provisions of the Railroad Retirement Act of 1937 [section 228a et seq. of this title] for supplemental annuities or to establish any new class of pensions or annuities, other than annuities payable out of the Railroad Retirement Account provided under section 15(a) of the Railroad Retirement Act of 1937 [subsection (a) of section 228o of this title], to become effective prior to July 1, 1974; nor shall any such carrier or representative of employees until July 1, 1974, engage in any strike or lockout to seek to make any such changes or to establish any such new class of pensions or annuities: *Provided*, That nothing in this section shall inhibit any carrier or representative of employees from seeking any change with respect to benefits payable out of the Railroad Retirement Account provided under section 15(a) of the Railroad Retirement Act of 1937 [subsection (a) of section 228o of this title]."

SOCIAL INSURANCE AND LABOR RELATIONS OF RAILROAD COAL-MINING EMPLOYEES; RETROACTIVE OPERATION OF ACT AUGUST 13, 1940; EFFECT ON PAYMENTS, RIGHTS, ETC.

Sections 4–7 of act Aug. 13, 1940, as amended by Reorg. Plan No. 2 of 1946, §4, eff. July 16, 1946, 11 F.R. 7873, 60 Stat. 1095, with regard to the operation and effect of the laws amended, provided:

"SEC. 4. (a) The laws hereby expressly amended (section 1532 of Title 26, I.R.C. 1939 [former Title 26, Internal Revenue Code of 1939] and sections 151, 215, 228a, 261, and 351 of this title), the Social Security Act, approved August 14, 1935 (section 301 et seq. of Title 42), and all amendments thereto, shall operate as if each amendment herein contained had been enacted as a part of the law it amends, at the time of the original enactment of such law.

"(b) No person (as defined in the Carriers Taxing Act of 1937 [section 261 et seq. of this title]) shall be entitled, by reason of the provisions of this Act, to a refund of, or relief from liability for, any income or excise taxes paid or accrued, pursuant to the provisions of the Carriers Taxing Act of 1937 or subchapter B of chapter 9 of the Internal Revenue Code [section 1500 et seq. of former Title 26, Internal

Revenue Code of 1939], prior to the date of the enactment of this Act [Aug. 13, 1940] by reason of employment in the service of any carrier by railroad subject to part I of the Interstate Commerce Act [former 49 U.S.C. 1 et seq.], but any individual who has been employed in such service of any carrier by railroad subject to part I of the Interstate Commerce Act as is excluded by the amendments made by this Act from coverage under the Carriers Taxing Act of 1937 and subchapter B of chapter 9 of the Internal Revenue Code, and who has paid income taxes under the provisions of such Act or subchapter, and any carrier by railroad subject to part I of the Interstate Commerce Act which has paid excise taxes under the provisions of the Carriers Taxing Act of 1937 or subchapter B of chapter 9 of the Internal Revenue Code, may, upon making proper application therefor to the Bureau of Internal Revenue [now Internal Revenue Service], have the amount of taxes so paid applied in reduction of such tax liability with respect to employment, as may, by reason of the amendments made by this Act, accrue against them under the provisions of title VIII of the Social Security Act [section 1001 et seq. of Title 42] or the Federal Insurance Contributions Act (subchapter A of chapter 9 of the Internal Revenue Code) [section 1400 et seq. of former Title 26].

"(c) Nothing contained in this Act shall operate (1) to affect any annuity, pension, or death benefit granted under the Railroad Retirement Act of 1935 [section 215 et seq. of this title] or the Railroad Retirement Act of 1937 [section 228a et seq. of this title], prior to the date of enactment of this Act [Aug. 13, 1940], or (2) to include any of the services on the basis of which any such annuity or pension was granted, as employment within the meaning of section 210(b) of the Social Security Act or section 209(b) of such Act, as amended [sections 410(b) and 409(b), respectively, of Title 42]. In any case in which a death benefit alone has been granted, the amount of such death benefit attributable to services, coverage of which is affected by this Act, shall be deemed to have been paid to the deceased under section 204 of the Social Security Act [section 404 of Title 42] in effect prior to January 1, 1940, and deductions shall be made from any insurance benefit or benefits payable under the Social Security Act, as amended [section 301 et seq. of Title 42], with respect to wages paid to an individual for such services until such deductions total the amount of such death benefit attributable to such services.

"(d) Nothing contained in this Act shall operate to affect the benefit rights of any individual under the Railroad Unemployment Insurance Act [section 351 et seq. of this title] for any day of unemployment (as defined in section 1(k) of such Act [section 351(k) of this title]) occurring prior to the date of enactment of this Act. [Aug. 13, 1940]

"SEC. 5. Any application for payment filed with the Railroad Retirement Board prior to, or within sixty days after, the enactment of this Act shall, under such regulations as the Federal Security Administrator may prescribe, be deemed to be an application filed with the Federal Security Administrator by such individual or by any person claiming any payment with respect to the wages of such individual, under any provision of section 202 of the Social Security Act, as amended [section 402 of Title 42].

"SEC. 6. Nothing contained in this Act, nor the action of Congress in adopting it, shall be taken or considered as affecting the question of what carriers, companies, or individuals, other than those in this Act specifically provided for, are included in or excluded from the provisions of the various laws to which this Act is an amendment.

"SEC. 7. (a) Notwithstanding the provisions of section 1605(b) of the Internal Revenue Code [section 1605(b) of former Title 26, Internal Revenue Code of 1939], no interest shall, during the period February 1, 1940, to the eighty-ninth day after the date of enactment of this Act [Aug. 13, 1940], inclusive, accrue by reason of delinquency in the payment of the tax imposed by section 1600 with respect to services affected by this Act performed during the period July 1, 1939, to December 31, 1939, inclusive, with respect to which services amounts have been paid as contributions under the Railroad Unemployment Insurance Act [section 351 et seq. of this title] prior to the date of enactment of this Act.

"(b) Notwithstanding the provisions of section 1601(a)(3) of the Internal Revenue Code [section 1601(a)(3) of former Title 26, Internal Revenue Code of 1939], the credit allowable under section 1601(a) against the tax imposed by section 1600 for the calendar year 1939 shall not be disallowed or reduced by reason of the payment into a State unemployment fund after January 31, 1940, of contributions with respect to services affected by this Act performed during the period July 1, 1939, to December 31, 1939, inclusive, with respect to which services amounts have been paid as contributions under the Railroad Unemployment Insurance Act [section 351 et seq. of this title] prior to the date of enactment of this Act [Aug. 13, 1940]: *Provided*, That this subsection shall be applicable only if the contributions with respect to such services are paid into the State unemployment fund before the

ninetieth day after the date of enactment of this Act."

¹ *So in original.*

§151a. General purposes

The purposes of the chapter are: (1) To avoid any interruption to commerce or to the operation of any carrier engaged therein; (2) to forbid any limitation upon freedom of association among employees or any denial, as a condition of employment or otherwise, of the right of employees to join a labor organization; (3) to provide for the complete independence of carriers and of employees in the matter of self-organization to carry out the purposes of this chapter; (4) to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions; (5) to provide for the prompt and orderly settlement of all disputes growing out of grievances or out of the interpretation or application of agreements covering rates of pay, rules, or working conditions.

(May 20, 1926, ch. 347, §2, 44 Stat. 577; June 21, 1934, ch. 691, §2, 48 Stat. 1186.)

CODIFICATION

Section is comprised of the first sentence of section 2 of act May 20, 1926. The remainder of section 2 of act May 20, 1926, is classified to section 152 of this title.

AMENDMENTS

1934—Act June 21, 1934, reenacted provisions comprising this section without change.

§152. General duties

First. Duty of carriers and employees to settle disputes

It shall be the duty of all carriers, their officers, agents, and employees to exert every reasonable effort to make and maintain agreements concerning rates of pay, rules, and working conditions, and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce or to the operation of any carrier growing out of any dispute between the carrier and the employees thereof.

Second. Consideration of disputes by representatives

All disputes between a carrier or carriers and its or their employees shall be considered, and, if possible, decided, with all expedition, in conference between representatives designated and authorized so to confer, respectively, by the carrier or carriers and by the employees thereof interested in the dispute.

Third. Designation of representatives

Representatives, for the purposes of this chapter, shall be designated by the respective parties without interference, influence, or coercion by either party over the designation of representatives by the other; and neither party shall in any way interfere with, influence, or coerce the other in its choice of representatives. Representatives of employees for the purposes of this chapter need not be persons in the employ of the carrier, and no carrier shall, by interference, influence, or coercion seek in any manner to prevent the designation by its employees as their representatives of those who or which are not employees of the carrier.

Fourth. Organization and collective bargaining; freedom from interference by carrier; assistance in organizing or maintaining organization by carrier forbidden; deduction of dues from wages forbidden

Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this chapter. No carrier, its officers, or agents shall deny or in any way question the right of its employees to join, organize, or assist in organizing the labor organization of their choice, and it shall be unlawful for any carrier to interfere in any way with the organization of its employees, or to use the funds of the carrier in maintaining or assisting or contributing to any labor organization, labor representative, or other agency of collective bargaining, or in performing any work therefor, or to influence or coerce employees in an effort to induce them to join or remain or not to join or remain members of any labor organization, or to deduct from the wages of employees any dues, fees, assessments, or other contributions payable to labor organizations, or to collect or to assist in the collection of any such dues, fees, assessments, or

other contributions: *Provided*, That nothing in this chapter shall be construed to prohibit a carrier from permitting an employee, individually, or local representatives of employees from conferring with management during working hours without loss of time, or to prohibit a carrier from furnishing free transportation to its employees while engaged in the business of a labor organization.

Fifth. Agreements to join or not to join labor organizations forbidden

No carrier, its officers, or agents shall require any person seeking employment to sign any contract or agreement promising to join or not to join a labor organization; and if any such contract has been enforced prior to the effective date of this chapter, then such carrier shall notify the employees by an appropriate order that such contract has been discarded and is no longer binding on them in any way.

Sixth. Conference of representatives; time; place; private agreements

In case of a dispute between a carrier or carriers and its or their employees, arising out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, it shall be the duty of the designated representative or representatives of such carrier or carriers and of such employees, within ten days after the receipt of notice of a desire on the part of either party to confer in respect to such dispute, to specify a time and place at which such conference shall be held: *Provided*, (1) That the place so specified shall be situated upon the line of the carrier involved or as otherwise mutually agreed upon; and (2) that the time so specified shall allow the designated conferees reasonable opportunity to reach such place of conference, but shall not exceed twenty days from the receipt of such notice: *And provided further*, That nothing in this chapter shall be construed to supersede the provisions of any agreement (as to conferences) then in effect between the parties.

Seventh. Change in pay, rules, or working conditions contrary to agreement or to section 156 forbidden

No carrier, its officers, or agents shall change the rates of pay, rules, or working conditions of its employees, as a class, as embodied in agreements except in the manner prescribed in such agreements or in section 156 of this title.

Eighth. Notices of manner of settlement of disputes; posting

Every carrier shall notify its employees by printed notices in such form and posted at such times and places as shall be specified by the Mediation Board that all disputes between the carrier and its employees will be handled in accordance with the requirements of this chapter, and in such notices there shall be printed verbatim, in large type, the third, fourth, and fifth paragraphs of this section. The provisions of said paragraphs are made a part of the contract of employment between the carrier and each employee, and shall be held binding upon the parties, regardless of any other express or implied agreements between them.

Ninth. Disputes as to identity of representatives; designation by Mediation Board; secret elections

If any dispute shall arise among a carrier's employees as to who are the representatives of such employees designated and authorized in accordance with the requirements of this chapter, it shall be the duty of the Mediation Board, upon request of either party to the dispute, to investigate such dispute and to certify to both parties, in writing, within thirty days after the receipt of the invocation of its services, the name or names of the individuals or organizations that have been designated and authorized to represent the employees involved in the dispute, and certify the same to the carrier. Upon receipt of such certification the carrier shall treat with the representative so certified as the representative of the craft or class for the purposes of this chapter. In such an investigation, the Mediation Board shall be authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives in such manner as shall insure the choice of representatives by the employees without interference, influence, or coercion exercised by the carrier. In the conduct of any election for the purposes herein indicated the Board shall designate who may participate in the election and establish the rules to govern the election, or may appoint a committee of three neutral persons who after hearing shall within ten days designate the employees who may participate in the election. In any such election for which there are 3 or more options (including the option of not being represented by any labor organization) on the ballot and no such option receives a majority of the valid votes cast, the Mediation Board shall arrange for a second election between the options receiving the largest and the second largest number of votes. The Board shall have access to and have power to make copies of the books and records of the carriers to obtain and utilize such information as may be deemed necessary by it to carry out the purposes and provisions of this paragraph.

Tenth. Violations; prosecution and penalties

The willful failure or refusal of any carrier, its officers or agents, to comply with the terms of the third, fourth, fifth, seventh, or eighth paragraph of this section shall be a misdemeanor, and upon conviction thereof the carrier, officer, or agent offending shall be subject to a fine of not less than \$1,000, nor more than \$20,000, or imprisonment for not more than six months, or both fine and imprisonment, for each offense, and each day during

which such carrier, officer, or agent shall willfully fail or refuse to comply with the terms of the said paragraphs of this section shall constitute a separate offense. It shall be the duty of any United States attorney to whom any duly designated representative of a carrier's employees may apply to institute in the proper court and to prosecute under the direction of the Attorney General of the United States, all necessary proceedings for the enforcement of the provisions of this section, and for the punishment of all violations thereof and the costs and expenses of such prosecution shall be paid out of the appropriation for the expenses of the courts of the United States: *Provided*, That nothing in this chapter shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this chapter be construed to make the quitting of his labor by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent.

Eleventh. Union security agreements; check-off

Notwithstanding any other provisions of this chapter, or of any other statute or law of the United States, or Territory thereof, or of any State, any carrier or carriers as defined in this chapter and a labor organization or labor organizations duly designated and authorized to represent employees in accordance with the requirements of this chapter shall be permitted—

(a) to make agreements, requiring, as a condition of continued employment, that within sixty days following the beginning of such employment, or the effective date of such agreements, whichever is the later, all employees shall become members of the labor organization representing their craft or class: *Provided*, That no such agreement shall require such condition of employment with respect to employees to whom membership is not available upon the same terms and conditions as are generally applicable to any other member or with respect to employees to whom membership was denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership.

(b) to make agreements providing for the deduction by such carrier or carriers from the wages of its or their employees in a craft or class and payment to the labor organization representing the craft or class of such employees, of any periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership: *Provided*, That no such agreement shall be effective with respect to any individual employee until he shall have furnished the employer with a written assignment to the labor organization of such membership dues, initiation fees, and assessments, which shall be revocable in writing after the expiration of one year or upon the termination date of the applicable collective agreement, whichever occurs sooner.

(c) The requirement of membership in a labor organization in an agreement made pursuant to subparagraph (a) of this paragraph shall be satisfied, as to both a present or future employee in engine, train, yard, or hostling service, that is, an employee engaged in any of the services or capacities covered in the First division of paragraph (h) of section 153 of this title defining the jurisdictional scope of the First Division of the National Railroad Adjustment Board, if said employee shall hold or acquire membership in any one of the labor organizations, national in scope, organized in accordance with this chapter and admitting to membership employees of a craft or class in any of said services; and no agreement made pursuant to subparagraph (b) of this paragraph shall provide for deductions from his wages for periodic dues, initiation fees, or assessments payable to any labor organization other than that in which he holds membership: *Provided, however*, That as to an employee in any of said services on a particular carrier at the effective date of any such agreement on a carrier, who is not a member of any one of the labor organizations, national in scope, organized in accordance with this chapter and admitting to membership employees of a craft or class in any of said services, such employee, as a condition of continuing his employment, may be required to become a member of the organization representing the craft in which he is employed on the effective date of the first agreement applicable to him: *Provided, further*, That nothing herein or in any such agreement or agreements shall prevent an employee from changing membership from one organization to another organization admitting to membership employees of a craft or class in any of said services.

(d) Any provisions in paragraphs Fourth and Fifth of this section in conflict herewith are to the extent of such conflict amended.

Twelfth. Showing of interest for representation elections

The Mediation Board, upon receipt of an application requesting that an organization or individual be certified as the representative of any craft or class of employees, shall not direct an election or use any other method to determine who shall be the representative of such craft or class unless the Mediation Board determines that the application is supported by a showing of interest from not less than 50 percent of the employees in the craft or class.

(May 20, 1926, ch. 347, §2, 44 Stat. 577; June 21, 1934, ch. 691, §2, 48 Stat. 1186; June 25, 1948, ch. 646, §1, 62 Stat. 909; Jan. 10, 1951, ch. 1220, 64 Stat. 1238; Pub. L. 112-95, title X, §§1002, 1003, Feb. 14, 2012, 126

REFERENCES IN TEXT

The effective date of this chapter, referred to in par. Fifth, probably means May 20, 1926, the date of approval of act May 20, 1926, ch. 347, 44 Stat. 577.

CODIFICATION

Section is comprised of pars. designated First to Twelfth of section 2 of act May 20, 1926. The remainder of section 2 of act May 20, 1926, is classified to section 151a of this title.

AMENDMENTS

2012—Pub. L. 112–95, §1002, in par. Ninth, inserted after fourth sentence "In any such election for which there are 3 or more options (including the option of not being represented by any labor organization) on the ballot and no such option receives a majority of the valid votes cast, the Mediation Board shall arrange for a second election between the options receiving the largest and the second largest number of votes."

Pub. L. 112–95, §1003, added par. Twelfth.

1951—Act Jan. 10, 1951, added par. Eleventh.

1934—Act June 21, 1934, substituted "by the carrier or carriers" for "by the carriers" in par. Second, generally amended pars. Third, Fourth, and Fifth, and added pars. Sixth to Tenth.

CHANGE OF NAME

Act June 25, 1948, eff. Sept. 1, 1948, substituted "United States attorney" for "district attorney of the United States". See section 541 of Title 28, Judiciary and Judicial Procedure, and Historical and Revision Notes thereunder.

§153. National Railroad Adjustment Board

First. Establishment; composition; powers and duties; divisions; hearings and awards; judicial review

There is established a Board, to be known as the "National Railroad Adjustment Board", the members of which shall be selected within thirty days after June 21, 1934, and it is provided—

(a) That the said Adjustment Board shall consist of thirty-four members, seventeen of whom shall be selected by the carriers and seventeen by such labor organizations of the employees, national in scope, as have been or may be organized in accordance with the provisions of sections 151a and 152 of this title.

(b) The carriers, acting each through its board of directors or its receiver or receivers, trustee or trustees, or through an officer or officers designated for that purpose by such board, trustee or trustees, or receiver or receivers, shall prescribe the rules under which its representatives shall be selected and shall select the representatives of the carriers on the Adjustment Board and designate the division on which each such representative shall serve, but no carrier or system of carriers shall have more than one voting representative on any division of the Board.

(c) Except as provided in the second paragraph of subsection (h) of this section, the national labor organizations, as defined in paragraph (a) of this section, acting each through the chief executive or other medium designated by the organization or association thereof, shall prescribe the rules under which the labor members of the Adjustment Board shall be selected and shall select such members and designate the division on which each member shall serve; but no labor organization shall have more than one voting representative on any division of the Board.

(d) In case of a permanent or temporary vacancy on the Adjustment Board, the vacancy shall be filled by selection in the same manner as in the original selection.

(e) If either the carriers or the labor organizations of the employees fail to select and designate representatives to the Adjustment Board, as provided in paragraphs (b) and (c) of this section, respectively, within sixty days after June 21, 1934, in case of any original appointment to office of a member of the Adjustment Board, or in case of a vacancy in any such office within thirty days after such vacancy occurs, the Mediation Board shall thereupon directly make the appointment and shall select an individual associated in interest with the carriers or the group of labor organizations of employees, whichever he is to represent.

(f) In the event a dispute arises as to the right of any national labor organization to participate as per paragraph (c) of this section in the selection and designation of the labor members of the Adjustment Board, the Secretary of Labor shall investigate the claim of such labor organization to participate, and if such claim in the judgment of the

Secretary of Labor has merit, the Secretary shall notify the Mediation Board accordingly, and within ten days after receipt of such advice the Mediation Board shall request those national labor organizations duly qualified as per paragraph (c) of this section to participate in the selection and designation of the labor members of the Adjustment Board to select a representative. Such representative, together with a representative likewise designated by the claimant, and a third or neutral party designated by the Mediation Board, constituting a board of three, shall within thirty days after the appointment of the neutral member, investigate the claims of the labor organization desiring participation and decide whether or not it was organized in accordance with sections 151a and 152 of this title and is otherwise properly qualified to participate in the selection of the labor members of the Adjustment Board, and the findings of such boards of three shall be final and binding.

(g) Each member of the Adjustment Board shall be compensated by the party or parties he is to represent. Each third or neutral party selected under the provisions of paragraph (f) of this section shall receive from the Mediation Board such compensation as the Mediation Board may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while serving as such third or neutral party.

(h) The said Adjustment Board shall be composed of four divisions, whose proceedings shall be independent of one another, and the said divisions as well as the number of their members shall be as follows:

First division: To have jurisdiction over disputes involving train- and yard-service employees of carriers; that is, engineers, firemen, hostlers, and outside hostler helpers, conductors, trainmen, and yard-service employees. This division shall consist of eight members, four of whom shall be selected and designated by the carriers and four of whom shall be selected and designated by the labor organizations, national in scope and organized in accordance with sections 151a and 152 of this title and which represent employees in engine, train, yard, or hostling service: *Provided, however,* That each labor organization shall select and designate two members on the First Division and that no labor organization shall have more than one vote in any proceedings of the First Division or in the adoption of any award with respect to any dispute submitted to the First Division: *Provided further, however,* That the carrier members of the First Division shall cast no more than two votes in any proceedings of the division or in the adoption of any award with respect to any dispute submitted to the First Division.

Second division: To have jurisdiction over disputes involving machinists, boilermakers, blacksmiths, sheet-metal workers, electrical workers, carmen, the helpers and apprentices of all the foregoing, coach cleaners, power-house employees, and railroad-shop laborers. This division shall consist of ten members, five of whom shall be selected by the carriers and five by the national labor organizations of the employees.

Third division: To have jurisdiction over disputes involving station, tower, and telegraph employees, train dispatchers, maintenance-of-way men, clerical employees, freight handlers, express, station, and store employees, signal men, sleeping-car conductors, sleeping-car porters, and maids and dining-car employees. This division shall consist of ten members, five of whom shall be selected by the carriers and five by the national labor organizations of employees.

Fourth division: To have jurisdiction over disputes involving employees of carriers directly or indirectly engaged in transportation of passengers or property by water, and all other employees of carriers over which jurisdiction is not given to the first, second, and third divisions. This division shall consist of six members, three of whom shall be selected by the carriers and three by the national labor organizations of the employees.

(i) The disputes between an employee or group of employees and a carrier or carriers growing out of grievances or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on June 21, 1934, shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to the appropriate division of the Adjustment Board with a full statement of the facts and all supporting data bearing upon the disputes.

(j) Parties may be heard either in person, by counsel, or by other representatives, as they may respectively elect, and the several divisions of the Adjustment Board shall give due notice of all hearings to the employee or employees and the carrier or carriers involved in any disputes submitted to them.

(k) Any division of the Adjustment Board shall have authority to empower two or more of its members to conduct hearings and make findings upon disputes, when properly submitted, at any place designated by the division: *Provided, however,* That except as provided in paragraph (h) of this section, final awards as to any such dispute must be made by the entire division as hereinafter provided.

(l) Upon failure of any division to agree upon an award because of a deadlock or inability to secure a majority vote of the division members, as provided in paragraph (n) of this section, then such division shall forthwith agree upon and select a neutral person, to be known as "referee", to sit with the division as a member thereof, and make an award. Should the division fail to agree upon and select a referee within ten days of the date of the deadlock or inability to secure a majority vote, then the division, or any member thereof, or the parties or either party to the dispute may certify that fact to the Mediation Board, which Board shall, within ten days from the date

of receiving such certificate, select and name the referee to sit with the division as a member thereof and make an award. The Mediation Board shall be bound by the same provisions in the appointment of these neutral referees as are provided elsewhere in this chapter for the appointment of arbitrators and shall fix and pay the compensation of such referees.

(m) The awards of the several divisions of the Adjustment Board shall be stated in writing. A copy of the awards shall be furnished to the respective parties to the controversy, and the awards shall be final and binding upon both parties to the dispute. In case a dispute arises involving an interpretation of the award, the division of the board upon request of either party shall interpret the award in the light of the dispute.

(n) A majority vote of all members of the division of the Adjustment Board eligible to vote shall be competent to make an award with respect to any dispute submitted to it.

(o) In case of an award by any division of the Adjustment Board in favor of petitioner, the division of the Board shall make an order, directed to the carrier, to make the award effective and, if the award includes a requirement for the payment of money, to pay to the employee the sum to which he is entitled under the award on or before a day named. In the event any division determines that an award favorable to the petitioner should not be made in any dispute referred to it, the division shall make an order to the petitioner stating such determination.

(p) If a carrier does not comply with an order of a division of the Adjustment Board within the time limit in such order, the petitioner, or any person for whose benefit such order was made, may file in the District Court of the United States for the district in which he resides or in which is located the principal operating office of the carrier, or through which the carrier operates, a petition setting forth briefly the causes for which he claims relief, and the order of the division of the Adjustment Board in the premises. Such suit in the District Court of the United States shall proceed in all respects as other civil suits, except that on the trial of such suit the findings and order of the division of the Adjustment Board shall be conclusive on the parties, and except that the petitioner shall not be liable for costs in the district court nor for costs at any subsequent stage of the proceedings, unless they accrue upon his appeal, and such costs shall be paid out of the appropriation for the expenses of the courts of the United States. If the petitioner shall finally prevail he shall be allowed a reasonable attorney's fee, to be taxed and collected as a part of the costs of the suit. The district courts are empowered, under the rules of the court governing actions at law, to make such order and enter such judgment, by writ of mandamus or otherwise, as may be appropriate to enforce or set aside the order of the division of the Adjustment Board: *Provided, however,* That such order may not be set aside except for failure of the division to comply with the requirements of this chapter, for failure of the order to conform, or confine itself, to matters within the scope of the division's jurisdiction, or for fraud or corruption by a member of the division making the order.

(q) If any employee or group of employees, or any carrier, is aggrieved by the failure of any division of the Adjustment Board to make an award in a dispute referred to it, or is aggrieved by any of the terms of an award or by the failure of the division to include certain terms in such award, then such employee or group of employees or carrier may file in any United States district court in which a petition under paragraph (p) could be filed, a petition for review of the division's order. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Adjustment Board. The Adjustment Board shall file in the court the record of the proceedings on which it based its action. The court shall have jurisdiction to affirm the order of the division, or to set it aside, in whole or in part, or it may remand the proceedings to the division for such further action as it may direct. On such review, the findings and order of the division shall be conclusive on the parties, except that the order of the division may be set aside, in whole or in part, or remanded to the division, for failure of the division to comply with the requirements of this chapter, for failure of the order to conform, or confine itself, to matters within the scope of the division's jurisdiction, or for fraud or corruption by a member of the division making the order. The judgment of the court shall be subject to review as provided in sections 1291 and 1254 of title 28.

(r) All actions at law based upon the provisions of this section shall be begun within two years from the time the cause of action accrues under the award of the division of the Adjustment Board, and not after.

(s) The several divisions of the Adjustment Board shall maintain headquarters in Chicago, Illinois, meet regularly, and continue in session so long as there is pending before the division any matter within its jurisdiction which has been submitted for its consideration and which has not been disposed of.

(t) Whenever practicable, the several divisions or subdivisions of the Adjustment Board shall be supplied with suitable quarters in any Federal building located at its place of meeting.

(u) The Adjustment Board may, subject to the approval of the Mediation Board, employ and fix the compensations of such assistants as it deems necessary in carrying on its proceedings. The compensation of such employees shall be paid by the Mediation Board.

(v) The Adjustment Board shall meet within forty days after June 21, 1934, and adopt such rules as it deems necessary to control proceedings before the respective divisions and not in conflict with the provisions of this section. Immediately following the meeting of the entire Board and the adoption of such rules, the respective divisions shall meet and organize by the selection of a chairman, a vice chairman, and a secretary. Thereafter each division shall annually designate one of its members to act as chairman and one of its members to act as

vice chairman: *Provided, however,* That the chairmanship and vice-chairmanship of any division shall alternate as between the groups, so that both the chairmanship and vice-chairmanship shall be held alternately by a representative of the carriers and a representative of the employees. In case of a vacancy, such vacancy shall be filled for the unexpired term by the selection of a successor from the same group.

(w) Each division of the Adjustment Board shall annually prepare and submit a report of its activities to the Mediation Board, and the substance of such report shall be included in the annual report of the Mediation Board to the Congress of the United States. The reports of each division of the Adjustment Board and the annual report of the Mediation Board shall state in detail all cases heard, all actions taken, the names, salaries, and duties of all agencies, employees, and officers receiving compensation from the United States under the authority of this chapter, and an account of all moneys appropriated by Congress pursuant to the authority conferred by this chapter and disbursed by such agencies, employees, and officers.

(x) Any division of the Adjustment Board shall have authority, in its discretion, to establish regional adjustment boards to act in its place and stead for such limited period as such division may determine to be necessary. Carrier members of such regional boards shall be designated in keeping with rules devised for this purpose by the carrier members of the Adjustment Board and the labor members shall be designated in keeping with rules devised for this purpose by the labor members of the Adjustment Board. Any such regional board shall, during the time for which it is appointed, have the same authority to conduct hearings, make findings upon disputes and adopt the same procedure as the division of the Adjustment Board appointing it, and its decisions shall be enforceable to the same extent and under the same processes. A neutral person, as referee, shall be appointed for service in connection with any such regional adjustment board in the same circumstances and manner as provided in paragraph (l) of this section, with respect to a division of the Adjustment Board.

Second. System, group, or regional boards: establishment by voluntary agreement; special adjustment boards: establishment, composition, designation of representatives by Mediation Board, neutral member, compensation, quorum, finality and enforcement of awards

Nothing in this section shall be construed to prevent any individual carrier, system, or group of carriers and any class or classes of its or their employees, all acting through their representatives, selected in accordance with the provisions of this chapter, from mutually agreeing to the establishment of system, group, or regional boards of adjustment for the purpose of adjusting and deciding disputes of the character specified in this section. In the event that either party to such a system, group, or regional board of adjustment is dissatisfied with such arrangement, it may upon ninety days' notice to the other party elect to come under the jurisdiction of the Adjustment Board.

If written request is made upon any individual carrier by the representative of any craft or class of employees of such carrier for the establishment of a special board of adjustment to resolve disputes otherwise referable to the Adjustment Board, or any dispute which has been pending before the Adjustment Board for twelve months from the date the dispute (claim) is received by the Board, or if any carrier makes such a request upon any such representative, the carrier or the representative upon whom such request is made shall join in an agreement establishing such a board within thirty days from the date such request is made. The cases which may be considered by such board shall be defined in the agreement establishing it. Such board shall consist of one person designated by the carrier and one person designated by the representative of the employees. If such carrier or such representative fails to agree upon the establishment of such a board as provided herein, or to exercise its rights to designate a member of the board, the carrier or representative making the request for the establishment of the special board may request the Mediation Board to designate a member of the special board on behalf of the carrier or representative upon whom such request was made. Upon receipt of a request for such designation the Mediation Board shall promptly make such designation and shall select an individual associated in interest with the carrier or representative he is to represent, who, with the member appointed by the carrier or representative requesting the establishment of the special board, shall constitute the board. Each member of the board shall be compensated by the party he is to represent. The members of the board so designated shall determine all matters not previously agreed upon by the carrier and the representative of the employees with respect to the establishment and jurisdiction of the board. If they are unable to agree such matters shall be determined by a neutral member of the board selected or appointed and compensated in the same manner as is hereinafter provided with respect to situations where the members of the board are unable to agree upon an award. Such neutral member shall cease to be a member of the board when he has determined such matters. If with respect to any dispute or group of disputes the members of the board designated by the carrier and the representative are unable to agree upon an award disposing of the dispute or group of disputes they shall by mutual agreement select a neutral person to be a member of the board for the consideration and disposition of such dispute or group of disputes. In the event the members of the board designated by the parties are unable, within ten days after their failure to agree upon an award, to agree upon the selection of such neutral person, either member of the board may request the Mediation Board to appoint such neutral person and upon receipt of such request the Mediation Board shall promptly make such appointment. The neutral person so selected or

appointed shall be compensated and reimbursed for expenses by the Mediation Board. Any two members of the board shall be competent to render an award. Such awards shall be final and binding upon both parties to the dispute and if in favor of the petitioner, shall direct the other party to comply therewith on or before the day named. Compliance with such awards shall be enforceable by proceedings in the United States district courts in the same manner and subject to the same provisions that apply to proceedings for enforcement of compliance with awards of the Adjustment Board.

(May 20, 1926, ch. 347, §3, 44 Stat. 578; June 21, 1934, ch. 691, §3, 48 Stat. 1189; Pub. L. 89-456, §§1, 2, June 20, 1966, 80 Stat. 208, 209; Pub. L. 91-234, §§1-6, Apr. 23, 1970, 84 Stat. 199, 200.)

AMENDMENTS

1970—Par. First, (a). Pub. L. 91-234, §1, substituted "thirty-four members, seventeen of whom shall be selected by the carriers and seventeen" for "thirty-six members, eighteen of whom shall be selected by the carriers and eighteen".

Par. First, (b). Pub. L. 91-234, §2, provided that no carrier or system of carriers have more than one voting representative on any division of the National Railroad Adjustment Board.

Par. First, (c). Pub. L. 91-234, §3, inserted "Except as provided in the second paragraph of subsection (h) of this section" before "the national labor organizations", and provided that no labor organization have more than one voting representative on any division of the National Railroad Adjustment Board.

Par. First, (h). Pub. L. 91-234, §4, decreased number of members on First division of Board from ten to eight members, with an accompanying decrease of five to four as number of members of such Board elected respectively by the carriers and by the national labor organizations satisfying the enumerated requirements, and set forth provisos which limited voting by each labor organization or carrier member in any proceedings of the division or in adoption of any award.

Par. First, (k). Pub. L. 91-234, §5, inserted "except as provided in paragraph (h) of this section" after proviso.

Par. First, (n). Pub. L. 91-234, §6, inserted "eligible to vote" after "Adjustment Board".

1966—Par. First, (m). Pub. L. 89-456, §2(a), struck out ", except insofar as they shall contain a money award" from second sentence.

Par. First, (o). Pub. L. 89-456, §2(b), inserted provision for a division to make an order to the petitioner stating that an award favorable to the petitioner should not be made in any dispute referred to it.

Par. First, (p). Pub. L. 89-456, §2(c), (d), substituted in second sentence "conclusive on the parties" for "prima facie evidence of the facts therein stated" and inserted in last sentence reasons for setting aside orders of a division of the Adjustment Board, respectively.

Par. First, (q) to (x). Pub. L. 89-456, §2(e), added par. (q) and redesignated former pars. (q) to (w) as (r) to (x), respectively.

Par. Second. Pub. L. 89-456, §1, provided for establishment of special adjustment boards upon request of employees or carriers to resolve disputes otherwise referable to the Adjustment Board and made awards of such boards final.

1934—Act June 21, 1934, amended provisions comprising this section generally.

§154. National Mediation Board

First. Board of Mediation abolished; National Mediation Board established; composition; term of office; qualifications; salaries; removal

The Board of Mediation is abolished, effective thirty days from June 21, 1934, and the members, secretary, officers, assistants, employees, and agents thereof, in office upon June 21, 1934, shall continue to function and receive their salaries for a period of thirty days from such date in the same manner as though this chapter had not been passed. There is established, as an independent agency in the executive branch of the Government, a board to be known as the "National Mediation Board", to be composed of three members appointed by the President, by and with the advice and consent of the Senate, not more than two of whom shall be of the same political party. Each member of the Mediation Board in office on January 1, 1965, shall be deemed to have been appointed for a term of office which shall expire on July 1 of the year his term would have otherwise expired. The terms of office of all successors shall expire three years after the expiration of the terms for which their predecessors were appointed; but any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed only for the unexpired term of his predecessor. Vacancies in the

Board shall not impair the powers nor affect the duties of the Board nor of the remaining members of the Board. Two of the members in office shall constitute a quorum for the transaction of the business of the Board. Each member of the Board shall receive necessary traveling and subsistence expenses, or per diem allowance in lieu thereof, subject to the provisions of law applicable thereto, while away from the principal office of the Board on business required by this chapter. No person in the employment of or who is pecuniarily or otherwise interested in any organization of employees or any carrier shall enter upon the duties of or continue to be a member of the Board. Upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified.

All cases referred to the Board of Mediation and unsettled on June 21, 1934, shall be handled to conclusion by the Mediation Board.

A member of the Board may be removed by the President for inefficiency, neglect of duty, malfeasance in office, or ineligibility, but for no other cause.

Second. Chairman; principal office; delegation of powers; oaths; seal; report

The Mediation Board shall annually designate a member to act as chairman. The Board shall maintain its principal office in the District of Columbia, but it may meet at any other place whenever it deems it necessary so to do. The Board may designate one or more of its members to exercise the functions of the Board in mediation proceedings. Each member of the Board shall have power to administer oaths and affirmations. The Board shall have a seal which shall be judicially noticed. The Board shall make an annual report to Congress.

Third. Appointment of experts and other employees; salaries of employees; expenditures

The Mediation Board may (1) subject to the provisions of the civil service laws, appoint such experts and assistants to act in a confidential capacity and such other officers and employees as are essential to the effective transaction of the work of the Board; (2) in accordance with chapter 51 and subchapter III of chapter 53 of title 5, fix the salaries of such experts, assistants, officers, and employees; and (3) make such expenditures (including expenditures for rent and personal services at the seat of government and elsewhere, for law books, periodicals, and books of reference, and for printing and binding, and including expenditures for salaries and compensation, necessary traveling expenses and expenses actually incurred for subsistence, and other necessary expenses of the Mediation Board, Adjustment Board, Regional Adjustment Boards established under paragraph (w) of section 153 of this title, and boards of arbitration, in accordance with the provisions of this section and sections 153 and 157 of this title, respectively), as may be necessary for the execution of the functions vested in the Board, in the Adjustment Board and in the boards of arbitration, and as may be provided for by the Congress from time to time. All expenditures of the Board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

Fourth. Delegation of powers and duties

The Mediation Board is authorized by its order to assign, or refer, any portion of its work, business, or functions arising under this chapter or any other Act of Congress, or referred to it by Congress or either branch thereof, to an individual member of the Board or to an employee or employees of the Board to be designated by such order for action thereon, and by its order at any time to amend, modify, supplement, or rescind any such assignment or reference. All such orders shall take effect forthwith and remain in effect until otherwise ordered by the Board. In conformity with and subject to the order or orders of the Mediation Board in the premises, [and] such individual member of the Board or employee designated shall have power and authority to act as to any of said work, business, or functions so assigned or referred to him for action by the Board.

Fifth. Transfer of officers and employees of Board of Mediation; transfer of appropriation

All officers and employees of the Board of Mediation (except the members thereof, whose offices are abolished) whose services in the judgment of the Mediation Board are necessary to the efficient operation of the Board are transferred to the Board, without change in classification or compensation; except that the Board may provide for the adjustment of such classification or compensation to conform to the duties to which such officers and employees may be assigned.

All unexpended appropriations for the operation of the Board of Mediation that are available at the time of the abolition of the Board of Mediation shall be transferred to the Mediation Board and shall be available for its use for salaries and other authorized expenditures.

(May 20, 1926, ch. 347, §4, 44 Stat. 579; June 21, 1934, ch. 691, §4, 48 Stat. 1193; Oct. 28, 1949, ch. 782, title XI, §1106(a), 63 Stat. 972; Pub. L. 88-542, Aug. 31, 1964, 78 Stat. 748.)

CODIFICATION

In par. First, provisions that prescribed the basis compensation of members of the Board were omitted to conform to the provisions of the Executive Schedule. See sections 5314 and 5315 of Title 5,

Government Organization and Employees.

In par. Third, "subject to the provisions of the civil service laws, appoint such experts and assistants to act in a confidential capacity and such other officers and employees" substituted for "appoint such experts and assistants to act in a confidential capacity and, subject to the provisions of the civil-service laws, such other officers and employees". All such appointments are now subject to the civil service laws unless specifically excepted by such laws or by laws enacted subsequent to Executive Order 8743, Apr. 23, 1941, issued by the President pursuant to the Act of Nov. 26, 1940, ch. 919, title I, §1, 54 Stat. 1211, which covered most excepted positions into the classified (competitive) civil service. The Order is set out as a note under section 3301 of Title 5.

In par. Third, "chapter 51 and subchapter III of chapter 53 of title 5" substituted for "the Classification Act of 1949, as amended" on authority of Pub. L. 89-554, §7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5.

AMENDMENTS

1964—Par. First. Pub. L. 88-542 inserted sentences providing that each member of the Board in office on Jan. 1, 1965, shall be deemed to have been appointed for a term of office which shall expire on July 1 of the year his term would have otherwise expired, and that upon the expiration of his term of office a member shall continue to serve until his successor is appointed and shall have qualified, and struck out provisions which related to terms of office of members first appointed.

1949—Par. First. Act Oct. 15, 1949, increased basic rate of compensation for members of the board to \$15,000 per year.

Par. Third. Act Oct. 28, 1949, substituted "Classification Act of 1949" for "Classification Act of 1923".

1934—Act June 21, 1934, amended section generally.

REPEALS

Act Oct. 28, 1949, ch. 782, cited as a credit to this section, was repealed (subject to a savings clause) by Pub. L. 89-554, Sept. 6, 1966, §8, 80 Stat. 632, 655.

TERMINATION OF REPORTING REQUIREMENTS

For termination, effective May 15, 2000, of provisions in par. Second relating to the requirement that the Board make an annual report to Congress, see section 3003 of Pub. L. 104-66, as amended, set out as a note under section 1113 of Title 31, Money and Finance, and the 6th item on page 184 of House Document No. 103-7.

§155. Functions of Mediation Board

First. Disputes within jurisdiction of Mediation Board

The parties, or either party, to a dispute between an employee or group of employees and a carrier may invoke the services of the Mediation Board in any of the following cases:

(a) A dispute concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference.

(b) Any other dispute not referable to the National Railroad Adjustment Board and not adjusted in conference between the parties or where conferences are refused.

The Mediation Board may proffer its services in case any labor emergency is found by it to exist at any time.

In either event the said Board shall promptly put itself in communication with the parties to such controversy, and shall use its best efforts, by mediation, to bring them to agreement. If such efforts to bring about an amicable settlement through mediation shall be unsuccessful, the said Board shall at once endeavor as its final required action (except as provided in paragraph third of this section and in section 160 of this title) to induce the parties to submit their controversy to arbitration, in accordance with the provisions of this chapter.

If arbitration at the request of the Board shall be refused by one or both parties, the Board shall at once notify both parties in writing that its mediatory efforts have failed and for thirty days thereafter, unless in the intervening period the parties agree to arbitration, or an emergency board shall be created under section 160 of this title, no change shall be made in the rates of pay, rules, or working conditions or established practices in effect prior to the time the dispute arose.

Second. Interpretation of agreement

In any case in which a controversy arises over the meaning or the application of any agreement reached through mediation under the provisions of this chapter, either party to the said agreement, or both, may apply to the Mediation Board for an interpretation of the meaning or application of such agreement. The said Board shall upon receipt of such request notify the parties to the controversy, and after a hearing of both sides give its interpretation within thirty days.

Third. Duties of Board with respect to arbitration of disputes; arbitrators; acknowledgment of agreement; notice to arbitrators; reconvening of arbitrators; filing contracts with Board; custody of records and documents

The Mediation Board shall have the following duties with respect to the arbitration of disputes under section 157 of this title:

(a) On failure of the arbitrators named by the parties to agree on the remaining arbitrator or arbitrators within the time set by section 157 of this title, it shall be the duty of the Mediation Board to name such remaining arbitrator or arbitrators. It shall be the duty of the Board in naming such arbitrator or arbitrators to appoint only those whom the Board shall deem wholly disinterested in the controversy to be arbitrated and impartial and without bias as between the parties to such arbitration. Should, however, the Board name an arbitrator or arbitrators not so disinterested and impartial, then, upon proper investigation and presentation of the facts, the Board shall promptly remove such arbitrator.

If an arbitrator named by the Mediation Board, in accordance with the provisions of this chapter, shall be removed by such Board as provided by this chapter, or if such an arbitrator refuses or is unable to serve, it shall be the duty of the Mediation Board, promptly, to select another arbitrator, in the same manner as provided in this chapter for an original appointment by the Mediation Board.

(b) Any member of the Mediation Board is authorized to take the acknowledgement of an agreement to arbitrate under this chapter. When so acknowledged, or when acknowledged by the parties before a notary public or the clerk of a district court or a court of appeals of the United States, such agreement to arbitrate shall be delivered to a member of said Board or transmitted to said Board, to be filed in its office.

(c) When an agreement to arbitrate has been filed with the Mediation Board, or with one of its members, as provided by this section, and when the said Board has been furnished the names of the arbitrators chosen by the parties to the controversy it shall be the duty of the Board to cause a notice in writing to be served upon said arbitrators, notifying them of their appointment, requesting them to meet promptly to name the remaining arbitrator or arbitrators necessary to complete the Board of Arbitration, and advising them of the period within which, as provided by the agreement to arbitrate, they are empowered to name such arbitrator or arbitrators.

(d) Either party to an arbitration desiring the reconvening of a board of arbitration to pass upon any controversy arising over the meaning or application of an award may so notify the Mediation Board in writing, stating in such notice the question or questions to be submitted to such reconvened Board. The Mediation Board shall thereupon promptly communicate with the members of the Board of Arbitration, or a subcommittee of such Board appointed for such purpose pursuant to a provision in the agreement to arbitrate, and arrange for the reconvening of said Board of Arbitration or subcommittee, and shall notify the respective parties to the controversy of the time and place at which the Board, or the subcommittee, will meet for hearings upon the matters in controversy to be submitted to it. No evidence other than that contained in the record filed with the original award shall be received or considered by such reconvened Board or subcommittee, except such evidence as may be necessary to illustrate the interpretations suggested by the parties. If any member of the original Board is unable or unwilling to serve on such reconvened Board or subcommittee thereof, another arbitrator shall be named in the same manner and with the same powers and duties as such original arbitrator.

(e) Within sixty days after June 21, 1934, every carrier shall file with the Mediation Board a copy of each contract with its employees in effect on the 1st day of April 1934, covering rates of pay, rules, and working conditions. If no contract with any craft or class of its employees has been entered into, the carrier shall file with the Mediation Board a statement of that fact, including also a statement of the rates of pay, rules, and working conditions applicable in dealing with such craft or class. When any new contract is executed or change is made in an existing contract with any class or craft of its employees covering rates of pay, rules, or working conditions, or in those rates of pay, rules, and working conditions of employees not covered by contract, the carrier shall file the same with the Mediation Board within thirty days after such new contract or change in existing contract has been executed or rates of pay, rules, and working conditions have been made effective.

(f) The Mediation Board shall be the custodian of all papers and documents heretofore filed with or transferred to the Board of Mediation bearing upon the settlement, adjustment, or determination of disputes between carriers and their employees or upon mediation or arbitration proceedings held under or pursuant to the provisions of any Act of Congress in respect thereto; and the President is authorized to designate a custodian of the records and property of the Board of Mediation until the transfer and delivery of such records to the Mediation Board and to require the transfer and delivery to the Mediation Board of any and all such papers and documents filed with it or in its possession.

(May 20, 1926, ch. 347, §5, 44 Stat. 580; June 21, 1934, ch. 691, §5, 48 Stat. 1195; June 25, 1948, ch. 646, §32(a), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107.)

CODIFICATION

As originally enacted, par. Third (b) contained a reference to the "circuit court of appeals". Act June 25, 1948, as amended by act May 24, 1949 substituted "court of appeals" for "circuit court of appeals".

AMENDMENTS

1934—Act June 21, 1934, amended generally par. First and par. Second, (e) and (f).

§156. Procedure in changing rates of pay, rules, and working conditions

Carriers and representatives of the employees shall give at least thirty days' written notice of an intended change in agreements affecting rates of pay, rules, or working conditions, and the time and place for the beginning of conference between the representatives of the parties interested in such intended changes shall be agreed upon within ten days after the receipt of said notice, and said time shall be within the thirty days provided in the notice. In every case where such notice of intended change has been given, or conferences are being held with reference thereto, or the services of the Mediation Board have been requested by either party, or said Board has proffered its services, rates of pay, rules, or working conditions shall not be altered by the carrier until the controversy has been finally acted upon, as required by section 155 of this title, by the Mediation Board, unless a period of ten days has elapsed after termination of conferences without request for or proffer of the services of the Mediation Board.

(May 20, 1926, ch. 347, §6, 44 Stat. 582; June 21, 1934, ch. 691, §6, 48 Stat. 1197.)

AMENDMENTS

1934—Act June 21, 1934, inserted "in agreements" after "intended change" in text, struck out provision formerly contained in text concerning changes requested by more than one class, and substituted "Mediation Board" for "Board of Mediation" wherever appearing.

WAGE AND SALARY ADJUSTMENTS

Ex. Ord. No. 9299, eff. Feb. 4, 1943, 8 F.R. 1669, provided procedure with respect to wage and salary adjustments for employees subject to this chapter.

§157. Arbitration

First. Submission of controversy to arbitration

Whenever a controversy shall arise between a carrier or carriers and its or their employees which is not settled either in conference between representatives of the parties or by the appropriate adjustment board or through mediation, in the manner provided in sections 151—156 of this title such controversy may, by agreement of the parties to such controversy, be submitted to the arbitration of a board of three (or, if the parties to the controversy so stipulate, of six) persons: *Provided, however*, That the failure or refusal of either party to submit a controversy to arbitration shall not be construed as a violation of any legal obligation imposed upon such party by the terms of this chapter or otherwise.

Second. Manner of selecting board of arbitration

Such board of arbitration shall be chosen in the following manner:

(a) In the case of a board of three the carrier or carriers and the representatives of the employees, parties respectively to the agreement to arbitrate, shall each name one arbitrator; the two arbitrators thus chosen shall select a third arbitrator. If the arbitrators chosen by the parties shall fail to name the third arbitrator within five days after their first meeting, such third arbitrator shall be named by the Mediation Board.

(b) In the case of a board of six the carrier or carriers and the representatives of the employees, parties respectively to the agreement to arbitrate, shall each name two arbitrators; the four arbitrators thus chosen shall, by a majority vote, select the remaining two arbitrators. If the arbitrators chosen by the parties shall fail to name the two arbitrators within fifteen days after their first meeting, the said two arbitrators, or as many of them as have not been named, shall be named by the Mediation Board.

Third. Board of arbitration; organization; compensation; procedure

(a) Notice of selection or failure to select arbitrators

When the arbitrators selected by the respective parties have agreed upon the remaining arbitrator or arbitrators, they shall notify the Mediation Board; and, in the event of their failure to agree upon any or upon all of the necessary arbitrators within the period fixed by this chapter, they shall, at the expiration of such period, notify the Mediation Board of the arbitrators selected, if any, or of their failure to make or to complete such selection.

(b) Organization of board; procedure

The board of arbitration shall organize and select its own chairman and make all necessary rules for conducting its hearings: *Provided, however,* That the board of arbitration shall be bound to give the parties to the controversy a full and fair hearing, which shall include an opportunity to present evidence in support of their claims, and an opportunity to present their case in person, by counsel, or by other representative as they may respectively elect.

(c) Duty to reconvene; questions considered

Upon notice from the Mediation Board that the parties, or either party, to an arbitration desire the reconvening of the board of arbitration (or a subcommittee of such board of arbitration appointed for such purpose pursuant to the agreement to arbitrate) to pass upon any controversy over the meaning or application of their award, the board, or its subcommittee, shall at once reconvene. No question other than, or in addition to, the questions relating to the meaning or application of the award, submitted by the party or parties in writing, shall be considered by the reconvened board of arbitration or its subcommittee.

Such rulings shall be acknowledged by such board or subcommittee thereof in the same manner, and filed in the same district court clerk's office, as the original award and become a part thereof.

(d) Competency of arbitrators

No arbitrator, except those chosen by the Mediation Board, shall be incompetent to act as an arbitrator because of his interest in the controversy to be arbitrated, or because of his connection with or partiality to either of the parties to the arbitration.

(e) Compensation and expenses

Each member of any board of arbitration created under the provisions of this chapter named by either party to the arbitration shall be compensated by the party naming him. Each arbitrator selected by the arbitrators or named by the Mediation Board shall receive from the Mediation Board such compensation as the Mediation Board may fix, together with his necessary traveling expenses and expenses actually incurred for subsistence, while serving as an arbitrator.

(f) Award; disposition of original and copies

The board of arbitration shall furnish a certified copy of its award to the respective parties to the controversy, and shall transmit the original, together with the papers and proceedings and a transcript of the evidence taken at the hearings, certified under the hands of at least a majority of the arbitrators, to the clerk of the district court of the United States for the district wherein the controversy arose or the arbitration is entered into, to be filed in said clerk's office as hereinafter provided. The said board shall also furnish a certified copy of its award, and the papers and proceedings, including testimony relating thereto, to the Mediation Board to be filed in its office; and in addition a certified copy of its award shall be filed in the office of the Interstate Commerce Commission: *Provided, however,* That such award shall not be construed to diminish or extinguish any of the powers or duties of the Interstate Commerce Commission, under subtitle IV of title 49.

(g) Compensation of assistants to board of arbitration; expenses; quarters

A board of arbitration may, subject to the approval of the Mediation Board, employ and fix the compensation of such assistants as it deems necessary in carrying on the arbitration proceedings. The compensation of such employees, together with their necessary traveling expenses and expenses actually incurred for subsistence, while so employed, and the necessary expenses of boards of arbitration, shall be paid by the Mediation Board.

Whenever practicable, the board shall be supplied with suitable quarters in any Federal building located at its place of meeting or at any place where the board may conduct its proceedings or deliberations.

(h) Testimony before board; oaths; attendance of witnesses; production of documents; subpoenas; fees

All testimony before said board shall be given under oath or affirmation, and any member of the board shall have the power to administer oaths or affirmations. The board of arbitration, or any member thereof, shall have the power to require the attendance of witnesses and the production of such books, papers, contracts, agreements, and documents as may be deemed by the board of arbitration material to a just determination of the matters submitted to its arbitration, and may for that purpose request the clerk of the district court of the United States for the district wherein said arbitration is being conducted to issue the necessary subpoenas, and upon such request the said clerk or his duly authorized deputy shall be, and he is, authorized, and it shall be his duty, to issue such subpoenas.

Any witness appearing before a board of arbitration shall receive the same fees and mileage as witnesses in courts of the United States, to be paid by the party securing the subpoena.

(May 20, 1926, ch. 347, §7, 44 Stat. 582; June 21, 1934, ch. 691, §7, 48 Stat. 1197; Pub. L. 91-452, title II, §238, Oct. 15, 1970, 84 Stat. 930.)

CODIFICATION

In par. Third (f), "subtitle IV of title 49" substituted for "the Interstate Commerce Act, as amended [49 U.S.C. 1 et seq.]" on authority of Pub. L. 95-473, §3(b), Oct. 17, 1978, 92 Stat. 1466, the first section of which enacted subtitle IV of Title 49, Transportation.

AMENDMENTS

1970—Par. Third, (h). Pub. L. 91-452 struck out provisions authorizing board to invoke aid of the United States courts to compel witnesses to attend and testify and to produce such books, papers, contracts, agreements, and documents to same extent and under same conditions and penalties as provided for in the Interstate Commerce Act.

1934—Act June 21, 1934, substituted "Mediation Board" for "Board of Mediation" wherever appearing.

EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by Pub. L. 91-452 effective on sixtieth day following Oct. 15, 1970, and not to affect any immunity to which any individual is entitled under this section by reason of any testimony given before sixtieth day following Oct. 15, 1970, see section 260 of Pub. L. 91-452, set out as an Effective Date; Savings Provision note under section 6001 of Title 18, Crimes and Criminal Procedure.

ABOLITION OF INTERSTATE COMMERCE COMMISSION AND TRANSFER OF FUNCTIONS

Interstate Commerce Commission abolished and functions of Commission transferred, except as otherwise provided in Pub. L. 104-88, to Surface Transportation Board effective Jan. 1, 1996, by section 702 of Title 49, Transportation, and section 101 of Pub. L. 104-88, set out as a note under section 701 of Title 49. References to Interstate Commerce Commission deemed to refer to Surface Transportation Board, a member or employee of the Board, or Secretary of Transportation, as appropriate, see section 205 of Pub. L. 104-88, set out as a note under section 701 of Title 49.

WORK RULES DISPUTE

Pub. L. 88-108, Aug. 28, 1963, 77 Stat. 132, provided:

"[SEC. 1. Settlement of disputes]. That no carrier which served the notices of November 2, 1959, and no labor organizations which received such notices or served the labor organization notices of September 7, 1960, shall make any change except by agreement, or pursuant to an arbitration award as hereinafter provided, in rates of pay, rules, or working conditions encompassed by any of such notices, or engage in any strike or lockout over any dispute arising from any of such notices. Any action heretofore taken which would be prohibited by the foregoing sentence shall be forthwith rescinded and the status existing immediately prior to such action restored.

"SEC. 2. [Arbitration board]. There is hereby established an arbitration board to consist of seven members. The representatives of the carrier and organization parties to the aforesaid dispute are hereby directed, respectively, within five days after the enactment hereof [Aug. 28, 1963] each to name two persons to serve as members of such arbitration board. The four members thus chosen shall select three additional members. The seven members shall then elect a chairman. If the members chosen by the parties shall fail to name one or more of the additional three members within ten days, such additional members shall be named by the President. If either party fails to name a member or members to the arbitration board within the five days provided, the President shall name such member or members in lieu of such party and shall also name the additional three members necessary to constitute a board of seven members, all within ten days after the date of enactment of this joint resolution [Aug. 28, 1963]. Notwithstanding any other provision of law, the National Mediation Board is authorized and directed: (1) to compensate the arbitrators not named by the parties at a rate not in excess of \$100 for each day together with necessary travel and subsistence expenses, and (2) to provide such services and facilities as may be necessary and appropriate in carrying out the purposes of this joint resolution.

"SEC. 3. [Decision of board]. Promptly upon the completion of the naming of the arbitration board the Secretary of Labor shall furnish to the board and to the parties to the dispute copies of his statement to the parties of August 2, 1963, and the papers therewith submitted to the parties, together with memorandums and such other data as the board may request setting forth the matters with respect to which the parties were in tentative agreement and the extent of disagreement with respect to matters on which the parties were not in tentative agreement. The arbitration board shall make a decision, pursuant to the procedures hereinafter set forth, as to what disposition shall be made of those portions of the carriers' notices of November 2, 1959, identified as 'Use of Firemen (Helpers) on Other Than Steam Power' and 'Consist of Road and Yard Crews' and that portion of the organizations' notices of September 7, 1960, identified as 'Minimum Safe Crew Consist' and implementing proposals pertaining thereto. The arbitration board shall incorporate in such decision any matters on which it finds the parties were in agreement, shall resolve the matters on which the parties were not in agreement, and shall, in making its award, give due consideration to those matters on which the parties were in tentative agreement. Such award shall be binding on both the carrier and organization parties to the dispute and shall constitute a complete and final disposition of the aforesaid issues covered by the decision of the board of arbitration.

"SEC. 4. [Award]. To the extent not inconsistent with this joint resolution the arbitration shall be conducted pursuant to sections 7 and 8 of the Railway Labor Act [this section and section 158 of this title], the board's award shall be made and filed as provided in said sections and shall be subject to section 9 of said Act [section 159 of this title]. The United States District Court for the District of Columbia is hereby designated as the court in which the award is to be filed, and the arbitration board shall report to the National Mediation Board in the same manner as arbitration boards functioning pursuant to the Railway Labor Act [this chapter]. The award shall continue in force for such period as the arbitration board shall determine in its award, but not to exceed two years from the date the award takes effect, unless the parties agree otherwise.

"SEC. 5. [Hearings]. The arbitration board shall begin its hearings thirty days after the enactment of this joint resolution [Aug. 28, 1963] or on such earlier date as the parties to the dispute and the board may agree upon and shall make and file its award not later than ninety days after the enactment of this joint resolution [Aug. 28, 1963]: *Provided, however,* That said award shall not become effective until sixty days after the filing of the award.

"SEC. 6. [Collective bargaining for issues not arbitrated]. The parties to the disputes arising from the aforesaid notices shall immediately resume collective bargaining with respect to all issues raised in the notices of November 2, 1959, and September 7, 1960, not to be disposed of by arbitration under section 3 of this joint resolution and shall exert every reasonable effort to resolve such issues by agreement. The Secretary of Labor and the National Mediation Board are hereby directed to give all reasonable assistance to the parties and to engage in mediatory action directed toward promoting such agreement.

"SEC. 7. [Considerations affecting award; enforcement.]

"(a) In making any award under this joint resolution the arbitration board established under section 2 shall give due consideration to the effect of the proposed award upon adequate and safe transportation service to the public and upon the interests of the carrier and employees affected, giving due consideration to the narrowing of the areas of disagreement which has been accomplished in bargaining and mediation.

"(b) The obligations imposed by this joint resolution, upon suit by the Attorney General, shall be enforceable through such orders as may be necessary by any court of the United States having jurisdiction of any of the parties.

"SEC. 8. [Expiration date]. This joint resolution shall expire one hundred and eighty days after the date of its enactment [Aug. 28, 1963], except that it shall remain in effect with respect to the last sentence of section 4 for the period prescribed in that sentence.

"SEC. 9. [Separability]. If any provision of this joint resolution or the application thereof is held invalid, the remainder of this joint resolution and the application of such provision to other parties or in other circumstances not held invalid shall not be affected thereby."

§158. Agreement to arbitrate; form and contents; signatures and

acknowledgment; revocation

The agreement to arbitrate—

- (a) Shall be in writing;
- (b) Shall stipulate that the arbitration is had under the provisions of this chapter;
- (c) Shall state whether the board of arbitration is to consist of three or of six members;
- (d) Shall be signed by the duly accredited representatives of the carrier or carriers and the employees, parties respectively to the agreement to arbitrate, and shall be acknowledged by said parties before a notary public, the clerk of a district court or court of appeals of the United States, or before a member of the Mediation Board, and, when so acknowledged, shall be filed in the office of the Mediation Board;
- (e) Shall state specifically the questions to be submitted to the said board for decision; and that, in its award or awards, the said board shall confine itself strictly to decisions as to the questions so specifically submitted to it;
- (f) Shall provide that the questions, or any one or more of them, submitted by the parties to the board of arbitration may be withdrawn from arbitration on notice to that effect signed by the duly accredited representatives of all the parties and served on the board of arbitration;
- (g) Shall stipulate that the signatures of a majority of said board of arbitration affixed to their award shall be competent to constitute a valid and binding award;
- (h) Shall fix a period from the date of the appointment of the arbitrator or arbitrators necessary to complete the board (as provided for in the agreement) within which the said board shall commence its hearings;
- (i) Shall fix a period from the beginning of the hearings within which the said board shall make and file its award: *Provided*, That the parties may agree at any time upon an extension of this period;
- (j) Shall provide for the date from which the award shall become effective and shall fix the period during which the award shall continue in force;
- (k) Shall provide that the award of the board of arbitration and the evidence of the proceedings before the board relating thereto, when certified under the hands of at least a majority of the arbitrators, shall be filed in the clerk's office of the district court of the United States for the district wherein the controversy arose or the arbitration was entered into, which district shall be designated in the agreement; and, when so filed, such award and proceedings shall constitute the full and complete record of the arbitration;
- (l) Shall provide that the award, when so filed, shall be final and conclusive upon the parties as to the facts determined by said award and as to the merits of the controversy decided;
- (m) Shall provide that any difference arising as to the meaning, or the application of the provisions, of an award made by a board of arbitration shall be referred back for a ruling to the same board, or, by agreement, to a subcommittee of such board; and that such ruling, when acknowledged in the same manner, and filed in the same district court clerk's office, as the original award, shall be a part of and shall have the same force and effect as such original award; and
- (n) Shall provide that the respective parties to the award will each faithfully execute the same.

The said agreement to arbitrate, when properly signed and acknowledged as herein provided, shall not be revoked by a party to such agreement: *Provided, however*, That such agreement to arbitrate may at any time be revoked and canceled by the written agreement of both parties, signed by their duly accredited representatives, and (if no board of arbitration has yet been constituted under the agreement) delivered to the Mediation Board or any member thereof; or, if the board of arbitration has been constituted as provided by this chapter, delivered to such board of arbitration.

(May 20, 1926, ch. 347, §8, 44 Stat. 584; June 21, 1934, ch. 691, §7, 48 Stat. 1197; June 25, 1948, ch. 646, §32(a), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107.)

CODIFICATION

As originally enacted, par. (d) contained a reference to the "circuit court of appeals". Act June 25, 1948, as amended by act May 24, 1949, substituted "court of appeals" for "circuit court of appeals".

AMENDMENTS

1934—Act June 21, 1934, substituted "Mediation Board" for "Board of Mediation" wherever appearing.

§159. Award and judgment thereon; effect of chapter on individual employee

First. Filing of award

The award of a board of arbitration, having been acknowledged as herein provided, shall be filed in the clerk's office of the district court designated in the agreement to arbitrate.

Second. Conclusiveness of award; judgment

An award acknowledged and filed as herein provided shall be conclusive on the parties as to the merits and facts of the controversy submitted to arbitration, and unless, within ten days after the filing of the award, a petition to impeach the award, on the grounds hereinafter set forth, shall be filed in the clerk's office of the court in which the award has been filed, the court shall enter judgment on the award, which judgment shall be final and conclusive on the parties.

Third. Impeachment of award; grounds

Such petition for the impeachment or contesting of any award so filed shall be entertained by the court only on one or more of the following grounds:

- (a) That the award plainly does not conform to the substantive requirements laid down by this chapter for such awards, or that the proceedings were not substantially in conformity with this chapter;
- (b) That the award does not conform, nor confine itself, to the stipulations of the agreement to arbitrate; or
- (c) That a member of the board of arbitration rendering the award was guilty of fraud or corruption; or that a party to the arbitration practiced fraud or corruption which fraud or corruption affected the result of the arbitration: *Provided, however,* That no court shall entertain any such petition on the ground that an award is invalid for uncertainty; in such case the proper remedy shall be a submission of such award to a reconvened board, or subcommittee thereof, for interpretation, as provided by this chapter: *Provided further,* That an award contested as herein provided shall be construed liberally by the court, with a view to favoring its validity, and that no award shall be set aside for trivial irregularity or clerical error, going only to form and not to substance.

Fourth. Effect of partial invalidity of award

If the court shall determine that a part of the award is invalid on some ground or grounds designated in this section as a ground of invalidity, but shall determine that a part of the award is valid, the court shall set aside the entire award: *Provided, however,* That, if the parties shall agree thereto, and if such valid and invalid parts are separable, the court shall set aside the invalid part, and order judgment to stand as to the valid part.

Fifth. Appeal; record

At the expiration of 10 days from the decision of the district court upon the petition filed as aforesaid, final judgment shall be entered in accordance with said decision, unless during said 10 days either party shall appeal therefrom to the court of appeals. In such case only such portion of the record shall be transmitted to the appellate court as is necessary to the proper understanding and consideration of the questions of law presented by said petition and to be decided.

Sixth. Finality of decision of court of appeals

The determination of said court of appeals upon said questions shall be final, and, being certified by the clerk thereof to said district court, judgment pursuant thereto shall thereupon be entered by said district court.

Seventh. Judgment where petitioner's contentions are sustained

If the petitioner's contentions are finally sustained, judgment shall be entered setting aside the award in whole or, if the parties so agree, in part; but in such case the parties may agree upon a judgment to be entered disposing of the subject matter of the controversy, which judgment when entered shall have the same force and effect as judgment entered upon an award.

Eighth. Duty of employee to render service without consent; right to quit

Nothing in this chapter shall be construed to require an individual employee to render labor or service without his consent, nor shall anything in this chapter be construed to make the quitting of his labor or service by an individual employee an illegal act; nor shall any court issue any process to compel the performance by an individual employee of such labor or service, without his consent.

(May 20, 1926, ch. 347, §9, 44 Stat. 585; June 25, 1948, ch. 646, §32(a), 62 Stat. 991; May 24, 1949, ch. 139, §127, 63 Stat. 107.)

CODIFICATION

As originally enacted, pars. Fifth and Sixth contained references to the "circuit court of appeals". Act June 25, 1948, as amended by act May 24, 1949, substituted "court of appeals" for "circuit court of appeals".

§159a. Special procedure for commuter service

(a) Applicability of provisions

Except as provided in section 590(h) ¹ of this title, the provisions of this section shall apply to any dispute subject to this chapter between a publicly funded and publicly operated carrier providing rail commuter service (including the Amtrak Commuter Services Corporation) and its employees.

(b) Request for establishment of emergency board

If a dispute between the parties described in subsection (a) of this section is not adjusted under the foregoing provisions of this chapter and the President does not, under section 160 of this title, create an emergency board to investigate and report on such dispute, then any party to the dispute or the Governor of any State through which the service that is the subject of the dispute is operated may request the President to establish such an emergency board.

(c) Establishment of emergency board

(1) Upon the request of a party or a Governor under subsection (b) of this section, the President shall create an emergency board to investigate and report on the dispute in accordance with section 160 of this title. For purposes of this subsection, the period during which no change, except by agreement, shall be made by the parties in the conditions out of which the dispute arose shall be 120 days from the day of the creation of such emergency board.

(2) If the President, in his discretion, creates a board to investigate and report on a dispute between the parties described in subsection (a) of this section, the provisions of this section shall apply to the same extent as if such board had been created pursuant to paragraph (1) of this subsection.

(d) Public hearing by National Mediation Board upon failure of emergency board to effectuate settlement of dispute

Within 60 days after the creation of an emergency board under this section, if there has been no settlement between the parties, the National Mediation Board shall conduct a public hearing on the dispute at which each party shall appear and provide testimony setting forth the reasons it has not accepted the recommendations of the emergency board for settlement of the dispute.

(e) Establishment of second emergency board

If no settlement in the dispute is reached at the end of the 120-day period beginning on the date of the creation of the emergency board, any party to the dispute or the Governor of any State through which the service that is the subject of the dispute is operated may request the President to establish another emergency board, in which case the President shall establish such emergency board.

(f) Submission of final offers to second emergency board by parties

Within 30 days after creation of a board under subsection (e) of this section, the parties to the dispute shall submit to the board final offers for settlement of the dispute.

(g) Report of second emergency board

Within 30 days after the submission of final offers under subsection (f) of this section, the emergency board shall submit a report to the President setting forth its selection of the most reasonable offer.

(h) Maintenance of status quo during dispute period

From the time a request to establish a board is made under subsection (e) of this section until 60 days after such board makes its report under subsection (g) of this section, no change, except by agreement, shall be made by the parties in the conditions out of which the dispute arose.

(i) Work stoppages by employees subsequent to carrier offer selected; eligibility of employees for benefits

If the emergency board selects the final offer submitted by the carrier and, after the expiration of the 60-day period described in subsection (h) of this section, the employees of such carrier engage in any work stoppage arising out of the dispute, such employees shall not be eligible during the period of such work stoppage for benefits under the Railroad Unemployment Insurance Act [45 U.S.C. 351 et seq.].

(j) Work stoppages by employees subsequent to employees offer selected; eligibility of employer for benefits

If the emergency board selects the final offer submitted by the employees and, after the expiration of the 60-day period described in subsection (h) of this section, the carrier refuses to accept the final offer submitted by the employees and the employees of such carrier engage in any work stoppage arising out of the dispute, the carrier shall not participate in any benefits of any agreement between carriers which is designed to provide benefits to such carriers during a work stoppage.

(May 20, 1926, ch. 347, §9A, as added Pub. L. 97–35, title XI, §1157, Aug. 13, 1981, 95 Stat. 681.)

REFERENCES IN TEXT

Section 590(h) of this title, referred to in subsec. (a), was repealed by Pub. L. 103–272, §7(b), July 5, 1994, 108 Stat. 1379.

The Railroad Unemployment Insurance Act, referred to in subsec. (i), is act June 25, 1938, ch. 680, 52 Stat. 1094, as amended, which is classified principally to chapter 11 (§351 et seq.) of this title. For complete classification of this Act to the Code, see section 367 of this title and Tables.

EFFECTIVE DATE

Section effective Aug. 13, 1981, see section 1169 of Pub. L. 97–35, set out as a note under section 1101 of this title.

¹ See References in Text note below.

§160. Emergency board

If a dispute between a carrier and its employees be not adjusted under the foregoing provisions of this chapter and should, in the judgment of the Mediation Board, threaten substantially to interrupt interstate commerce to a degree such as to deprive any section of the country of essential transportation service, the Mediation Board shall notify the President, who may thereupon, in his discretion, create a board to investigate and report respecting such dispute. Such board shall be composed of such number of persons as to the President may seem desirable: *Provided, however,* That no member appointed shall be pecuniarily or otherwise interested in any organization of employees or any carrier. The compensation of the members of any such board shall be fixed by the President. Such board shall be created separately in each instance and it shall investigate promptly the facts as to the dispute and make a report thereon to the President within thirty days from the date of its creation.

There is authorized to be appropriated such sums as may be necessary for the expenses of such board, including the compensation and the necessary traveling expenses and expenses actually incurred for subsistence, of the members of the board. All expenditures of the board shall be allowed and paid on the presentation of itemized vouchers therefor approved by the chairman.

After the creation of such board and for thirty days after such board has made its report to the President, no change, except by agreement, shall be made by the parties to the controversy in the conditions out of which the dispute arose.

(May 20, 1926, ch. 347, §10, 44 Stat. 586; June 21, 1934, ch. 691, §7, 48 Stat. 1197.)

AMENDMENTS

1934—Act June 21, 1934, substituted "Mediation Board" for "Board of Mediation" wherever appearing.

§160a. Rules and regulations

(a) In general

The Mediation Board shall have the authority from time to time to make, amend, and rescind, in the manner prescribed by section 553 of title 5, and after opportunity for a public hearing, such rules and regulations as may be necessary to carry out the provisions of this chapter.

(b) Application

The requirements of subsection (a) shall not apply to any rule or proposed rule to which the third sentence of section 553(b) of title 5 applies.

(May 20, 1926, ch. 347, §10A, as added Pub. L. 112–95, title X, §1001, Feb. 14, 2012, 126 Stat. 146.)

§161. Effect of partial invalidity of chapter

If any provision of this chapter, or the application thereof to any person or circumstance, is held invalid, the remainder of the chapter, and the application of such provision to other persons or circumstances, shall not be

affected thereby.

(May 20, 1926, ch. 347, §11, 44 Stat. 587.)

SEPARABILITY; REPEAL OF INCONSISTENT PROVISIONS

Act June 21, 1934, ch. 691, §8, 48 Stat. 1197, provided that: "If any section, subsection, sentence, clause, or phrase of this Act [amending sections 151 to 158, 160, and 162 of this title] is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this Act. All Acts or parts of Acts inconsistent with the provisions of this Act are hereby repealed."

§162. Authorization of appropriations

There is authorized to be appropriated such sums as may be necessary for expenditure by the Mediation Board in carrying out the provisions of this chapter.

(May 20, 1926, ch. 347, §12, 44 Stat. 587; June 21, 1934, ch. 691, §7, 48 Stat. 1197.)

AMENDMENTS

1934—Act June 21, 1934, substituted "Mediation Board" for "Board of Mediation".

§163. Repeal of prior legislation; exception

Chapters 6 and 7 of this title, providing for mediation, conciliation, and arbitration, and all Acts and parts of Acts in conflict with the provisions of this chapter are repealed, except that the members, secretary, officers, employees, and agents of the Railroad Labor Board, in office on May 20, 1926, shall receive their salaries for a period of 30 days from such date, in the same manner as though this chapter had not been passed.

(May 20, 1926, ch. 347, §14, 44 Stat. 587.)

REFERENCES IN TEXT

Chapters 6 and 7 of this title, referred to in text, were in the original references to the act of July 15, 1913, and title III of the Transportation Act, 1920, respectively.

§164. Repealed. Oct. 10, 1940, ch. 851, §4, 54 Stat. 1111

Section, act Feb. 11, 1927, ch. 104, §1, 44 Stat. 1072, related to advertisements for proposals for purchases or services rendered for Board of Mediation, including arbitration boards.

§165. Evaluation and audit of Mediation Board

(a) Evaluation and audit of Mediation Board

(1) In general

In order to promote economy, efficiency, and effectiveness in the administration of the programs, operations, and activities of the Mediation Board, the Comptroller General of the United States shall evaluate and audit the programs and expenditures of the Mediation Board. Such an evaluation and audit shall be conducted not less frequently than every 2 years, but may be conducted as determined necessary by the Comptroller General or the appropriate congressional committees.

(2) Responsibility of Comptroller General

In carrying out the evaluation and audit required under paragraph (1), the Comptroller General shall evaluate and audit the programs, operations, and activities of the Mediation Board, including, at a minimum—

- (A) information management and security, including privacy protection of personally identifiable information;
- (B) resource management;
- (C) workforce development;
- (D) procurement and contracting planning, practices, and policies;
- (E) the extent to which the Mediation Board follows leading practices in selected management areas; and
- (F) the processes the Mediation Board follows to address challenges in—

- (i) initial investigations of applications requesting that an organization or individual be certified as the representative of any craft or class of employees;
- (ii) determining and certifying representatives of employees; and
- (iii) ensuring that the process occurs without interference, influence, or coercion.

(b) Immediate review of certification procedures

Not later than 180 days after February 14, 2012, the Comptroller General shall review the processes applied by the Mediation Board to certify or decertify representation of employees by a labor organization and make recommendations to the Board and appropriate congressional committees regarding actions that may be taken by the Board or Congress to ensure that the processes are fair and reasonable for all parties. Such review shall be conducted separately from any evaluation and audit under subsection (a) and shall include, at a minimum—

- (1) an evaluation of the existing processes and changes to such processes that have occurred since the establishment of the Mediation Board and whether those changes are consistent with congressional intent; and
- (2) a description of the extent to which such processes are consistent with similar processes applied to other Federal or State agencies with jurisdiction over labor relations, and an evaluation of any justifications for any discrepancies between the processes of the Mediation Board and such similar Federal or State processes.

(c) Appropriate congressional committee defined

In this section, the term "appropriate congressional committees" means the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on Commerce, Science, and Transportation of the Senate, and the Committee on Health, Education, Labor, and Pensions of the Senate.

(May 20, 1926, ch. 347, §15, as added Pub. L. 112–95, title X, §1004, Feb. 14, 2012, 126 Stat. 147.)

SUBCHAPTER II—CARRIERS BY AIR

§181. Application of subchapter I to carriers by air

All of the provisions of subchapter I of this chapter except section 153 of this title are extended to and shall cover every common carrier by air engaged in interstate or foreign commerce, and every carrier by air transporting mail for or under contract with the United States Government, and every air pilot or other person who performs any work as an employee or subordinate official of such carrier or carriers, subject to its or their continuing authority to supervise and direct the manner of rendition of his service.

(May 20, 1926, ch. 347, §201, as added Apr. 10, 1936, ch. 166, 49 Stat. 1189.)

§182. Duties, penalties, benefits, and privileges of subchapter I applicable

The duties, requirements, penalties, benefits, and privileges prescribed and established by the provisions of subchapter I of this chapter except section 153 of this title shall apply to said carriers by air and their employees in the same manner and to the same extent as though such carriers and their employees were specifically included within the definition of "carrier" and "employee", respectively, in section 151 of this title.

(May 20, 1926, ch. 347, §202, as added Apr. 10, 1936, ch. 166, 49 Stat. 1189.)

§183. Disputes within jurisdiction of Mediation Board

The parties or either party to a dispute between an employee or a group of employees and a carrier or carriers by air may invoke the services of the National Mediation Board and the jurisdiction of said Mediation Board is extended to any of the following cases:

(a) A dispute concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference.

(b) Any other dispute not referable to an adjustment board, as hereinafter provided, and not adjusted in conference between the parties, or where conferences are refused.

The National Mediation Board may proffer its services in case any labor emergency is found by it to exist at any time.

The services of the Mediation Board may be invoked in a case under this subchapter in the same manner and to the same extent as are the disputes covered by section 155 of this title.

(May 20, 1926, ch. 347, §203, as added Apr. 10, 1936, ch. 166, 49 Stat. 1189.)

§184. System, group, or regional boards of adjustment

The disputes between an employee or group of employees and a carrier or carriers by air growing out of grievances, or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions, including cases pending and unadjusted on April 10, 1936 before the National Labor Relations Board, shall be handled in the usual manner up to and including the chief operating officer of the carrier designated to handle such disputes; but, failing to reach an adjustment in this manner, the disputes may be referred by petition of the parties or by either party to an appropriate adjustment board, as hereinafter provided, with a full statement of the facts and supporting data bearing upon the disputes.

It shall be the duty of every carrier and of its employees, acting through their representatives, selected in accordance with the provisions of this subchapter, to establish a board of adjustment of jurisdiction not exceeding the jurisdiction which may be lawfully exercised by system, group, or regional boards of adjustment, under the authority of section 153 of this title.

Such boards of adjustment may be established by agreement between employees and carriers either on any individual carrier, or system, or group of carriers by air and any class or classes of its or their employees; or pending the establishment of a permanent National Board of Adjustment as hereinafter provided. Nothing in this chapter shall prevent said carriers by air, or any class or classes of their employees, both acting through their representatives selected in accordance with provisions of this subchapter, from mutually agreeing to the establishment of a National Board of Adjustment of temporary duration and of similarly limited jurisdiction.

(May 20, 1926, ch. 347, §204, as added Apr. 10, 1936, ch. 166, 49 Stat. 1189.)

§185. National Air Transport Adjustment Board

When, in the judgment of the National Mediation Board, it shall be necessary to have a permanent national board of adjustment in order to provide for the prompt and orderly settlement of disputes between said carriers by air, or any of them, and its or their employees, growing out of grievances or out of the interpretation or application of agreements between said carriers by air or any of them, and any class or classes of its or their employees, covering rates of pay, rules, or working conditions, the National Mediation Board is empowered and directed, by its order duly made, published, and served, to direct the said carriers by air and such labor organizations of their employees, national in scope, as have been or may be recognized in accordance with the provisions of this chapter, to select and designate four representatives who shall constitute a board which shall be known as the "National Air Transport Adjustment Board." Two members of said National Air Transport Adjustment Board shall be selected by said carriers by air and two members by the said labor organizations of the employees, within thirty days after the date of the order of the National Mediation Board, in the manner and by the procedure prescribed by section 153 of this title for the selection and designation of members of the National Railroad Adjustment Board. The National Air Transport Adjustment Board shall meet within forty days after the date of the order of the National Mediation Board directing the selection and designation of its members and shall organize and adopt rules for conducting its proceedings, in the manner prescribed in section 153 of this title. Vacancies in membership or office shall be filled, members shall be appointed in case of failure of the carriers or of labor organizations of the employees to select and designate representatives, members of the National Air Transport Adjustment Board shall be compensated, hearings shall be held, findings and awards made, stated, served, and enforced, and the number and compensation of any necessary assistants shall be determined and the compensation of such employees shall be paid, all in the same manner and to the same extent as provided with reference to the National Railroad Adjustment Board by section 153 of this title. The powers and duties prescribed and established by the provisions of section 153 of this title with reference to the National Railroad Adjustment Board and the several divisions thereof are conferred upon and shall be exercised and performed in like manner and to the same extent by the said National Air Transport Adjustment Board, not exceeding, however, the jurisdiction conferred upon said National Air Transport Adjustment Board by the provisions of this subchapter. From and after the organization of the National Air Transport Adjustment Board, if any system, group, or regional board of adjustment established by any carrier or carriers by air and any class or classes of its or their employees is not satisfactory to either party thereto, the said party, upon ninety days' notice to the other party, may elect to come under the jurisdiction of the National Air Transport Adjustment Board.

(May 20, 1926, ch. 347, §205, as added Apr. 10, 1936, ch. 166, 49 Stat. 1190.)

§186. Omitted

CODIFICATION

Section, act May 20, 1926, ch. 347, §206, as added Apr. 10, 1936, ch. 166, 49 Stat. 1191, transferred certain pending cases before National Labor Relations Board to Mediation Board.

§187. Separability

If any provision of this subchapter or application thereof to any person or circumstance is held invalid, the remainder of such sections and the application of such provision to other persons or circumstances shall not be affected thereby.

(May 20, 1926, ch. 347, §207, as added Apr. 10, 1936, ch. 166, 49 Stat. 1191.)

§188. Authorization of appropriations

There is authorized to be appropriated such sums as may be necessary for expenditure by the Mediation Board in carrying out the provisions of this chapter.

(May 20, 1926, ch. 347, §208, as added Apr. 10, 1936, ch. 166, 49 Stat. 1191.)



NATIONAL MEDIATION BOARD
WASHINGTON, DC 20572

(202) 692-5000

In the Matter of the
Application of the

US AIRLINE PILOTS
ASSOCIATION

alleging a representation dispute
pursuant to Section 2, Ninth, of
the Railway Labor Act, as
amended

involving employees of

US AIRWAYS/AMERICA WEST
AIRLINES

35 NMB No. 20

CASE NO. R-7147
(File No. CR-6926)

FINDINGS UPON
INVESTIGATION

January 23, 2008

This determination addresses the application filed by the US Airline Pilots Association (USAPA). USAPA requests the National Mediation Board (NMB or Board) to investigate whether US Airways, Inc. (East) and America West Airlines (West) (collectively the Carriers) are operating as a single transportation system known as US Airways (US Airways).

The investigation establishes that East and West constitute a single transportation system.

PROCEDURAL BACKGROUND

On November 13, 2007, USAPA filed an application alleging a representation dispute involving the craft or class of Pilots.

The Air Line Pilots Association, International (ALPA) represents the Pilots at East through voluntary recognition. *See USAir Inc., and Piedmont Aviation, Inc.*, 16 NMB 412, 418 (1989). At West, ALPA is the certified representative of the Flight Deck Crew Members pursuant to NMB Case No. R-6213, *America West Airlines, Inc.*, 21 NMB 29 (1993).

USAPA asserts that East and West constitute a single transportation system operating as US Airways. The application was assigned NMB File No. CR-6926.

On November 14, 2007, the Board requested that the Carriers provide information regarding their operations, and assigned Cristina A. Bonaca to investigate. On November 29, 2007, the Carriers responded and USAPA additionally filed a position statement. On November 30, 2007, ALPA requested an extension to file its response to the Carriers' submission, and the same day USAPA filed its opposition to ALPA's request for an extension. On December 3, 2007, the Investigator granted both Organizations additional time to respond to the Carriers' position statement. ALPA filed its response on December 17, 2007. USAPA filed a brief response on December 18, 2007.

ISSUES

Are East and West a single transportation system? If so, what are the representation consequences?

CONTENTIONS

USAPA

USAPA notes that the Board has previously determined that East and West are a single transportation system and "anticipates that the Board will follow its established precedent on this matter." See *US Airways/America West Airlines*, 33 NMB 339 (2006) (Stock Clerks); *US Airways/America West Airlines*, 33 NMB 221 (2006) (Flight Dispatchers, Flight Crew Training Instructors, Flight Simulator Engineers); *US Airways/America West Airlines*, 33 NMB 151 (2006) (Passenger Service Employees); *US Airways/America West Airlines*, 33 NMB 49 (2006) (Mechanics and Related Employees, Fleet Service Employees, Maintenance Training Specialists). USAPA urges the Board to make a prompt decision in this matter.

US Airways and America West

The Carriers jointly state that East and West comprise a single transportation system for the craft or class of Pilots for the following reasons: the Carriers are substantially integrated through combined management, labor relations, human resources, and financial operations; and the Carriers are held out to the public as a single carrier through unified media communications,

customer policies, and single branding, among other factors. Except as expressly noted herein, the Carriers incorporate by reference all prior submissions in *US Airways/America West Airlines*, 33 NMB 339 (2006); *US Airways/America West Airlines*, 33 NMB 221 (2006); *US Airways/America West Airlines*, 33 NMB 151 (2006); *US Airways/America West Airlines*, 33 NMB 49 (2006).

ALPA

ALPA submitted a position statement acknowledging that the Carriers' submission "on its face," as well as the prior decisions on other employee groups at East and West, would point towards the Board finding a single transportation system in this matter. However, ALPA urges consideration of the fact that the Pilot groups at East and West continue to work under separate collective bargaining agreements (CBAs) and currently maintain separate pilot operations. ALPA refers to Section IV of the Transition Agreement (TA) currently in place for the East and West Pilots, which provides that "operational integration of the two pilot workforces under the integrated seniority list will not be accomplished until the parties reach a single collective bargaining agreement, unless the parties otherwise agree." ALPA asks the Board to undertake a "complete analysis of all relevant factors, including the state of operational pilot integration, before making a final determination as to single carrier status."

FINDINGS OF LAW

Determination of the issues in this case is governed by the RLA, as amended, 45 U.S.C. §§ 151-188. Accordingly, the Board finds as follows:

I.

East and West are common carriers as defined in 45 U.S.C. § 181.

II.

USAPA and ALPA are labor organizations as provided by 45 U.S.C. § 152, Ninth.

III.

45 U.S.C. § 152, Fourth, gives employees subject to its provisions, “the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this chapter.”

IV.

45 U.S.C. § 152, Ninth, provides that the Board has the duty to investigate representation disputes and to designate who may participate as eligible voters in the event an election is required. In determining the choice of the majority of employees, the Board is “authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives . . . by the employees without interference, influence, or coercion exercised by the carrier.”

STATEMENT OF FACTSA. Corporate Transactions

US Airways, its parent company US Airways Group, Inc., and three affiliated companies, emerged from bankruptcy protection under Chapter 11 of the United States bankruptcy code on September 27, 2005.* That same day, pursuant to the US Airways’ plan of reorganization, US Airways Group, Inc. consummated a transaction in which it acquired America West Holdings Corporation and its subsidiary America West Airlines.

On September 26, 2007, West surrendered its Federal Aviation Administration (FAA) operating certificate. All flight operations are now conducted under the East FAA operating certificate. Also on September 26, 2007, America West Holdings Corporation, West’s parent entity, became a wholly owned subsidiary of East, and West ceased to be a separate SEC registrant.

* US Airways Group, Inc., and its domestic subsidiaries, including US Airways, Inc., filed for relief under Chapter 11 of the U.S. bankruptcy code in September 2004.

As of November 29, 2007, the employee counts for the craft or class of Pilots are as follows:

	Active	Leave	Furlough	Total
Total	4,466	688	161	5,313
East	2,844	537	161	3,542
West	1,622	149	0	1,771

B. Management

East and West have a full slate of common officers and directors. The Carriers' management has been integrated so that all employees in a department ultimately report to a single individual. Depending on the department, the managers are former East employees, former West employees, and in some cases, employees hired post-merger.

Captain Ed Bular serves as the Senior Vice President (SVP), Flight Operations/Inflight for the Carriers, with ultimate responsibility over all East and West Pilots. Captain Bular reports to Executive Vice President (EVP) and Chief Operating Officer (COO) Robert Isom, who is responsible for operations of the entire airline, East and West. Captain Bular has appointed a common slate of management Pilots within the single Flight Operations department for the Carriers, including: Managing Director, Flight Operations Lyle Hogg; Managing Director, Flight Training and Standards Robert Skinner; B757/767 Fleet Captain Ron Arfsten; B737 Fleet Captain Vic Hardy; EMB-190 Fleet Captain Mark Boots; and Airbus Fleet Captain John Hope.

The Carriers' financial management, including tax, financial planning and analysis, accounting, purchasing, treasury, and internal audit departments, has been integrated under Senior Vice President (SVP) and Chief Financial Officer (CFO), Derek J. Kerr. The Carriers' combined accounting department is responsible for preparing the financial statements of both East and West. The Carriers filed with the SEC a single Form 10-K for both the 2005 and 2006 calendar years that was reviewed by one single Disclosure Committee and one single Audit Committee.

C. Labor Relations and Personnel Functions

The Labor Relations departments at East and West have been combined and all labor relations personnel report to E. Allen Hemenway, VP, Labor Relations. Hemenway has daily interaction with organization leaders for both East and West employees, and employees from both East and West serve on the Carriers' negotiating committees with its various labor organizations.

Grievances for East and West Pilots continue to be handled under their respective separate CBAs in accordance with the September 23, 2005 TA signed by the parties. Beth Holdren, Managing Director, Labor Relations-Flight, is responsible for processing both East and West Pilot grievances at the System Board level.

Daniel Pon, VP, Human Resources, has responsibility for all human resource functions at both East and West. Communications with employees, including newsletters, hotlines, and webcasts, have been combined and are available to all of the Carriers' employees.

Certain employee benefits have been standardized. Since September 23, 2005, the Carriers have instituted a combined pass policy applicable to all employees. In addition, the Carriers created a combined employee incentive program, "Hat Trick," under which the Carriers' employees earn monthly bonuses if the Carriers' systemwide performance with respect to on-time arrival, mishandled baggage, and customer complaints rank in the top three among major carriers.

Recruiting at East and West has been integrated and all recruitment personnel report to Denise LaForce, Director, Recruitment, who is responsible for filling all positions at the Carriers. Open positions are posted at both East and West and applicants are required to follow standardized employment application policies.

D. Labor Protection Agreements, Transition Agreements, and Cross-Utilization of Employees

The following CBAs at East or West contain references to labor protection provisions:

East-ALPA (Pilots)
East-AFA (Flight Attendants)
East-IAM (Mechanics and Related Employees)
East-IAM (Fleet Service Employees)
East-IAM (Maintenance Training Specialists)
CWA-IBT Alliance (Passenger Service Employees, single agreement for East and West)
TWU (Dispatchers, single agreement for East and West)
TWU (Flight Simulator Engineers, single agreement for East and West)
West-ALPA (Pilots)
West-AFA (Flight Attendants)
West-IBT (Mechanics and Related Employees)
West-TWU (Fleet Service Employees)
West-IBT (Stock Clerks)

On September 23, 2005, the Carriers reached a TA with ALPA. The TA established: 1) minimum aircraft numbers; 2) distribution of international flying between East and West Pilots; 3) hiring of furloughed East Pilots by West prior to hiring externally; 4) a profit sharing plan; and 5) pay rates for Pilots operating EMB 190 aircraft. Pursuant to the TA, the Carriers are negotiating a single CBA with ALPA.

On December 5, 2005, the Carriers reached an Interim TA with the Airline Customer Service Employee Association, IBT-CWA (the Association). Pursuant to that TA, the Carriers voluntarily recognized the Association as the collective bargaining representative of all of its Passenger Service Employees, East and West. The TA provided that the West Passenger Service Employees would transition to the existing East-CWA CBA, and set forth specific days for pay increases for West Passenger Service Employees to match them to East pay rates. The TA also terminated the West-IBT Section 6 negotiations which had been ongoing prior to the merger. Following the reservation migration on March 3, 2007, the Carriers' Passenger Service workforce became fully integrated.

On January 18, 2006, the Carriers reached a TA with the Association of Flight Attendants-CWA (AFA-CWA) governing many merger-related aspects of the parties' relationship until there is a single CBA covering all Flight Attendants. Pursuant to that TA, the Carriers are currently negotiating the single CBA with AFA-CWA.

On August 31, 2006, the Carriers reached an Interim TA with the International Association of Machinists and Aerospace Workers, AFL-CIO (IAM) as the representative of the Fleet Service Employees. The Fleet Services TA provides for cross-utilization of employees at airports that have both East and West Fleet Service Employees, and additionally provides a mechanism for certain furloughed East employees to fill West Fleet positions and be granted credit for pay longevity based on their East service. The duration of the Fleet Service TA was extended on December 20, 2006.

On November 14, 2006, the Carriers reached an interim TA with the IAM as the representative of the Mechanics and Related Employees. The Mechanics' TA provides that West Mechanics and Related Employees may perform certain work on East aircraft in cities where there are West Mechanics but no East Mechanics, and additionally provides a mechanism for certain furloughed East employees to fill West Mechanic positions and be granted credit for pay longevity based on their East service.

The Carriers reached final TA agreements with the Transport Workers Union (TWU) to transition the West Dispatchers, Flight Simulator Engineers, and Flight Crew Training Instructors to the East CBAs on December 20, 2006, April 19, 2007, and May 2, 2007, respectively. The Dispatchers, Flight Simulator Engineers, and Flight Crew Training Instructors are fully integrated on the Carriers' system.

E. Marketing/Reservations/Ticketing

From the date of the merger, September 27, 2005, through January 3, 2006, the Carriers used co-branded East and West logos and the tagline, "Joining together to create the world's largest low-fare airline," to introduce customers and employees to the combined Carriers and to explain the different ticket counter signage. Effective January 4, 2006, the Carriers replaced this co-brand with the single US Airways brand systemwide, along with a new tagline, "Fly with US." This single brand appears in print marketing materials, on the Carriers' website, in reservations centers, at airports, in in-flight announcements and videos, on outdoor billboards, and on direct mail and e-mail to frequent flyer members. West Flight Attendants now use "US Airways" in all in-flight announcements, and the new US Airways magazine has replaced the former East and West in-flight magazines on all flights.

Beginning in December 2005, the Carriers worked on combining their computerized reservations systems (CRSs) through a migration process. Prior to migration, East used a CRS known as Sabre, and West used a CRS known as SHARES. Migration occurred on March 3, 2007 and created a new combined SHARES CRS. Prior to the migration, both East and West marketed flights operated by West using the HP designator code, and flights operated by East using the US designator code. Following migration, West stopped marketing flights and East marked all flights operated by West and East using the US* and US designator code, respectively. Since the surrender of the West FAA operating certificate on September 26, 2007, all East and West flights are marketed using the US designator code.

East and West hold themselves out to the public as a single airline. Emails sent from either East or West employees identify the sender as “US Airways” with no distinction as to where that employee may have worked before the merger. The stations where both East and West operate have moved to single ticket counters, single customer lines, and single kiosks. On October 5, 2005, all airport clubs were combined so that East and West club members are eligible to use the Carriers’ clubs throughout the combined route system.

Media inquiries are directed to a single Corporate Communications office under the supervision of Elise Eberwein, Senior Vice President, People, Communications and Culture. The Carriers have synchronized customer service, baggage claims and fleet service policies so that they are identical for East and West passengers. Relationships with third-party vendors, like skycaps and aircraft cleaners, have also been integrated by terminating and amending contracts to make them applicable to both East and West.

Since 2006, the Carriers’ frequent flyer programs and websites have been integrated into a single Dividend Miles frequent flyer program. See www.usairways.com.

F. Routes and Schedules

With the surrender of the West operating certificate, the Carriers sell all points on the combined system under a single designator code. In the summer of 2007, the Carrier converted to a common AirFlight system to generate a single flight schedule for both East and West. The single flight schedule is then sent to the Carriers’ two crew management systems for East and West.

G. Uniforms/ID Badges

In December 2005, Captain Bular met with the ALPA uniform committees from East and West to discuss options for a standardized uniform. Pilots were surveyed to determine their uniform preferences during March 2006. Pilots began ordering new standardized uniforms in July 2006, and the delivery of the uniforms to the Pilots began in February of 2007.

Beginning in April 2006, West Pilots exchanged their old West identification badges for the new common US Airways badges. Beginning in January 2007, the East Pilots exchanged their old East identification badges for the new common US Airways badges.

H. Equipment

The Carriers unveiled new livery on August 23, 2005. As of November 11, 2007, 129 West aircraft (98.5 percent of the fleet) and 99 East aircraft (47.4 percent of the fleet) have been repainted in the new livery. All remaining aircraft are scheduled to be repainted during 2008.

I. Insignia and Logos

All West insignia and logos have been eliminated from letterhead, business envelopes, and fax cover sheets and only East insignia and logos are now used. In August 23, 2005, the Carriers implemented a new Heritage logo incorporating the classic logos of four of the largest airlines previously merged into the US Airways system.

The former West signage at the Carriers' headquarters building in Tempe, Arizona, and at the Flight Training center in Phoenix, Arizona has been replaced with East signage. At each domestic station where East and West operate, the Carrier has endeavored to remove all former West insignia and logos, and any that remain are merely the result of oversight, historical value, or are the responsibility of the airport authority.

DISCUSSION

I.

The Board's Authority

45 U.S.C. § 152, Ninth, authorizes the Board to investigate disputes arising among a carrier's employees over representation and to certify the duly authorized representative of such employees. The Board has exclusive jurisdiction over representation questions under the RLA. *General Comm. of Adjustment v. M.K.T. R.R. Co.*, 320 U.S. 323 (1943); *Switchmen's Union of N. Am. v. Nat'l Mediation Brd.*, 320 U.S. 297 (1943). In *Air Line Pilots Ass'n, Int'l v. Texas Int'l Airlines, Inc.*, 656 F.2d 16, 22 (2d Cir. 1981), the court stated, "[t]he NMB is empowered to . . . decide representation disputes arising out of corporate restructurings."

II.

Single Transportation System

The Board's Representation Manual (Manual) Section 19.4 provides that: "Any organization or individual may file an application, supported by evidence of representation or a showing of interest . . . seeking a NMB determination that a single transportation system exists." Manual Section 19.501 provides the factors for making a determination whether a single system of transportation exists.

In *Trans World Airlines/Ozark Airlines*, the Board cited the following indicia of a single transportation system:

[W]hether a combined schedule is published; how the carrier advertises its services; whether reservation systems are combined; whether tickets are issued on one carrier's stock; if signs, logos and other publicly visible indicia have been changed to indicate only one carrier's existence; whether personnel with public contact were held out as employees of one carrier; and whether the process of repainting planes and other equipment, to eliminate indications of separate existence, has been progressed.

Other factors investigated by the Board seek to determine if the carriers have combined their operations from a managerial and labor relations perspective. Here the Board investigates whether labor relations and personnel functions are handled by one carrier; whether there are a common management, common corporate officers and interlocking Boards of Directors; whether there is a combined workforce; and whether separate identities are maintained for corporate and other purposes.

14 NMB 218, 236 (1987).

The Board finds a single transportation system only when there is substantial integration of operations, financial control, and labor and personnel functions. *Florida N. R.R.*, 34 NMB 142 (2007); *GoJet Airlines, LLC and Trans States Airlines, Inc.*, 33 NMB 24 (2005); *Burlington N. Santa Fe Ry. Co.*, 32 NMB 163 (2005); *Huron & E. Ry. Co., Inc.*, 31 NMB 450 (2004). Further, the Board has noted that a substantial degree of overlapping ownership, senior management, and Boards of Directors is critical to finding a single transportation system. *Precision Valley Aviation, Inc., d/b/a Precision Airlines and Valley Flying Serv., Inc., d/b/a Northeast Express Reg'l Airlines*, 20 NMB 619 (1993). The Board's substantial integration of operations criteria does not, however, require total integration of operations. *Allegheny Airlines, Inc. and Piedmont Airlines, Inc.*, 32 NMB 21, 28 (2004). Nor, do the existence of "fence" or transition agreements preclude the Board from finding a single transportation system exists. *American Airlines, Inc./TWA Airlines, LLC*, 29 NMB 201, 212 (2002); *Mountain Air Express/Air Wisconsin Airlines Corp.*, 26 NMB 185 (1999); *Continental Airlines/Continental Express*, 20 NMB 326 (1993).

The Board previously determined that East and West operate as a single transportation system for the crafts or classes of Stock Clerks, Flight Dispatchers, Flight Crew Training Instructors, Flight Simulator Engineers, Passenger Service Employees, Mechanics and Related Employees, Fleet Service Employees, and Maintenance Training Specialists. *US Airways/America West Airlines*, 33 NMB 339 (2006); *US Airways/America West Airlines*, 33 NMB 221 (2006); *US Airways/America West Airlines*, 33 NMB 151 (2006); *US Airways/America West Airlines*, 33 NMB 49 (2006). The corporate merger of East and West is complete, and the operational merger of East and West is virtually complete.

Since the merger, East and West have moved inexorably forward to form a single system. West surrendered its FAA operating certificate and is now conducting all flights under East's operating certificate. The Carriers additionally have filed as a single SEC registrant for calendar years 2005 and 2006.

Labor Relations for the Carriers has been integrated into a single department under the leadership of VP E. Allen Hemenway. Many employee benefits for the Carriers have been standardized, including a combined pass policy and a combined employee incentive program. Recruiting at the Carriers has been integrated into a single department under the direction of Denise LaForce, Director, Recruitment.

East and West hold themselves out to the public as a single airline. Airports have single ticket counters, single kiosks, single customer lines, and single airport clubs for East and West passengers. Further, the Carriers' frequent flyer programs and websites have been integrated since 2006. In addition, the Carriers have synchronized customer service, baggage claims, and fleet service policies so they are identical for East and West passengers. Since January 2006, the Carriers have a single US Airways brand and tagline which appears in all marketing materials, including website, print materials, in-flight videos, etc. All West logos have been eliminated from letterhead, and a new Heritage logo has been established for the Carriers.

The Carriers have a combined SHARES CRS reservation system and all East and West flights are marketed using the same designator code, and run from a single flight schedule. A significant portion of the fleet has been painted with the new US Airways livery, and the remaining aircraft are scheduled to be repainted in 2008. A majority of the West signage has been replaced with East signage.

The Carriers have a common slate of officers and directors and an integrated management team. All East and West Pilots are under the direction of Captain Ed Bular, SVP, Flight Operations/Inflight and EVP/COO Robert Isom within a single Flight Operations department. While grievances for East and West Pilots continue to be handled by their respective CBAs, Beth Holdren, Managing Director, Labor Relations-Flight, handles all East and West grievances for the Carriers at the System Board level. In September of 2005, the Carriers reached a TA with ALPA over a number of collectively bargained items and they are currently negotiating a single CBA. As of early January

2007, Pilots from East and West are wearing a new standardized uniform, and have exchanged their old id badges for a new common US Airways badge.

ALPA requests that the Board delay its determination until a single CBA is in place for the East and West Pilots. The Board believes that delaying its findings in this case would be contrary to the RLA's purpose of promoting labor stability. *American Airlines, Inc./TWA Airlines, LLC*, 29 NMB 201, 212 (2002); *British Airways/British Caledonian Airways*, 16 NMB 17, 25 (1988). The facts presented here overwhelmingly support a finding that East and West are operating as a single system, meeting virtually all of the relevant *Trans World Airlines/Ozark Airlines* indicia of a single system of transportation. 14 NMB 218, 236 (1987); see also Manual Section 19.501. Further, it would be unprecedented for the Board to decline to find a single transportation system due solely to the absence of a single CBA.

Based upon the application of the principles cited above to the facts established by the investigation, the Board finds that East and West operate as a single transportation system for representation purposes for the craft or class of Pilots.

CONCLUSION

The Board finds that East and West are operating as a single transportation system for representation purposes under the RLA. Accordingly, USAPA's application in File No. CR-6926 is converted to NMB Case No. R-7147. Pursuant to Manual Section 19.6, the investigation will proceed to address the representation of the proper craft or class. USAPA and any other interested organizations have 14 days from the date of this determination to file an application supported by a showing of interest of more than fifty (50) percent of the single transportation system or to supplement the showing of interest in accordance with Manual Sections 19.601 - 19.603. The participants are reminded that existing certifications remain in effect until the Board issues a new certification or dismissal. See Manual Section 19.7.

By direction of the NATIONAL MEDIATION BOARD.



Mary L. Johnson
General Counsel

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NATIONAL MEDIATION BOARD
WASHINGTON, DC 20572

(202) 692-5000

In the Matter of the
REPRESENTATION OF
EMPLOYEES
of
US AIRWAYS
Pilots

35 NMB No. 37
CASE NO. R-7147
CERTIFICATION
April 18, 2008

The services of the National Mediation Board (Board) were invoked by the US Airline Pilots Association (USAPA) on November 13, 2007, to investigate and determine who may represent for the purposes of the Railway Labor Act (RLA), as provided by Section 2, Ninth, thereof, personnel described as "Pilots," employees of US Airways (Carrier).

At the time this application was received, these employees were represented by the Air Line Pilots Association (ALPA).

The Board assigned Investigator Cristina A. Bonaca to investigate.

FINDINGS

The investigation disclosed that a dispute existed among the craft or class of Pilots, and by direction of the Board, the Investigator was instructed to conduct an election to determine the employees' representation choice.

The following is the result of the election as reported by Investigator Bonaca.

<u>Election Results for Pilots</u>	
Eligible Employees	5,238
ALPA	2,254
USAPA	2,723
OTHER	8

The Board further finds that: the Carrier and employees in this case are, respectively, a Carrier and employees within the meaning of the RLA, as amended; this Board has jurisdiction over the dispute involved herein; and the interested parties, as well as the Carrier, were given due notice of the Board's investigation.

CERTIFICATION

NOW, THEREFORE, in accordance with Section 2, Ninth, of the RLA, as amended, and based upon its investigation pursuant thereto, the Board certifies that the USAPA has been duly designated and authorized to represent for the purposes of the RLA, as amended, the craft or class of Pilots, employees of US Airways, its successors and assigns.

By direction of the NATIONAL MEDIATION BOARD.



Mary L. Johnson
General Counsel



Application for Investigation of Representation Dispute

Date: January 14, 2013

TO THE NATIONAL MEDIATION BOARD, Washington, D. C. 20005: A dispute has arisen among the employees of:

Name of Carrier:	American Airlines, Inc.	Address:	14600 Trinity Blvd, Suite 500
Contact:	Edgar N. James	City, State, Zip Code:	Forth Worth, TX 76155-2512
Telephone Number:	202-496-0500	Fax Number:	202-496-0555

as to who is the representative of these employees designated and authorized in accordance with the requirements of the Railway Labor Act. The undersigned, one of the parties to the dispute, hereby requests the National Mediation Board to investigate this dispute, and to certify the name or names of the individuals or organizations authorized to represent the employees involved in accordance with Section 2. Ninth, of the Act.

PARTIES TO DISPUTE

Petitioning organization or representative:	Allied Pilots Association (1/1/2013)
Organization holding existing agreement, if any:	US Airline Pilots Association Date: 12/9/2013
Other organization or representatives involved in dispute:	

CRAFT OR CLASS of Employees Involved – (If more than one craft or class, list separately)

	Craft or Class	Number of Employees
1.	Flight Deck Crew Members	APA: Appx. 10,000
2.		USAPA: Appx. 5,000
3.		
4.		
5.		
6.		

EVIDENCE OF REPRESENTATION – this application is supported by:

	At least 50% Seniority List
--	-----------------------------

Name and Signature:	Keith Wilson	
Title:	Allied Pilots Association President	
Address:	14600 Trinity Blvd, Suite 500	Telephone: 817-302-2272
City, State, Zip Code:	Fort Worth, TX 76155-2512	Fax: 817-302-2187

Instructions: Continue to page 2.
Form NMB - 1 OMB No. 3140-0001 (Expiration Date 06/30/2016)



Application for Investigation of Representation Dispute

APPLICANT NOTICE OF APPEARANCE

The Allied Pilots Association hereby enters the following names, addresses,
 (Applicant Organization)
 phone numbers, fax numbers, and email addresses for the individual(s) designated as the representative(s)
 of the Allied Pilots Association in connection with the Application for Investigation
 (Applicant Organization)
 of Representation Dispute:

Name & Title:	Edgar N. James, APA General Counsel	Telephone:	202-496-0500
Address:	1130 Connecticut Ave, NW, Suite 950	Fax:	202-496-0555
City, State, Zip Code	Washington, D.C. 20036-3975	Email:	ejames@jamhoff.com
		Alternate Telephone:	

Name & Title:	Tanya D. Senanayake, APA General Counsel	Telephone:	202-496-0500
Address:	1130 Connecticut Ave, NW, Suite 950	Fax:	202-496-0555
City, State, Zip Code	Washington, D.C. 20036-3975	Email:	tdsenanayake@jamhoff.com
		Alternate Telephone:	

Name & Title:		Telephone:	
Address:		Fax:	
City, State, Zip Code		Email:	
		Alternate Telephone:	

Filing Instructions: File this application in duplicate.

Additional Sheets: Use and attach additional sheets as needed.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control Number. The valid OMB control number for this information collection is 3140-0001. The time required to complete this information collection is estimated to average 15 minutes per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection.



NATIONAL MEDIATION BOARD
WASHINGTON, DC 20572

(202) 692-5000

In the Matter of the
Application of the

ALLIED PILOTS ASSOCIATION

alleging a representation dispute
pursuant to Section 2, Ninth, of
the Railway Labor Act, as
amended

involving employees of

AMERICAN AIRLINES, INC. AND
US AIRWAYS, INC.

41 NMB No. 41

CASE NO. R-7404
(File No. CR-7110)

FINDINGS UPON
INVESTIGATION

August 8, 2014

This determination addresses the application filed by the Allied Pilots Association (APA). APA requests the National Mediation Board (NMB or Board) to investigate whether American Airlines, Inc. (American) and US Airways, Inc. (US Airways) (collectively the Carriers or the New American) are operating as a single transportation system.

The investigation establishes that American and US Airways constitute a single transportation system.

PROCEDURAL BACKGROUND

On January 10, 2014, American notified the Board that “on December 9, 2013, American Airlines Group, Inc., (formerly known as AMR Corporation) and US Airways Group, Inc., implemented a merger agreement dated February 13, 2013, resulting in the former’s acquisition of the latter, including its wholly-owned subsidiary US Airways, Inc.” On January 15, 2014, APA filed an application alleging a representation dispute involving the craft or class of Flight Deck Crewmembers at the Carriers.

The Flight Deck Crewmembers craft or class is represented by APA at American under the Board's certification in NMB Case No. R-6867. The Pilots craft or class at US Airways is represented by the US Airline Pilots Association (USAPA) under the Board's certification in NMB Case No. R-7147.

APA asserts that American and US Airways constitute a single transportation system for representation purposes under the Railway Labor Act¹ (RLA or Act). The Board assigned Maria-Kate Dowling to investigate and requested that the Carriers provide information regarding their operations. On January 30, 2014, the Carriers submitted the requested information and their initial position statement. On February 19, 2014, APA and USAPA each filed an initial position statement. Subsequently, on May 28, 2014 and June 16, 2014, the Carriers, APA, and USAPA filed supplemental position statements. In addition, the Board has taken administrative notice of the Carriers' filings in NMB Case File No. CR-7121, an application for a single transportation determination involving the Passenger Service Employees craft or class at the New American.

ISSUES

Are American and US Airways operating as a single transportation system? If so, what are the representation consequences?

CONTENTIONS

APA

APA states that the two Carriers satisfy the NMB's single transportation system criteria and have been a single carrier since on or about January 14, 2014. In this regard, APA notes that the Carriers have published combined schedules or combined routes; have begun the process of standardizing uniforms for the workgroups that utilize uniforms; hold themselves out as a combined carrier through common marketing and advertising; have integrated essential operations such as scheduling or dispatching; have centralized labor and personnel operations; have common management, corporate officers, and board of directors; and have common ownership.

American and US Airways

The Carriers state that American and US Airways comprise a single transportation system for the craft or class of Flight Deck Crewmembers. According to the Carriers, the corporate merger involving American and US Airways became effective on December 9, 2013. The Carriers state that the

¹ 45 U.S.C. § 151, *et seq.*

objective of this corporate merger is the creation of a single airline operating under the American name and they are rapidly pursuing that goal. The Carriers are now commonly owned. They have combined management at the officer level. All senior management, including those responsible for labor relations, flight operations, and personnel functions, hold the same position at both Carriers. Customer communications, advertising and other marketing efforts describe the “New American” as a combined company. These customer communications emphasize that the New American will be integrating operations in stages over the next year and will combine into one airline after obtaining a single operating certificate from the Federal Aviation Administration (FAA). The Carriers also state that they are “steadily moving forward” with the integration of their policies and practices, routes and schedules, livery, and customer service functions. Accordingly, the Carriers state that they now constitute a single transportation system within the meaning of the NMB’s case law.

USAPA

USAPA states that American and US Airways are not substantially integrated in operations, labor conditions of the pilots, and business with the traveling public. Accordingly, USAPA states that in the absence of any evidence that substantial integration has in fact occurred, a single transportation system finding by the Board is premature.

FINDINGS OF LAW

Determination of the issues in this case is governed by the Act, as amended, 45 U.S.C. § 151, et seq. Accordingly, the Board finds as follows:

I.

American and US Airways are common carriers as defined in 45 U.S.C. § 181, First.

II.

APA and USAPA are labor organizations and/or representatives as defined in 45 USC § 151, Sixth, and § 152, Ninth.

III.

45 U.S.C. § 152, Fourth, gives employees subject to its provisions, “the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for purposes of this chapter.”

IV.

45 U.S.C. § 152, Ninth, provides that the Board has the duty to investigate representation disputes and to designate who may participate as eligible voters in the event an election is required. In determining the choice of the majority of employees, the Board is “authorized to take a secret ballot of the employees involved or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives . . . by the employees without interference, influence, or coercion exercised by the carrier.”

STATEMENT OF FACTS

Background

Prior to the merger, American was a wholly-owned subsidiary of AMR Corporation (AMR). American is headquartered in Dallas-Fort Worth, Texas and operates approximately 1900 flights a day. American has hubs in Dallas-Fort Worth, Miami, Chicago-O’Hare, Los Angeles, and New York-JFK. Pre-merger US Airways was a wholly-owned subsidiary of US Airways Group with its headquarters in Tempe, Arizona. US Airways operates more than 1,200 flights per day and has hubs in Charlotte, Philadelphia, Phoenix, and at Washington, DC’s Reagan National Airport.

On February 13, 2013, AMR and US Airways Group entered into an Agreement and Plan of Merger (Merger Agreement) under which the former would acquire the latter, including its wholly-owned subsidiary US Airways. In March 2013, the Carriers announced the creation of the Integration Management Office (IMO) to manage the integration of the two companies, including developing the master plan and timeline for the integration. Following governmental and shareholder approvals, the Merger Agreement became effective on December 9, 2013.

As of December 25, 2013, according to American’s records, APA represented 9,859 Pilots including check airmen and pilots on leave. This number does not include management pilots and pilots on the American Airlines Pilots System Seniority List who are currently working for American Eagle. As of December 31, 2013, according to US Airways’ records, USAPA represented 5,121 Pilots at US Airways. This number includes check airmen, pilots on leave and furloughed pilots but does not include management pilots.

Common Corporate Ownership

Pursuant to the Merger Agreement, AMR was renamed American Airlines Group, Inc. (AAG), and American and US Airways are now wholly-owned subsidiaries of AAG. US Airways remains a wholly-owned subsidiary of US

Airways Group. American and US Airways are now operating under the “American Airlines” name.

All of the outstanding stock of AMR Corporation has been converted into common stock in AAG, and each outstanding share of common stock of US Airways Group has been exchanged for one newly-issued share of American Airlines Group common stock. AAG, American, US Airways Group, and US Airways made their first consolidated filing with the Securities and Exchange Commission on December 9, 2013. That filing included a description of the closing of the merger and provided notice that AAG’s stock would be traded on the NASDAQ Global Select Market as AAL instead of on the OTCBQ marketplace as AAMRQ. The Carriers also issued press releases announcing the closing of the merger and addressing stock distribution matters.

Also beginning on December 9, 2013, common shares issued by American Airlines Group have been traded on the NASDAQ Global Select Market under the ticker symbol “AAL” and convertible preferred shares have been traded on the same market under the ticker symbol “AALCP.” In addition, a common investor relations website for AAG has been created.

Common Board of Directors

AAG has a single board of directors. Tom Horton, the former Chairman, President, and Chief Executive Officer of AMR Corporation and American, is now non-executive Chairman of the Board of American Airlines Group. Doug Parker, the former Chairman and Chief Executive Officer of US Airways Group and US Airways, is now Chief Executive Officer of AAG and a member of its Board of Directors. He is also Chief Executive Officer of American and US Airways Group. The American Airlines Group Board of Directors also includes John T. Cahill (Lead Independent Director), James F. Albaugh, Jeffrey D. Benjamin, Michael J. Embler, Matthew J. Hart, Alberto Ibargüen, Richard C. Kraemer, Denise M. O’Leary, Ray M. Robinson, and Richard P. Schifter. The AAG Board of Directors held its first meeting on January 21-22, 2014, and its quarterly meeting on April 22-23, 2014.

American and US Airways have common Boards of Directors. The three members of each company’s Board of Directors are Tom Horton, Doug Parker, and Steve Johnson. Johnson is the former US Airways Executive Vice President, Corporate and Government Affairs, and is now AAG’s Executive Vice President, Corporate Affairs. A common directors and officers liability insurance policy covers the officers and directors of AAG and each of its subsidiaries.

Common Management

All Officers, Executive Vice Presidents, Senior Vice Presidents, and Vice Presidents for the Carriers and substantially all Managing Directors and Directors, have been named and have taken responsibility for the management of the Carriers. As previously noted, Doug Parker, former Chairman and Chief Executive Officer of US Airways Group and US Airways, is now Chief Executive Officer of AAG, American, and US Airways Group. Scott Kirby, former President of US Airways, is now President of AAG, American, US Airways Group, and US Airways. He is also Chief Executive Officer of US Airways. Steve Johnson, former US Airways Executive Vice President, Corporate and Government Affairs, is now Executive Vice President, Corporate Affairs of AAG, American, US Airways Group, and US Airways. Derek Kerr, former Executive Vice President and Chief Financial Officer of US Airways, is now Executive Vice President and Chief Financial Officer of AAG, American, US Airways Group, and US Airways. Elise Eberwein, former Executive Vice President, People, Communications and Public Affairs for US Airways, is now Executive Vice President, People, Communications and Public Affairs for AAG, American, US Airways Group, and US Airways. Maya Leibman, former Senior Vice President – Technology and Chief Information Officer for American, is now Senior Vice President – Technology and Chief Information Officer of AAG, American, US Airways Group, and US Airways. Beverly Goulet, former Chief Restructuring Officer, Senior Vice President and Chief Integration Officer of American is now Senior Vice President, Chief Integration Officer AAG, American, US Airways Group, and US Airways. Paul Jones, former Vice President, Legal Affairs for US Airways, is now Senior Vice President, General Counsel and Chief Compliance Officer of AAG, American, US Airways Group, and US Airways. William Ris, former Senior Vice President – Government and Regulatory Affairs for American, is now Senior Vice President, Government Affairs of AAG, American, US Airways Group, and US Airways.

Senior Management positions are held by the same individuals at both American and US Airways. Andrew Nocella, former Senior Vice President of Marketing and Planning for US Airways, is now Senior Vice President and Chief Marketing Officer for the New American. Keith Bush, former Senior Vice President, Finance for US Airways, is now Senior Vice President, Finance for the New American. Arthur Torno, former Vice President, Mexico, Caribbean and Latin America for American, is now Senior Vice President, Mexico, Caribbean and Latin America for the New American. Suzanne Boda, former Senior Vice President, Airport Customer Service, International and Cargo for US Airways, is now Senior Vice President of Asia, Canada, Europe and Cargo for the New American. Tim Campbell, former integration consultant, is now Senior Vice President, Air Operations for the New American. Kenji Hashimito, former President, Cargo for American, is now Senior Vice President of Regional Carriers for the New American. David Seymour, former Senior Vice President,

Operations, for US Airways, is now Senior Vice President, Technical Operations for the New American. Thomas Trenga, former Senior Vice President, Revenue Management for US Airways, is now Senior Vice President, Revenue Strategy for the New American. Kurt Stache, former Vice President of Strategic Alliances for American is now Senior Vice President, Alliances and Partnerships for the New American. Edward Bular, former Senior Vice President, Flight Operations, for US Airways, is now the New American's Senior Vice President, Single Operating Certificate. Kerry Philipovitch, former Senior Vice President, Customer Experience for US Airways, is now Senior Vice President, Customer Experience for the New American with responsibility for Customer Planning, Reservations, and Airport Customer Service. In addition, forty-eight New American Vice Presidents have also been named, each of whom holds the same position with both American and US Airways.

The New American has finalized the designs for its combined administrative organization. Recruiting to fill the non-executive positions is expected to be completed by summer 2014. The executive offices have been combined and many former US Airways senior executives and managers have relocated or are in the process of relocating to the American offices in Fort Worth, Texas, which is the headquarters of the combined Carriers. The first work group to integrate, Revenue Management, has already completed its move to Fort Worth. The Carriers have also implemented policy changes at the Fort Worth corporate headquarters that reflect the integration of the corporate cultures of American and US Airways.

Financial Integration

Beginning January 1, 2014, American and US Airways elected to use one firm to audit the New American's finances. In his declaration, Paul Jones, Senior Vice President, General Counsel, and Chief Compliance Officer for AAG, American, US Airways Group, and US Airways, states that AAG will report its financial results on a consolidated basis, with separate reporting for American and US Airways. On January 28, 2014, AAG reported its fourth quarter and full year 2013 results including generally accepted accounting principles (GAAP) financial results that contained US Airways data for the period from the closing of the merger on December 9, 2013 through December 31, 2013. The Carriers have completed purchase accounting and reporting requirements for the New American and have aligned financial statement accounts and accounting policies.

The Carriers continue to integrate their procurement programs, including the negotiation with suppliers for consolidated services. Airport customer services contracts have been consolidated at Phoenix and New York-JFK. The Carriers are in the process of consolidating ramp handling, cargo handling, and other procurement contracts including fuel. Their respective resource approval,

commitment, and disbursement processes have been aligned, including those related to capital expenditures, expense projects, contracts, leases, and dispositions.

The finance groups of American and US Airways are under the direction of a single officer to ensure consistency. Derek Kerr, former Executive Vice President and Chief Financial Officer of US Airways, is now Executive Vice President and Chief Financial Officer of AAG, American, US Airways Group, and US Airways. Keith Bush, former Senior Vice President, Finance for US Airways, is now Senior Vice President, Finance for the Carriers.

Centralized Control of Labor Relations

There is a single management group responsible for labor relations at the Carriers. Paul Jones, former Vice President, Legal Affairs for US Airways is now Senior Vice President, General Counsel and Chief Compliance Officer for AAG, American, US Airways Group and US Airways. In this role, Jones is responsible for labor relations at the merged carrier. Al Hemenway, former Vice President of Labor Relations for US Airways, is now the Vice President of Labor Relations for the Carriers. Jones and Hemenway have overall responsibility for, among other things, collective bargaining negotiations, the administration of collective bargaining agreements (CBA), the grievance and arbitration process, and all other aspects of labor relations.

On February 11, 2014, the New American announced additional leaders of the labor relations team. As of that date, Beth Holdren, formerly Managing Director of Labor Relations (Flight) at US Airways, became the Managing Director of Labor Relations (Flight) for the Carriers' pilot employees. Cindi Simone, formerly Managing Director of Labor Relations (InFlight) at US Airways, became the Managing Director of Labor Relations (InFlight) for employees in the Carriers' Flight Attendant craft or class. Taylor Vaughn, formerly Managing Director of Labor Relations (InFlight) at American, became the Managing Director of Labor Relations (Customer Service) for the employees in the Carriers' Passenger Service and Fleet Service Employees crafts or classes, as well as their employees in Canada and Bermuda who perform similar functions. On that date, the Carriers also named Jim Weel, formerly Managing Director of Labor Relations (Ground) at American, as the Managing Director of Labor Relations (Tech Ops) with responsibility for the Mechanic and Related Employees, Stock Clerks, Maintenance Training Instructors, Flight Crew Training Instructors, Flight Simulator Engineers, and Dispatchers crafts or classes.

Labor Protection Provisions and Interim Agreements

According to Jones, this merger is unique in that prior to the December 9, 2013 closing of the merger transaction, American and US Airways and the organizations representing their respective pilot groups had negotiated a Merger Transition Agreement (MTA) or multi-year agreement for terms and conditions of employment applicable to the pilots at both airlines upon the closing of the merger. Jones states that the two airlines had also negotiated a process for flight attendants and several groups of ground employees to arrive at common terms and conditions of employment on a relatively expedited basis following a single-carrier determination and certification of a representative by the NMB.

Pilots

The MTA contains common terms and conditions of employment that are applicable to both pilot groups. The MTA consists of the CBA approved on December 19, 2013 by the Bankruptcy Court in *In Re AMR Corporation, et al.*, jointly administered Ch. 11 Case No. 11-15463 (SHL) (“2012 AA-APA CBA”), as amended by and pursuant to the provisions of the 2013 Memorandum of Understanding Regarding Contingent Collective Bargaining Agreement (MOU) between US Airways, American, APA, and USAPA and entered into in anticipation of the American and US Airways merger. The MTA became effective on December 9, 2013.

The MOU prescribed certain modifications to the 2012 AA-APA CBA and contemplated additional “give-backs” to the American pilots, valued at an average of \$87 million per year over the six-year term of the 2012 AA-APA CBA. These additional modifications to the 2012 AA-APA CBA, which apply to the US Airways pilots as well as the pre-merger American pilots, were negotiated and are set forth in a March 20, 2013 letter that is part of the MTA. As of December 9, 2013, pursuant to a mandate of the MOU, certain provisions of the MTA relating to pay and the contribution percentage from the Carriers to the defined-contribution retirement plan have been extended to all US Airways pilots. According to Jones, the MOU also recognized that implementation of other provisions for legacy US Airways pilots would take additional time and therefore the MOU provides that those provisions be extended to US Airways pilots at the “earliest practicable time.”

According to Jones, because the Pilot groups from American and US Airways are working under the MTA, many of their terms and conditions of employment have already been aligned. Thus, the New American’s pilots receive the same rates of pay and the same carrier contribution percentage for their defined benefit contribution retirement plans. The provisions for expenses away from base, moving expenses, lodging conditions, vacation

accrual, physical examinations, drug and alcohol testing, parking permits, probation and discipline are the same for all pilots. The scope and furlough protections are also the same for both pilot groups. Certain sick leave for pilots is also accrued in the same manner. According to Jones, leave of absence provisions would be aligned by April 1, 2014. All legacy American and US Airways pilots also receive deadhead pay at 100% and have common terms and conditions such as pay protection for pilots displaced to certain aircraft, international override pay, distance learning pay, some training-related work rules, per diem, crew meals, certain elements of check airman pay, recall bypass provisions, commuter policy, training pay, booking deadheading pilots in first class on certain international flights, and provisions implementing FAR 117.

The MOU also sets forth a process for the negotiation of a Joint Collective Bargaining Agreement (JCBA) for the pilots. Jones states that because the MOU establishes and fixes the economics and scope of the ultimate JCBA at what is already contained in the MTA, the amount of time needed to negotiate the JCBA “will be minimal.” Therefore, the MOU specifically provides that the negotiations for a JCBA will be completed no later than thirty days after the NMB determines that American and US Airways constitute a single transportation system for representation purposes of the pilot groups and certifies the collective bargaining representative for those employees at the merged Carrier. If the parties either cannot reach agreement on a JCBA within the specified time or the Pilots do not ratify a negotiated JCBA, the MOU provides for “final and binding” interest arbitration and that any arbitrator’s award must be “consistent with the terms of the MTA” and “specifically shall adhere to the economic terms of the MTA” and not change certain specified terms of the MTA. The MOU requires that any arbitration award shall be issued within 60 days after the close of the 30-day negotiation period. Because of the limits on the interest arbitrator’s jurisdiction contained in the MOU, the material post-merger terms and conditions of employment for the legacy American and US Airways Pilots have already been established, and, with the exception of any negotiated and/or arbitrated changes reached outside the Section 6 process, those terms and conditions of employment will remain in effect at least through the amendable date of the MTA/JCBA, which is December 31, 2018.

Jones states that the MOU prescribes that the Pilot seniority-integration and arbitration process, pursuant to the McCaskill-Bond statute, shall begin “as soon as possible” after the close of the merger and must be concluded no later than 24 months after the December 9, 2013 merger effective date, including a final and binding arbitration if necessary. Based on the terms of the MOU, any actual arbitration hearing will not begin until final adoption of the JCBA.

After the merger closed, and as contemplated by the MOU, the parties commenced negotiations for a Seniority Integration Protocol Agreement. However, no agreement was reached even with an extension of the MOU's original deadline to complete these negotiations from January 8, 2014 to February 18, 2014. APA and USAPA also did not reach an agreement on an integrated seniority list by the MOU's deadline of March 9, 2014. Under the MOU the parties had until March 24, 2014 to designate a panel of three arbitrators. APA proposed an arbitrator-selection procedure that was accepted by the Carriers. USAPA did not respond to APA's proposal. On February 20, 2014, however, USAPA had filed a request with the NMB seeking a panel of seven potential arbitrators for the parties to use to resolve the seniority integration issues. On February 27, 2014, USAPA filed a lawsuit in United States District Court for the District of Columbia seeking to invalidate the MOU's seniority-integration provisions. The parties are still working on finalizing a Protocol Agreement.

Flight Attendants

In April 2012, US Airways and the Association of Professional Flight Attendants (APFA), the organization representing American's Flight Attendant craft or class, negotiated a Conditional Labor Agreement, which as modified by a December 31, 2012 Memorandum of Understanding and clarified by February 12 and April 11, 2013 Letters of Clarification, provided for the terms and conditions of employment that would be applicable to American's Flight Attendants following the merger. According to Paul Jones, on or about December 19, 2013, APFA and the Association of Flight Attendants (AFA), the representative of US Airways' flight attendants, reached an agreement for bargaining and representation that would require both unions to jointly file a single-carrier petition within six months of December 9, 2013 and under which AFA would not contest APFA's request to be certified by the NMB as the collective-bargaining representative of the merged Flight Attendant craft or class. On February 28, 2014, AFA's membership ratified a Negotiations Protocol among New American, APFA, and AFA. Under this protocol agreement, if negotiations for a Flight Attendant JCBA are unsuccessful, the parties will engage in final binding interest arbitration to obtain an award that meets certain conditions. The resulting Flight Attendant JCBA is expected to be implemented no later than early 2015, following completion of the Flight Attendant seniority-integration process.

Ground Service Employees

Pursuant to a January 25, 2013, Memorandum of Understanding between the Transport Workers Union (TWU), US Airways, and American (TWU MOU), the TWU will file a single carrier application for each of the following crafts or classes no later than six months after December 9, 2013: Fleet

Service Employees; Flight Simulator Technicians; Ground School and Simulator Instructors; Maintenance Control Technicians; Dispatchers; Material Logistics Specialists (formerly Stock Clerks); and Mechanics and Related Employees. The International Association of Machinists and Aerospace Workers (IAM) represents Mechanics and Related Employees, Fleet Service Employees, Maintenance Control Technicians, and Material Logistics Specialists at US Airways. If TWU is certified as the representative of a work group following the single carrier process, the parties have agreed to begin negotiations for an applicable JCBA no later than 30 days following certification and to negotiate for a “transition planning agreement” addressing operational integration issues “as soon as reasonable and practical.”

Pursuant to the TWU MOU, the TWU’s internal seniority-integration process will apply to the crafts or classes that TWU represents at both American and US Airways. The IAM, the TWU, US Airways, and American have also reached an agreement regarding the method to be used for integrating the seniority lists of the four ground service employee groups represented by IAM at US Airways and TWU at American. For all seven ground groups, any integrated seniority list that results from this process will be implemented following the implementation of a JCBA applicable to such group.

Common Personnel Policies

The Human Resources functions of the New American have been combined under Elise Eberwein, Executive Vice President, People and Communications. The leadership team reporting to Ms. Eberwein, including all Vice Presidents and Managing Directors of the various human resources functions, has been named, and they have assumed their roles. Effective January 1, 2014, the Carriers implemented a number of common personnel policies applicable to management, support staff, and other non-represented employee groups at American and US Airways. These policies include a single company seniority policy for US-based employees, a common vacation scheduling policy, and common holiday schedules. On January 1, 2015, a common vacation accrual and usage policy will be put into effect for all management and support staff at both carriers. The combined Human Resources Department is in the process of harmonizing the Carriers’ other personnel policies and procedures and will be implementing additional common policies as they are developed. According to Paul Jones, the Human Resources Department has nearly completed the first version of a common employee handbook for both Carriers. The Carriers have also selected a single unemployment insurance vendor, a health and welfare benefit administrator for employees of both Carriers, and an investment advisor for the New American’s 401(K) plan. The content of new employee orientation programs has been aligned. The Carriers also expect to fully align their diversity strategies by the end of the third quarter of 2014. Details of all policies are

made available to employees and employees can email questions to merger.questions@aa.com.

All former US Airways employees have been assigned a lifetime American employee number. Although former US Airways employees will keep their existing US Airways employee identification numbers, they will soon be able to use their American employee identification numbers for logging into the US Airways employee intranet system and for access to certain American facilities and programs.

On December 10, 2013, employees of both American and US Airways became eligible for zero-fare interline flights on the other airline. The Carriers have also aligned aspects of the non-revenue travel system so that they are uniform between the two Carriers. Aligned policies include pass privileges for family and friends, free coach travel, new employee travel, discounted positive-space travel, retiree travel eligibility, travel dress code, minimum age for first class travel, and age for dependent travel. Employees of each Carrier have also been provided with additional details regarding future, common travel enhancements. Beginning in the summer of 2014, both Carriers will board employees under a uniform priority system by check-in time and web check-in for flights will also be available. The AMR Travel Club, a membership organization, has opened its scholarship program to dues-paying US Airways employees and retirees.

In early January 2014, a joint careers page became available to all employees that permits them to view and apply for open positions at both Carriers as internal candidates. The process for internal posting of US-based management and support staff positions is uniform between the two Carriers. The merged Carrier has also implemented operational and financial incentive programs for employees. For example, through the "Operations Olympics" program, employees of both carriers will be awarded 50 dollars for each number one ranking against the Carriers' biggest competitors in on-time arrivals, baggage performance, and customer satisfaction. Additionally, approximately 2,000 management employees are participating in a common 2014 short-term compensation program that provides annual bonuses based on achieving certain annual pre-tax earnings goals.

Common Employee Communications

American's internet system, Jetnet, will be the intranet resource for employees of the combined Carrier and during integration, identical updates and news will be posted on both legacy systems. As of December 9, 2013, all officers of AAG and US Airways groups received access to Jetnet. Officers have also received American badges.

On December 9, 2013, employees of the Carriers with email access were able to share calendars, schedule meetings, and send instant messages to each other. All of the Carriers' employees are found in the New American's global address book. US Airways employees' email has been moved to an aa.com email address. Beginning in February 2013, the Carriers have distributed "Arrivals," a weekly newsletter for employees of both US Airways and American that provides information, updates, and insights about the merger. As of December 8, 2013, employees of both Carriers received combined daily news updates.

FAA Operating Certificate

The Carriers are working toward obtaining their single operating certificate from the FAA. On January 2 and 3, 2014, the FAA approved the American and US Airways FAA Transition Plan for moving to a single operating certificate. The FAA's approvals state that the estimated issuance date for the New American's single operating certificate is on or about April 6, 2015. The plan for achieving a single operating certificate includes nine revision cycles. Each cycle is a step toward achieving FAA approval. As of late April 2014, the Carriers have commenced the fifth of the nine approved revision cycles.

Routes and Schedules

On January 13, 2014, the Carriers launched the first phase of a codeshare between American and US Airways that enabled customers to purchase tickets for select codeshare flights for travel beginning on January 23, 2014 on either Carrier's website or other distribution channels. In early February 2014, the Carriers expanded their pre-existing codeshare agreement to include all flights within the combined network, pending government approval in certain international markets. As a benefit of the codeshare, customers are now able to make reservations for both American and US Airways flights on American's website. To ensure that customers and their luggage will make their scheduled connections between codeshare flights, the Carriers have revised minimum connection times.

US Airways has ended its codeshare relationship with United Airlines, and no flights after March 30, 2014 have been flown under that codeshare. As of March 31, 2014, New American customers were no longer able to earn miles or receive Star Alliance Gold or Silver benefits from a flight with a Star Alliance Partner. In early April 2014, US Airways joined the codeshare arrangement among Atlantic Joint Business members American, British Airways, Iberia, and FinnAir as an affiliate member, and expects to maintain that status until a single operating certificate is obtained.

In June 2014, the Carriers will begin to harmonize their networks by increasing mainline flying between legacy US Airways and legacy American hubs. The New American expects to maintain all hubs currently served and will align service at those hubs. The New American will operate hubs in Charlotte, Chicago, Dallas-Fort Worth, Los Angeles, Miami, New York-JFK, Philadelphia, Phoenix, and Washington Reagan National. The Carriers' Network Planning team has made plans and taken steps to redeploy aircraft within each legacy system to optimize the strength of the new network. The first phase of aircraft redeployment has been announced and will commence on July 2, 2014.

Frequent Flyer Programs and Customer Service

Until issuance of a single designator code and operating certificate, the Carriers must conduct their flight operations separately under the American and US Airways names. According to Jones, the Carriers have nonetheless taken a number of significant steps to hold themselves out to the public as a single transportation system by adopting common marketing, markings, and insignia.

These steps began when the merger agreement was announced in February 2013. At that time, coinciding with the announcement of the creation of the "New American Airlines," the Carriers introduced a common website NewAmericanArriving.com to provide information about the process of integrating American and US Airways. The common website now forwards directly to American's website www.aa.com because customer information regarding the integration process is contained on American's website or on the "Find Your Way" page accessible from each Carrier's websites.

On January 7, 2014, "Customer Day One," the Carriers announced a more seamless customer experience. The Carriers advertised new common policies and benefits to customers through both airlines' email, sales communications, home pages, arriving pages, social media (Facebook, Google+, Twitter), paid search marketing, and interactive voice recordings on reservations phone lines. All US Airways and American frequent flyers are now able to earn miles when traveling on flights of the other Carrier. Frequent flyers can also use miles from one Carrier's program to book award travel on the other Carrier. American frequent flyer miles can be redeemed for US Airways flights using American's reservations department or through American's website. Additionally all eligible miles and segments earned when flying on either airline will count toward elite status qualification in the program of the customer's choice. Retroactive mileage credit for frequent flyers of one Carrier traveling on the other Carrier on or after January 7, 2014, can be obtained. To facilitate frequent flyer reciprocity, the Carriers have exchanged some frequent flyer customer data.

The New American has issued new frequent flyer award charts at each carrier to harmonize the award benefits and levels in existing programs. For example, the US Airways Dividend Miles program has eliminated blackout dates to be consistent with the AAdvantage program. The Carriers expect to combine their two frequent flyer programs in 2015.

US Airways left the Star Alliance on March 30, 2014 and joined **oneworld**®, the alliance of which American is a founding member, on March 31, 2014. US Airways Dividend Preferred members have been sent new membership cards and can enjoy the same **oneworld**® benefits as AAdvantage members, such as mileage earning and redemption opportunities, reciprocal elite relationships, and lounge access on other **oneworld**® carriers.

Elite members of each airline's frequent flyer program have many benefits on the other carrier, such as priority check-in, complimentary checked bags, complimentary access to preferred seats, priority security, early boarding, and priority baggage delivery. American and US Airways' boarding announcements have been aligned to accommodate these passengers, and changes were made to closely align the boarding process. Customers with membership at US Airways Clubs are able to access the 35 American Admirals Clubs. Admirals Club members can access all 19 domestic US Airways Clubs.

The Carriers have also unified certain customer policies including infant acceptance, unaccompanied minor age ranges, web and airport check-in windows, bereavement fares, and international documents verification. Checked bag fees and bag fee exemptions are also being aligned.

Customers of both American and US Airways now have access to a day-of-travel tool called "Find Your Way" at www.aa.com/findyourway that helps customers navigate airports and directs them to key travel information on the correct carrier's website. For example, the "Travel Tools" section links customers to information on check-in, reservations, airports, clubs and lounges, notifications, in-flight, destinations, and bags. Each category contains a link titled "American" and another link titled "US Airways."

The Carriers have also implemented tools to aid customers during the integration process including arrival announcements, updates to the Find Your Way website, and station-specific tools, including "New American is arriving" directional signage that will continue to be updated to reflect progress in the integration process. At all US Airways stations that overlap with American, signage is used that contains both the American and US Airways logos. Each Carrier's customer reservation phone line has an interactive voice response greeting that states "[t]he merger between US Airways and American Airlines is underway," and offers callers the opportunity to hear additional details about the merger, before calls are transferred to an agent. Each Carrier's automated

system also directs customers interested in finding out more information on the New American to usairways.com/arriving or aa.com/arriving, respectively. For day-of-travel information, the systems direct customers to usairways.com/findyourway and aa.com/findyourway, respectively.

Customers can access and print their boarding passes for flights on one Carrier via a link on the other Carrier's website. Each Carrier's website also recognizes record locator numbers of the other Carrier. US Airways has started migration to American's re-accommodations system which is used to rebook customers when a flight is cancelled or significantly delayed.

Certain inflight announcements have been made uniform between the carriers. The Carriers now have a single Gogo® inflight wireless internet portal for which customers can apply their monthly and daily passes to inflight internet on either carrier. In April 2014, American's boarding video, arrival music, and radio stations are scheduled to play on US Airways flights. US Airways has expanded its domestic in-flight meal windows to align with those of American. Glassware and linens on both carriers have been aligned. American has committed to retrofitting its existing 777-200 and 767-300 aircraft to include fully lie-flat premium seating similar to the US Airways Envoy Suite, a lie-flat bed in international business class.

The Carriers are now co-located at a total of 58 airports, including New American hubs at New York-JFK, Phoenix, and Miami. At New York-JFK, ticket counters and gates are now side-by-side. At Phoenix, each airline's ticket and check-in counters, gates, baggage services, customer service operations, and aircraft maintenance operations are co-located. In Miami, US Airways' ticketing, check-in, and baggage services are adjacent to American's and flights are operated out of adjacent concourses, enabling easier connections.

The Carriers now report combined operational performance statistics. These statistics are published to employees of both carriers. Beginning with the January 2014 results, the Department of Transportation has reported the Carriers' combined statistics in its monthly Air Travel Consumer Report.

Livery, Flight Symbols, and Brand Elements

All employees of the New American had the opportunity to vote on their preferred tail livery for the combined fleet of nearly 1,000 aircraft and the resulting selection of the United States flag tail was unveiled in January 2013. American and US Airways have started repainting their aircraft and two US Airways aircraft are in the new livery. A total of 206 aircraft at the combined Carrier are in service with the new livery. The livery, flight symbol, and other brand elements are being rolled out to all stations that have an upcoming co-

location. This includes a new back wall for ticketing counters and baggage offices of both Carriers with a peel-off US Airways name/logo that can be removed when integration is complete. These back walls have been installed at the American and US Airways co-located facilities in Phoenix and Miami. According to Jones' declaration, a majority of ticket counters will have these new back walls by the end of the second quarter of 2014.

American and US Airways share a common external recruiting website, www.aacareers.com. All management positions are posted as jobs at American unless there is a specific business reason why the position needs to stay on the US Airways platform. Additionally, US Airways recruiters assist American hiring managers with filling vacancies and interface with American's vendor, IBM. The Carriers attend recruiting events together.

Standardized Uniforms

All employees have been issued a commemorative luggage tag that says "New American is Arriving." This tag displays both carriers' logos and shows the year "2013." To celebrate US Airways joining **oneworld**®, employees at American and US Airways received a new company ID folder featuring the American and **oneworld**® logos. Customer Service Agents, Flight Attendants, Pilots, and non-uniformed employees received a lanyard. Since Fleet Service Employees and Tech Ops Employees work in tight spaces and around aircraft, these employees received an arm badge holder. Additionally, all customer-facing US Airways employees received a pin.

Since March 31, 2014, all US Airways employees have been required to wear the New American/**oneworld**® branded lanyards or armbands, and by June 2014, all employees of the Carriers will be expected to wear only the approved company ID holders and use only company-approved badge backers. All Star Alliance affiliations and marks have been removed from US Airways employee uniforms.

The Carriers have initiated selection and are "wear testing" of new uniforms for those employees who wear uniforms. The new uniforms are expected to be in use in the next 18-24 months. As part of this process, the New American has selected the designer for the Pilot, Flight Attendant, and Customer Service Agent uniforms.

DISCUSSION

I.

The Board's Authority

45 U.S.C. § 152, Ninth, authorizes the Board to investigate disputes arising among a carrier's employees over representation and to certify the duly authorized representative of such employees. The Board has exclusive jurisdiction over representation questions under the RLA. *General Comm. of Adjustment v. M.K.T. R.R.*, 320 U.S. 323 (1943); *Switchmen's Union of N. Am. v. Nat'l Mediation Brd.*, 320 U.S. 297 (1943). In *Air Line Pilots Ass'n, Int'l v. Texas Int'l Airlines*, 656 F.2d 16, 22 (2d Cir. 1981), the court stated, "the NMB is empowered to . . . decide representation disputes arising out of corporate restructurings."

II.

Single Transportation System

Section 19.4 of the Board's Representation Manual (Manual) provides that: "Any organization or individual may file an application, supported by evidence of representation or a showing of interest . . . seeking a determination whether a single system of transportation exists."

In *Trans World Airlines/Ozark Airlines*, the Board cited the following indicia of a single transportation system:

[W]hether a combined schedule is published; how the carrier advertises its services; whether reservation systems are combined; whether tickets are issued on one carrier's stock; if signs, logos and other publicly visible indicia have been changed to indicate only one carrier's existence; whether personnel with public contact were held out as employees of one carrier; and whether the process of repainting planes and other equipment, to eliminate indications of separate existence, has been progressed.

Other factors investigated by the Board seek to determine if the carriers have combined their operations from a managerial and labor relations perspective. Here, the Board investigates whether labor relations and personnel functions are handled by one carrier; whether there are a common management,

common corporate officers and interlocking Boards of Directors; whether there is a combined workforce; and whether separate identities are maintained for corporate and other purposes

14 NMB 218, 236 (1987).

The Board finds a single transportation system only when there is substantial integration of operations, financial control, and labor and personnel functions. *Delta Air Lines/Northwest Airlines*, 36 NMB 36 (2009); *Burlington N. Santa Fe Ry. Co.*, 32 NMB 163 (2005); *Huron and Eastern Ry. Co., Inc.*, 31 NMB 450 (2004); *Portland & Western R. R., Inc.*, 31 NMB 71 (2003). Further, the Board has noted that a substantial degree of overlapping ownership, senior management, and boards of directors is critical to finding a single transportation system. *Precision Valley Aviation, Inc., d/b/a Precision Airlines and Valley Flying Serv., Inc., d/b/a Northeast Express Reg'l Airlines*, 20 NMB 619 (1993). In *Delta Air Lines/Northwest Airlines, above*, the Board found a single transportation system where the FAA had accepted the carriers' plan for transition to a single operating certificate; there was a single Board of Directors; the carriers and the union had reached an agreement on seniority integration; and management and human resources positions had been integrated.

In the instant case, the Carriers are wholly-owned subsidiaries of AAG. AAG has a single Board of Directors and a common senior management group in place. There is a single group of Officers responsible for labor relations at the Carriers. Substantial steps have been taken toward financial integration of the Carriers. The Carriers have obtained approval from the FAA for a transition plan for moving toward a single operating certificate and have completed several of the steps in that plan. Personnel policies and practices have been or are in the process of being integrated. There is a common external recruiting website for hiring.

The Carriers have been aligning schedules in the markets where there are overlapping flights. The Carriers have established a code-sharing agreement. US Airways is no longer a Star Alliance member and has joined **oneworld®**, the alliance of which American is a founding member. The Carriers have begun the process of merging their frequent flyer programs and members of both Carriers' programs are now able to receive benefits while flying at either Carrier. The Carriers are co-located at 58 airports including New American hubs at New York-JFK, Phoenix, and Miami. The Carriers have adopted a new logo and the first aircraft have begun operating with the new livery. The Carriers have begun the process of transitioning to common uniforms.

USAPA argues that the Carriers have not substantially integrated their operations. While conceding that integration has occurred at the corporate level, USAPA argues that the New American has not removed any public indicia of US Airways, that separate livery still exists, that separate websites continue, and that separate ticketing remains. With respect to the pilots, USAPA notes that there are separate crew management computer systems in use and that many important terms and conditions of pilot employment remain separate with no established date for integration.

It is well-settled, however, that the Board's criteria for substantial integration of operations do not require total integration of operations. *US Airways/America West Airlines*, 33 NMB 49 (2006). In this case, the integration may not be total but it is substantial. The Carriers have clearly combined their operations from a managerial and labor relations perspective. The FAA has approved the New American's single operating certificate plan and steps have been completed under that plan. Additional plans are underway for further integration in every area where it has not yet occurred. Further, the Carriers have informed their customers of the merger through pre-flight announcements, both Carriers' websites, magazines, and social media (Facebook, Google+, Twitter). The submissions of the Carriers establish that the integration has continued to progress since the filing of APA's application. No doubt this integration of operations will continue.

In addition, the circumstances in this case are different from those in which the Board has failed to find a single carrier. In *Frontier Airlines*, 24 NMB 635 (1997), for example, the merger had not been approved by the appropriate governmental entities or the shareholders; and a name for the combined carrier had not been selected and the carriers operated under separate management structures. In *AirTran Airways*, 25 NMB 24 (1997), the Board found no single transportation system where the merger had not been consummated and there was insufficient evidence that crews would be integrated even after the merger was effected. In *GoJet Airlines*, 33 NMB 24 (2005), the Board found there was no single transportation system where the two carriers continued to operate under separate management, separate labor relations and terms and conditions of employment, and separate hiring and recruitment. The Board also noted that each carrier retained its own website with no links or information about the other. By contrast, in the instant case, the merger has been approved, consummated, and the New American has taken substantial steps toward integration

USAPA also argues that seniority integration is a key criterion in the Board's finding of substantial integration sufficient to establish a single transportation system. Seniority integration is among the factors the Board has cited in its single carrier determinations. This is especially so where the same organization represents the craft or class on both sides of the merger. *See*

United Air Lines/Continental Airlines, 39 NMB 33 (2011); *Delta Air Lines/Northwest Airlines*, 36 NMB 36 (2009). But no one factor is determinative. Just as the existence of “fence” agreements or separate FAA operating certificates do not prevent a single carrier finding, the absence of seniority integration cannot by itself preclude a single carrier determination. See *US Airways/America West Airlines*, 33 NMB 49, 72 (2006). In *Airtran Airways/Airtran Airlines*, 26 NMB 86 (1998), the Board refused to delay a single carrier determination until seniority lists were integrated. The Board stated that the “fact that seniority lists have not yet been integrated is insufficient to overcome the Board’s interest in prompt resolution of this dispute.” *Id.* at 88. This is especially so since the Board recognizes that contractual issues arising from a single transportation system determination are outside the Board’s jurisdiction and to delay its resolution of the representation consequences of a merger would be contrary to the RLA’s purpose of promoting labor stability. See also *British Airways/British Caledonian Airways*, 16 NMB 17 (1988); *Delta Air Lines/Western Airlines*, 14 NMB 291 (1987).

Based upon the application of the principles to the facts established by the investigation, the Board finds that American and US Airways are a single transportation system for representation purposes in the Flight Deck Crewmember craft or class.

CONCLUSION

The Board finds that American and US Airways are operating as a single transportation system for representation purposes under the RLA. Accordingly, APA’s application in NMB File No. CR-7110 is converted to NMB Case No. R-7404. Pursuant to Manual Section 19.6, the investigation will proceed to address the representation of these crafts or classes. The Incumbents and any Intervenor have 30 days from the date of this determination to file an application supported by a showing of interest of at least 50% of the single transportation system in accordance with Manual Sections 19.601 and 19.602. The participants are reminded that under Manual Section 19.7, existing certifications remain in effect until the Board issues a new certification or dismissal.

By direction of the NATIONAL MEDIATION BOARD.



Mary L. Johnson
General Counsel

A concurring opinion from Chairman Harry Hoglander will follow.

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NATIONAL MEDIATION BOARD
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In the Matter of the
Application of the

ALLIED PILOTS ASSOCIATION

alleging a representation dispute
pursuant to Section 2, Ninth, of
the Railway Labor Act, as
amended

involving employees of

AMERICAN AIRLINES, INC. AND
US AIRWAYS, INC.

41 NMB No. 56

CASE NO. R-7404
(File No. CR-7110)

FINDINGS UPON
INVESTIGATION-
DETERMINATION OF
CERTIFICATION

September 16, 2014

This determination addresses the representation consequences of the application filed pursuant to the Railway Labor Act (RLA)¹ by the Allied Pilots Association (APA) for the Flight Deck Crewmembers craft or class at American Airlines, Inc. (the New American).

The National Mediation Board (Board or NMB) extends APA's certification to include all of the employees in the Flight Deck Crewmembers craft or class in the New American's single transportation system.

PROCEDURAL BACKGROUND

On January 10, 2014, APA filed an application alleging a representation dispute involving the craft of class of Flight Deck Crewmembers at the New American. APA asserted that American Airlines (American) and US Airways, Inc. (US Airways) constituted a single transportation system. The application was assigned NMB File No. CR-7126 and the Board assigned Maria-Kate Dowling to investigate.

¹ 45 U.S.C. § 151, *et seq.*

On August 8, 2014, the Board found that American and US Airways operate as a single transportation system under the RLA for the Flight Deck Crewmembers craft or class. *American Airlines/US Airways*, 41 NMB 174 (2014). Pursuant to the Board's Representation Manual (Manual) Section 19.6, this determination addresses the representation of those employees.

The Board's August 8, 2014 determination stated the following: "Any Intervenor has 30 days from the date of this determination to file an application supported by a showing of interest of at least 50% of the single transportation system in accordance with Manual Sections 19.601 and 19.603." No Intervenor filed an application in this case.

STATEMENT OF FACTS

APA is the representative of approximately 9,872 employees in the Flight Deck Crewmembers craft or class at American under the Board's certification in NMB Case No. R-6867. The US Airline Pilots Association (USAPA) is the representative of approximately 5,115 employees in the Pilots craft or class at US Airways under the Board's certification in NMB Case No. R-7147.

DISCUSSION

The Board has consistently extended an organization's certification to cover employees in the craft or class on the entire system when the numbers of employees on each part of the system are not comparable. *United Air Lines/Continental Airlines*, 38 NMB 249 (2011). *See also American Airlines, Inc./TWA Airlines, LLC*, 29 NMB 278 (2002); *American Airlines, Inc./TWA Airlines, LLC*, 29 NMB 260 (2002); *Continental Airlines/Continental Express*, 20 NMB 580 (1993). Additionally, the Board has extended an organization's certification while terminating another organization's certification following a single carrier determination where the numbers of employees represented by the organizations were not comparable. *See American Airlines, Inc./TWA Airlines, LLC*, 29 NMB 293 (2002) (The Board extended Transport Workers Union's certification as representative of the Mechanics and Related Employees craft or class at American Airlines while terminating the International Association of Machinists' certification of the same craft or class at TWA after the carriers merged.) *See also Southwest Airlines*, 40 NMB 14 (2012) (Extending Aircraft Mechanics Fraternal Association's certification as representative of the Mechanics and Related Employees at Southwest Airlines while terminating the International Brotherhood of Teamster's certification for the same craft or class at AirTran following a merger.)

The number of APA-represented employees in the Flight Deck Crewmember craft or class at pre-merger American and the number of USAPA-represented Pilots at pre-merger US Airways are not comparable. Therefore,

APA's certification in R-6867 is extended to cover the entire Flight Deck Crewmembers craft or class on the single transportation system and USAPA's certification in R-7147 is terminated.

CONCLUSION

The Board finds that APA is the certified representative of the Flight Deck Crewmembers craft or class in the single transportation system (R-7404). The Board extinguishes the USAPA's certification issued in R-7147. Accordingly, Case R-7404 is closed.

By direction of the NATIONAL MEDIATION BOARD.



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65 S.Ct. 226
Supreme Court of the United States

STEELE
v.
LOUISVILLE & N.R. CO. et al.

No. 45. | Argued Nov. 14, 15, 1944. | Decided Dec. 18,
1944.

Suit by Bester William Steele against the Louisville & Nashville Railroad Company, Brotherhood of Locomotive Firemen and Enginemen and others to enjoin enforcement of agreements between the named defendants that discriminate against negro firemen in favor of white firemen and for other relief. A decree dismissing the bill was affirmed by the Supreme Court of Alabama, [245 Ala. 113, 16 So.2d 416](#), and the complainant brings certiorari.

Judgment reversed and cause remanded for further proceedings not inconsistent with opinion.

On Writ of Certiorari to the Supreme Court of the State of Alabama.

Attorneys and Law Firms

****228 *193** Mr. Charles H. Houston, of Washington, D.C., for petitioner.

Mr. Charles H. Eyster, of Decatur, Ala., for respondent Louisville and N.R. Co.

Mr. James A. Simpson, of Birmingham, Ala., for respondents brotherhood of Locomotive Firemen and Enginemen et al.

Opinion

Mr. Chief Justice STONE delivered the opinion of the Court.

The question is whether the Railway Labor Act, 48 Stat. 1185, [45 U.S.C. s 151](#) et seq., [45 U.S.C.A. s 151](#) et seq., imposes on a labor organization, ***194** acting by authority of the statute as the exclusive bargaining representative of a craft or class of railway employees, the duty to represent all the employees in the craft without discrimination because of their race, and, if so, whether the courts have jurisdiction to protect the minority of the craft or class from the violation of such obligation.

The issue is raised by demurrer to the substituted amended bill of complaint filed by petitioner, a locomotive fireman, in a suit brought in the Alabama Circuit Court against his employer, the Louisville & Nashville Railroad Company, the Brotherhood of Locomotive Firemen and Enginemen, an unincorporated labor organization, and certain individuals representing the Brotherhood. The Circuit Court sustained the demurrer, and the Supreme Court of Alabama affirmed. [245 Ala. 113, 16 So.2d 416](#). We granted certiorari, [322 U.S. 722, 64 S.Ct. 1260](#), the question presented being one of importance in the administration of the Railway Labor Act.

The allegations of the bill of complaint, so far as now material, are as follows: Petitioner, a Negro, is a locomotive fireman in the employ of respondent railroad, suing on his own behalf and that of his fellow employees who, like petitioner, are Negro firemen employed by the Railroad. Respondent Brotherhood, a labor organization, is, as provided under s 2, Fourth of the Railway Labor Act, the exclusive bargaining representative of the craft of firemen employed by the Railroad and is recognized as such by it and the members of the craft. The majority of the firemen employed by the Railroad are white and are members of the Brotherhood, but a substantial minority are Negroes who, by the constitution and ritual of the Brotherhood, are excluded from its membership. As the membership of the Brotherhood constitutes a majority of all firemen employed on respondent Railroad, and as under s 2, Fourth, the members because they are the majority ***195** have the right to choose and have chosen the Brotherhood to represent the craft, petitioner and other Negro firemen on the road have been required to accept the Brotherhood as their representative for the purposes of the Act.

On March 28, 1940, the Brotherhood, purporting to act as representative of the entire craft of firemen, without informing the Negro firemen or giving them opportunity to be heard, served a notice on respondent Railroad and on twenty other railroads operating principally in the southeastern part of the United States. The notice announced the Brotherhood's desire to amend the existing collective bargaining agreement in such manner as ultimately to exclude all Negro firemen from the service. By established practice on the several railroads so notified only white firemen can be promoted to serve as engineers, and the notice proposed that only 'promotable', i.e., white, men should be employed as firemen ****229** or assigned to new runs or jobs or permanent vacancies in established runs or jobs.

Steele v. Louisville & N.R. Co., 323 U.S. 192 (1944)

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On February 18, 1941, the railroads and the Brotherhood, as representative of the craft, entered into a new agreement which provided that not more than 50% of the firemen in each class of service in each seniority district of a carrier should be Negroes; that until such percentage should be reached all new runs and all vacancies should be filled by white men; and that the agreement did not sanction the employment of Negroes in any seniority district in which they were not working. The agreement reserved the right of the Brotherhood to negotiate for further restrictions on the employment of Negro firemen on the individual railroads. On May 12, 1941, the Brotherhood entered into a supplemental agreement with respondent Railroad further controlling the seniority rights of Negro firemen and restricting their employment. The Negro firemen were not given notice or opportunity to be ***196** heard with respect to either of these agreements, which were put into effect before their existence was disclosed to the Negro firemen.

Until April 8, 1941, petitioner was in a 'passenger pool', to which one white and five Negro firemen were assigned. These jobs were highly desirable in point of wages, hours and other considerations. Petitioner had performed and was performing his work satisfactorily. Following a reduction in the mileage covered by the pool, all jobs in the pool were, about April 1, 1941, declared vacant. The Brotherhood and the Railroad, acting under the agreement, disqualified all the Negro firemen and replaced them with four white men, members of the Brotherhood, all junior in seniority to petitioner and no more competent or worthy. As a consequence petitioner was deprived of employment for sixteen days and then was assigned to more arduous, longer, and less remunerative work in local freight service. In conformity to the agreement, he was later replaced by a Brotherhood member junior to him, and assigned work on a switch engine, which was still harder and less remunerative, until January 3, 1942. On that date, after the bill of complaint in the present suit had been filed, he was reassigned to passenger service.

Protests and appeals of petitioner and his fellow Negro firemen, addressed to the Railroad and the Brotherhood, in an effort to secure relief and redress, have been ignored. Respondents have expressed their intention to enforce the agreement of February 18, 1941, and its subsequent modifications. The Brotherhood has acted and asserts the right to act as exclusive bargaining representative of the firemen's craft. It is alleged that in that capacity it is under an obligation and duty imposed by the Act to represent the Negro firemen impartially and in good faith; but instead, in its notice to and contracts with the railroads, it has been hostile and disloyal to the

Negro firemen, has deliberately discriminated against them, and has sought ***197** to deprive them of their seniority rights and to drive them out of employment in their craft, all in order to create a monopoly of employment for Brotherhood members.

The bill of complaint asks for discovery of the manner in which the agreements have been applied and in other respects; for an injunction against enforcement of the agreements made between the Railroad and the Brotherhood; for an injunction against the Brotherhood and its agents from purporting to act as representative of petitioner and others similarly situated under the Railway Labor Act, so long as the discrimination continues, and so long as it refuses to give them notice and hearing with respect to proposals affecting their interests; for a declaratory judgment as to their rights; and for an award of damages against the Brotherhood for its wrongful conduct.

1 The Supreme Court of Alabama took jurisdiction of the cause but held on the merits that petitioner's complaint stated no cause of action.¹ It pointed out that the ****230** Act places a mandatory duty on the Railroad to treat with the Brotherhood as the exclusive representative of the employees in a craft, imposes heavy criminal penalties for willful failure to comply with its command, and provides ***198** that the majority of any craft shall have the right to determine who shall be the representative of the class for collective bargaining with the employer, see [Virginian R. Co. v. System Federation](#), 300 U.S. 515, 545, 57 S.Ct. 592, 598, 81 L.Ed. 789. It thought that the Brotherhood was empowered by the statute to enter into the agreement of February 18, 1941, and that by virtue of the statute the Brotherhood has power by agreement with the Railroad both to create the seniority rights of petitioner and his fellow Negro employees and to destroy them. It construed the statute, not as creating the relationship of principal and agent between the members of the craft and the Brotherhood, but as conferring on the Brotherhood plenary authority to treat with the Railroad and enter into contracts fixing rates of pay and working conditions for the craft as a whole without any legal obligation or duty to protect the rights of minorities from discrimination or unfair treatment, however gross. Consequently it held that neither the Brotherhood nor the Railroad violated any rights of petitioner or his fellow Negro employees by negotiating the contracts discriminating against them.

If, as the state court has held, the Act confers this power on the bargaining representative of a craft or class of employees without any commensurate statutory duty toward its members, constitutional questions arise. For the representative is clothed with power not unlike that of a

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legislature which is subject to constitutional limitations on its power to deny, restrict, destroy or discriminate against the rights of those for whom it legislates and which is also under an affirmative constitutional duty equally to protect those rights. If the Railway Labor Act purports to impose on petitioner and the other Negro members of the craft the legal duty to comply with the terms of a contract whereby the representative has discriminatorily restricted their employment for the benefit and advantage of the Brotherhood's own members, we *199 must decide the constitutional questions which petitioner raises in his pleading.

2 But we think that Congress, in enacting the Railway Labor Act and authorizing a labor union, chosen by a majority of a craft, to represent the craft, did not intend to confer plenary power upon the union to sacrifice, for the benefit of its members, rights of the minority of the craft, without imposing on it any duty to protect the minority. Since petitioner and the other Negro members of the craft are not members of the Brotherhood or eligible for membership, the authority to act for them is derived not from their action or consent but wholly from the command of the Act. Section 2, Fourth, provides: 'Employees shall have the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this Act * * *.' Under s 2, Sixth and Seventh, when the representative bargains for a change of working conditions, the latter section specifies that they are the working conditions of employees 'as a class.' Section 1, Sixth, of the Act defines 'representative' as meaning 'Any person or * * * labor union * * * designated either by a carrier or a group of carriers or by its or their employees, to act for it or them.' The use of the word 'representative,' as thus defined and in all the contexts in which it is found, plainly implies that the representative is to act on behalf of all the employees which, by virtue of the statute, it undertakes to represent.

3 By the terms of the Act, s 2, Fourth, the employees are permitted to act 'through' their representative, and it represents them 'for the purposes of' the Act. Sections 2, Third, Fourth, Ninth. **231 The purposes of the Act declared by s 2 are the avoidance of 'any interruption to commerce or to the operation of any carrier engaged therein,' and this aim is sought to be achieved by encouraging 'the *200 prompt and orderly settlement of all disputes concerning rates of pay, rules, or working conditions.' Compare [Texas & N.O.R. Co. v. Brotherhood of Railway & S. S. Clerks](#), 281 U.S. 548, 569, 50 S.Ct. 427, 433, 74 L.Ed. 1034. These purposes

would hardly be attained if a substantial minority of the craft were denied the right to have their interests considered at the conference table and if the final result of the bargaining process were to be the sacrifice of the interests of the minority by the action of a representative chosen by the majority. The only recourse of the minority would be to strike, with the attendant interruption of commerce, which the Act seeks to avoid.

4 Section 2, Second, requiring carriers to bargain with the representative so chosen, operates to exclude any other from representing a craft. [Virginian R. Co. v. System Federation](#), supra, 300 U.S. 545, 57 S.Ct. 598, 81 L.Ed. 789. The minority members of a craft are thus deprived by the statute of the right, which they would otherwise possess, to choose a representative of their own, and its members cannot bargain individually on behalf of themselves as to matters which are properly the subject of collective bargaining. [Order of Railroad Telegraphers v. Railway Express Agency](#), 321 U.S. 342, 64 S.Ct. 582, and see under the like provisions of the National Labor Relations Act [J. I. Case Co. v. National Labor Relations Board](#), 321 U.S. 332, 64 S.Ct. 576, and [Medo Photo Supply Corp. v. National Labor Relations Board](#), 321 U.S. 678, 64 S.Ct. 830.

5 6 7 The labor organization chosen to be the representative of the craft or class of employees is thus chosen to represent all of its members, regardless of their union affiliations or want of them. As we have pointed out with respect to the like provision of the National Labor Relations Act, 29 U.S.C.A. s 151 et seq., in [J. I. Case Co. v. National Labor Relations Board](#), supra, 321 U.S. 338, 64 S.Ct. 580, 'The very purpose of providing by statute for the collective agreement is to supersede the terms of separate agreements of employees with terms which reflect the strength and bargaining power and serve the welfare of the group. Its benefits and advantages are open to every employee of the represented *201 unit * * *.' The purpose of providing for a representative is to secure those benefits for those who are represented and not to deprive them or any of them of the benefits of collective bargaining for the advantage of the representative or those members of the craft who selected it.

8 As the National Mediation Board said in [In The Matter of Representation of Employees of the St. Paul Union Depot Company](#), Case No. R-635: 'Once a craft or class has designated its representative, such representative is responsible under the law to act for all employees within the craft or class, those who are not members of the represented organizations, as well as those who are members.'2

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9 10 Unless the labor union representing a craft owes some duty to represent non-union members of the craft, at least to the extent of not discriminating against them as such in the contracts which it makes as their representative, the minority would be left with no means of protecting their interests, or indeed, their right to earn a livelihood by pursuing the occupation in which they are employed. ***202** While ****232** the majority of the craft chooses the bargaining representative, when chosen it represents, as the Act by its terms makes plain, the craft or class, and not the majority. The fair interpretation of the statutory language is that the organization chosen to represent a craft is to represent all its members, the majority as well as the minority, and it is to act for and not against those whom it represents.³ It is a principle of general application that the exercise of a granted power to act in behalf of others involves the assumption toward them of a duty to exercise the power in their interest and behalf, and that such a grant of power will not be deemed to dispense with all duty toward those for whom it is exercised unless so expressed.

11 We think that the Railway Labor Act imposes upon the statutory representative of a craft at least as exacting a duty to protect equally the interests of the members of the craft as the Constitution imposes upon a legislature to give equal protection to the interests of those for whom it legislates. Congress has seen fit to clothe the bargaining representative with powers comparable to those possessed by a legislative body both to create and restrict the rights of those whom it represents, cf. *J.I. Case Co. v. National Labor Relations Board*, supra, 321 U.S. 335, 64 S.Ct. 579, but it has also imposed on the representative a corresponding duty. We hold that the language of the Act to which we have referred, read in the light of the purposes of the Act, expresses the aim of Congress to impose on the bargaining representative of a craft ***203** or class of employees the duty to exercise fairly the power conferred upon it in behalf of all those for whom it acts, without hostile discrimination against them.

12 13 This does not mean that the statutory representative of a craft is barred from making contracts which may have unfavorable effects on some of the members of the craft represented. Variations in the terms of the contract based on differences relevant to the authorized purposes of the contract in conditions to which they are to be applied, such as differences in seniority, the type of work performed, the competence and skill with which it is performed, are within the scope of the bargaining representation of a craft, all of whose members are not identical in their interest or merit. Cf. *Carmichael v. Southern Coal & Coke Co.*, 301 U.S. 495, 509, 510, 512, 57 S.Ct. 868, 872, 873, 874, 81 L.Ed. 1245, 109 A.L.R.

1327, and cases cited; *State of Washington v. Superior Court*, 289 U.S. 361, 366, 53 S.Ct. 624, 627, 77 L.Ed. 1256, 89 A.L.R. 653; *Metropolitan Casualty Ins. Co. v. Brownell*, 294 U.S. 580, 583, 55 S.Ct. 538, 540, 79 L.Ed. 1070. Without attempting to mark the allowable limits of differences in the terms of contracts based on differences of conditions to which they apply, it is enough for present purposes to say that the statutory power to represent a craft and to make contracts as to wages, hours and working conditions does not include the authority to make among members of the craft discriminations not based on such relevant differences. Here the discriminations based on race alone are obviously irrelevant and invidious. Congress plainly did not undertake to authorize the bargaining representative to make such discriminations. Cf. *Yick Wo v. Hopkins*, 118 U.S. 356, 6 S.Ct. 1064, 30 L.Ed. 220; *Yu Cong Eng v. Trinidad*, 271 U.S. 500, 46 S.Ct. 619, 70 L.Ed. 1059; *State of Missouri ex rel. Gaines v. Canada*, 305 U.S. 337, 59 S.Ct. 232, 83 L.Ed. 208; *Hill v. Texas*, 316 U.S. 400, 62 S.Ct. 1159, 86 L.Ed. 1559.

14 15 The representative which thus discriminates may be enjoined from so doing, and its members may be enjoined from taking the benefit of such discriminatory action. No more is the Railroad bound by or entitled to take the benefit of a contract which the bargaining representative ***204** is prohibited by the statute from making. In both cases the right asserted, which is derived from the duty imposed by the statute on the bargaining representative, is a federal right implied from the statute and the policy which it has adopted. It is the federal ****233** statute which condemns as unlawful the Brotherhood's conduct. 'The extent and nature of the legal consequences of this condemnation, though left by the statute to judicial determination, are nevertheless to be derived from it and the federal policy which it has adopted.' *Deitrick v. Greaney*, 309 U.S. 190, 200, 201, 60 S.Ct. 480, 485, 84 L.Ed. 694; *Board of Commissioners of Jackson County v. United States*, 308 U.S. 343, 60 S.Ct. 285, 84 L.Ed. 313; *Sola Electric Co. v. Jefferson Electric Co.*, 317 U.S. 173, 176, 177, 63 S.Ct. 172, 173, 174, 87 L.Ed. 165; cf. *Clearfield Trust Co. v. United States*, 318 U.S. 363, 63 S.Ct. 573, 87 L.Ed. 838.

16 So long as a labor union assumes to act as the statutory representative of a craft, it cannot rightly refuse to perform the duty, which is inseparable from the power of representation conferred upon it, to represent the entire membership of the craft. While the statute does not deny to such a bargaining labor organization the right to determine eligibility to its membership, it does require the union, in collective bargaining and in making contracts with the carrier, to represent non-union or minority union members of the craft without hostile discrimination,

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fairly, impartially, and in good faith. Wherever necessary to that end, the union is required to consider requests of non-union members of the craft and expressions of their views with respect to collective bargaining with the employer and to give to them notice of and opportunity for hearing upon its proposed action.

17 Since the right asserted by petitioner 'is * * * claimed * * * under the Constitution' and a 'statute of the United States', the decision of the Alabama court adverse to that contention is reviewable here under s 237(b) of the Judicial Code, 28 U.S.C.A. s 344(b), unless the Railway Labor Act itself has excluded petitioner's claims from judicial consideration. The question *205 here presented is not one of a jurisdictional dispute, determinable under the administrative scheme set up by the Act, cf. [Switchmen's Union v. National Mediation Board](#), 320 U.S. 297, 64 S.Ct. 95; [General Committee v. Missouri-Kansas-Texas R. Co.](#), 320 U.S. 323, 64 S.Ct. 146; [General Committee v. Southern Pacific Co.](#), 320 U.S. 338, 64 S.Ct. 142; [Brotherhood of Railway & Steamship Clerks v. United Transport Service Employees](#), 320 U.S. 715, 64 S.Ct. 260; *Id.*, 320 U.S. 816, 64 S.Ct. 435, or restricted by the Act to voluntary settlement by recourse to the traditional implements of mediation, conciliation and arbitration. [General Committee v. Missouri-Kansas-Texas R. Co.](#), *supra*, 320 U.S. 332, 337, 64 S.Ct. 150, 153. There is no question here of who is entitled to represent the craft, or who are members of it, issues which have been relegated for settlement to the Mediation Board, [Switchmen's Union v. National Mediation Board](#), *supra*; [General Committee v. Missouri-Kansas-Texas R. Co.](#), *supra*. Nor are there differences as to the interpretation of the contract which by the Act are committed to the jurisdiction of the Railroad Adjustment Board.

18 Section 3, First [i], which provides for reference to the Adjustment Board of 'disputes between an employee or group of employees and a carrier or carriers growing out of grievances or out of the interpretation or application of agreements', makes no reference to disputes between employees and their representative. Even though the dispute between the railroad and the petitioner were to be heard by the Adjustment Board, that Board could not give the entire relief here sought. The Adjustment Board has consistently declined in more than 400 cases to entertain grievance complaints by individual members of a craft represented by a labor organization. 'The only way that an individual may prevail is by taking his case to the union and causing the union to carry it through to the Board.' *Administrative Procedure in Government Agencies*, S. Doc. No. 10, 77th Cong., 1st Sess., Pt. 4, p. 7. Whether or not judicial power might be exerted to require the Adjustment Board to consider individual grievances, *206

as to which we express no opinion, we cannot say that there is an administrative remedy available to petitioner or that resort to such proceedings in order to secure a possible administrative remedy, which is withheld or denied, is prerequisite to relief in equity. Further, since s 3, First (c), permits the national labor organizations chosen by the majority of the crafts to 'prescribe the rules under which the labor members of the Adjustment Board shall be selected' and to 'select such members and designate the division on which each member **234 shall serve', the Negro firemen would be required to appear before a group which is in large part chosen by the respondents against whom their real complaint is made. In addition s 3, Second, provides that a carrier and a class or craft of employees, 'all acting through their representatives, selected in accordance with the provisions of this Act', may agree to the establishment of a regional board of adjustment for the purpose of adjusting disputes of the type which may be brought before the Adjustment Board. In this way the carrier and the representative against whom the Negro firemen have complained have power to supersede entirely the Adjustment Board's procedure and to create a tribunal of their own selection to interpret and apply the agreements now complained of to which they are the only parties. We cannot say that a hearing, if available, before either of these tribunals would constitute an adequate administrative remedy. Cf. [Tumey v. Ohio](#), 273 U.S. 510, 47 S.Ct. 437, 71 L.Ed. 749, 50 A.L.R. 1243. There is no administrative means by which the Negro firemen can secure separate representation for the purposes of collective bargaining. For the Mediation Board 'has definitely ruled that a craft or class of employees may not be divided into two or more on the basis of race or color for the purpose of choosing representatives.'⁴

*207 In the absence of any available administrative remedy, the right here asserted, to a remedy for breach of the statutory duty of the bargaining representative to represent and act for the members of a craft, is of judicial cognizance. That right would be sacrificed or obliterated if it were without the remedy which courts can give for breach of such a duty or obligation and which it is their duty to give in cases in which they have jurisdiction. [Switchmen's Union v. National Mediation Board](#), *supra*, 320 U.S. 300, 64 S.Ct. 97; [Stark v. Wickard](#), 321 U.S. 288, 306, 307, 64 S.Ct. 559, 569, 570. Here, unlike [General Committee v. Missouri-Kansas-Texas R. Co.](#), *supra*, and [General Committee v. Southern Pacific Co.](#), *supra*, there can be no doubt of the justiciability of these claims. As we noted in [General Committee v. Missouri-Kansas-Texas R. Co.](#), *supra*, 320 U.S. 331, 64 S.Ct. 150, the statutory provisions which are in issue are stated in the form of commands. For the present command

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there is no mode of enforcement other than resort to the courts, whose jurisdiction and duty to afford a remedy for a breach of statutory duty are left unaffected. The right is analogous to the statutory right of employees to require the employer to bargain with the statutory representative of a craft, a right which this Court has enforced and protected by its injunction in [Texas & N.O.R. Co. v. Brotherhood of Railway & S. S. Clerks](#), *supra*, 281 U.S. 556, 557, 560, 50 S.Ct. 429, 430, 74 L.Ed. 1034, and in [Virginian R. Co. v. System Federation](#), *supra*, 300 U.S. 548, 57 S.Ct. 599, 81 L.Ed. 789, and like it is one for which there is no available administrative remedy.

19 We conclude that the duty which the statute imposes on a union representative of a craft to represent the interests of all its members stands on no different footing and that the statute contemplates resort to the usual judicial remedies of injunction and award of damages when appropriate for breach of that duty.

***208** The judgment is accordingly reversed and remanded for further proceedings not inconsistent with this opinion.

Reversed.

Mr. Justice BLACK concurs in the result.

Mr. Justice MURPHY, concurring.

The economic discrimination against Negroes practiced by the Brotherhood and the railroad under color of Congressional authority raises a grave constitutional issue that should be squarely faced.

The utter disregard for the dignity and the well-being of colored citizens shown by ****235** this record is so pronounced as to demand the invocation of constitutional condemnation. To decide the case and to analyze the statute solely upon the basis of legal niceties, while remaining mute and placid as to the obvious and oppressive deprivation of constitutional guarantees, is to make the judicial function something less than it should be.

The constitutional problem inherent in this instance is clear. Congress, through the Railway Labor Act, has conferred upon the union selected by a majority of a craft or class of railway workers the power to represent the

entire craft or class in all collective bargaining matters. While such a union is essentially a private organization, its power to represent and bind all members of a class or craft is derived solely from Congress. The Act contains no language which directs the manner in which the bargaining representative shall perform its duties. But it cannot be assumed that Congress meant to authorize the representative to act so as to ignore rights guaranteed by the Constitution. Otherwise the Act would bear the stigma of unconstitutionality under the Fifth Amendment in this respect. For that reason I am willing to read the statute as not permitting or allowing any action by the ***209** bargaining representative in the exercise of its delegated powers which would in effect violate the constitutional rights of individuals.

If the Court's construction of the statute rests upon this basis, I agree. But I am not sure that such is the basis. Suffice it to say, however, that this constitutional issue cannot be lightly dismissed. The cloak of racism surrounding the actions of the Brotherhood in refusing membership to Negroes and in entering into and enforcing agreements discriminating against them, all under the guise of Congressional authority, still remains. No statutory interpretation can erase this ugly example of economic cruelty against colored citizens of the United States. Nothing can destroy the fact that the accident of birth has been used as the basis to abuse individual rights by an organization purporting to act in conformity with its Congressional mandate. Any attempt to interpret the Act must take that fact into account and must realize that the constitutionality of the statute in this respect depends upon the answer given.

The Constitution voices its disapproval whenever economic discrimination is applied under authority of law against any race, creed or color. A sound democracy cannot allow such discrimination to go unchallenged. Racism is far too virulent today to permit the slightest refusal, in the light of a Constitution that adorns it, to expose and condemn it wherever it appears in the course of a statutory interpretation.

Parallel Citations

65 S.Ct. 226, 9 Fair Empl.Prac.Cas. (BNA) 381, 1 Empl. Prac. Dec. P 9607, 89 L.Ed. 173

Footnotes

1 The respondents urge that the Circuit Court sustained their demurrers on the ground that the suit could not be maintained against the Brotherhood, an unincorporated association, since by Alabama statute such an association cannot be sued unless the action lies

Steele v. Louisville & N.R. Co., 323 U.S. 192 (1944)

65 S.Ct. 226, 9 Fair Empl.Prac.Cas. (BNA) 381, 1 Empl. Prac. Dec. P 9607, 89 L.Ed. 173

against all its members individually, and on several other state-law grounds. They argue accordingly that the judgment of affirmance of the state Supreme Court may be rested on an adequate non-federal ground. As that court specifically rested its decision on the sole ground that the Railway Labor Act places no duty upon the Brotherhood to protect petitioner and other Negro firemen from the alleged discriminatory treatment, the judgment rests wholly on a federal ground, to which we confine our review. [Grayson v. Harris](#), 267 U.S. 352, 358, 45 S.Ct. 317, 319, 69 L.Ed. 652; [International Steel & Iron Co. v. National Surety Co.](#), 297 U.S. 657, 666, 56 S.Ct. 619, 623, 80 L.Ed. 961; [State of Indiana ex rel. Anderson v. Brand](#), 303 U.S. 95, 98, 99, 58 S.Ct. 443, 445, 446, 82 L.Ed. 685, 113 A.L.R. 1482, and cases cited.

- 2 The Mediation Board's decision in this case was set aside in [Brotherhood of Railway & Steamship Clerks v. United Transport Service Employees](#), 78 U.S.App.D.C. 125, 137 F.2d 817, reversed on jurisdictional grounds 320 U.S. 715, 64 S.Ct. 260. The Court of Appeals was of the opinion that a representative is not only required to act in behalf of all the employees in a bargaining unit, but that a labor organization which excludes a minority of a craft from its membership has no standing to act as such representative of the minority.
The Act has been similarly interpreted by the Emergency Board referred to in [General Committee v. Southern Pacific Co.](#), 320 U.S. 338, 340, 342, 343, 64 S.Ct. 142, 143, 144, 145, note. It declared in 1937: 'When a craft or class, through representatives chosen by a majority, negotiates a contract with a carrier, all members of the craft or class share in the rights secured by the contract, regardless of their affiliation with any organization of employees. * * * the representatives of the majority represent the whole craft or class in the making of an agreement for the benefit of all * * *.'
- 3 Compare the House Committee Report on the N.L.R.A. (H. Rep. No. 1147, 74th Cong., 1st Sess., pp. 20-22) indicating that although the principle of majority rule 'written into the statute books by Congress in the Railway Labor Act of 1934' was to be applicable to the bargaining unit under the N.L.R.A., the employer was required to give 'equally advantageous terms to nonmembers of the labor organization negotiating the agreement.' See also the Senate Committee Report on the N.L.R.A. to the same effect. S. Rep. No. 573, 74th Cong., 1st Sess., p. 13.
- 4 National Mediation Board, *The Railway Labor Act and the National Mediation Board*, p. 17; see *In the Matter of Representation of Employees of the Central of Georgia Ry. Co.*, case No. R-234; *In the Matter of Representation of Employees of the St. Paul Union Depot Co.*, Case No. R-635, set aside in [Brotherhood of Railway & Steamship Clerks v. United Transport Service Employees](#), 78 U.S.App.D.C. 125, 137 F.2d 817, reversed on jurisdictional grounds 320 U.S. 715, 64 S.Ct. 260.

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United States District Court,
D. Arizona.

Don ADDINGTON; John Bostic; Mark
Burman; Afshin Iranpour; Roger
Velez; Steve Wargocki, Plaintiffs,

v.

US AIRLINE PILOTS ASSOCIATION;

US Airways, Inc., Defendants.

Don Addington; John Bostic; Mark
Burman; Afshin Iranpour; Roger
Velez; Steve Wargocki, et al., Plaintiffs,

v.

Steven Bradford; Paul Diorio; Robert
Frear; Mark King; Douglas Mowery;
John Stephan, et al., Defendants.

Nos. CV 08-1633-PHX-NVW,
CV08-1728-PHX-NVW. July 17, 2009.

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Opinion

**FINDINGS OF FACT AND
CONCLUSIONS OF LAW and ORDER**

[NEIL V. WAKE](#), District Judge.

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I. INTRODUCTION

**1* Plaintiff pilots brought this suit on behalf of a class of similarly situated pilots formerly employed by America West Airlines. They allege that their current union, the U.S. Airline Pilots Association (“USAPA”) breached its duty of fair representation. The case was tried to a jury. On May 13, 2009, the jury found in Plaintiffs' favor that USAPA had breached its duty by abandoning an arbitrated seniority list in favor of a date-of-hire list solely to benefit one group of pilots at the expense of another. At the conclusion of the jury trial, a bench trial was held to determine the propriety, nature, and scope of any injunctive relief that would issue. The Court will now award injunctive relief as supported by the following findings of fact and conclusions of law. These findings are entered as required by [Federal Rules of Civil Procedure 52\(a\)](#) and [65\(d\)](#), consistent with and supplementary to the facts already found by the jury in this case. The nature and scope of relief depends upon the specific facts underlying liability.

II. FINDINGS OF FACT

This dispute arises out of a particularly fraught area of labor relations: the integration of pilot seniority lists upon the merger of two airlines. From the perspective of the individual airline pilot, seniority is of the utmost importance. Wages improve with a pilot's position on the seniority list. So do working conditions. Seniority gives pilots priority for bidding on work opportunities-the more senior the pilot, the better the choices. Seniority impacts the rank a pilot may take, the aircraft a pilot may fly, and the control a pilot has over the work schedule. Seniority also determines the availability of preferred routes and “domiciles”-the locales where pilots are based. Seniority represents a significant investment of time in an industry where many pilots spend the bulk of their career at one airline. Most importantly, a pilot's

position on the seniority list creates or limits exposure to demotions and “furloughs,” the airline industry's euphemism for layoffs. Generally, the most junior pilots are furloughed first. Furloughed pilots enjoy a right of recall when hiring resumes, but until then they are out of work at the airline. For all of these reasons, the process of combining two seniority lists during an airline merger raises stakes, emotions, and the risk of betrayal of principle to new heights. Such is the case here.

A. The Merger

In May 2005, two airlines, America West and U.S. Airways, merged to become a single airline known as U.S. Airways (“the Airline”). The America West pilots who were on the America West seniority list at the time of the merger are known as West Pilots. The U.S. Airways pilots who were on the U.S. Airways seniority list at that time are known as the East Pilots. As part of the merger, the two airlines planned to combine their operations into one, and as part of that process, the seniority lists of the two airlines would be integrated into a single list. As with any attempt to combine two separate seniority lists, this process pitted the seniority interests of the East Pilots against the seniority interests of the West Pilots. Any gain for one side would come at the expense of the other.

**2* Adding tension was the comparative makeup of each pilot workforce. At the time of the merger and now, the East Pilots have been the bigger group: about 5100 pilots compared to about 1900 West Pilots. America West not only was the smaller of the two airlines, but it also was the younger. The 1900 West Pilots were generally hired within a more recent time frame than the East Pilots. The two groups differed in their wages and work status. The America West wages in place at the time of the merger were significantly more favorable than the U.S. Airways wages. And all West Pilots were actively flying at the time of the merger, with

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hiring ongoing at the airline and a negligible history of furloughs. US Airways, on the other hand, found itself in the midst of bankruptcy proceedings with approximately 1700 of its pilots on furlough and no recall in sight. Many of the furloughed pilots had not flown for U.S. Airways for years.

From the time of the merger until April 2008, both pilot groups were represented by one union: the Air Line Pilots Association (“ALPA”). The internal structure of ALPA played a central role in the seniority integration process. Two different Master Executive Councils (“MECs”) pursued the interests of each pilot group: the U.S. Airways Master Executive Council (“the East MEC”) and the America West Master Executive Council (“the West MEC”). The union members of each pilot group elected representatives who chose officers for their respective MECs. The MECs, in turn, appointed individuals to various union committees. For instance, the MECs each appointed individuals to a single Joint Negotiating Committee charged with negotiating collective bargaining terms with the Airline on behalf of both groups. The MECs also appointed individuals to separate standing Merger Committees. Each pilot group's Merger Committee consisted of two pilot Merger Representatives who would participate in the integration process for the two seniority lists. Under ALPA's structure, any new collective bargaining agreement (“CBA”) would require ratification by a majority of pilots in each of the two pilot groups.

On September 23, 2005, ALPA and the two merging airlines entered into a Transition Agreement setting forth the process of achieving the operational integration of the two airlines. The chairman of each MEC signed the agreement, witnessed by other union officials. The Transition Agreement provides that until operations are combined, “[t]he pilot workforces of America West and U.S. Airways will remain separate and covered by their respective collective bargaining agreements.” With few exceptions, this status of separate operations places a fence between the former America West operations and the former U.S. Airways operations so that pilots for one side cannot fly the other side's routes or aircraft.

The Transition Agreement requires three conditions to be met before operational integration can take place. First, an integrated seniority list must be created. Second, the union must conclude a single CBA for both pilot groups, incorporating the integrated seniority list. Third, the Airline must obtain a single FAA operating certificate, which it has

done. Because no new CBA is in place, the Airline carries on in a state of separate operations. Efforts toward a new CBA have been complicated by the process of deciding what seniority list the CBA will include.

B. The Nicolau Award

*3 The Transition Agreement also specifies how to integrate the two seniority lists: “The seniority lists of America West pilots and U.S. Airways pilots will be integrated in accordance with ALPA Merger Policy and submitted to the Airline Parties for acceptance.” In turn, ALPA Merger Policy [ex. 3, hereinafter cited as “MP”] provides a step-by-step process of integrating the lists. At the first stage, the parties attempt to negotiate a single list. [MP pt. 1.G.] If negotiations fail, a mediator is selected from a predetermined list through a series of strikes, and mediation ensues. [MP pt. 1.H.] If mediation fails, the mediator conducts a “final and binding” arbitration to arrive at a merged list, sitting as the chairman of a three-person arbitration board. [MP pt. 1.H.] Once the representatives conclude the process of integrating the seniority lists, the list is not subject to a separate ratification vote by the union membership. [MP pt. 1.D.] The integrated list is to be presented as part of any new CBA, however, which is subject to membership ratification.

In accordance with the Transition Agreement and ALPA Merger Policy, the Merger Representatives for the East and West Pilots began negotiating over seniority in August 2005. The circumstances of the two pilot groups prevented the two sides from reaching agreement. In particular, the East Merger Representatives thought that East Pilots were entitled to seniority rights based upon their dates of hire, including East Pilots who were on furlough at the time of the merger. The West Merger Representatives thought that these furlougees should be placed at the bottom of the list, with the remaining pilots merged into one list according to their relative positions on the original seniority lists for each of the merging airlines.

Failing to reach any negotiated compromise, the Merger Representatives began the next step of the ALPA Merger Policy process: mediation. By alternating strikes from the predetermined list of mediators, George Nicolau was selected as the mediator. Mediation took place in October 2006. Like negotiation, the mediation failed to produce an agreed-upon, integrated seniority list. The Merger Representatives then proceeded to the third step of the ALPA Merger Policy process, entering into arbitration (the “Nicolau Arbitration”)

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with George Nicolau presiding along with two non-voting pilot representative from other airlines, one designated by each pilot group. The arbitration proceedings began in December 2006 and concluded in February 2007.

The Nicolau Arbitration panel issued its award (the "Nicolau Award") in the first week of May 2007. The award struck a compromise between the requests of both sides. It placed about 500 senior East Pilots at the top of the list, against the wishes of West Pilots, because of their special experience with wide-body international aircraft that America West was not operating before the merger. It placed approximately 1700 East Pilots who had been furloughed at the time of the merger at the bottom of the list because of their greatly diminished career expectations. Then it blended the remainder of the East Pilot list with the West Pilot list generally according to the relative position of the pilots on their original lists.

*4 Before, during, and after the arbitration, both sides understood that any arbitrated result would be final and binding as provided in ALPA Merger Policy, and that the Transition Agreement required implementation of the Nicolau Award along with any new single CBA. Each side presented exhaustive proof in support of its case over the course of 18 days of hearings, with 20 witnesses and 14 volumes of exhibits. They filed comprehensive post-hearing briefs. There is no persuasive evidence that any East or West Pilot doubted the finality of the arbitration before it took place.

The Nicolau Award caused outrage among many East Pilots. The East Merger Representatives sought to have the award overturned and petitioned ALPA to revisit it. Emotions flared for weeks and months to follow while ALPA attempted to broker a compromise between the two pilot groups. Understanding that ratification of any single CBA by both pilot groups was essential, ALPA's Executive Council passed a resolution on May 24, 2007, urging both MECs to "explore consensual approaches that promote career protection and mutual success, and achieve an acceptable single [CBA] that improves pay, benefits, work rules, and job security for both pilot groups." Further efforts at compromise took place at certain union-organized conferences over the summer. No compromise resulted.

While the arbitration was pending, negotiations with the Airline progressed. In May 2007, the ALPA Joint Negotiating Committee received a comprehensive CBA proposal from the

Airline known as the Kirby proposal. [Ex. 98.] While the union and the Airline remained far apart on many terms of employment, this proposal represented significant progress in negotiations and included a pay increase for both pilot groups worth \$122 million per year. The West Pilots' increase was modest, but the introduction of equal pay for both pilot groups would mean a pay increase for East Pilots worth \$108 million per year. This proposal has remained on the table.

On August 15, 2007, the East MEC withdrew its representatives from the Joint Negotiating Committee. This tactic halted negotiations between the union and the company toward a single new CBA. By October 1, 2007, the ALPA Executive Council had determined that there were no grounds under ALPA Merger Policy for setting aside the Nicolau Award. ALPA's president criticized the East MECs actions and stated that it was "time for the [East] MEC to comply with its representational and legal obligations under the Constitution & Bylaws, ALPA Merger Policy, the Transition Agreement, and implementing resolutions of the Executive Council" and "adopt a resolution ... reversing all prior efforts to bar or precondition the continuation of joint negotiations." [Ex. 19.]

The East MEC never returned to negotiations. ALPA submitted the Nicolau Award to the Airline in late 2007. The Airline accepted the award on December 20, 2007, as it was required to do if the award complied with certain basic requirements of the Transition Agreement.

C. The Formation and Election of USAPA

*5 Another story was unfolding during this course of events. On May 16, 2007, shortly after the issuance of the Nicolau Award, East Pilot Stephen Bradford wrote a letter to the ALPA Executive Board announcing his intent to leave ALPA. He voiced hostility to the Nicolau Award, claiming that he did not want to leave the union but that the Nicolau Award left him little choice. In his view, it was necessary to leave in order to "write our own merger policy into our bylaws" and "just to protect what little we [East Pilots] have left." [Ex. 107 at 1-2.] He asserted that the East Pilots' majority status in the union would enable them to achieve their aims. He and other East Pilots formed a committee to explore how to prevent implementation of the Nicolau Award by forming and certifying a new union with a different seniority objective. They received advice from a lawyer to take care with "the language you use in setting up your new union" and not to

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“give the other side a large body of evidence that the sole reason for the new union is to abrogate an arbitration.” [Ex. 14.]

Mr. Bradford and other East Pilots proceeded to form Defendant USAPA. On August 10, 2007, they announced that they held nearly enough popular support to force a representation election. On November 29, 2007, the National Mediation Board certified a representation election. USAPA's campaign purported to address other areas of pilot discontent, but it communicated a clear message to East Pilots that its seniority policy would be more favorable to them than the Nicolau Award. USAPA promised that as certified bargaining representative, it would negotiate for a date-of-hire seniority integration rather than the Nicolau Award. Many West Pilots opposed the campaign, and ALPA objected to the East MECs “failure to respond to and defend against” it. [Ex. 19.] USAPA won the election, and the National Mediation Board certified USAPA as the East and West Pilots' collective bargaining representative on April 18, 2008, with Mr. Bradford as its president.

Five months later, USAPA adopted and presented to the Airline its own seniority proposal. This proposal constructs a seniority list based upon each pilot's date of hire, with West Pilots generally falling to the bottom of the list. The proposal also includes certain conditions and restrictions providing limited protection to West Pilots. For example, it provides that reductions in the number of captain positions would be shared between the two pilot groups on a pro rata basis. Also, West Pilot positions in existence on June 1, 2008, are protected such that East Pilots cannot bid into those positions. But significant limitations attend these protections. First, they expire after ten years. Second, a West Pilot “forfeit[s] his/her right with respect to all protected position provisions” if he or she fails to bid on or accept an available protected position or bids on a non-protected position. Third, the date-of-hire list supersedes all conditions and restrictions, including the pro rata allocation of position reductions, in the event of a catastrophic reduction of 25% or more of the total number of pilot positions. Finally, all furloughs and recalls still are implemented “on an integrated [date-of-hire] seniority list basis” regardless of protected position provisions.

*6 Taking all of the conditions and restrictions into account, the Court finds that the terms of USAPA's seniority proposal are substantially less favorable to West Pilots than the Nicolau

Award. The ten-year period of conditions and restrictions provides some protection to West Pilots, but once that period expires, even assuming rapid attrition of senior East Pilots, the West Pilots find themselves with diminished career opportunities relative to their position on the Nicolau List. More importantly, USAPA's proposal exposes the West Pilots to grave new economic perils. Any furlough will take a disproportionate toll on West Pilots, as will any catastrophic reduction in force—both realistic possibilities. At the time of the merger, 33% of East Pilots were on furlough status, a number roughly corresponding to 24% of the merged pilot workforce and 89% of the West Pilot workforce. If the very circumstances at the time of the merger were to recur under USAPA's seniority proposal, many of the West Pilots would lose their jobs to now-working East Pilots who were unemployed at the time of the merger. While all of these factors support the finding, they are not all necessary. The sole fact that USAPA's seniority proposal disfavors West Pilots for furlough purposes compels, on its own, the conclusion that the proposal is far less favorable to West Pilots than the Nicolau Award. *Barton Brands, Ltd. v. NLRB*, 529 F.2d 793, 796, 800 (7th Cir.1976).¹

The Airline has received USAPA's seniority proposal but has not responded to it. USAPA and the Airline continue to negotiate toward a new CBA. Any new CBA is now subject to USAPA's ratification process, which differs from ALPA's. Under USAPA's constitution, ratification requires a majority vote of the entire union membership, not separate votes of the two pilot groups. This system deprives both pilot groups of their separate veto powers.

D. USAPA's Objectives

USAPA's sole objective in adopting and presenting its seniority proposal to the Airline was to benefit East Pilots at the expense of West Pilots, rather than to benefit the bargaining unit as a whole. Its constitution includes a commitment “to maintain uniform principles of seniority based on date of hire and perpetuation thereof, with reasonable conditions and restrictions to preserve each pilot's un-merged career expectations.” USAPA officers have promised to “overturn” the Nicolau Award, and USAPA considers itself constitutionally bound never to implement it. Counsel for USAPA concedes that the union will never do so. [Doc. # 574 at 1047.]

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As explained below, other motivations USAPA presented at trial were insufficient as a matter of law to justify its course of action. Some were simply pretextual.

E. Furloughs of West Pilots

Continuing in a state of separate operations, economic forces have caused the Airline to reduce flying. Most of these reductions have occurred in the western operations. As a result, the Airline has announced plans to furlough 300 pilots, including approximately 175 West Pilots. The Transition Agreement generally prevents East and West Pilots from flying in the other group's operations, so furloughs take place in the locales where flying is reduced, according to the two separate seniority lists. Approximately 140 West Pilots had been furloughed by the time of trial. The group of presently furloughed pilots includes Plaintiff Worgocki, Plaintiff Bostic, and Plaintiff Iranpour. If a single CBA that incorporated the Nicolau Award were in place and operations integrated, none of the West Pilots would be furloughed at this time.

F. Procedural History

*7 On September 4, 2008, in response to USAPA's actions, six individual West Pilot Plaintiffs brought this action against USAPA and the Airline alleging that USAPA had breached its duty of fair representation and that the Airline had breached a CBA. The complaint sought damages as well as injunctive relief. Plaintiffs also moved for a preliminary injunction to restrain the Airline from furloughing West Pilots ahead of East Pilots who had been on furlough at the time of the merger. The Court granted the Airline's motion to dismiss for failure to exhaust administrative remedies. It denied USAPA's motion to dismiss the fair representation claim under [Fed.R.Civ.P. 12\(b\)\(1\) and \(6\)](#); that claim is the subject of this trial.

Around the same time, Plaintiffs also filed a state court action on behalf of a class of West Pilots against a class of East Pilots. This complaint alleged various state law causes of action against the East Pilots. After removal and consolidation, the state-law causes of action were dismissed as preempted by the Railway Labor Act.

On November 21, 2008, trial in the fair representation case was accelerated and bifurcated into two stages to expedite resolution of this urgent case. The first stage would address

the liability of the union and the propriety of injunctive relief. In the event of a verdict finding USAPA liable, the second stage would address the causation and quantification of any damages owed to Plaintiffs. Trial on liability was set to occur no later than February 17, 2009. One week after trial was set, Plaintiffs filed an amended complaint in the fair representation action, specifying that the suit was brought on behalf of a class of similarly situated West Pilots. Because of the surprise to USAPA and the need for class discovery, trial was continued. Briefing followed on certification as well as the right to a jury trial. The Court certified the class of West Pilots and granted USAPA's request for a jury trial under the Seventh Amendment. The Ninth Circuit denied USAPA's request for interlocutory review of the certification order. Because the class was not certified as to Plaintiffs' compensatory damages claims, the jury trial right attached only to the damages claims of the six individual Plaintiffs.² A jury trial would nonetheless be held at the liability stage because the damages claims would hinge on the adjudication of liability.

On March 3, 2009, shortly before the class was certified, a new trial date was set. Over USAPA's objection, trial on the liability facts and injunctive relief would now take place beginning April 28, 2009. The parties proceeded to and through trial according to plan. The jury retired after approximately nine days of evidence and returned a verdict for Plaintiffs. Bench proceedings then were held respecting the propriety and scope of injunctive relief. No new evidence was introduced at the bench trial beyond that presented to the jury.³

III. CONCLUSIONS OF LAW

*8 "In chasing down the myriad arguments of the parties, [the Court has] pursued both the fox of enlightenment and the hare of obfuscation through the bramble of labor law." *Teamsters Local Union No. 42 v. NLRB*, 825 F.2d 608, 609 (1st Cir.1987). The First Circuit wrote those words about a contentious union seniority case, and the same sort of chase has occurred here. While neither side has refrained from taking dubious legal positions, USAPA has at various stages misstated law, facts, and procedural history, with frequent recourse to the "contradiction or confusion ... produced by a medley of judicial phrases severed from their environment." *Guaranty Tr. Co. of N.Y. v. York*, 326 U.S. 99, 106, 65 S.Ct. 1464, 89 L.Ed. 2079 (1945) (Frankfurter, J.). It is therefore

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necessary to cut a path through much labor law bramble on the way to granting relief. First, this Order explains the theory supporting liability. Second, it reaffirms and elaborates upon the subject matter jurisdiction and ripeness, best understood in light of the merits. Third, it outlines the propriety, scope, and nature of relief granted.

A. Duty of Fair Representation

A jury has already found that USAPA breached its duty of fair representation with respect to the West Pilots. In short, USAPA violated the duty because it cast aside the result of an internal seniority arbitration solely to benefit East Pilots at the expense of West Pilots. USAPA failed to prove that any legitimate union objective motivated its acts.

In general, a union owes a duty of fair representation to all members of the bargaining unit it represents. *McNamara-Blad v. Ass'n of Prof'l Flight Attendants*, 275 F.3d 1165, 1169 (9th Cir.2002). This duty “arises from a union's statutory role as the exclusive bargaining representative for a unit of employees”; it attaches only at the time that a union becomes certified as the exclusive bargaining representative for the bargaining unit. See *id.* at 1169-71. The duty has evolved as a judicial check on the union “to prevent arbitrary union conduct against individuals stripped of traditional forms of redress by the provisions of federal labor law.” *Id.* at 1169 (quoting *Vaca v. Sipes*, 386 U.S. 171, 177, 87 S.Ct. 903, 17 L.Ed.2d 842 (1967)).

“Under this doctrine, the exclusive agent's statutory authority to represent all members of a designated unit includes a statutory obligation to serve the interests of all members without hostility or discrimination toward any, to exercise its discretion with complete good faith and honesty, and to avoid arbitrary conduct.” *Vaca*, 386 U.S. at 177. Put another way, the duty prohibits unions from acting in a way that is “arbitrary, discriminatory, or in bad faith.” *Beck v. United Food & Commercial Workers Union, Local 99*, 506 F.3d 874, 879 (9th Cir.2007) (quoting *Vaca*, 386 U.S. at 190).

1. Bargaining Backdrop

“The integration of a seniority list is a difficult undertaking because of the inevitability that some individual employees will be disadvantaged in comparison to others. In these circumstances, a union does not breach its duty of fair representation to others as long as it proceeds on some

reasoned basis.” *Herring v. Delta Air Lines, Inc.*, 894 F.2d 1020, 1023 (9th Cir.1990). For this reason, ALPA had established an internal procedure for the integration of seniority lists in the merger scenario. *Bernard v. Air Line Pilots Ass'n, Int'l*, 873 F.2d 213, 217 (9th Cir.1989); see also *Gvozdenovic v. United Air Lines, Inc.*, 933 F.2d 1100, 1107 (2d Cir.1991).

*9 The Nicolau Arbitration was intended to provide a conclusive resolution of the conflicting seniority interests of the East Pilots and the West Pilots. The Transition Agreement generally required the parties to follow ALPA Merger Policy to integrate the seniority lists. The parties bound by that agreement included the union “by and through the Master Executive Councils of the America West and U.S. Airways pilots.” Both MEC chairmen signed the agreement with the ALPA President, witnessed by other union officials.

ALPA Merger Policy (cited as “MP”) provided for the procedures leading up to and resulting in the issuance of the Nicolau Award. It also dictated the award's significance. “The purpose of arbitration shall be to reach a fair and equitable resolution consistent with ALPA policy.” [MP § 1.H.I.b.] “The Award of the Arbitration Board shall be final and binding on all parties to the arbitration and shall be defended by ALPA.” [MP § 1.H.5.] “The merged seniority list will be presented to management and ALPA will use all reasonable means at its disposal to compel the company to accept and implement the merged seniority list.” [MP § 1.I.1.] “The arbitration award issued after proceedings under [the Merger Policy] shall be the position of ALPA with management” [MP § 1.I.7.] The Policy Compliance provision states that “[a]ny attempt by a member or members of ALPA to obtain an agreement which would operate to frustrate the objectives of this policy shall be considered an act contrary to the best interests of ALPA and its members.” [MP § 3.C.]

USAPA does not dispute that it succeeded to ALPA's rights and obligations under the Transition Agreement. Nonetheless, USAPA contends that the Nicolau Award does not limit USAPA in any sense. USAPA relies heavily on the following stipulation: “The parties to the Nicolau Arbitration were stated to be ‘the U.S. Airways Pilot Merger Representatives and the America West Pilot Merger Representatives.’ ” USAPA suggests that the Nicolau Award bound only the merger representatives, with the sole effect of

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precluding those representatives from asserting the existence of any disagreement between them regarding the Nicolau Award. The award, according to USAPA, was imposed on the East Pilots without their consent; ALPA, and by extension USAPA, remained free to order its affairs as though the award had never happened.

This argument offends common sense, the evidence, and fundamental principles of law. In the context of labor rights, it is both discordant and irrelevant. Generally, properly appointed representatives acting within the scope of their authority do bind those they represent. ALPA Merger Policy provides that the Merger Representatives “shall have complete and full authority to act for and on behalf of the flight deck crew members of their respective airlines for the purpose of concluding a single flight deck crew member seniority list, which shall not be subject to ratification.” [MP § 1.D.3.] This is not a dispute about the personal contractual obligations of East Pilots.⁴ The East Pilots took on the benefits and burdens of ALPA's representative actions when they elected to be represented by that union. They gave their political consent to the actions of the merger representatives when they elected the East MEC that appointed them. *Cf. Ackley v. W. Conference of Teamsters*, 958 F.2d 1463, 1478 (9th Cir.1992) (explaining that unions exist and take action subject to union members' voting rights); 45 U.S.C. § 152 Fourth (protecting a bargaining unit's right to choose a union by majority vote). The East Pilots and ALPA were therefore bound, in the legislative sense of collective bargaining, by ALPA's Transition Agreement commitment “by and through” the East MEC to follow ALPA Merger Policy in merging the seniority lists. *See Humphrey v. Moore*, 375 U.S. 335, 337-38, 347-48, 84 S.Ct. 363, 11 L.Ed.2d 370 (1964) (holding that union discharged its duty of fair representation by resolving a seniority dispute in accordance with negotiation and arbitration procedures of a CBA negotiated by a multi-local union and executed by each appropriate local union).

***10** Although the Court finds that the unambiguous language of the Transition Agreement resolves the question on its own, the East MECs course of conduct during and after the Nicolau Proceedings confirms that the award was intended to be “final and binding” as to the two pilot groups. USAPA presented no evidence that the East MEC or any East Pilots regarded the Nicolau Arbitration as an academic exercise before or while it took place. To the contrary, the East Pilots exhibited a solemn resolve to make their case.

Both sides presented voluminous economic evidence over the course of several weeks of hearings. The East MEC pressed hard to have the award overturned within the ALPA framework. Finally, the East MEC attempted to subvert the award's implementation by withdrawing from merger negotiations altogether. Rather than cast doubt on the final and binding nature of the award, these actions show that from the East MECs perspective, the award was most final and most binding. ALPA's attempts to negotiate a compromise between the two pilot groups do not belie the award's finality; those attempts reflect an understanding that the West Pilots, through the West MEC, were entitled to sit on their rights. At no time did ALPA assert the power to impose a different seniority proposal on the West Pilots without their consent.

The award shapes USAPA's duty here even though the Transition Agreement could be amended by mutual agreement of the union and the Airline. US Airways has already accepted the Nicolau seniority list, and the evidence shows no reason for amendment other than USAPA's internal purposes. As explained further on, amendment needs some legitimate union objective. Amendment is not a sufficient purpose unto itself, a kind of union wild card that covers for any purpose, good or ill. The power of amendment does not trump the union's duty of fair representation; it must serve it.

2. Theory of Liability

In general, a union meets its duty of fair representation as long as its actions fall within a “wide range of reasonableness.” *Air Line Pilots Ass'n v. O'Neill*, 499 U.S. 65, 78, 111 S.Ct. 1127, 113 L.Ed.2d 51 (1991). This latitude includes a right on the part of the union to change bargaining positions midstream. *Barton Brands, Ltd. v. NLRB*, 529 F.2d 793, 800 (7th Cir.1976). There is nothing intrinsically wrong with bargaining for seniority integration based upon the date of hire; date-of-hire seniority is “generally ... an equitable and feasible solution” to the problem of merging seniority lists. *Truck Drivers, Local Union 568 v. NLRB*, 379 F.2d 137, 143 n. 10 (D.C.Cir.1967); *see also Laturner v. Burlington N., Inc.*, 501 F.2d 593, 598-603 (9th Cir.1974). Seniority rights do not “vest” with the union members in any proprietary sense. *See Hass v. Darigold Dairy Prods. Co.*, 751 F.2d 1096, 1099 (9th Cir.1985). Even when an internal union arbitration resolves a seniority dispute, it is not necessarily improper for a union to pursue an alternative outcome. *Associated Transport, Inc.*, 185 NLRB 631, 635 (1970) (unfair labor practice case).

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**11* USAPA clings to these generalities, but they give no protection here. The question is not whether USAPA made a seniority proposal that is acceptable in the abstract, or whether USAPA deprived certain employees of their property rights, or what position it could have taken before agreement to a different final and binding process. The question is not whether USAPA has the right to adjust its bargaining position, even after playing out an agreed final and binding process, for some good reason. The legal question is whether USAPA-or any union-violates its duty of fair representation by adopting and promoting a certain integrated seniority list for no reason other than to favor one group of employees at the expense of another. An established genre of fair representation decisions says yes.

The first is *Bernard v. Air Line Pilots Association, International*, which concerned the merger of Alaska Airlines and Jet America, Inc. 873 F.2d 213 (9th Cir.1989). ALPA was the certified bargaining representative for all Alaska Airlines pilots, but the Jet America pilots were not members of the union. *Id.* at 214. Nonetheless, ALPA owed a duty of fair representation to the Jet America pilots. *Id.* at 216. When it came time to integrate the seniority lists of the two airlines, ALPA did not follow its own policy, namely the process of negotiation, mediation, and, if necessary, arbitration. *Id.* at 215. The employer excluded all Jet America pilots from seniority negotiations. *Id.* The Jet America Pilots succeeded in their fair representation action because they had been excluded from negotiations and because ALPA did not follow its own policy. *Id.* at 216-17. The court rejected the union's purported justifications for its actions: that it was reasonable to "speak [] to management as one voice," that the union's seniority decisions were consistent with the respective career expectations of the pilot groups, and that ALPA's duty to the Jet America Pilots was no broader than its general duty to the pilot group as a whole. *Id.* ALPA had disregarded its neutral merger policy to discriminate against the previously non-unionized pilots. *Id.* at 217. Indeed, at the time of the seniority negotiation, ALPA's president had disclaimed any duty to the Jet America pilots. *Id.* Under *Bernard*, a union may not diverge from its merger policy solely to advance the seniority rights of union members at the expense of non-union members. *Id.*

A similar rule finds expression in *Truck Drivers, Local Union 568 v. NLRB*, 379 F.2d 137 (D.C.Cir.1967).⁵ *Truck Drivers*

holds that a union's fulfillment of its promise to "renounce[] any good faith effort to reconcile" the seniority interests of two employee groups would lead to a violation of its duty of fair representation. *Id.* at 142-43. Of particular relevance was the union's sole motivation to "win[] an election by a promise of preferential representation to the numerically larger number of voters." *Id.* at 143; see also *Hardcastle v. W. Greyhound Lines*, 303 F.2d 182, 186-87 & n. 10 (9th Cir.1962) (affirming grant of summary judgment for defendants in fair representation claim because plaintiffs failed to show a lack of "discriminatory action in favor of one politically stronger local or faction of the union against a politically weaker local or faction"); *Associated Transport*, 185 NLRB at 635 (union may not revisit seniority for improper purpose).

**12* The Seventh Circuit has embraced the same principle. In *Barton Brands*, two seniority lists were dovetailed, that is, combined on a date-of-hire basis, upon the merger of two companies. 529 F.2d at 795-96. Layoffs began, and the larger of the two merged workforces decided that the existing seniority integration was unfair. *Id.* at 796. The union formulated a new proposal that dovetailed the two lists for most purposes, but placed the smaller workforce at the bottom of the list for layoff purposes. *Id.* A majority of the union membership ratified the new arrangement. *Id.* The union met judicial rebuke. Abridging "the established seniority rights of a minority of the Barton employees ... for no apparent reason other than political expediency" constituted an unfair labor practice reflective of fair representation doctrine. See *id.* (citing *Hargrove v. Bhd. of Locomotive Engineers*, 116 F.Supp. 3 (D.D.C.1953) (fair representation case)). On remand, the Board was instructed "that in order to be absolved of liability the Union must show some objective justification for its conduct beyond that of placating the desires of the majority of the unit employees at the expense of the minority." *Id.*

The Seventh Circuit has reaffirmed this theory of liability, addressing USAPA's very posture in dictum. In *Air Wisconsin Pilots Protection Committee v. Sanderson*, 909 F.2d 213 (7th Cir.1990) (Posner, J.), two airlines merged, and both pilot groups were represented by ALPA. ALPA followed its merger policy and the seniority integration issue went to arbitration. *Id.* at 215. "The arbitrators split the difference," giving each group of pilots less than it had asked for. *Id.* Some pilots from one of the merging airlines "tried to replace

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ALPA as a collective bargaining representative ... with a newly created union” but they were outvoted. *Id.* When the MEC for the disgruntled pilot group proposed replacing the arbitrated list with a list based on length of service—a proposal corresponding to their position before the arbitration panel—ALPA placed the MEC in trusteeship. *Id.* at 216. Then, as now, ALPA MECs may be placed in trusteeship if they fail to comply with ALPA's Constitution, By-Laws, or representational obligations. *Id.* at 215.

The disgruntled pilots brought a fair representation suit, and its dismissal was affirmed. The court reasoned that the arbitration process was fair and the arbitrators' award definitive under ALPA policy. *Id.* at 216. “If ALPA were free to ignore the merged seniority list, the employees of the post-merger airline would have very little job security” and “disputes over seniority would fester—as they have done in this case.” *Id.* In a concluding dictum, the court noted that “an attempt by a majority of the employees in a collective bargaining unit to gang up against a minority of employees in the fashion apparently envisaged by plaintiffs,” that is, by “ousting ALPA in favor of a union not pledged to defend the arbitrators' award [...] ... could itself be thought a violation of the duty of fair representation by the union that the majority used as its tool.” *Id.* at 217.

*13 In *Rakestraw v. United Airlines, Inc.*, 981 F.2d 1524 (7th Cir.1992), ALPA was allowed to depart from its Merger Policy and to change its negotiating position midstream by promoting a seniority list that favored the preference of a majority of the employees in the bargaining unit. *Rakestraw* did not abandon or undercut the rule that a union may not reshuffle a seniority list for improper reasons. To the contrary, it reaffirmed *Barton Brands*, holding that “a union may not juggle the seniority roster for no reason other than to advance one group of employees over another,” and it cited *Air Wisconsin* without criticism. *Rakestraw*, 981 F.2d at 1530, 1533, 1535. There was no breach of duty where no ill motive existed or where ALPA acted, at least in part, to “rationally promote the aggregate welfare of employees in the bargaining unit” by pursuing “two rational and appropriate objectives” without discrimination between different groups of employees. *Id.* at 1535.

The influence of *Barton Brands* extends well beyond the Seventh Circuit. The Second Circuit follows its holding. See *Ramey v. Dist. 141, Int'l Ass'n of Machinists*, 378 F.3d

269, 277 (2d Cir.2004). So too does the First Circuit. See *Teamsters Local Union No. 42 v. NLRB*, 825 F.2d 608, 611 (1st Cir.1987).⁶ “Union members are to be accorded equal rights, not subjugated arbitrarily to the desires of a ‘stronger, more politically favored group’ ” *Id.* (quoting *Barton Brands*, 529 F.2d at 799) (alterations original).

3. Legitimate Union Objectives

The question then arises, what kind of justification can the union rely upon to avoid liability? USAPA has advanced a broad reading of *Rakestraw* under which any rational relation to a legitimate union objective will suffice, regardless of the union's actual motives. Plaintiffs, on the other hand, proposed an alternate view where the court would evaluate a union's primary motive for the actions it takes. Neither approach is reflected in the case law. Liability attached because USAPA's only actual motivation in adopting and presenting its seniority proposal was to benefit East Pilots at the expense of West Pilots.

Union liability for discrimination or bad faith requires a subjective examination of the union's actual motives and purposes. *Simo v. Union Needletrades, Indus. & Textile Employees, Sw. Dist. Council*, 322 F.3d 602, 618 (9th Cir.2003). *Rakestraw* connotes to this rule, resting not on hypothetical connections to legitimate union objectives, but rather on the actual reasons the union had for choosing its course of action. 981 F.2d at 1532. That case took up two fact situations addressing the same legal issue. In the first, a larger airline acquired a smaller airline. *Id.* at 1526. ALPA disregarded its Merger Policy in the process of integrating the seniority lists, and the smaller pilot group acquiesced in the result—a date-of-hire list favoring the majority. *Id.* at 1527. Later, the minority brought suit against the union. *Id.* The union was held to be in pursuit of a legitimate objective because the larger, acquiring airline did not need the smaller group of pilots and was unlikely to agree to any arrangement disfavoring its own pilots. *Id.* at 1533. Moreover, “there [was] no evidence that ALPA's leaders had it in for the [smaller pilot group].” *Id.* at 1527.

*14 In the second *Rakestraw* situation, ALPA was in the process of negotiating a post-merger CBA, including a date-of-hire seniority list. *Id.* at 1527. Negotiations broke down and the pilots went on strike. *Id.* at 1528. In response, the airline employer hired 219 replacement pilots. It also hired

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320 student pilots who did not begin work during the strike. *Id.* At the same time, almost all 570 striking pilots honored the picket line. *Id.* After the strike, no CBA was in place, and ALPA had no alternative but to accept the airline's proposed seniority list with strike-breakers and student trainees at the top of the list. *Id.* at 1528-29. The striking pilots, constituting a majority in the union, made aggressive protest. *Id.* at 1529. Ultimately, management and the union agreed to put the 570 striking pilots at the top of the list according to date of hire, above the 219 strikebreakers and the 320 student pilots. *Id.* The strike-breakers brought a fair representation claim. *Id.*

The union “detested” the strike-breakers and “[t]his loathing played a role in the union's efforts to increase the seniority of the Group of 570.” *Id.* Nonetheless, ill will or a desire for retribution does not “spoil an agreement that rationally serves the interests of labor as a whole, and that treats employees who are pariahs in the union's eyes no worse than it treats similarly situated supporters of the union.”⁷ 981 F.2d at 1532, 1535. Critical to the court's reasoning was that “ALPA had at least two rational and appropriate objectives” satisfying the rule of *Barton Brands*. *Id.* at 1535. It wanted to harm the strike-breakers, and it also sought to restore the seniority of the 570 pilots that it had defended before the strike. By punishing employees who crossed the picket line, the union could “strengthen the hand of organized labor in future conflicts with management,” in effect “shor[ing] up the monopolistic quality of organized labor.” *Id.* By acting to restore a seniority system vis-a-vis newly hired pilots, the union served the legitimate objective of “stability” by protecting long-term employee expectations against outright erasure. *Id.* (citing *McCann v. City of Chicago*, 968 F.2d 635 (7th Cir.1992) (equal protection case) and *Nordlinger v. Hahn*, 505 U.S. 1, 112 S.Ct. 2326, 120 L.Ed.2d 1 (1992) (same)). No holding of *Rakestraw* precludes liability for discriminatory or bad faith action when a union's sole motivation is improper.

In *Ramey v. District 141, International Association of Machinists*, the Second Circuit considered *Rakestraw*'s statement that “[a] rational person could conclude that dovetailing seniority lists in a merger ... serves the interests of [the union membership] as a whole.” 378 F.3d 269, 277 (2d Cir.2004) (alterations original). The *Ramey* court distinguished between a bare challenge to union action and a challenge to union action with evidence of an improper purpose. “Unlike in *Rakestraw*,” where the first fact pattern

presented no evidence of hostility in merging seniority lists on a date-of-hire basis, “plaintiffs here do not suggest that [the union] acted improperly merely by dovetailing the seniority lists.” *Id.* “Rather, they argue that [the union] was motivated by retaliatory animus in choosing which seniority dates to apply.” *Id.* Liability attached because the alteration of seniority based solely on retaliatory animus was not objectively reasonable. *Id.* Once the jury rejected the union's purported neutral motivation as pretext, it could conclude that hostile motives alone motivated the union action. *Id.* at 284. A rational relation to purportedly neutral purposes could not defeat liability where the only actual motive was improper. *Id.*⁸

*15 For these reasons, the jury in this case was instructed as follows: “Even if the union's conduct could be rationally related to a legitimate union objective, the union can be liable for violating its duty of fair representation if its actions are shown to be solely motivated by objectives that are not legitimate union objectives.” To the extent USAPA reads a stronger rule into *Rakestraw*, a rule that would validate all union conduct that could be rationally related to legitimate union objectives irrespective of actual motive, USAPA's reading is rejected and would not be persuasive if accepted because it runs against the scheme of fair representation doctrine already discussed, including Ninth Circuit precedent. See *Rakestraw*, 989 F.2d 944, 945-48 (7th Cir.1993) (Ripple, J., dissenting from denial of rehearing *en banc*) (interpreting the panel decision in this strong manner and arguing that it violates Supreme Court and Seventh Circuit precedent); *Bernard*, 873 F.2d at 216-17 (looking beyond plausibly rational basis to actual union motive); *Simo*, 322 F.3d at 618 (requiring this inquiry in the Ninth Circuit); *Associated Transport*, 185 NLRB at 635 (examining actual union motive). USAPA's proposed rule would collapse “bad faith” and “discrimination” into an arbitrariness inquiry that does not apply. See *Beck v. United Food & Comm. Workers Union, Local 99*, 506 F.3d 874, 879 (9th Cir.2007).

Conversely, this Court rejected the Plaintiffs' suggestion that a bad motive combined with a good motive could still produce liability where the bad motive predominates. See *Rakestraw* 981 F.2d at 1534 (rejecting mixed-motive liability); *Ramey* 378 F.3d at 284 (relying upon a showing of pretext); *Barton Brands*, 873 F.2d at 217 (noting that ALPA acted solely on the basis of union membership). It may be possible and desirable to fashion a framework for adjudicating mixed-motive fair

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representation cases, but Plaintiffs cite nothing allowing this Court to thus better the precedents. Regardless, the jury found that only an improper motive, and no proper motive animated USAPA's seniority agenda.

4. USAPA's Seniority Objective

There is no merit to USAPA's argument that the pursuit of date-of-hire seniority principles automatically legitimates USAPA's actions because date-of-hire seniority is "the gold standard" of integration methods. [Doc. # 482, at 1902.] The jury was instructed that "[i]n this case, a general preference for any particular seniority system other than the Nicolau Award, standing alone, is not a legitimate union objective." USAPA's argument is little more than a circular rationalization for its departure from the Nicolau Award to favor the majority. The Nicolau Arbitration occurred on the premise that insisting in advance on one seniority system or another could not reconcile the interests of the two pilot groups. The decision to follow a given seniority philosophy in this case could always be viewed as politically motivated by the interests of one pilot group or the other. Fairness could be found only in an agreed procedure, not in an agreed outcome. The Transition Agreement and the Nicolau Arbitration provided USAPA with a "final and binding" internal compromise. The union no longer lacked an appropriate resolution of these irreconcilable interests.

**16* There is no authority for a magic rule that date-of-hire stops all inquiry on the duty of fair representation, in disregard of circumstances. The significance of date-of-hire seniority varies from one labor negotiation to the next. The bankrupt position of U.S. Airways at the time of the merger, with almost as many furloughed pilots as America West had working, and with a significant furlough history, lent date-of-hire integration some hues of inequity it might not have had in another merger. The question before the arbitrator was not whether date-of-hire seniority, in the abstract, was a desirable thing, but whether it would provide a fair and equitable answer to the career expectations of the unmerged pilot groups.

USAPA has maintained from the beginning that no union has ever faced liability based on the pursuit of date-of-hire principles.⁹ *Ramey* refutes this in its holding. 378 F.3d at 274-75.¹⁰ The union in *Ramey* was liable, notwithstanding its date-of-hire list, because it drew up that list so as to

punish inimical employees. *Id.* A date-of-hire proposal does not immunize or condemn union action; the policy preference is generally permissible. It is the manipulation of the seniority proposal in context that gives rise to the claim. USAPA's date-of-hire agenda is just a means of changing the arbitrated outcome for no purpose other than to favor the majority.

USAPA concedes the broad sweep of its argument, which implies that the Railway Labor Act does not permit "hopelessly irreconcilable labor groups to enter into a binding neutral process to resolve their mutual disagreement so they can go forward on their areas of mutual interest." [Doc. # 574, at 1071 (question from the Court).] To agree with this conclusion would dismantle the framework of honest intentions and fair dealing, of stability and consistency, that is the premise of all bargaining, not less labor negotiations. To this extent—an extent as limited and minimal as it is important—the Nicolau Award constrains USAPA as a preexisting discharge of its duty, not to be abandoned without justification.

Practical problems also dog USAPA's argument. Even if date-of-hire seniority were a *per se* legitimate union objective, what about qualified date-of-hire seniority? USAPA's own proposal includes conditions and restrictions professed to mitigate its date-of-hire aspect. At what point would such conditions and restrictions forfeit the date-of-hire immunity? The fact is, USAPA's very decision to include conditions and restrictions is an acknowledgment that the date-of-hire method is sometimes a Procrustean fit.

5. USAPA's Impasse-Related Objective

USAPA asserts that its seniority proposal was justified by its necessity to get any new single CBA. In USAPA's view, ALPA's system of requiring both pilot groups to ratify any new CBA doomed all progress. First, the East MEC had withdrawn its representatives from the Joint Negotiating Committee, halting CBA negotiations indefinitely. Second, USAPA asserts that the East Pilots would never ratify the arbitrated seniority proposal as part of any new CBA. The evidence of a supposed impasse requiring sacrifice of the West Pilots to angry East Pilots was pretextual; in any event, it did not persuade the jury or the Court that an actual impasse existed; and the so-called impasse could not, as a matter of law, justify USAPA's actions toward the West Pilots and the Nicolau Award.

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i. Pretext

**17* The evidence well supports the conclusion, implicit in the verdict and persuasive to the Court, that any asserted impasse was a pretext for bare favoritism of the East Pilots. As soon as the Nicolau Award was announced, USAPA's founder and future president Mr. Bradford wrote that it was necessary to leave ALPA "if this award stands" and "just to protect what little we have left." [Ex. 107 at 1-2.] Later, an attorney advised Mr. Bradford to conceal this objective. [Ex. 14.] A USAPA memo dated February 10, 2008, stated that an attorney had advised USAPA that "if we could replace ALPA as the bargaining agent we could prevail in achieving a Date of Hire seniority integration." [Ex. 315 at 4.] The same memo states, "If ALPA is not there, the award is not there." It shows a deleted sentence stating that "USAPA would not exist" if any lawyer had advised that the renegotiation of seniority was "not possible or very dangerous and likely to fail." Editorial annotations explain that the deletion was necessary to avoid the appearance that "Ni[c]olau is the only reason for USAPA's existence." [Ex. 315 at 5.] USAPA publicly expressed the sentiment that "ALPA = Nicolau." [Ex. 39.] Some pre-election USAPA correspondence refers to an impasse, but USAPA's "Frequently Asked Questions" pages from the campaign invoke date-of-hire seniority without any discussion of impasse. [Ex. 37, 39, 96, 100-105.] When USAPA does talk about the impasse, it promises to "overturn" the Nicolau Award without any explanation of why this step is needed to get around ALPA's dual-ratification structure. [Ex. 39.] Mr. Bradford, who is beyond the subpoena power of this Court, missed an opportunity for persuasion when he declined to testify and be cross-examined at trial concerning motives and pretext in defense of the union he founded and governed.

ii. Non-persuasion

The East MEC's walkout from the negotiations did not create an impasse. ALPA possessed the constitutional power to place the recalcitrant East MEC into trusteeship to continue negotiations toward a single new CBA. [Ex. 509/2189 at 89-90.]; see also *Air Wisconsin*, 909 F.2d at 215 (describing use of trusteeship powers to resolve seniority dispute). The former chairman of the West MEC Negotiating Committee testified that ALPA officials were discussing that possibility after negotiations broke down. [Doc. # 475, at 372.] Before certification, USAPA repeatedly asserted that a contract was likely to be presented for ratification soon. [E.g., ex. 100 at

3, 7.] And Doug Mowery, an East Pilot formerly on ALPA's Joint Negotiating Committee, lamented in a March 2008 letter that the East MEC was likely to be placed in trusteeship. [Ex. 20, at 2.] ¹¹

Nor did the evidence show that the two pilot groups would never ratify a single CBA under ALPA. It is wholly speculative to say the East Pilots would vote against any single CBA incorporating the Nicolau Award no matter how long separate operations continued and no matter the cost to them. The East MEC passed a resolution stating that the East Pilots would never ratify a CBA containing the Nicolau Award, but this self-serving statement about an unknown future is not binding or even persuasive.

**18* Moreover, speculation about what could have been ratified under the ALPA voting system became irrelevant when USAPA was certified as bargaining representative on April 18, 2008. USAPA's structure allows a simple majority of the membership to ratify a new CBA. The lack of an actual and legitimate union purpose for jettisoning the Nicolau Award and the promised improvements in wages and working conditions from a new CBA may yield a majority coalition of East and West Pilots, if not at first, at least eventually.

iii. Legal insufficiency

Even if an impasse did exist, it would not justify USAPA's actions as a matter of law. Majority opposition does not defeat the duty of fair representation; the duty exists to restrain the majority. *Air Wisconsin*, 909 F.2d at 216. USAPA's argument would allow a union to punish any disfavored minority by pointing to the majority preference in the union as long as that majority threatens to obstruct the collective bargaining process, in this case by hijacking contract ratification. Discrimination and bad faith would be permitted as long as a zealous majority of union members insisted. Majority will alone does not corrupt union action. See *Rakestraw*, 981 F.2d at 1533 ("If the union's leaders took account of the fact that the workers at the larger firm preferred this outcome, so what? Majority rule is the norm."). It does not exculpate all union action, either. The union's obligation to federal labor law includes an obligation to stand up to its membership. USAPA argues that ALPA's merger policy only requires the union to use "all reasonable means" to implement the Nicolau Award, but this phrase is quoted out of context. The policy requires the union to use "all reasonable means ... to compel

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the company to accept and implement the merged seniority list.” [MP Pt. 1.I.1.] It does not allow the union to capitulate to an abusive majority.¹²

This principle goes to the core of union politics and bargaining assumptions. A union is required to explain agreements to union members prior to a mandatory ratification vote. *White v. White Rose Food, a Div. of DiGiorgio Corp.*, 237 F.3d 174, 183 (2d Cir.2001). Before and after its election, USAPA has misled the majority about its power to improve their seniority prospects at the expense of the West Pilots. The will of the East Pilots springs from a mistaken understanding of the law and mismanaged expectations. If this is an impasse, it is one USAPA goaded on.

If the membership were correctly advised on the limits of fair representation that constrain the agreement-and all the collective bargaining of every union-then they would perceive no incentive to hold out for an improper bargaining objective. Those employees would be left with a choice: To vote in favor of ratifying a single CBA that incorporated the Nicolau Award, or to vote against it. What they could not do is vote against it and expect the next CBA or the next union to violate the duty of fair representation in the very same way as the first one could not. In effect, USAPA claims that the East Pilots hold such strong objections to the Nicolau Award that they always will vote as a bloc against any new CBA with it, enjoying the self-denial of a single CBA with improved wages and working conditions into perpetuity. Even if this unbelievable story is believed, it only means that the East Pilots have the power of self-inflicted harm. It does not mean that the union's duty of fair representation falls victim to self-hostagetaking.

*19 Whether considered as a matter of fact or law, the asserted impasse does not absolve USAPA from liability.

6. USAPA's Other Objectives

USAPA asserted a range of other union objectives. These included compliance with its union constitution, compliance with majority will, dissatisfaction with ALPA policies and procedures, and dissatisfaction with the procedures of the Nicolau Arbitration. All of these objectives were rejected as a matter of law.

(1) USAPA's constitutional commitment to date-of-hire seniority does not excuse its acts. “The interpretation or construction of the constitution and laws of a union is for the union.” *Laturner v. Burlington N., Inc.*, 501 F.2d 593 (9th Cir.1974) (quoting *Wirtz v. Local Union No. 125, Int'l Hod Carriers B. & C.L. U.*, 270 F.Supp. 12, 16 (N.D.Ohio 1966)). However, that interpretation does not govern if it would cause the union to “transgress the bounds of reason, common sense, or fairness, or act arbitrarily, or contravene public policy or the law of the land.” *Local Union No. 125*, 270 F.Supp. at 16 (quoting 87 C.J.S. Trade Unions § 13, at 766 (late ed.)); *Retana v. Apartment, Motel, Hotel & Elevator Operators Union, Local No. 14*, 453 F.2d 1018, 1024-25 (9th Cir.1972) (union's internal policies and practices are subject to the duty of fair representation).

(2) Political expediency standing alone-whatever it takes to win an election-does not provide a legitimate union objective. *Truck Drivers, Teamsters Local Union No. 42, Barton Brands*, and the Ninth Circuit's *Hardcastle* case say with one voice that a union cannot act solely to benefit a majority of employees in the bargaining unit at the expense of the minority.

(3) Dissatisfaction with ALPA policies and procedures, unrelated to the Nicolau Award, could not provide a legitimate objective. The evidence suggested that some East Pilots had general complaints about ALPA and that the seniority issue was just the last straw. The testimony centered on a lack of direct representation, extravagant lifestyles of union officials, loss of pension rights, inadequate contract terms, and inferior safety policies. They also complained that more than a decade ago ALPA, instigated by other pilot groups, subverted a merger that would have benefitted U.S. Airways pilots. The pilots may have had many reasons for abandoning ALPA and they were entitled to do so. But this case does not turn on the rejection of ALPA. It turns on USAPA's consequent motivation to present a new seniority proposal to the airline. For these reasons, the instructions prevented the jury from finding that “dissatisfaction with the practices or policies of the previous union, ALPA, unrelated to the merged pilot seniority list” was a legitimate union objective in this case.

(4) Dissatisfaction with the previously agreed-upon ALPA merger procedures was not a legitimate union objective. Honest disagreement required honesty up front. It was only

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after the Nicolau Award was issued, and the pilots lost their veil of ignorance, that so many East Pilots decided that the procedures were inherently unjust. The union cannot satisfy its duty by catering to this self-interested hindsight.¹³

7. Taxonomy of Liability

***20** It is clear that USAPA's conduct violates its duty as set forth in a special genre of fair representation cases. It is less clear what subheading of liability applies: The duty of fair representation prohibits conduct that is arbitrary, discriminatory, or in bad faith. This metaphysical question has no impact on the outcome under existing law, but it has enthralled both parties.

At the outset, USAPA's failure to adopt the Nicolau Award is not "arbitrary" in the technical sense. The exercise, even the wrongful exercise, of a union's policy judgment—including CBA interpretation—is virtually immune to charges of arbitrariness; liability under this heading has been limited to procedural or ministerial acts. *See Beck v. United Food & Commercial Workers Union, Local 99*, 506 F.3d 874, 879 (9th Cir.2007); *Peters v. Burlington N. R.R.*, 931 F.2d 534, 540 (9th Cir.1990). The question then remains whether such union actions may be considered "discriminatory" or "in bad faith."

In truth, both headings support liability, separately and together. The original fair representation cases concerned racial discrimination, *see Vaca v. Sipes*, 386 U.S. 171, 177, 87 S.Ct. 903, 17 L.Ed.2d 842 (1967), and clearly the duty excludes all forms of invidious discrimination based upon protected classes. *Simo v. Union of Needletrades, Indus. & Textile Employees, Sw. Dist. Council*, 322 F.3d 602, 618 (9th Cir.2003). However, the Ninth Circuit has expressly held that it is "too restrictive" to limit liability to cases of invidious discrimination, and that impermissible discrimination may take other forms. *Id.* at 618-19. For this reason, the jury was instructed that "discriminatory" action could be a basis for liability. The instructions articulated the difference between lawful and unlawful treatment of different employee groups, granting the union wide latitude to resolve conflicting interests even if the resolution adversely affects one group, as long as the union took action to further a legitimate union objective. Contrary to the objections of USAPA, these instructions articulated the contours of unlawful "discrimination" as expressed in the applicable cases. *See Bernard*, 873 F.2d at 216 (prohibiting discrimination "on the

basis of union membership"); *Barton Brands*, 529 F.2d at 799 (prohibiting discrimination against the smaller of two merging workforces); *Air Wisconsin*, 909 F.2d at 217 (union's duty prohibits discrimination against "a group of dissidents on the outs with union's leadership"); *Truck Drivers*, 379 F.2d at 144 ("campaign promise to discriminate" against politically weaker employee group is a promise to breach duty of fair representation); *Ramey*, 378 F.3d at 277 (holding that "a union violates [its duty] when it causes an employer to discriminate against employees on arbitrary, hostile, or bad faith grounds") (quoting *Barton Brands*, 529 F.2d at 799); *Teamsters Local Union No. 42*, 825 F.2d at 611-12 (holding, without limitation, that "discrimination" on the basis of union membership is an unfair labor practice) (citing fair representation cases). USAPA "discriminated" when it adopted a seniority proposal for no reason other than to advantage the majority East Pilots at the minority West Pilots' expense.

***21** USAPA also complained at the instruction stage that the jury was given no definition of "bad faith." The Supreme Court has defined "bad faith" in this context as requiring a showing of "fraud, deceitful action, or dishonest conduct," or personal hostility. *Humphrey v. Moore*, 375 U.S. 335, 348, 350, 84 S.Ct. 363, 11 L.Ed.2d 370 (1964); *accord Conkle v. Jeong*, 73 F.3d 909, 916 (9th Cir.1995) (referring to "personal animus" as a basis for "bad faith" liability). At the same time, the Supreme Court has often resorted to the rule that a union's discretion is subject to "good faith and honesty of purpose." *See Air Line Pilots Ass'n v. O'Neill*, 499 U.S. 65, 75-76, 111 S.Ct. 1127, 113 L.Ed.2d 51 (1991); *Metro. Edison Co. v. NLRB*, 460 U.S. 693, 707, 103 S.Ct. 1467, 75 L.Ed.2d 387 (1983); *United Parcel Serv., Inc. v. Mitchell*, 451 U.S. 56, 67 n. 2, 101 S.Ct. 1559, 67 L.Ed.2d 732 (1981); *Hines v. Anchor Motor Freight, Inc.*, 424 U.S. 554, 564, 96 S.Ct. 1048, 47 L.Ed.2d 231 (1976); *Humphrey*, 375 U.S. at 342; *Ford Motor Co. v. Huffman*, 345 U.S. 330, 338, 73 S.Ct. 681, 97 L.Ed. 1048 (1953).

In civil law, the forms of fraud range to the bounds of human imagination. 17 *Am.Jur. Fraud* § 1 (2009). "In fact, the fertility of people's invention in devising new schemes of fraud is so great that courts have always declined to define the term, reserving to themselves the liberty to deal with fraud in whatever form it may present itself." *Id.* (listing nineteen judicial definitions of fraud); *see also Keith v. Murfreesboro Livestock Market, Inc.*, 780 S.W.2d

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751, 754 & n. 2 (Tenn.App.1989) (citing Dante Alighieri's personification of fraud as the demon Geryon, a reptile-scorpion-mongrel of a man, to illustrate why fraud is not subject to a "hidebound definition"). The "fraud" or "bad faith" at issue here is an abuse of trust akin to a deliberate breach of fiduciary duties. "Just as a trustee must act in the best interests of the beneficiaries, a union, as the exclusive representative of the workers, must exercise its power to act on behalf of the employees in good faith." *Chauffeurs, Local No. 391 v. Terry*, 494 U.S. 558, 567, 110 S.Ct. 1339, 108 L.Ed.2d 519 (1990) (citation omitted); *accord O'Neill*, 499 U.S. at 75. The jury instructions omit the phrase "fraud, deceitful action, or dishonest conduct" because those terms add nothing to the analysis. Instead, the jury was instructed on a union's duty to represent with "good faith and honesty of purpose," a phrase better suited to the situation here where the union is accused of brandishing a pretext to justify majority self-dealing at the expense of West Pilots. Much as a definition of fraud would add nothing to an adequate instruction on embezzlement, no further definition of "bad faith" was needed. The instructions predicate any liability on the specific facts of USAPA's conduct.

Seniority dispute cases are conceived in terms of both "bad faith" and "discrimination." Cases imposing liability cite both standards. See *Bernard*, 873 F.2d at 216 (holding that union may treat groups of employees differently "as long as such conduct is not arbitrary or taken in bad faith"); *Barton Brands*, 529 F.2d at 799 (prohibiting discrimination "on bad faith grounds"); *Truck Drivers*, 379 F.2d at 142 (faulting union for "renounc[ing] any good faith effort to reconcile" employee interests); *Ramey*, 378 F.3d at 276-77 (union has obligation to "exercise its discretion with complete good faith and honesty") (quoting *Vaca*, 386 U.S. at 177); *Teamsters Local Union No. 42*, 825 F.2d at 611 (same). In these cases, the distinction matters little. "Bad faith" and "discrimination" become two different labels for the same theory of liability. None of the applicable cases trouble over this issue of nomenclature, and perhaps rightly so. Cf. *Jones v. Trans World Airlines, Inc.*, 495 F.2d 790, 798 (2d Cir.1974) (rejecting, pre-*O'Neill*, the strict compartmentalization of fair representation claims and holding that varied labels only serve to emphasize the range of a union's broad discretion). But see *Rakestraw*, 989 F.2d at 945-48 & n. 2 (Ripple, J., dissenting from denial of rehearing *en banc*) (criticizing panel decision for abandoning the tripartite "arbitrary, discriminatory, or in bad faith" standard, which

O'Neill reaffirmed, in favor of a "crabbed interpretation of the duty of fair representation"). It may be that "bad faith" and "discrimination" merge into a single concept that describes the ills at work in this case. See *Bernard*, 873 F.2d at 216 (prohibiting bad-faith disparate treatment of workers); *Williams v. Pac. Maritime Ass'n*, 617 F.2d 1321, 1330 (9th Cir.1980) (same); *Ramey*, 378 F.3d at 277 (same). The terminological difference does not affect its proof or defense.

*22 USAPA also objected that Plaintiffs never pled discrimination, that Plaintiffs waived the discrimination instruction on multiple occasions, and that Plaintiffs objected to it in the drafting phase before finally accepting that term in the final instructions.¹⁴ [Doc. # 482, at 1898.] All of these contentions lack merit. The First Amended Complaint did not mention "discrimination" as a basis for liability because it pled more generally that USAPA acted "arbitrarily, for improper purpose, and/or in bad faith." [Doc. # 86 at 22.] This pleading encompasses the theoretical vestibule of unlawful discrimination, which is a type of "improper purpose." The November 20, 2008 order denying USAPA's motion to dismiss repeatedly referred to discrimination as an operative theory of liability. [Doc. # 84, at 8, 10-13, 18-19.] Plaintiffs have confined their liability case to the facts pled, and their unofficial objections to the discrimination instruction did not comport with applicable law. It is sophistic at best for USAPA to claim surprise here. It was USAPA who first requested, over Plaintiffs' unofficial objection, an instruction on discrimination. [Doc. # 348, at 86-87.]

B. Subject Matter Jurisdiction and Ripeness

Jurisdiction being a prerequisite to all remedies, the Court reaffirms its prior holdings on subject matter jurisdiction and ripeness. Adjudicating this case does not intrude upon the jurisdiction of the System Board of Adjustment or the National Mediation Board. [*E.g.* doc.84, at 17-22; 104; 250 at 2; 288 at 3.] Although the Railway Labor Act generally requires exhaustion in breach-of-CBA suits against an employer, there is no statutory or contractual exhaustion requirement in this fair representation suit. The fact that a CBA-the Transition Agreement-and its interpretation form part of the fabric of the fair representation claim does not preclude jurisdiction. Neither the System Board of Adjustment nor the National Mediation Board possesses the statutory power to address or remedy a fair representation claim of this nature. 45 U.S.C. §§ 184 (granting System

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Board of Adjustment jurisdiction over “disputes between an employee or group of employees and a carrier or carriers by air growing out of grievances, or out of the interpretation or application of agreements concerning rates of pay, rules, or working conditions”); 45 U.S.C. §§ 152 Ninth, 155, 183 (granting National Mediation Board jurisdiction over election disputes and disputes “between an employee or a group of employees and a carrier or carriers” regarding contract negotiation and other issues).

The Court also maintains its prior conclusion that this case is ripe for adjudication. USAPA has challenged this point repeatedly, most recently on motion for judgment as a matter of law. [Doc. # 445.] At the beginning of the case, the Court held that the claims were ripe because, according to the allegations, it was enough to allege that USAPA has breached its duty by deliberately delaying the single collective bargaining agreement, thereby causing injury to the West Pilots in the form of ongoing furloughs and other detriments. [See Doc. # 84:12-13.] During discovery, Plaintiffs retreated from any notion of deliberate delay on the part of USAPA. As has already been held, this change in the factual predicate presents no ripeness problem. [Doc.449; 482 at 1755-56.]

1. Ripeness Doctrine

*23 Two factors govern the inquiry into whether a case is ripe: “the fitness of the issues for judicial decision,” and “the hardship to the parties of withholding court consideration.” *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L'Antisemitisme*, 433 F.3d 1199, 1211-12 (9th Cir.2006). Both factors favor jurisdiction here.

The issues fit for decision are these: Whether USAPA adopted and presented its seniority proposal without any legitimate union objective, solely to benefit East Pilots at the expense of West Pilots, and if so whether the West Pilots are entitled to damages and an injunction therefor. See *id.* at 1212 (noting that ripeness hinges on “the precise legal question to be answered”). The jury answered the first question in the affirmative. A ruling on relief need not wait for further facts to eventuate themselves. Plaintiffs' case does not rest upon “contingent future events that may not occur as anticipated, or indeed may not occur at all.” *Cardenas v. Anzai*, 311 F.3d 929, 934 (9th Cir.2002) (quoting *Texas v. United States*, 523 U.S. 296, 300, 118 S.Ct. 1257, 140 L.Ed.2d 406 (1998)). USAPA concedes that it will never bargain

for implementation of the Nicolau Award. [Doc. # 574 at 1047.] It is constitutionally hostile to doing so. The Airline has accepted the Nicolau Award, expressing no opposition to it, and the union has failed to show any legitimate reason (or plausible future reason) for abandoning it. Liability flows from the process and aims of USAPA's seniority position. The outcome of negotiations is irrelevant. Without an injunction, USAPA's seniority position inevitably impairs the collective bargaining process.

For this same reason, denying judicial review would work a substantial hardship upon the parties, including the Airline. The prospect of a single new CBA holds significant economic consequences for all U.S. Airways pilots, whose wages, working conditions, furloughs, and demotions are on the line. In addition to depriving West Pilots of legitimate representation, USAPA's bargaining position leaves the Airline to decide between a lack of a single CBA and an unlawful single CBA.

2. Remedial Concerns

The practicalities of the remedy also support ripeness. As discussed further on, effective relief is available in the form of an injunction requiring USAPA to negotiate for the implementation of the Nicolau Award, which the Airline has already accepted. Even if a CBA were in place, relief could only set aside that agreement and restore the union's proper negotiating position-it could not impose a permanent new CBA term. *H.K. Porter Co., Inc. v. NLRB*, 397 U.S. 99, 107-09, 90 S.Ct. 821, 25 L.Ed.2d 146 (1970) (forbidding NLRB from prescribing terms of CBA); *Hyatt Mgmt. Corp. of N.Y. v. NLRB*, 817 F.2d 140, 143 (D.C.Cir.1987) (noting that the rule also applies to the courts); see also *Bernard v. Air Line Pilots Ass'n, Int'l*, 873 F.2d 213, 215, 217-18 (9th Cir.1989) (affirming injunction that set aside “tainted” agreement, established a temporary seniority system, and required union adherence to ALPA merger policy as a new seniority bargaining position). To withhold relief until the conclusion of corrupted negotiations would accomplish nothing but delay-a hardship to all parties.

3. Limitations Cases

*24 Cases from the limitations context confirm that the claim is ripe. Claims are ripe, at the latest, when the statute of limitations begins to run. See, e.g., *Norco Const., Inc. v. King County*, 801 F.2d 1143, 1146 (9th Cir.1986); *Hensley v. City*

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of Columbus, 557 F.3d 693, 696 (6th Cir.2009). The statute of limitations runs on fair representation claims from the time that the asserted injury becomes “fixed and reasonably certain.” *Archer v. Airline Pilots Ass'n Int'l*, 609 F.2d 934, 937 (9th Cir.1979). The West Pilots' asserted injury was “fixed and reasonably certain” as of the time that USAPA presented its seniority proposal to the Airline for improper purposes, abdicating its responsibility to negotiate on behalf of both groups impartially and in good faith.

Ramey undergirds this conclusion. *Ramey* held that a union's unequivocal announcement of an intent to breach its duty would only give rise to a ripe claim in limited circumstances. 378 F.3d 269, 278-79 & n. 4 (2d Cir.2004). However, a claim does accrue when the union acts on that intention by presenting its seniority proposal to the company, before the conclusion of a CBA. *Id.* at 279-80. Though the facts of *Ramey* and this case are not identical, the analytical framework is apt.

The duty of fair representation owed by a union to its members is similar to a contractual duty, and the union's announcement of its intent to advocate against its members' interests may be compared to a party's anticipatory repudiation of a contractual duty. In some anticipatory repudiation cases the aggrieved party may sue immediately after the repudiation is announced. However, the statute of limitations ordinarily does not begin to run, and the cause of action does not accrue, until the date of the actual breach; that is, until the date on which performance is due.... Applying this principle to the case at bar, the cause of action accrued on the date on which performance was due, namely the date on which [the union] advocated a position on the seniority issue to USAir.

Id. USAPA points out that at the time that the *Ramey* plaintiffs happened to sue, the union had already reached agreement with the airline on seniority integration. This contention misses the point. The above language makes clear that the *Ramey* plaintiffs' claim accrued prior to the execution of the agreement. The same circumstances are present here. USAPA has made plain its intent never to bargain for the Nicolau Award, and it has advocated its date-of-hire seniority proposal to the company.

4. Other Authority

USAPA has cited no precedential authority for dismissing a fair representation claim on ripeness grounds. Indeed, USAPA has cited no federal appellate authority discussing ripeness in the labor context. Perhaps such cases are scarce because the typical inquiry in a fair representation suit is whether a union's past action violated its duty of fair representation—a question ripe by definition. Such was the inquiry in this case, and so it does not raise paradigmatic ripeness concerns of record development or temporal standing. Plaintiffs sought and obtained an adjudication of past and present union action.

*25 USAPA has repeatedly suggested that only the “final product of the bargaining process” is subject to fair representation claims, citing *Air Line Pilots Association v. O'Neill*, 499 U.S. 65, 78, 111 S.Ct. 1127, 113 L.Ed.2d 51 (1991). [*E.g.*, doc. # 36 at 13.] This phrase, carefully plucked from its context, is too slender a reed to support such an elephantine proposition. *O'Neill*'s statement that “the final product of the bargaining process may constitute evidence of a breach of duty” was not directed at ripeness, but rather at the “arbitrariness” standard of reviewing union actions. Reuniting the phrase with the rest of the quoted sentence makes its meaning clear: “[T]he final product of the bargaining process may constitute evidence of a breach of duty only if it can be fairly characterized as so far outside a ‘wide range of reasonableness,’ that it is wholly ‘irrational’ or ‘arbitrary.’ ” *Id.* (citation omitted).

O'Neill did not concern the accrual of fair representation claims. It simply held that the union's duty of fair representation, including the arbitrary-discriminatory-bad faith framework, “applies to all union activity, including contract negotiation.” *Id.* at 67; *see also Glover v. St. Louis-S.F. Ry. Co.*, 393 U.S. 324, 329, 89 S.Ct. 548, 21 L.Ed.2d 519 (1969). Nothing in *O'Neill* prevents the imposition of liability for negotiating activities prior to the conclusion of a CBA. Rather, the case suggests that the liability may arise sooner because the agreement is only considered as “evidence” of a breach rather than the breach itself. *O'Neill*'s application of the duty of fair representation to “contract negotiation” underscores this conclusion. 499 U.S. at 67.

It may be the rare case where a redressable fair representation claim accrues in the midst of labor negotiations, which are usually dynamic and uncertain, but it happened here. In USAPA's hands, the Nicolau Award's time of death

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has passed; only the time of the funeral is uncertain. The Transition Agreement resolved the union's internal seniority conflict by way of the Nicolau Award, which USAPA wholly abandons solely to benefit one group of pilots over another. Indeed, this particular breach of the duty implicates both negotiation and administration of collective bargaining agreements. See *id.* at 77 (doubting that “that a bright line could be drawn between contract administration and contract negotiation” in every case).

Another district court, considering a suit by a different set of pilots against USAPA, has accepted USAPA's ripeness argument. See *Breeger v. USAPA*, No. 08-CV490, 2009 WL 1328902, 2009 U.S. Dist. LEXIS 40489 (W.D.N.C. May 12, 2009). In *Breeger*, certain East Pilots brought a fair representation suit against USAPA, alleging that USAPA failed to meet a constitutional obligation to reshuffle East Pilot seniority positions established by prior mergers. The district court adopted a Magistrate Judge's Report and Recommendation, dismissing the case in reliance on *O'Neill* as well as a selection of unpublished federal decisions and state cases. The Report states, “The parties have not cited, and the undersigned is unaware of, any published federal authority addressing whether a union's conduct may give rise to a ripe [fair representation] claim prior to the conclusion of negotiations with the employer.” It does not address the context of *O'Neill*'s “final product of the bargaining process” language. It makes no mention of *Ramey*, which was not presented to the court in any brief. The holding of *United Independent Flight Officers, Inc. v. United Air Lines, Inc.*, cited in the Report, does not preclude suit before a CBA was in place; that case recognized a fair representation claim arising out of a union's failure to reach agreement with the employer, noting that fair representation suits may challenge both CBAs and “the negotiations leading to them.” 756 F.2d 1262, 1273 (7th Cir.1985). Nor is *Federal Express Corp. v. Air Line Pilots Association* applicable here; that case denied declaratory judgment standing in the midst of labor negotiations because there was no “reasonable apprehension of litigation.” 67 F.3d 961, 964 (D.C.Cir.1995). Although the Report does not specifically discuss hardships or the fitness of the issues for judicial decision, the dismissal for lack of ripeness may have reflected the shapelessness of the plaintiffs' theory. The *Breeger* plaintiffs sued to challenge the union's working date-of-hire seniority proposal under a broadly worded constitutional commitment to date-of-hire-seniority, with little more than conclusory allegations of bad

faith and discrimination. See *Air Wisconsin*, 909 F.2d at 215-19 (rejecting a similar challenge on the merits).

*26 Nor does the reasoning of *Brooks v. Air Line Pilots Association, International* compel dismissal. --- F.Supp.2d ---, 2009 WL 1883108, 2009 U.S. Dist. LEXIS 55210 (D.D.C. June 30, 2009). In that case, a fair representation claim was dismissed on ripeness grounds because it challenged the position a union took in an administrative grievance proceeding. The outcome of the grievance proceeding, and therefore the harm to the pilots, was entirely contingent and discrete. Conversely, the West Pilots' harm here is not “fear that [USAPA] may succeed with its advocacy,” *Brooks*, 2009 WL 1883108, at *3, 2009 U.S. Dist. LEXIS 55210, at *9. It is the present, concrete loss of fair representation, a loss that is certain to continue, which will invalidate or preclude any single collective bargaining agreement with the Airline.

Like *Breeger*, *Brooks* does not address *Ramey*. This Court need not say whether, under the foregoing analysis, factual distinctions would require a different result in *Breeger* or *Brooks*. To the extent any general statements in those cases conflict with the above reasoning, the Court respectfully departs from their analysis in the specific circumstances of this case. ¹⁵

C. Declaratory and Injunctive Relief

Plaintiffs seek three forms of relief at this stage: (1) A declaration that the Airline and its pilots, as represented by USAPA, are contractually bound to incorporate the Nicolau Award; (2) an order directing USAPA “with equal West Pilot representation” to negotiate a complete single CBA that incorporates the Nicolau Award, and then to present that CBA for a single ratification vote by all USAPA members; (3) an order enjoining USAPA and East Pilots, until the single CBA is in effect, from filing grievances that would impair the company from implementing the Nicolau Award. ¹⁶ At this stage, only the second request, in modified form, will be granted.

1. Declaratory Relief

No declaratory relief will be granted. The First Amended Complaint contains no specific prayer for declaratory relief, only a general request for “other relief that the Court deems necessary and proper.” [Doc. # 86.] See *Kam-Ko Bio-Pharm*

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Trading Co. Ltd-Australasia v. Mayne Pharma (USA) Inc., 560 F.3d 935, 943 (9th Cir.2009) (stating that declaratory relief must be pled like any other form of relief). Moreover, because a permanent injunction will issue, it is unclear what additional effect a declaration would have respecting the union's breach of its duty. "Where more effective relief can be obtained by other proceedings, and consequently a declaratory judgment would not serve a useful purpose, the courts are justified in refusing a declaration." *Allis-Chalmers Corp. v. Arnold*, 619 F.2d 44, 46 (9th Cir.1980) (quoting *Zenie Bros. v. Miskend*, 10 F.Supp. 779, 782 (S.D.N.Y.1937) and citing Borchard, *Declaratory Judgments* 302, 303 (2d ed.1941)); 6A *Moore's Federal Practice* ¶ 57.08(3) (2d ed.1979)). Plaintiffs' first requested form of relief will not be granted.

2. Availability and Propriety of Injunctive Relief

*27 The Supreme Court has expressly allowed injunctive relief in fair representation suits. *Vaca*, 386 U.S. at 195. The appropriateness of such relief varies with the facts of each case, but the Court possesses the power to enjoin the union. *Id.*

USAPA objects that an order directing the union to negotiate for the implementation of the Nicolau Award would violate an age-old rule against the governmental imposition of collective bargaining results, chiefly citing *H.K. Porter Co., Inc. v. NLRB*, 397 U.S. 99, 108-09, 90 S.Ct. 821, 25 L.Ed.2d 146 (1970), and *O'Neill*, 499 U.S. at 74. This rule is inapplicable. The remedy in question will do no such thing. In fact, USAPA relies upon doctrine that undermines its own position. *O'Neill* holds that despite *H.K. Porter Co.* and related authority, courts may review substantive contract terms in fair representation suits. 499 U.S. at 75-77. *Hyatt Management* holds that although the NLRB cannot compel acceptance of new bargaining terms, it is nonetheless "authorized to order the offending party to execute and honor" an existing agreement that it had repudiated. 817 F.2d at 142; accord *Fisk Univ.*, 237 NLRB 1164, 1171-72 (1978); *Raven Indus., Inc.*, 209 NLRB 335, 335, 337-38 (1974); cf. also *Amalgamated Clothing & Textile Workers Union*, 246 NLRB 747, 748 n. 4 (1979) (NLRB will not compel union to sign company settlement proposal where union had not agreed to that proposal because doing so would potentially "forc[e] the parties to rewrite the contract in contravention of" *H.K. Porter*).¹⁷

Like the NLRB, a court can compel a union to follow self-imposed, nondiscriminatory rules where a failure to do so breaches the duty of fair representation. In *Bernard*, the Ninth Circuit endorsed a preliminary injunction akin to the permanent injunction sought here. 873 F.2d at 217. Invalidating an agreement that contained discriminatory seniority provisions, the district court found that "a new agreement would have to be executed." *Id.* The injunction required ALPA to follow its own negotiation, mediation, and arbitration process in adopting a bargaining position on seniority rights. *Id.* at 215, 217; see also *Beardsly v. Chicago & N.W. Transp. Co.*, 850 F.2d 1255, 1271 (8th Cir.1988) (cited by USAPA) (remanding with instructions to vacate an unlawful agreement and order the union to negotiate "in line with the [procedural] requirements set forth" in a previous agreement). In *Bernard*, as here, an injunction enforces the duty of fair representation by negating an improper bargaining position. A future arbitration was mandated in *Bernard*; here, the arbitration already took place, and the Airline accepted the result. This difference in timing does not affect the Court's ability to enforce the union's duty.

This remedial authority gives due regard for freedom of contract. The requested relief does not purport to thrust on the union new or previously unagreed-upon terms. It merely restores the union to the fulfillment of its duty. *O'Neill*, 499 U.S. at 74. *Bernard* did not examine the source of the district court's authority to order such relief, but *Vaca* leaves that authority subject to circumstances. No lesser remedy would be adequate. The complex intangibles of seniority rights, which affect a wide array of working conditions, defy expression in purely monetary terms. To the extent that the duty of fair representation limits union action, enforcement must follow.

*28 USAPA correctly asserts that the Court is generally without power to enjoin individuals who are not parties to the litigation. Fed.R.Civ.P. 65(d) (providing for injunctive powers against parties and their "officers, agents, servants, employees, and attorneys, and ... other persons who are in active concert or participation with [them]"); *Comedy Club, Inc. v. Improv W. Assocs.*, 553 F.3d 1277, 1287 (9th Cir.2009). The East Pilots as a class and the Airline are not agents of the union. No injunction or declaration will issue that is directly enforceable against all East Pilots or the Airline without affording them a full and fair opportunity to

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be heard. To the extent Plaintiffs seek such relief, their third request is rejected on this basis. However, this rule would not necessarily apply to an injunction against the union that affects employee rights. See *Butler v. Local Union 823, Int'l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am.*, 514 F.2d 442, 455 (1975) (holding that such an injunction, in appropriate circumstances, does not require joinder of individual employees because it merely enforces an existing legal restraint on the union), *overruled on other grounds by Int'l Bhd. of Elec. Workers v. Foust*, 442 U.S. 42, 45 n. 6, 99 S.Ct. 2121, 60 L.Ed.2d 698 (1979) (punitive damages), and *United Parcel Service, Inc. v. Mitchell*, 451 U.S. 56, 101 S.Ct. 1559, 67 L.Ed.2d 732 (1981) (statute of limitations).

3. Scope & Nature of Injunctive Relief

USAPA will be ordered to negotiate in good faith for the implementation of the Nicolau Award, defending that award in negotiations and presenting it with the single new CBA to the pilots for ratification vote. This remedy was requested by Plaintiffs and pled in the First Amended Complaint. It promises to address the problem at hand without limiting the negotiation of independent employment terms. Implicitly, it also precludes the union from acting to undermine the Nicolau Award through collateral provisions in the agreement, and from failing to negotiate toward a single CBA that includes the Nicolau Award.

This injunction and order also illuminates USAPA's untoward objectives, informing the Airline and union members what the union is not permitted to do. To date, the Airline has accepted the Nicolau Award and taken no bargaining position against it. The injunction to follow protects the Airline in that course. The West Pilots' original claims against the Airline for breaching the Transition Agreement were dismissed for lack of subject matter jurisdiction for failing to state any facts that suggested the Airline was acting in concert with USAPA toward improper seniority objectives. The Airline's incentive to avoid needless liability places another healthy constraint on USAPA's bargaining.

USAPA will also be required to negotiate for the implementation of the Nicolau Award as part of any single CBA, unmodified by additional conditions and restrictions USAPA would place upon it. USAPA claims that it has the right to impose new conditions and restrictions, invoking the historical fact that ALPA exerted pressure on the West MEC

to accept some form of "mitigation" of the Nicolau List. This very fact undercuts USAPA's request. ALPA exerted pressure because it did not hold unilateral power to deprive the West MEC and the West Pilots of the arbitrated outcome. The West Pilots remain entitled to a union that will not abrogate the Nicolau Award without a legitimate purpose. Any waiver of that right must be "consensual." [Ex.1034 at 1; 1092; 1094.] A jury and this Court have found the union to be motivated by wrongful objectives, and abundant evidence supports that finding. It would indulge those objectives to allow USAPA to alter the Nicolau Award, and it would bestow upon USAPA an unlawful power that ALPA neither possessed nor asserted.¹⁸

***29** Similarly, USAPA will be forbidden from negotiating separate CBAs for the two pilot groups, as it argues the Transition Agreement and the Railway Labor Act would have permitted it to do.¹⁹ Separate negotiations would invite highly probable wrongdoing, which would evade effective judicial remedy and burden the Plaintiffs with more ruinous litigation expense. The evidence shows not only USAPA's wrongful motives but also willingness to conceal those motives and to bring about its seniority objectives by subterfuge. Prior to trial, USAPA negotiated only toward a single CBA for both pilot groups. It was only when the verdict was returned that USAPA announced to the Court its intent to seek separate agreements. [Doc. # 485, at 58, 78-81.] When asked at oral argument several weeks later who held the right to ratify any separate CBA, USAPA could provide no answer. USAPA should not have the opportunity to strike disparate contract terms for the two pilot groups, making up by indirection for the failure to meet East Pilot seniority ambitions.

USAPA could state no legitimate union reason for pursuing separate agreements. It asserted only that the Court's order would deprive the union of self-help remedies associated exclusively with those agreements. This is not so. The National Mediation Board certified both pilot groups as a single craft, that is, a single bargaining unit, in January 2008. *US Airline Pilots Association*, 35 N.M.B. 65, 78 (2008). The parties do not dispute that the West Pilots' CBA is currently amendable, and the East CBA becomes so very soon. At that point, USAPA would be free to invoke Section 6 procedures for both CBAs, including the National Mediation Board's mediation/arbitration process and possible self-help, in order to negotiate a single CBA that would alter wages and

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working conditions for the entire bargaining unit. Nothing in the Transition Agreement or the Railway Labor Act provides otherwise. Section V of the Transition Agreement specifies that no rights under the Railway Labor Act are waived, and it provides for additional private mediation regardless of what contracts are amendable. The injunctive remedy poses no harm to the Airline, which has at all times sought the operational integration that a single CBA would bring. If these conditions were to change, either party could seek focused relief from the permanent injunction.

The public interest favors this remedy as well. Separate labor agreements would materially deprive U.S. Airways of the business benefits, now four years delayed, of a merger and combined operations, for no apparent reason but to enable continued unlawful discrimination within the union. To shut this door is part of the minimum necessary to end the game. The pilots must choose between the status quo and a single new CBA that incorporates the Nicolau Award with whatever improvements in wages and working conditions USAPA can negotiate for the East Pilots and the West Pilots alike.

***30** The injunction will not address speculative examples of malfeasance. It will not restrain USAPA's grievance machinery in order to thwart a hypothetical East Pilot plot to obstruct negotiations by filing seniority grievances. There is no evidence of any threat of a bad-faith grievance campaign. If it happens in the future, it may be the proper subject of enforcement or modification of the permanent injunction. The Court will expressly retain jurisdiction to modify, extend, or vacate relief, which should be adequate to meet any unforeseen events.

The injunction will not subject any new CBA to a majority vote of the West Pilots (as Plaintiffs pled) or to a majority vote of each separate pilot group (as USAPA requests as a fall-back). Both requests lack legal grounding. The USAPA constitution requires ratification of any new CBA by a majority vote of the entire membership. The allegations and proof contain nothing to suggest that USAPA's representational structure amounts to a breach of its duty; USAPA indicates that the West Pilots have been and always will be free to join the union. To grant either of the suggested remedies would, without justification, countermand the election and certification of USAPA as collective bargaining representative. Plaintiffs' proposal goes

even farther because it would grant one group of pilots (the West Pilots) a unique power to veto a new proposed CBA for any reason, not just a cure for the violation of a legal right. Plaintiffs' request that USAPA be enjoined to negotiate "with equal West Pilot representation" is too vague to be understood and will not form part of relief.

The Court also rejects USAPA's bold request that the injunction dissolve upon a failed vote to ratify a new CBA containing the Nicolau Award. The duty of fair representation requires USAPA and any successor union to bargain for the implementation of the Nicolau Award. To limit relief as requested would enable the easiest of evasions of this duty. As already explained, the abusive wishes of the majority do not become legitimate simply because they are asserted in a ratification vote. A failed ratification vote gives the union no new power to accommodate a discriminatory majority.

IV. ORDER

The jury has found USAPA liable to Plaintiffs and the represented class. Damage proceedings remain for the six named Plaintiffs, except for the claims for general refund of union dues and fees, which have been denied as a matter of law. All claims in No. CV 08-1728 PHX-NVW have been adjudicated in favor of the Defendants. It is appropriate now to enter a permanent injunction and a final and enforceable judgment on all claims except Plaintiffs' unadjudicated individual damage claims. The Court does so by a separate Partial Judgment and Permanent Injunction filed herewith. The Court expressly finds no just reason for delay in entry of that judgment and expressly directs that it be entered immediately.

IT IS THEREFORE ORDERED that Plaintiffs' Motion for Directed Verdict [doc. # 446] is denied as moot.

***31** IT IS FURTHER ORDERED that Defendant USAPA's Renewed Motion for Judgment as a Matter of Law [doc. # 567] and Motion for a New Trial [doc. # 590] are denied.

IT IS FURTHER ORDERED that Plaintiffs' Motion to Supplement the Record [doc. # # 580, 582] is denied for the reasons stated in open court on the record.

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Footnotes

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- 1 USAPA also argues that the minimum fleet requirements of the Transition Agreement prevent any further significant furloughs. This argument has little force because USAPA's integrated seniority proposal only goes into effect when operations are integrated after the conclusion of a single new CBA, which may or may not have its own fleet requirements. The fleet requirements of the Transition Agreement are expressly limited to the period of separate operations. [Ex. 21, at II.B.]
- 2 Plaintiffs' motion to certify the class also referred to a class-wide refund of union dues and fees. USAPA's Motion for Judgment on the Pleadings was granted as to this claim.
- 3 Plaintiffs offered new testimony of Brian Stockdell regarding certain Airline logistics but withdrew the request for relief for which it was offered. Therefore, this withdrawn testimony is not considered and has no effect upon the present order. Cross-examination of Stockdell was not permitted when USAPA could not state any purpose for cross-examining other than to refute his withdrawn testimony concerning the withdrawn remedy.
- 4 As already noted, Plaintiffs' parallel suit alleging state law claims against a putative class of East Pilots was dismissed as preempted by the statutory duty of fair representation.
- 5 *Truck Drivers* concerned allegations of unfair labor practices, but the Board's imposition of liability was affirmed with reference to standards of fair representation.
- 6 Like *Truck Drivers*, this unfair labor practices case relies upon fair representation principles.
- 7 Analogizing to the legislative sphere, the court stated, "A discriminatory motive without a discriminatory rule does not condemn a statute." *Rakestraw*, 981 F.2d at 1532.
- 8 *Ramey* imposed liability because the union was motivated to punish employees who had been affiliated with another union. These employees had also refused to participate in a strike. *Ramey* does not address *Rakestraw*'s holding that punishing strike-breakers is a legitimate union objective, and that issue is not before the Court.
- 9 The record contains at least twelve representations to this effect. [See, e.g., doc.80 at 61, 149, 162; 215 at 5 & n. 5; 348 at 96; 351 at 3, 8; 359 at 2; 389 at 55; 444 at 6-7; 482 at 1757; 495 at 4-5.] USAPA quite recently stated, "The mere fact that-the mere evidence that Date-of-Hire was preferred by USAPA, that's not itself evidence of anything other than that they preferred an entirely legitimate end. Your Honor, there has never been a case finding Date-of-Hire in a merger context of [sic] violation of the duty." [Doc. # 482 at 1757.]
- 10 *Air Wisconsin* also notes in dictum that liability could attend a length-of-service seniority list, that is, a list based upon date-of-hire that accounts for time spent on furlough. 909 F.2d at 215, 217.
- 11 USAPA had every opportunity to present evidence that ALPA had abandoned use of its trustee powers, but USAPA did not present any, relying instead upon misrepresentations of the record. [E.g., Doc.451 at 10-11; 482 at 1774-81, 1789-94, 1798-1802]. ALPA pledged not to deprive the two pilot groups of their separate ratification rights, but that pledge would not be inconsistent with imposing a trusteeship on the East MEC in order to conclude, short of ratification, a single CBA incorporating the Nicolau Award.
- 12 As a historical matter, the duty of fair representation could not have developed if this impasse theory were valid. Surely, in those early cases, unions that discriminated against black workers were catering to a stubborn racism of the majority. The duty would mean nothing if a majority could undo it by force of stubbornness.
- 13 The evidentiary and legal failure of all of USAPA's alleged objectives might have supported summary judgment or judgment as a matter of law. However, the urgency of the case did not leave time to brief and decide summary judgment motions before trial, and Plaintiffs' motion for Judgment as a Matter of Law did not address the issues necessary for such a ruling. [Doc. # 446.]
- 14 The referenced objections of Plaintiffs took place during open dialogues about jury instructions and were not Plaintiffs' formal objections. As the Court advised the parties, "for purposes of the rules of civil procedure, the only objections to jury instructions that will count for making the record will be the ones you make at the end. The dialogue that we have in the process are not objections. They are not sufficient. I don't treat them as such. And everyone will have a chance at the end to make their record. But that's not how I see the purpose of the dialogues we have up until then." [Doc. # 390, at 37.]
- 15 Other limitations cases USAPA cites offer little guidance because they concern grievance proceedings, *Barlow v. Am. Nat'l Can Co.*, 173 F.3d 640, 643-45 (8th Cir.1999), the adequacy of pension plan change notices, *Mitchota v. Anheuser-Busch, Inc.*, 755 F.2d 330 (3d Cir.1985), or other claims founded on the execution of a collective bargaining agreement or subsequent events, without discussion of prior culpable acts. *Bensel v. Allied Pilots Ass'n*, 387 F.3d 298 (3d Cir.2004); *Hagerman v. United Transp. Union*, 281 F.3d 1189, 1197-98 (10th Cir.2002); *Ratkosky v. United Transp. Union*, 843 F.2d 869, 873 (6th Cir.1988); *United Indep. Flight Officers*, 756 F.2d at 1273.
- 16 Plaintiffs originally sought relief directing the Airline to begin using the Nicolau Award for promotions and furloughs by a date certain, even if a new CBA has not been finalized. Plaintiffs withdrew this request during bench trial proceedings. [Doc. # 485, at

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58.] For this reason, the bench trial testimony of Plaintiffs' witness Brian Stockdell regarding Airline logistics is not considered and does not affect the analysis. *See supra* n. 3.

- 17 USAPA quotes *Hyatt Management*'s additional statement that “neither the courts nor the Board can change or nullify substantive contractual provisions.” 817 F.2d at 143. *Hyatt Management* relies in turn upon *Pacemaker Yacht Co. v. NLRB*, which contains a more complete and persuasive statement of the rule: “Absent a contractual provision in irreconcilable conflict with federal labor policy, neither courts nor the Board may modify or nullify substantive contractual provisions.” 663 F.2d 455, 460 (3d Cir.1981). Though the Court is not asked to invalidate any contractual provision at this time, a provision that discriminates in violation of the duty of fair representation may be “in irreconcilable conflict with federal labor policy” and therefore subject to judicial invalidation. *See Bernard*, 873 F.2d at 217 (affirming injunction that “set aside” an agreement “tainted” by a breach of the duty of fair representation).
- 18 USAPA also argues that the First Amended Complaint sought implementation of the “Nicolau List” rather than the “Nicolau Award,” and so it left open the union's power to change the Nicolau Award's conditions and restrictions. The Court does not comb the First Amended Complaint so finely, nor does the prayer for relief so tightly restrict the powers of equity. ALPA Merger Policy provides that the union shall defend the “opinion and award.” [MP pt. 1.H.5.b.]
- 19 Cases cited by USAPA merely hold that it is generally not forbidden to negotiate separate agreements for different groups in a bargaining unit; they do not address the remedial concerns of this case. *See Ass'n of Flight Attendants v. United Airlines*, 71 F.3d 915, 919 (D.C.Cir.1995) (noting that the National Mediation Board discourages separate bargaining agreements for different groups of employees within the same bargaining unit); *Ass'n of Flight Attendants v. USAir, Inc.*, 24 F.3d 1432, 1437 (D.C.Cir.1994); *Bishop v. Air Line Pilots Ass'n, Int'l*, No. 98-359, 1998 WL 474076, at *9, 1998 U.S. Dist. LEXIS 11948, at *27 (N.D.Cal.2005); *Grand Trunk W. R.R.*, 19 N.M.B. 226, 232 n. 1 (1992).

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606 F.3d 1174

United States Court of Appeals,
Ninth Circuit.

Don ADDINGTON, individual resident of the State of Arizona formerly employed by America West Airlines, Inc. and presently employed by its successor after merger, U.S. Airways, Inc.; John Bostic, individual resident of the State of Arizona formerly employed by America West Airlines, Inc. and presently employed by its successor after merger, U.S. Airways, Inc.; Mark Burman, individual resident of the State of Arizona, formerly employed by America West Airlines, Inc. and presently employed by its successor after merger, U.S. Airways, Inc.; Afshin Iranpour, individual resident of the State of Arizona, formerly employed by America West Airlines, Inc. and presently employed by its successor after merger, U.S. Airways, Inc.; Roger Velez, individual resident of the State of Arizona, formerly employed by America West Airlines, Inc. and presently employed by its successor after merger, U.S. Airways, Inc.; Steve Wargocki, individual resident of the State of Arizona, formerly employed by America West Airlines, Inc. and presently employed by its successor after merger, U.S. Airways, Inc., Plaintiffs-Appellees,
v.

US AIRLINE PILOTS ASSOCIATION, an unincorporated association representing the pilots in the employment of U.S. Airways Inc., a Delaware corporation, Defendant-Appellant,
and

US Airways, Inc., a Delaware corporation;
Stephan Bradford; Robert Davison;
Douglas L. Mowery, Defendants.

No. 09-16564. Argued and Submitted
Dec. 8, 2009. Filed June 4, 2010.

Synopsis

Background: Airline pilots brought action against newly-certified union, alleging that union breached its duty of fair representation by negotiating contract that favored certain pilots over others in merging of seniority lists of two merged airlines. After jury found in favor of pilots on issue of breach, the United States District Court for the District of Arizona, [Neil V. Wake](#), District Judge, [2009 WL 2169164](#), following bench trial on remaining issues, granted pilots' request for injunction. Union appealed.

Holding: The Court of Appeals, [Tashima](#), Circuit Judge, held that, as a matter of first impression, action was not ripe.

Remanded.

[Bybee](#), Circuit Judge, dissented and filed opinion.

Attorneys and Law Firms

*[1176 Andrew S. Jacob](#), Polsinelli Shughart, PC, Phoenix, AZ, for the plaintiffs-appellees.

[Lee Seham](#), [Nicholas Paul Granath](#), [Lucas Middlebrook](#) and [Stanley Silverstone](#), Seham, Seham, Meltz & Petersen, LLP, White Plains, NY, for the defendant-appellant.

Appeal from the United States District Court for the District of Arizona, [Neil V. Wake](#), District Judge, Presiding. DC No. CV 08-1633 NVW.

Before [A. WALLACE TASHIMA](#), [SUSAN P. GRABER](#), and [JAY S. BYBEE](#), CIRCUIT Judges.

Opinion

Opinion by Judge [TASHIMA](#); Dissent by Judge [BYBEE](#).

[TASHIMA](#), Circuit Judge:

This case arose out of a bitter seniority dispute precipitated by the merger of U.S. Airways, Inc., and America West Air-lines (“AWA”). Following the merger, the companies' respective seniority lists had to be integrated to create a single list for the merged airline. The U.S. Airways, Inc., pilots (“East Pilots”) and the AWA pilots (“West Pilots”), who were both represented by the Air Line Pilots Association (“ALPA”), began exploring methods of integration pursuant to ALPA's

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policy regarding mergers. The East Pilots generally had been hired earlier and favored a strict date-of-hire system, while the West Pilots sought a seniority system that would take into consideration the relative pre-merger strength of their airline over U.S. Airways, Inc. Ultimately, the union submitted the internal dispute to arbitration.

**1177* Although it is common for a merger to raise the issue of integrating seniority lists, this case contains an added wrinkle. The East Pilots, who were dissatisfied with the seniority integration proposal ALPA arrived at through the union's internal arbitration, led a successful effort to decertify ALPA and replace it with a new union, U.S. Airline Pilots Association ("USAPA"). Headed by an East Pilot, USAPA was constitutionally committed to pursuing date-of-hire principles, in contrast to ALPA, whose merger policy committed it to pursuing the arbitrated seniority list.

Certain West Pilots brought this action against the newly-certified union alleging that USAPA breached its duty of fair representation ("DFR") by negotiating a contract that would impermissibly favor the East Pilots at the expense of the West Pilots. A jury found that the union had breached its DFR, and the district court, after a bench trial on the remaining equitable issues, granted the West Pilot Plaintiffs an injunction against USAPA. *Addington v. U.S. Airline Pilots Ass'n*, 2009 WL 2169164 (D.Ariz. July 17, 2009). USAPA contends, *inter alia*, that the district court never had jurisdiction because the West Pilots' claim is not ripe. We agree.

BACKGROUND

In 2005, U.S. Airways, Inc., and AWA merged to form a single carrier called U.S. Airways (or the "airline"). At the time of the merger, ALPA was the collective bargaining representative for both the East Pilots and the West Pilots. Each group had a separate collective bargaining agreement ("CBA") which was administered by each group's Master Executive Council. As with most mergers, an integrated seniority list had to be created. The East Pilots were the bigger group—about 5,100, compared to about 1,900 West Pilots—and were generally hired before the West Pilots. The West Pilots received more favorable wages under their CBA and, unlike the East Pilots, no West Pilots were furloughed at the time of the merger.

The two merging airlines and ALPA entered into a Transition Agreement ("TA"), which incorporated by reference ALPA's Merger Policy. Under the TA, the carriers agreed not to object to ALPA's seniority integration proposal, provided it did not result in certain additional costs. The seniority integration proposal could be implemented only as part of a single CBA. The single CBA would require approval by the East Master Executive Council, the West Master Executive Council, and a majority of each of the East and West pilot groups, effectively giving each side a veto. Until the single CBA was negotiated, with few exceptions, the TA placed a "fence" between East and West operations, such that each would continue to operate under its respective CBA.

Pursuant to the ALPA Merger Policy, the two pilot groups began negotiating seniority integration, but to no avail. Under the union's Merger Policy, if negotiation and mediation between the two sides fail, the issue is submitted to "final and binding" arbitration. The merged seniority list is then presented to the airline, and ALPA is to "use all reasonable means at its disposal to compel the company to accept and implement the merged seniority list." The arbitrated list is not subject to a separate ratification vote, but becomes part of the single CBA, which is subject to member ratification.

George Nicolau was selected to chair the arbitration panel, pursuant to the Merger Policy. Arbitration commenced between "the U.S. Airways Pilot Merger Representatives and the America West Pilot Merger Representatives." In early May 2007, the panel issued its award (the "Nicolau Award"). A majority of East Pilots "strenuously objected" to the Nicolau **1178* Award and opposed its implementation. The East Pilot representatives sought to have ALPA prevent implementation of the Nicolau Award. ALPA unsuccessfully attempted to get the two sides to reach a compromise.

While the arbitration was pending, negotiations with the airline progressed, and the airline proposed a comprehensive CBA in May 2007. In late July 2007, the East Master Executive Council determined that the East Pilots would never ratify a CBA that incorporated the Nicolau Award. On August 15, 2007, the East Pilots withdrew their representatives from the committee negotiating the new CBA with the airline, halting those negotiations. In late 2007, ALPA submitted the Nicolau Award to the airline, which accepted the award on December 20, 2007.

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In the meantime, several East Pilots began exploring the possibility of forming a new union that would not implement the Nicolau Award. They formed USAPA and, on November 29, 2007, the National Mediation Board certified a representation election. USAPA won the election and was certified as the collective bargaining representative for the entire group of pilots, East and West, on April 18, 2008. From the date the East Pilots withdrew from negotiations until ALPA was decertified, there were no further negotiations with the airline.

USAPA adopted a constitution that established an “objective” of “maintain[ing] uniform principles of seniority based on date of hire and the perpetuation thereof, with reasonable conditions and restrictions to preserve each pilot's unmerged career expectations.” Under USAPA's constitution, ratification requires a majority vote of the entire union membership, such that each pilot group no longer has its own veto power.

Five months after certification, USAPA presented a seniority proposal to the airline. The proposal incorporated date-of-hire principles. Although the proposal contained some protections for West Pilots, it was not nearly as favorable to West Pilots as the Nicolau Award. The airline had not yet responded to the proposal when the district court entered its permanent injunction.

The airline has been forced to reduce flying because of economic considerations. The reductions have mostly hit the western operations. Because of the continuing separate operations, approximately 175 of the 300 furloughs the airline had announced by the time of trial were West Pilots. At the time of trial, 140 West Pilots had been furloughed. Under a single CBA incorporating the Nicolau Award, none of the West Pilots would have been furloughed.

Six individual West Pilot-Plaintiffs (“Plaintiffs”) filed this hybrid action against USAPA and U.S. Airways, seeking damages and injunctive relief. The district court dismissed the claims against the airline because the System Board of Adjustment had exclusive jurisdiction over them. *Addington v. U.S. Airlines Pilots Ass'n*, 588 F.Supp.2d 1051, 1064 (D.Ariz.2008). Plaintiffs amended their complaint in the surviving DFR action, specifying that the claim was brought on behalf of similarly situated West Pilots. The district court certified a class of West Pilots and set a bifurcated trial

schedule. After a jury trial on liability, the jury found that USAPA had violated the DFR because it abandoned the Nicolau Award in favor of a date-of-hire list solely to benefit the East Pilots at the expense of the West Pilots.

After a bench trial on remedy, the district court ordered injunctive relief, permanently enjoining and ordering USAPA to (1) “Immediately, and in good faith, make all reasonable efforts to negotiate and implement a single [CBA] with U.S. Airways that will implement the Nicolau **1179* Award seniority proposal ...”; (2) “Make all reasonable efforts to support and defend the seniority rights provided by or arising from the Nicolau Award in negotiations with U.S. Airways”; and (3) “Not negotiate for separate [CBAs] for the separate pilot groups....” The district court denied USAPA's post-trial motions for judgment as a matter of law and for a new trial. USAPA timely appealed, and this court granted USAPA's unopposed motion to expedite this appeal.

DISCUSSION

1 2 3 Although considerable time, effort, and expense have been devoted to the merits of Plaintiffs' DFR claim before both this Court and the district court, we are without jurisdiction to address the merits of the claim unless it is ripe. *See S. Pac. Transp. Co. v. City of L.A.*, 922 F.2d 498, 502 (9th Cir.1990). We review ripeness *de novo*. *See Manufactured Home Cmtys. Inc. v. City of San Jose*, 420 F.3d 1022, 1025 (9th Cir.2005); *Laub v. U.S. Dep't of Interior*, 342 F.3d 1080, 1084 (9th Cir.2003). If the claim before us is not ripe, we must dismiss. *See S. Pac. Transp.*, 922 F.2d at 502.

No published case has expressly addressed when a DFR claim based on a union's negotiation of a CBA becomes ripe. Thus, we apply the general principles underlying the ripeness doctrine and take guidance from our decisions regarding the related issue of when a DFR claim accrues for statute of limitations purposes in the context of the administration of a CBA. We conclude that Plaintiffs' DFR claim is not yet ripe.

4 The ripeness doctrine rests, in part, on the Article III requirement that federal courts decide only cases and controversies and in part on prudential concerns. *See Maldonado v. Morales*, 556 F.3d 1037, 1044 (9th Cir.2009), *cert. denied*, --- U.S. ---, 130 S.Ct. 1139, --- L.Ed.2d --- (2010); *W. Oil & Gas Ass'n v. Sonoma County*, 905 F.2d 1287, 1290 (9th Cir.1990). The ripeness inquiry

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is “intended to ‘prevent the courts, through avoidance of premature adjudication, from entangling themselves in abstract disagreements.’ ” *Maldonado*, 556 F.3d at 1044 (quoting *Abbott Labs. v. Gardner*, 387 U.S. 136, 148, 87 S.Ct. 1507, 18 L.Ed.2d 681 (1967), *overruled on other grounds by Califano v. Sanders*, 430 U.S. 99, 97 S.Ct. 980, 51 L.Ed.2d 192 (1977)). To determine whether a case is ripe, “we consider two factors: ‘the fitness of the issues for judicial decision,’ and ‘the hardship to the parties of withholding court consideration.’ ” *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L’Antisemitisme*, 433 F.3d 1199, 1211-12 (9th Cir.2006) (en banc) (per curiam) (quoting *Abbott Labs.*, 387 U.S. at 149, 87 S.Ct. 1507). Both factors militate in favor of finding this claim premature.

5 6 A question is fit for decision when it can be decided without considering “contingent future events that may or may not occur as anticipated, or indeed may not occur at all.” *Cardenas v. Anzai*, 311 F.3d 929, 934 (9th Cir.2002) (internal quotation marks omitted); *see also United States v. Streich*, 560 F.3d 926, 931 (9th Cir.), *cert. denied*, --- U.S. ---, 130 S.Ct. 320, 175 L.Ed.2d 211 (2009). “At the same time, a litigant need not ‘await the consummation of threatened injury to obtain preventive relief. If the injury is *certainly* impending, that is enough.’ ” *Id.* (quoting *18 Unnamed “John Smith” Prisoners v. Meese*, 871 F.2d 881, 883 (9th Cir.1989) (emphasis in *Streich*)).

7 We conclude that this case presents contingencies that could prevent effectuation of USAPA's proposal and the accompanying injury. At this point, neither the West Pilots nor USAPA can be certain what seniority proposal ultimately will be acceptable to both USAPA and the airline as part of a final CBA. Likewise, it is not **1180* certain whether that proposal will be ratified by the USAPA membership as part of a new, single CBA. Not until the airline responds to the proposal, the parties complete negotiations, and the membership ratifies the CBA will the West Pilots actually be affected by USAPA's seniority proposal-whatever USAPA's final proposal ultimately is. Because these contingencies make the claim speculative, the issues are not yet fit for judicial decision.

8 9 We also conclude that withholding judicial consideration does not work a direct and immediate hardship on the West Pilots. “To meet the hardship requirement, a litigant must show that withholding review would result in

‘direct and immediate’ hardship and would entail more than possible financial loss.” *Winter v. Cal. Med. Review Bd., Inc.*, 900 F.2d 1322, 1325 (9th Cir.1990) (citing *Cal. Dep’t of Educ. v. Bennett*, 833 F.2d 827, 833-34 (9th Cir.1987)); *see also Am. Trucking Ass’ns v. ICC*, 747 F.2d 787, 790 (D.C.Cir.1984) (finding no hardship where the policy statement the plaintiffs challenged “neither impose[d] any obligation upon [the plaintiffs], nor in any other respect ha[d] any impact upon them ‘felt immediately ... in conducting their day-to-day affairs’ ” (quoting *Toilet Goods Ass’n v. Gardner*, 387 U.S. 158, 164, 87 S.Ct. 1520, 18 L.Ed.2d 697 (1967))).

Plaintiffs correctly note that certain West Pilots have been furloughed, whereas they would still be working under a single CBA implementing the Nicolau Award. It is, however, at best, speculative that a single CBA incorporating the Nicolau Award would be ratified if presented to the union's membership. ALPA had been unable to broker a compromise between the two pilot groups, and the East Pilots had expressed their intentions not to ratify a CBA containing the Nicolau Award. Thus, even under the district court's injunction mandating USAPA to pursue the Nicolau Award, it is uncertain that the West Pilots' preferred seniority system ever would be effectuated. That the court cannot fashion a remedy that will alleviate Plaintiffs' harm suggests that the case is not ripe.¹

Plaintiffs seek to escape this conclusion by framing their harm as the lost opportunity to have a CBA implementing the Nicolau Award put to a ratification vote. Because merely putting a CBA effectuating the Nicolau Award to a ratification vote will not itself alleviate the West Pilots furloughs, Plaintiffs have not identified a sufficiently concrete injury.² Additionally, **1181* USAPA's final proposal may yet be one that does not work the disadvantages Plaintiffs fear, even if that proposal is not the Nicolau Award.³

Although we do not hold that a DFR claim based on a union's promotion of a policy is never ripe until that policy is effectuated, we conclude that, in this case, there is too much uncertainty standing in the way of effectuation of Plaintiffs' harm to warrant judicial intervention at this stage. *Cf. Sergeant v. Inlandboatmen's Union of the Pac.*, 346 F.3d 1196, 1200 (9th Cir.2003) (examining Labor Management Reporting and Disclosure Act issue “in light of the well-established federal policy of avoiding unnecessary

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interference in the internal affairs of unions and according considerable deference to the interpretation and application of a union's rules and regulations").⁴

Our conclusion that Plaintiffs' claim is not ripe is consistent with our DFR decisions, which have found DFR violations based on contract negotiation only after a contract has been agreed upon.⁵ See, e.g., **1182 Williams v. Pac. Mar. Ass'n*, 617 F.2d 1321, 1328, 1330 (9th Cir.1980) (involving suit for breach of DFR in negotiating CBA brought after rules at issue were adopted); *Bernard v. Air Line Pilots Ass'n*, 873 F.2d 213, 215 (9th Cir.1989) (involving suit for breach of DFR during negotiations brought after agreement between union and employer was reached); *Hendricks v. Airline Pilots Ass'n*, 696 F.2d 673, 674-75 (9th Cir.1983) (same).

Indeed, the Supreme Court case that clarified that the DFR was applicable during contract negotiations articulated its holding in terms that imply a claim can be brought only after negotiations are complete and a "final product" has been reached. See *Air Line Pilots Ass'n, Int'l v. O'Neill*, 499 U.S. 65, 78, 111 S.Ct. 1127, 113 L.Ed.2d 51 (1991) ("[T]he final product of the bargaining process may constitute evidence of a breach of duty only if it can be fairly characterized as so far outside a 'wide range of reasonableness,' that it is wholly 'irrational' or 'arbitrary.'" (quoting *Ford Motor Co. v. Huffman*, 345 U.S. 330, 338, 73 S.Ct. 681, 97 L.Ed. 1048 (1953))).

10 Notably, even in the cases on which Plaintiffs rely most heavily, the policy that the plaintiffs claimed injured them had already been effectuated when the plaintiffs brought the claim. See *Ramey v. Dist. 141, Int'l Ass'n of Machinists & Aerospace Workers*, 378 F.3d 269, 275-76 (2d Cir.2004) (noting that airline had *accepted* union's seniority system and the plaintiffs had been furloughed as a result); *Teamsters Local Union No. 42 v. NLRB*, 825 F.2d 608, 611 (1st Cir.1987) (noting that shifts had been *assigned* according to union's seniority system). Although both the *Ramey* court and *Teamsters* court concluded the claim accrued (for statute of limitations purposes) before effectuation of the policy at issue, see *Ramey*, 378 F.3d at 279-80 (holding that claim accrued when union advocated seniority position to employer during contract negotiations); *Teamsters*, 825 F.2d at 614-15 (holding that claim accrued when union announced to the plaintiffs that they had been assigned to less desirable shift, even though negotiations with employer regarding the

seniority system that would dictate shift assignments occurred two months later), the holdings are not as easily applied in our situation as plaintiffs urge.⁶ In both *Ramey* and *Teamsters*, the unions argued that the plaintiffs' claims had accrued more than six months prior to filing, such that the cases were barred by the statute of limitations. *Ramey*, 378 F.3d at 276; *Teamsters*, 825 F.2d at 614. In addressing whether the cases were time-barred, each court was faced with the issue whether the claim accrued when the union announced **1183* its *intention* to take a negotiating position that would amount to a DFR breach (a date that fell outside the six-month period) or when the union actually advocated that position to the employer during negotiations (a date that fell within the six-month period). *Ramey*, 378 F.3d at 278-80; *Teamsters*, 825 F.2d at 614-15. The court in each case found that the claim accrued at the later date. *Ramey*, 378 F.3d at 279-80; *Teamsters*, 825 F.2d at 614-15. Significantly, however, because the date the union advocated its position in negotiations fell within the six-month period in both cases, there would have been no need for the plaintiffs to argue that the claim did not accrue until effectuation of the policy. Moreover, because the seniority systems at issue already had been effectuated in both cases, the courts simply were not faced with the possibility of interfering in a union's internal conflict before the conflict manifested as concrete injury to the plaintiffs.

We also note in these cases the apparent absence of contingencies that stood between the union's advocating to the employer a position on a certain policy and the implementation of that policy. Neither *Ramey* nor *Teamsters* references a ratification requirement, and in both cases the employer seemed predisposed to follow the union's proposal. In *Teamsters*, the court found accrual at the date the union communicated its adverse action to the employees. 825 F.2d at 614-15. Although the negotiations that would result in that adverse action had not yet been completed, the announcement was definitive. *Id.* In *Ramey*, the underlying district court decision indicates that the employer had already agreed to accept whatever seniority system the union proposed. See *Ramey v. Dist. 141, Int'l Ass'n of Machinists & Aerospace Workers*, 2002 WL 32152292, at *4 (E.D.N.Y. Nov.4, 2002) (noting that the transition agreement in effect gave the union "complete control over the issue of seniority"). Because of these distinctions, we are not convinced that these cases, even

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if they were binding on us, would require a finding of ripeness in the circumstances of the case at bench.⁷

Finally, we find instructive our cases analyzing accrual of DFR claims that are based on a union's alleged errors outside the contract negotiation process.⁸ In the grievance context, too, we have required **1184* that a final outcome be reached before allowing a suit based on a union's allegedly violative conduct that led to the decision. See *Kozy v. Wings W. Airlines, Inc.*, 89 F.3d 635 (9th Cir.1996). In *Kozy*, an employee brought a DFR claim alleging the union committed errors while representing him in a grievance hearing before an arbitrator. *Id.* at 638. We held that the claim had not accrued until the arbitrator's written decision was issued. *Id.* at 639. We noted that

“There was, at one time, some indication in this Circuit that the employee ‘should know’ of his Union's errors in representing him at a hearing when he saw the errors committed during the hearing, and that the six-month [statute of limitations] period began to run from that date even if the grievance board had not yet rendered its final decision.”

Id. at 640 (citing *Galindo v. Stody Co.*, 793 F.2d 1502, 1509 (9th Cir.1986)). However, we stated, *Galindo* resolved that confusion, holding that a claim accrues for statute of limitations purposes only when the employee learns of the arbitrator's award. *Kozy*, 89 F.3d at 640 (citing *Galindo*, 793 F.2d at 1509). The holding in *Galindo* “recognize[d] that the arbitrator's final decision could make the employee whole despite the union's errors, and that the arbitrator could change his mind at any time prior to issuing a final and binding decision.” *Kozy*, 89 F.3d at 640 (citing *Galindo*, 793 F.2d at 1509). Similarly, in the context of negotiations toward a CBA, the parties could shift positions until negotiations are complete, and the final agreement could be acceptable to Plaintiffs.

CONCLUSION

For the foregoing reasons, we hold that Plaintiffs' DFR claim is not ripe; therefore, the case is **REMANDED** to the district court with directions that the action be **DISMISSED**. No costs to either side.

BYBEE, Circuit Judge, dissenting:

I agree with much of the majority opinion. I concur that, in general, we should not decide duty of fair representation (“DFR”) challenges until “after a contract has been agreed upon.” Maj. Op. at 1181. In the typical case, the contract will be the best evidence of fair representation or lack thereof. In my view, however, the contract is not the *sine qua non* of unfair representation, and the fact that a case could be more ripe-in the sense that the issues could be more concrete, more focused-is not evidence of the contrary proposition that the case is *not* ripe.

This is an unusual case and, in my view, an exception to the general rule that we evaluate the duty of fair representation based on the fairness of the actual representation as memorialized in the Collective Bargaining Agreement (“CBA”). Here, the absence of a CBA is itself powerful evidence of a DFR violation. As set forth quite fairly in the majority opinion and in a lengthy and careful opinion by the district court, the Air Line Pilots Association (“ALPA”) was decertified and a new union, the U.S. Airline Pilots Association (“USAPA”), certified precisely to frustrate implementation of the Nicolau Agreement and to negotiate a CBA with U.S. Airways that favors the East Pilots. As the district court found, “USAPA's sole objective in adopting and presenting its seniority proposal to the Airline was to benefit East Pilots at the expense of West Pilots, rather than to benefit the bargaining union as a whole.” Thus, “the terms of USAPA's seniority proposal are substantially less favorable to West Pilots than the Nicolau Award” made through binding arbitration, an award that “USAPA concedes that it will never bargain for.” It has been nearly five years since the two airlines merged, and the pilots are further from, not closer to, a CBA that reflects the interests of **1185* both pilot groups. Although a CBA would supply tangible evidence of a violation of the DFR, in this case, there is sufficient evidence to consider the West Pilots' complaint without the CBA. The issues are concrete and were well developed in district court proceedings that included a jury trial (for damages) and a bench trial (for equitable relief). I would hold the case is ripe for decision and decide the appeal on the merits.

I

The “basic rationale” of the ripeness doctrine “is to prevent the courts, through premature adjudication, from entangling themselves in abstract disagreements.” *Thomas v. Union*

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Carbide Agric. Prods. Co., 473 U.S. 568, 580, 105 S.Ct. 3325, 87 L.Ed.2d 409 (1985). “Constitutional ripeness, in many cases, ‘coincides squarely with standing’s injury in fact prong’ and ‘can be characterized as standing on a timeline.’” *Stormans, Inc. v. Selecky*, 586 F.3d 1109, 1122 (9th Cir.2009) (quoting *Thomas v. Anchorage Equal Rights Comm’n*, 220 F.3d 1134, 1138 (9th Cir.2000)). Ripeness is a case-specific inquiry and does not lend itself to broad, bright-line rules based on the type of claim asserted. In *Yahoo! Inc. v. La Ligue Contre Le Racisme Et L’Antisemitisme*, 433 F.3d 1199, 1212 (9th Cir.2006) (en banc), we wrote that “[i]t is [] important to a ripeness analysis that we specify the precise legal question to be answered. Depending on the legal question, the case may be ripe or unripe. If we ask the wrong legal question, we risk getting the wrong answer to the ripeness question.”

A

Getting the legal question right is critical. Two related cases from the Supreme Court are particularly instructive here. In *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 104 S.Ct. 2862, 81 L.Ed.2d 815 (1984), the Court held that a plaintiff’s challenges to the constitutionality of an arbitration and compensation scheme in the Federal Insecticide, Fungicide, and Rodenticide Act (“FIFRA”) would not become ripe until the “[Environmental Protection Agency] ha [d] considered data submitted by[the plaintiff] in evaluating another application and an arbitrator ha[d] made an award....” *Id.* at 1020, 104 S.Ct. 2862. The very next term, however, in *Thomas v. Union Carbide Agricultural Products Co.*, the Court held that a similar constitutional challenge to FIFRA’s arbitration provisions was ripe even though *none* of the thirteen plaintiffs was actually challenging an arbitration award. 473 U.S. at 579-82, 105 S.Ct. 3325. Only one plaintiff—Stauffer Chemical Company—had engaged in arbitration, and it sought to enforce the award. None of the twelve other plaintiffs had actually engaged in an arbitration under FIFRA, but they alleged that they were “aggrieved by the *threat* of an unconstitutional arbitration procedure.” *Id.* at 579, 105 S.Ct. 3325. The Court did not dismiss *any* plaintiff’s claims on ripeness grounds: “One does not have to await the consummation of threatened injury to obtain preventive relief. If the injury is certainly impending, that is enough. *Nothing would be gained by postponing a decision*, and the public interest would be well served by a prompt resolution of the constitutionality of FIFRA’s arbitration scheme.” *Id.*

at 581-82, 105 S.Ct. 3325 (quotation marks and citations omitted) (emphasis added).

What our decision in *Yahoo!* and the Court’s decisions in *Monsanto* and *Thomas* make clear is that ripeness is a contextual and commonsense doctrine. If the unique circumstances of a particular claim render it fit for decision, the claim is ripe. I submit that this is a case in which “[n]othing would be gained by postponing a decision, and the [parties’] interest[s] would be well served by a prompt resolution *1186 of” the West Pilots’ DFR claim. *Id.* at 582, 105 S.Ct. 3325.

B

“[A] union breaches the duty of fair representation when its conduct toward a member of the bargaining unit is arbitrary, discriminatory, or in bad faith.” *Marquez v. Screen Actors Guild, Inc.*, 525 U.S. 33, 44, 119 S.Ct. 292, 142 L.Ed.2d 242 (1998). “The duty ... is the quid pro quo for the union’s right to exclusive representation; it protects employees in the minority from arbitrary discrimination by the majority union.” *Laborers & Hod Carriers, Local No. 341 v. N.L.R.B.*, 564 F.2d 834, 839-40 (9th Cir.1977).

The majority describes three DFR cases from this circuit—*Williams v. Pacific Maritime Association*, 617 F.2d 1321 (9th Cir.1980), *Bernard v. Air Line Pilots Association*, 873 F.2d 213 (9th Cir.1989), and *Hendricks v. Airline Pilots Association*, 696 F.2d 673 (9th Cir.1983)—as “f[inding] DFR violations based on contract negotiation only after a contract has been agreed upon,” Maj. Op. at 1181. These cases are not only distinguishable, but completely inapposite. First, none of these cases even mentions ripeness. Together, *Williams*, *Bernard*, and *Hendricks* stand for the uncontroversial proposition that a DFR claim *can* be brought after a CBA or finalized seniority integration agreement has been completed. The issue here, however, is whether a DFR claim *must* be brought after a CBA or finalized seniority integration agreement, which none of our cases cited by the majority even purports to address.

Just as importantly, none of these cases addressed the “precise legal question” advanced by the West Pilots. In *Williams*, “[t]he heart of the employees’ claim of unfair representation [wa]s that the union breached its statutory duty to plaintiffs *by agreeing to the adoption of* [certain]

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standards for deregistration.” 617 F.2d at 1328 (emphasis added). In *Bernard*, the factual situation was basically a mirror image of this case: the merger of Alaska Air Group and Jet America became effective on October 1, 1987, and a seniority integration agreement was completed less than a week later, on October 6, 1987. 873 F.2d at 215. The plaintiffs in *Bernard* sued immediately thereafter and were quickly granted preliminary injunctive relief, which we upheld. *Id.* at 215, 219. Here, the West Pilots claim to be aggrieved by the *failure* to pursue the memorialization of an arbitration award in a finalized seniority integration agreement, while in *Bernard* the claim was the opposite: an agreement was memorialized almost immediately, without taking into account a preexisting merger policy. Finally, in *Hendricks*, plaintiffs argued that “the union[] breached its duty of fair representation because [a contract] amendment was arbitrary and discriminatory.” 696 F.2d at 677 (emphasis added). Like the theory in *Williams*, the plaintiffs' theory in *Hendricks* actually challenged a memorialized agreement and was therefore not the “precise” legal theory advanced here.

The majority also cites *Air Line Pilots Association v. O'Neill*, 499 U.S. 65, 111 S.Ct. 1127, 113 L.Ed.2d 51 (1991) (“*ALPA*”), for the proposition that “a claim can only be brought once negotiations are complete and a ‘final product’ has been reached.” Maj. Op. at 1182. With all due respect, this overstates what *ALPA* said. *ALPA* said nothing about the ripeness doctrine. What the Court said was that “[a]ny substantive examination of a union's performance ... must be highly deferential, recognizing the wide latitude that negotiators need for the effective performance of their bargaining responsibilities. For that reason, the final product of the bargaining process may constitute evidence of a breach of duty....” *1187 499 U.S. at 78, 111 S.Ct. 1127 (internal citations omitted). The Court's statement in *ALPA* only confirms what we already know: a CBA may be the best evidence of satisfaction of or violation of the DFR. But the Court's equivocal “*may* constitute evidence” falls well short of confirming that “a claim can *only* be brought” once there is a CBA.

None of these cases are relevant with respect to the ripeness issue here. They stand for the noncontroversial proposition that a DFR claim can be brought after a CBA has been completed. By contrast, the issue here is whether a DFR claim can be brought *prior* to the completion of a CBA.

II

I agree with the majority that this case would be ripe if USAPA and U.S. Air had entered into a CBA. That is not the question that this case presents. We are asked whether our Article III jurisdiction extends to a DFR claim based on a union “constitutionally committed,” Maj. Op. at 1177, to voiding a binding arbitration award and adopting a “date of hire” seniority principle that plainly favors one side of a merger. When the question is posed in this way, I believe the ripeness of the West Pilots' claims becomes clear.

We employ a two-part test to determine whether a claim is ripe for review, evaluating “(1) whether the issues are fit for judicial decision, and (2) whether the parties will suffer hardship if we decline to consider the issues.” *San Diego County Gun Rights Comm. v. Reno*, 98 F.3d 1121, 1132 (9th Cir.1996). The issues raised by the West Pilots' DFR claim are straightforward, and the uncontested facts of this case make clear that the issues involved are fit for decision on this record.

The West Pilots' DFR theory does not depend on any contingent future events such as the memorialization of a finalized CBA or seniority integration agreement. The district court explained why the issues were fit for decision and the parties will suffer hardship if we decline to consider the issues:

The issues fit for decision are these: Whether USAPA adopted and presented its seniority proposal without any legitimate union objective, solely to benefit East Pilots at the expense of West Pilots, and if so whether the West Pilots are entitled to damages and an injunction therefor.... USAPA concedes it will never bargain for implementation of the Nicolau Award. It is constitutionally hostile to doing so. The Airline has accepted the Nicolau Award, expressing no opposition to it, and the union has failed to show any legitimate reason (or plausible future reason) for abandoning it. Liability flows from the process and aims of USAPA's seniority position. *The outcome of negotiations is irrelevant. Without an injunction, USAPA's seniority position inevitably impairs the collective bargaining process.*

For this same reason, denying judicial review would work a substantial hardship upon the parties, including the Airline.... In addition to depriving the West Pilots

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of legitimate representation, USAPA's bargaining position leaves the Airline to decide between a lack of a single CBA and an unlawful single CBA.

(Emphasis added).

I agree with the district court that, given the “precise legal question” raised by the West Pilots, this case is “fit for decision.” As the district court correctly observed, given the constitutional commitment of USAPA to date-of-hire principles—principles irreconcilably opposed to the compromise embodied in the Nicolau Award—“the outcome of negotiations is irrelevant.” As a result, the question presented in this case does not pivot on **1188* any “ ‘contingent future events that may or may not occur as anticipated, or indeed may not occur at all.’ ” Maj. Op. at 1179 (quoting *Cardenas v. Anzai*, 311 F.3d 929, 934 (9th Cir.2002)). The West Pilots' claimed “injury is *certainly* impending, [and] that is enough.” *United States v. Streich*, 560 F.3d 926, 931 (9th Cir.2009) (quotation marks omitted). Instead, as the district court found, “USAPA has misled the majority about its power to improve their seniority prospects at the expense of the West Pilots. The will of the East Pilots springs from a mistaken understanding of the law and mismanaged expectations. *If this is an impasse, it is one USAPA has goaded on.*” (Emphasis added). The impasse is not evidence of the lack of ripeness of the West Pilots' claims. It is Exhibit A in their case—it is itself evidence of USAPA's intractability on behalf of the East Pilots. Again, as the district court found, “USAPA has made plain its intent never to bargain for the Nicolau Award,” and time appears to be on the side of the East Pilots. ¹ Under these circumstances, the West Pilots need not “await the consummation of threatened injury to obtain preventive relief.” *Id.* (quotation marks omitted).

When the East Pilots campaigned to decertify ALPA and replace it with USAPA, a new union constitutionally committed to pursuing date-of-hire principles, a DFR claim by the West Pilots would not have been ripe. As the Second Circuit explained in *Ramey v. District 141 International Association of Machinists and Aerospace Workers*, 378 F.3d 269 (2d Cir.2004), “a breach [of the duty of fair representation does not] occur[] when a union announces an *intention*, even if it does so unequivocally, to advocate against the interests of its members in the future.” *Id.* at 278. But when USAPA won the certification election and refused *in practice* to bargain for implementation of the Nicolau Award, a previously

bargained-for award that the Airline had already accepted and continues to accept, this was not the announcement of an intention, but actual “act[ion] against the interest[s] of” the West Pilots—the precise point at which, it seems to me (and to the Second Circuit), a DFR breach occurs. *Id.* (“the breach occurs when the union acts against the interests of its members”); see also *Santos v. Dist. Council of New York City & Vicinity of United Brotherhood of Carpenters and Joiners of Am., AFL-CIO*, 619 F.2d 963, 970-71 (2d Cir.1980) (holding that a union breached its duty of fair representation, and a DFR claim began to accrue, at the time “appellants were aware that the [union] was not proceeding in good faith to seek enforcement of [an arbitration] award”).

The majority argues that this case will not be ripe until “the airline responds to [USAPA's seniority] proposal, the parties complete negotiations, and the membership ratifies the CBA,” Maj. Op. at 1180, but I respectfully disagree. Certainly this case might be “riper” were plaintiffs to wait for these future events, but when USAPA took the reins as the West Pilots' union and refused to pursue the Nicolau Award, USAPA's promise moved from abstract disagreement to adjudicable legal controversy. The future events cited by the majority are not likely to occur anytime soon, and plaintiffs will be harmed all the while. In the words of the *Thomas* Court, “[n]othing would be gained by postponing **1189* a decision....” 473 U.S. at 582, 105 S.Ct. 3325.

The ripeness inquiry is not concerned with whether a case is as ripe as it possibly could be. Twelve of the plaintiffs in *Thomas* had never even entered into FIFRA arbitration. Their claims would have been riper had they undergone FIFRA arbitration prior to joining with Stauffer in a challenge to FIFRA's arbitration procedures. Yet the Court noted these plaintiffs' “continuing uncertainty and expense” and explained that “[o]ne does not have to await the consummation of threatened injury to obtain preventive relief.” *Id.* at 581, 105 S.Ct. 3325 (quotation marks omitted). No one disputes that the West Pilots are now suffering, and will continue to suffer, “continuing uncertainty and expense” due to the seniority impasse. They are entitled to have their claims heard.

I respectfully dissent.

Parallel Citations

188 L.R.R.M. (BNA) 2774, 159 Lab.Cas. P 10,253, 10 Cal. Daily Op. Serv. 6922, 2010 Daily Journal D.A.R. 8250

Footnotes

Addington v. U.S. Airline Pilots Ass'n, 606 F.3d 1174 (2010)

188 L.R.R.M. (BNA) 2774, 159 Lab.Cas. P 10,253, 10 Cal. Daily Op. Serv. 6922...

- 1 The dissent asserts that “nothing would be gained by postponing a decision, and the parties' interest would be well served by a prompt resolution of the West Pilots' claim.” Diss. op. at 8017 (internal alterations, quotation marks, and citation omitted). To be sure, the parties' interest would be served by prompt resolution of *the seniority dispute*, but that is not the same as prompt resolution of the DFR claim. The present impasse, in fact, could well be prolonged by prematurely resolving the West Pilots' claim judicially at this point. Forced to bargain for the Nicolau Award, any contract USAPA could negotiate would undoubtedly be rejected by its membership. By deferring judicial intervention, we leave USAPA to bargain in good faith pursuant to its DFR, with the interests of all members-both East and West-in mind, under pain of an unquestionably ripe DFR suit, once a contract is ratified.
- 2 Plaintiffs' alleged hardship cannot instead be premised on any delay caused by USAPA in reaching a single CBA. As the district court noted, Plaintiffs abandoned their claim that USAPA is intentionally delaying negotiation of a CBA. *Addington*, 2009 WL 2169164, at *22 (“During discovery, Plaintiffs retreated from any notion of deliberate delay on the part of USAPA.”). The dissent's assertion that “the absence of a CBA is itself powerful evidence of a DFR violation,” Diss. op. at 1184, is therefore misplaced. Although absence of a CBA might be evidence of a DFR violation, if the violation were based on deliberate delay by the union, it is not evidence of a union's improper preference of one seniority system over another. As demonstrated by ALPA's similar difficulties in reaching a CBA, the pilot groups, and individual pilots with their ratification/non-ratification powers, are the major contributors to the absence of a CBA in these circumstances.
- 3 We do not address the thorny question of the extent to which the Nicolau Award is binding on USAPA. We note, as the district court recognized, that USAPA is at least as free to abandon the Nicolau Award as was its predecessor, ALPA. The dissent appears implicitly to assume that the Nicolau Award, the product of the internal rules and processes of ALPA, is binding on USAPA. *See* Diss op. at 1187-88.
- 4 The dissent agrees with “the general rule that we evaluate the duty of fair representation based on the fairness of the actual representation as memorialized in the [CBA,]” but would hold that this “is an unusual case and ... an exception” to that rule. Diss. op. at 1184. As much as the dissent stresses the case-specific nature of our inquiry, however, there is no disputing that this case would be the first time we allowed a DFR suit to proceed in a collective bargaining/ contract negotiating context before the CBA at issue was ratified. Such a departure from the norm would invite parties to bring suit long before internal disputes have had a chance to work themselves out. It would also force us in each case to decide-without the benefit of hindsight that is enjoyed in statute of limitations accrual cases-whether a union's position is a mere announcement of a bargaining position or the adoption of a permanent change in position. Although the dissent believes that it is an easy question in this case, it will not always be so.
- 5 Plaintiffs have identified only one case in which a court allowed a DFR suit to proceed before a contract had been executed. *See Mount v. Grand Int'l Bhd. of Locomotive Eng'rs*, 226 F.2d 604, 608 (6th Cir.1955). In *Mount*, the union notified employees that it would negotiate a contract amendment in direct opposition to a series of rulings that had been made pursuant to the union's internal policies. *Id.* at 605-06. The Sixth Circuit held that the fact that the proposed contract had not been executed did not make the plaintiff's DFR action premature. *Id.* at 608. *Mount*, however, contained only a cursory analysis of the ripeness issue, and we are not persuaded to apply its conclusion to this case. More recent cases have held that a claim does not accrue when the union merely announces its intention to breach its DFR in the future. *See Ramey v. Dist. 141, Int'l Ass'n of Machinists & Aerospace Workers*, 378 F.3d 269, 279 (2d Cir.2004) (“[W]e do not require, or even permit, union members to bring a suit against their union simply because the union has announced its future intention to break its duty.”); *Teamsters Local Union No. 42 v. NLRB*, 825 F.2d 608, 615-16 (1st Cir.1987) (“Knowledge of a party's predisposition to commit an unfair labor practice or suspicion that, when the moment is opportune, the knife thrust will follow, is not enough to galvanize § 10(b). The statute begins to run only when the impermissible act or omission-the unfair labor practice-actually takes place.”).
- 6 Indeed, we are hesitant to transplant a rule from cases analyzing claim accrual for statute of limitations purposes to the ripeness context. Although we have noted the relationship between the statute of limitations and ripeness inquiries, *see Levald, Inc. v. City of Palm Desert*, 998 F.2d 680, 687 (9th Cir.1993) (“Determining when the cause of action accrues is merely the corollary to the ripeness inquiry.”), there are key differences in the posture of a case that presents a statute of limitations issue and one that presents a ripeness issue. In a statute of limitations case, unlike a ripeness case, the injury has unquestionably culminated, and the issue is whether the plaintiffs learned or should have learned of the injury so long ago that it would no longer be fair to bring the suit. In deciding these cases, courts often decline to identify a specific date on which the claim accrued, instead identifying the “earliest” or “latest” date it could have accrued, depending on whether the court determines the claim to have fallen inside or outside the applicable statute of limitations. *See, e.g., Gvozdenovic v. United Air Lines, Inc.*, 933 F.2d 1100, 1106 (2d Cir.1991) (concluding that claim was time-barred because it accrued “at the latest” on the date the union ratified the allegedly violative agreement, which was more than six months before filing).

Addington v. U.S. Airline Pilots Ass'n, 606 F.3d 1174 (2010)

188 L.R.R.M. (BNA) 2774, 159 Lab.Cas. P 10,253, 10 Cal. Daily Op. Serv. 6922...

7 Plaintiffs correctly note that *Ramey* suggests a DFR claim can accrue before implementation of the policy at issue. Analogizing to anticipatory repudiation in a breach of contract case, the *Ramey* court noted that it would be possible-but not required-for a claim to be brought when a union unequivocally communicates its intention to breach its DFR, but that for statute of limitations purposes, the claim did not accrue until “the date on which performance was due, namely the date on which [the union] advocated a position on the seniority issue to [the employer].” 378 F.3d at 279-80. The court went on, however, to qualify its holding, recognizing the requirement of likelihood of harm:

Because we hold that [the union] has not met its burden to demonstrate that plaintiffs reasonably should have known that the breach occurred before January 28, 1999 [the date six months before filing date], we do not address the difficult and unsettled question of how certain it must be that harm will be caused by a union's breach in order to trigger the statute of limitations. We have held that the statute of limitations is triggered even if it is not absolutely certain that a union member will be harmed by a breach. However, we note that there must be *some* likelihood that a harm will result from a union's breach before a member may file suit. Otherwise, such claims would be unduly speculative. We caution district courts to consider this issue in the future when faced with a suit brought after a union breaches but before tangible harm is caused.

Id. at 280 n. 5 (citations omitted).

8 The DFR applies both to contract negotiation and contract administration. *See O'Neill*, 499 U.S. at 67, 111 S.Ct. 1127.

1 Although the West Pilots are not claiming that USAPA has “deliberately” delayed completing a CBA, Maj. Op. at 1180-81 n. 2, the majority notes that West Pilots have been furloughed and that they would not have been furloughed under the Nicolau Award, *id.* at 1180.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

US Airways, Inc.,)	No. CV-10-01570-PHX-ROS
Plaintiff,)	ORDER
vs.)	
Don Addington, et al.,)	
Defendants.)	

This is a hard case. As set forth in the parties’ summary judgment filings, the underlying facts are undisputed but the appropriate conclusions to be drawn from those facts differ greatly. Having reviewed all of the filings and considered the arguments made by counsel at the oral argument, the Court concludes Defendant US Airline Pilots Association (“USAPA”) is free to pursue any seniority position it wishes during the collective bargaining negotiations. But with that freedom comes risk because the West Pilot Defendants¹ may have viable legal claims in the future should the collective bargaining agreement contain a seniority provision harmful to a subsection of the union. As for US Airways, it must negotiate with USAPA and it need not insist on any particular seniority regime. But US

¹ The West Pilot Defendants are Don Addington, John Bostic, Mark Burman, Afshin Iranpour, Roger Velez, and Steve Wargocki, on behalf of themselves and the certified West Pilot Class.

1 Airways must evaluate any proposal by USAPA with some care to ensure that it is reasonable
2 and supported by a legitimate union purpose.

3 **I. Background**

4 In 2005, US Airways merged with America West Airlines, Inc. (“America West”) to
5 form a single airline. (Doc. 151, ¶ 1). At that time, US Airways had recently emerged from
6 bankruptcy. (*Id.*, ¶ 2). Pilots employed by both airlines were represented by the Air Line
7 Pilots Association (“ALPA”) as their bargaining representative and each group had existing
8 collective bargaining agreements. (Doc. 151, ¶ 6; Doc. 153, ¶¶ 5, 6 & 10). The America
9 West pilots at the time of the merger were generally referred to as the West Pilots. The US
10 Airways pilots at the time of the merger were generally referred to as the East Pilots. (Doc.
11 151, ¶¶ 4-5). As a result of the merger, America West, US Airways Group, US Airways,
12 ALPA and others entered into a Transition Agreement that contained employment terms and
13 conditions related to the merger. (Doc. 151, Transition Agreement, App. 087; Doc. 153, ¶
14 14, Ex. 3). All pilots “in the service of America West and US Airways” were parties to the
15 Transition Agreement. (Doc. 156-3 at 25).

16 The Transition Agreement provided “[t]he seniority lists of America West pilots and
17 US Airways pilots will be integrated in accordance with ALPA Merger Policy and submitted
18 to [US Airways] for acceptance.” (Doc. 156-3 at 30). The Transition Agreement also
19 provided a detailed procedure for any disputes involving “the interpretation or application
20 of” the Transition Agreement. (Doc. 156-3 at 36). Finally, the Transition Agreement
21 provided that it could “be modified by written agreement of [ALPA] and [US Airways]
22 collectively.” (Doc. 156-3 at 38).

23 Under ALPA’s policies, the West Pilots and the East Pilots were each represented by
24 a Master Executive Council (“MEC”). (Doc. 151, ¶¶ 6-8). Under the “ALPA Merger
25 Policy” referenced in the Transition Agreement, Merger Committees, appointed by each
26 MEC and representing each pilot group, were responsible for creating a single integrated
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1 seniority list. If the Merger Committees could not agree, the matter would proceed to
2 arbitration. (Doc. 151, ¶ 16; Doc. 153, ¶ 16).

3 Because no agreement could be reached, the seniority issue proceeded to arbitration
4 before the Board of Arbitration consisting of neutral arbitrator George Nicolau and pilot
5 neutrals Stephen Gillen and James Brucia. The arbitration decision, referred to as the
6 Nicolau Award, issued on May 1, 2007. The Nicolau Award created an integrated seniority
7 list that placed approximately 500 of the most senior East Pilots at the top of the list because
8 they flew wide-body aircraft and no West Pilot flew such aircraft. It placed all East Pilots
9 who were on furlough at the time of the merger at the bottom of the list. It then blended the
10 two pilot lists. (Doc. 151, ¶¶ 21-24, 28, 30-33; Doc. 153, ¶¶ 16-19). The East Pilots
11 disagreed with the arbitration award and took immediate steps to frustrate it.

12 The East MEC appealed to ALPA's Executive Committee to overturn the Nicolau
13 Award (Doc. 151, ¶ 35; Doc. 153, ¶ 21), but it was determined there was no ground under
14 the ALPA Merger Policy to set the award aside. (Doc. 151, ¶¶ 36-37). On June 26, 2007, the
15 East MEC filed suit in the District of Columbia against the West MEC to set aside the
16 Nicolau Award. (Doc. 151, ¶ 39; Doc. 153, ¶ 23). The East MEC also notified ALPA it was
17 demanding that ALPA refrain from sending the Nicolau seniority list to US Airways for
18 acceptance. (Doc. 153, ¶ 24). Dissatisfied with ALPA's actions, a group of pilots formed
19 a new labor organization known as USAPA. (Doc. 151, ¶¶ 41-45, 49-53; Doc. 153, ¶¶ 25,
20 27). USAPA's Constitution and Bylaws provide that its objectives include maintaining
21 "uniform principles of seniority based on date of hire and the perpetuation thereof, with
22 reasonable conditions and restrictions to preserve each pilot's un-merged career
23 expectations." (Doc. 153, ¶ 28, Ex. 2 at 8). In other words, one of the main purposes of
24 USAPA is to reject the Nicolau Award. On November 13, 2007, USAPA filed an application
25 with the National Mediation Board ("NMB") seeking to replace ALPA as the representative
26 of the combined bargaining unit consisting of the US Airways pilots and the America West
27 pilots. (Doc. 153, ¶ 30).

1 Despite USAPA's attempts to gain recognition, on December 19, 2007, ALPA
2 presented the Nicolau Award to US Airways for acceptance. (Doc. 162, ¶ 28, Response). On
3 December 20, 2007, US Airways accepted the integrated seniority list as determined in the
4 Nicolau Award. (Doc. 151, ¶ 34; Doc. 153, ¶ 32). A short while later, a representation
5 election was held between ALPA and USAPA which USAPA won. (Doc. 151, ¶¶ 62-63;
6 Doc. 153, ¶ 33). On April 18, 2008, the NMB certified USAPA as the new bargaining
7 representative of the combined pilot group. (Doc. 151, ¶ 64; Doc. 153, ¶ 33). The East
8 MEC's litigation seeking to vacate the Nicolau Award was dismissed. (Doc. 151, ¶ 40).

9 USAPA took over direct negotiations with US Airways for a single integrated
10 collective bargaining agreement. On September 30, 2008, USAPA submitted a new seniority
11 proposal to US Airways. (Doc. 151, ¶ 65; Doc. 153, ¶ 38). This proposal combined the East
12 and West Pilots on the merged seniority list according to their dates of hire without regard
13 to whether a pilot was on furlough at the time of the merger. The East Pilots allege that the
14 proposal contains extensive conditions and restrictions that protect the West Pilots. But the
15 West Pilots contend the proposal puts a majority of them at or near the bottom of the list and
16 would put the West Pilots at risk of furlough before the East Pilots who were on furlough at
17 the time of the merger. (Doc. 151, ¶¶ 66-70; Doc. 153, ¶ 38).

18 In 2008, a group of West Pilots sued USAPA claiming USAPA had breached its duty
19 of fair representation by refusing to adopt the Nicolau Award during negotiations with US
20 Airways. The case was certified as a class action and proceeded to trial where the West
21 Pilots prevailed. On appeal, however, the case was dismissed as not presenting a ripe
22 controversy. Shortly after that dismissal, US Airways filed the present declaratory judgment
23 action against the class of West Pilots and USAPA. US Airways' complaint sought one of
24 the following three determinations:

- 25 (1) USAPA's seniority proposal (i.e., strict "date of hire") *breaches*
26 its duty under the Railway Labor Act and its duty of fair
27 representation and US Airways cannot adopt it (Doc. 1, Count
28 I);

- 1 (2) USAPA's seniority proposal *does not breach* its duty under the
2 Railway Labor Act and its duty of fair representation and US
3 Airways must adopt it (Doc. 1, Count II); or
4 (3) US Airways will not be liable to the West Pilots regardless of
5 which seniority proposal it adopts. (Doc. 1, Count III).

6 US Airways contends it needs this guidance in order to determine the range of
7 permissible proposals in the collective bargaining agreement negotiations. According to US
8 Airways, if it accepts USAPA's seniority proposal, the West Pilots have said they will sue
9 US Airways for facilitating or assisting USAPA's breach of the duty of fair representation.
10 And, if US Airways insists on adopting the new collective bargaining agreement
11 incorporating the Nicolau Award, USAPA has promised a work stoppage.

12 USAPA now seeks summary judgment that its seniority proposal does not breach its
13 duty of fair representation while the West Pilots seek summary judgment that USAPA's
14 proposal does breach its duty of fair representation. US Airways has filed briefs stating it
15 is neutral on these issues but offering some guidance on the applicable legal framework.

16 **II. Summary Judgment Standard**

17 Summary judgment is appropriate where "the movant shows that there is no genuine
18 dispute as to any material fact and the movant is entitled to judgment as a matter of law."
19 Fed.R.Civ.P. 56(a). When determining whether a genuine dispute exists, the evidence of the
20 non-moving party is to be believed, and all reasonable inferences drawn in its favor.
21 *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255-56 (1986). "[A] party seeking summary
22 judgment always bears the initial responsibility of informing the district court of the basis for
23 its motion, and identifying those portions of the pleadings, depositions, answers to
24 interrogatories, and admissions on file, together with affidavits, if any, which it believes
25 demonstrate the absence of a genuine issue of material fact." *Celotex Corp. v. Catrett*, 477
26 U.S. 317, 323 (1986) (internal citations omitted). In considering cross-motions for summary
27 judgment, the court considers each party's evidence in evaluating whether summary
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1 judgment is appropriate. *Johnson v. Poway Unified School District*, 658 F.3d 954, 960 (9th
2 Cir. 2011).

3 **III. Discussion**

4 The primary focus of the parties' summary judgment filings is whether the Transition
5 Agreement is "binding" on USAPA. According to USAPA, it is "not 'contractually' bound
6 by any of ALPA's agreements," including the Transition Agreement. (Doc. 160 at 10). But
7 the West Pilots, as well as US Airways, cite a variety of authority supporting the position that
8 the "decertification of ALPA and the certification of USAPA did not change the binding
9 nature of the Transition Agreement." (Doc. 164 at 7). The West Pilots and US Airways are
10 correct.

11 When USAPA became the pilots' new collective bargaining representative, it
12 succeeded "to the status of the former representative without alteration in the contract terms."
13 *Int'l Bhd. of Teamsters v. Texas Int'l Airlines, Inc.*, 717 F.2d 157, 163 (5th Cir. 1983). As
14 there does not appear to be any dispute that the Transition Agreement was part of the contract
15 between the pilots and US Airways, the Transition Agreement applies to USAPA. Even the
16 case which USAPA relies upon states there is a "general principle that collective bargaining
17 agreements survive a change in representative." *Ass'n of Flight Attendants, AFL-CIO v.*
18 *USAir, Inc.*, 24 F.3d 1432, 1439 (D.C. Cir. 1994). Thus, just as ALPA would have been
19 bound by the Transition Agreement had it remained the pilots' representative, USAPA is
20 bound by the Transition Agreement.²

21
22 ² USAPA believes the Transition Agreement is not binding and it "cannot in any way
23 limit the authority of USAPA . . . with respect to negotiating a new agreement." (Doc. 152
24 at 16). It is unclear why USAPA is so adamant on this point as there is no claim that the
25 Transition Agreement itself is limiting USAPA's authority during the negotiation of a new
26 collective bargaining agreement. Regardless of the binding nature of the Transition
27 Agreement, USAPA's duty in negotiating a collective bargaining agreement remains the
28 same: to act in conformity with its duty of fair representation. *See 14 Penn Plaza LLC v.*
Pyett, 556 U.S. 247, 270-72 (2009) ("Labor unions certainly balance the economic interests
of some employees against the needs of the larger work force as they negotiate collective-

1 But being “bound” by the Transition Agreement has very little meaning in the context
2 of the present case. It is undisputed that the Transition Agreement can be modified at any
3 time “by written agreement of [USAPA] and the [US Airways].” (Doc. 156-3 at 38).
4 Moreover, USAPA and US Airways are now engaged in negotiations for an entirely new
5 collective bargaining agreement and there is no obvious impediment to USAPA and US
6 Airways negotiating and agreeing upon any seniority regime they wish. As explained by the
7 Ninth Circuit, “seniority rights are creations of the collective bargaining agreement, and so
8 may be revised or abrogated by later negotiated changes in this agreement.” *Hass v.*
9 *Darigold Dairy Products Co.*, 751 F.2d 1096, 1099 (9th Cir. 1985). And a union “may
10 renegotiate seniority provisions of a collective bargaining agreement, even though the
11 resulting changes are essentially retroactive or affect different employees unequally.” *Id.*

12 Of course, in negotiating for a particular seniority regime, USAPA must not breach
13 its duty of fair representation. Accordingly, if USAPA wishes to abandon the Nicolau Award
14 and accept the consequences of this course of action, it is free to do so. By discarding the
15 result of a valid arbitration and negotiating for a different seniority regime, USAPA is
16 running the risk that it will be sued by the disadvantaged pilots when the new collective
17 bargaining agreement is finalized. An impartial arbitrator’s decision regarding an
18 appropriate method of seniority integration is powerful evidence of a fair result. Discarding
19 the Nicolau Award places USAPA on dangerous ground.

20 In the end, the Court cannot provide as much guidance as it had hoped it could.
21 Pursuant to the Ninth Circuit’s decision, any claim for breach of the duty of fair
22 representation will not be ripe until a collective bargaining agreement is finalized. *Addington*
23 *v. U.S. Airline Pilots Ass’n*, 606 F.3d 1174, 1181-82 (9th Cir. 2010). In this case, that means
24 even though an integrated seniority regime is an incredibly important issue, and USAPA

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27 bargaining agreements” and that balance must reflect compliance with the unions’ “duty of
28 fair representation.”).

1 appears totally committed to a particular seniority regime, it is not possible to determine the
2 viability of any claim for breach of the duty of fair representation until a particular seniority
3 regime is ratified. When the collective bargaining agreement is finalized, individuals will
4 be able to determine whether USAPA's abandonment of the Nicolau Award was permissible,
5 *i.e.* supported by a legitimate union purpose. Thus, the best "declaratory judgment" the
6 Court can offer is that USAPA's seniority proposal does not automatically breach its duty
7 of fair representation.³

8 This conclusion places US Airways in a difficult position. At the present time, it is
9 not possible to predict what will result from the collective bargaining negotiations. Thus, the
10 Court cannot grant US Airways prospective immunity from any legal action by the West
11 Pilots. But based on the representation at oral argument that the seniority list is unlike other
12 matters addressed in collective bargaining, it is unlikely the West Pilots could successfully
13 allege claims against US Airways merely for not insisting that USAPA continue to advocate
14 for the Nicolau Award. *See Davenport v. Int'l Broth. of Teamsters, AFL-CIO*, 166 F.3d 356,
15 361-62 (D.C. Cir. 1999) (addressing, without deciding, "the proper standard for determining
16 whether an employer can be implicated in a union's breach of duty").

17 Accordingly,

18 **IT IS ORDERED** USAPA's Motion for Summary Judgment (Doc. 152) **is**
19 **GRANTED IN PART and DENIED IN PART.**

20 **IT IS FURTHER ORDERED** the Motion for Discovery (Doc. 163) **is DENIED.**

21 **IT IS FURTHER ORDERED** the West Pilots' Motion for Summary Judgment (Doc.
22 150) **is DENIED.**

23 **IT IS FURTHER ORDERED** the Motion to Add Language (Doc. 190) **is DENIED.**

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27 ³ Based on this conclusion, there is no need to address USAPA's request to conduct
28 discovery. (Doc. 163).

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Don Addington, et al.,)	No. CV-13-00471-PHX-ROS
Plaintiffs,)	ORDER
vs.)	
US Airline Pilots Association, et al.,)	
Defendants.)	

A group of pilots formerly employed by America West Airlines, Inc., and their new union, have a long-standing disagreement regarding pilot seniority. Unfortunately, there is no perfect solution to that disagreement. The Court finds the former America West pilots have not established the new union breached its duty of fair representation. In addition, the former America West pilots are not entitled to participate in the upcoming statutory procedure required for the integration of the US Airways and American Airline pilots.

BACKGROUND¹

A. US Airways and America West Merge

In 2005, US Airways merged with America West Airlines, Inc. (“America West”)

¹ This abbreviated background does not contain a complete recital of the parties’ interactions. Instead, this background represents only the most relevant aspects of the parties’ dealings and is based either on the undisputed facts or the facts proven at the bench trial. (Doc. 206-1 at 13-34) (undisputed facts). Where appropriate, additional factual findings are found in the analysis section.

1 to form a single airline. The America West pilots are generally referred to as the West Pilots
2 and the US Airways pilots are generally referred to as the East Pilots. At that time, both the
3 West and East pilots were represented by the Air Line Pilots Association (“ALPA”). In
4 connection with the merger, America West, US Airways, and ALPA entered into a
5 “Transition Agreement” that set forth the “terms and conditions of employment” that would
6 apply to both groups of pilots after the merger. (Doc. 206-1 at 13). In particular, the
7 Transition Agreement contemplated negotiation of a “Single Agreement” “that would govern
8 the employment of both East and West pilots.” (Doc. 206-1 at 14). The Transition
9 Agreement stated the two groups of pilots would “remain separate and covered by their
10 respective collective bargaining agreements until” three events occurred: 1) the airlines
11 obtained a single operating certificate; 2) the airlines created a single seniority list according
12 to ALPA Merger Policy; and 3) the “Single Agreement” was negotiated. (Doc. 213-4 at 3);
13 (Doc. 206-1 at 15).

14 After the merger, the West and East Pilots could not agree on how the two pilot
15 seniority lists should be integrated and, pursuant to ALPA Merger Policy, the issue
16 proceeded to arbitration. The arbitration decision, referred to as the Nicolau Award, was
17 issued on May 1, 2007. The Nicolau Award created an integrated seniority list that placed
18 approximately 500 of the most senior East Pilots at the top of the list but placed at the bottom
19 all of the East Pilots who were on furlough at the time of the merger. It then blended the
20 remaining pilots. To say the East Pilots were not pleased is an understatement.

21 Hoping to prevent the Nicolau Award from ever going into effect, a group of East
22 Pilots formed a new labor organization known as the US Airline Pilots Association
23 (“USAPA”). USAPA’s core goal was ensuring the integrated pilot seniority list determine
24 seniority based on date-of-hire. USAPA eventually won a representation election and
25 became the certified bargaining representative for all pilots at the merged airline. USAPA
26 then began negotiating a collective bargaining agreement with US Airways. During those
27 negotiations, USAPA proposed a seniority list based on date-of-hire but no collective
28 bargaining agreement was ever finalized.

1 In 2008, a group of West Pilots sued USAPA claiming USAPA breached its duty of
2 fair representation by refusing to insist on the Nicolau Award during negotiations with US
3 Airways. The case was certified as a class action and proceeded to trial. The West Pilots
4 won. On appeal, however, the Ninth Circuit concluded the case was not ripe and directed
5 the district court to dismiss the case.

6 Shortly after that dismissal, US Airways filed a declaratory judgment action against
7 the West Pilots and USAPA. That case also proceeded to summary judgment where this
8 Court made two rulings relevant to the present suit. First, the Court ruled USAPA was
9 “bound by the Transition Agreement” but the Transition Agreement could “be modified at
10 any time by written agreement of [USAPA] and [US Airways].” (CV-10-1570-PHX-ROS,
11 Doc. 193 at 6-7). Second, the Court held:

12 [I]f USAPA wishes to abandon the Nicolau Award and accept the
13 consequences of this course of action, it is free to do so. By discarding
14 the result of a valid arbitration and negotiating for a different seniority
15 regime, USAPA is running the risk that it will be sued by the
16 disadvantaged pilots when the new collective bargaining agreement is
17 finalized. An impartial arbitrator’s decision regarding an appropriate
18 method of seniority integration is powerful evidence of a fair result.
19 Discarding the Nicolau Award places USAPA on dangerous ground.

20 (*Id.* at 7).

21 The West pilots and USAPA drew very different conclusions from these two rulings. The
22 West Pilots concluded the Nicolau Award was still a possibility while USAPA concluded it
23 was free to ignore the Nicolau Award. Based on these conflicting interpretations, the parties’
24 disagreement continued to fester.

25 **B. US Airways and American Discuss and Complete Merger**

26 Before the Court issued its ruling in the second litigation, US Airways and AMR
27 Corp. (the parent company for American Airlines) had begun discussing the possibility of
28 merging. In early 2012, US Airways had begun “negotiating labor contract terms with the
Allied Pilots Association (‘APA’), the union for American Airlines pilots, that would go into
effect if and when there was a merger.” (Doc. 206-1 at 20). US Airways subsequently
agreed to include USAPA in those negotiations. Eventually, the negotiating entities agreed

1 to a proposed agreement. (*Id.* at 21). The agreement was sent to USAPA’s Board of Pilot
2 Representatives for consideration. That board identified “deficiencies” and directed USAPA
3 “to negotiate further to address those deficiencies.” (*Id.* at 21).

4 Negotiations continued through January 2013. During the additional negotiations,
5 USAPA made changes to a provision regarding seniority rights. The original agreement had
6 contained a provision stating “This [agreement] is not intended to nor shall it constitute the
7 ‘Single Agreement’ referred to in Paragraph VI.A. of the September 23, 2005 Transition
8 Agreement.” (Doc. 206-1 at 22). While there is no definitive evidence why this provision
9 was included, USAPA likely believed this provision was necessary because completion of
10 a “Single Agreement” would have triggered obligations under the Transition Agreement,
11 including implementation of the Nicolau Award. During the additional negotiations, USAPA
12 replaced that provision with one directly addressing post-merger seniority. (*Id.*). The new
13 provision, found at Paragraph 10(h) in the revised agreement, stated:

14 US Airways agrees that neither this Memorandum nor the [Joint
15 Collective Bargaining Agreement] shall provide a basis for changing
16 the seniority lists currently in effect at US Airways other than through
the process set forth in this Paragraph 10.

17 Pat Szymanski, counsel for USAPA, was the driving force behind the original provision as
18 well as Paragraph 10(h). (Transcript at 86-88). Mr. Szymanski did not sit for a deposition
19 nor did he testify at trial. But inappropriately during the trial, from the well of the courtroom,
20 Mr. Szymanski tried to offer testimony about why USAPA proposed these provisions. The
21 Court refused to allow Mr. Szymanski to offer unsworn statements about his motivations and
22 invited him to take the stand, testify under oath, and be subject to cross-examination. He
23 declined.² The evidence establishes, however, that Mr. Szymanski was motivated in large

24
25 ² Mr. Szymanski’s actions on this point have been troubling. Pursuant to Arizona
26 Rule of Professional Conduct 3.7, incorporated here by Local Rule 83.2(e), “[a] lawyer shall
27 not act as advocate at a trial in which the lawyer is likely to be a necessary witness unless . . .
28 the testimony relates to an uncontested issue . . . the testimony relates to the nature and value
of legal services . . . or . . . disqualification of the lawyer would work substantial hardship on
the client.” It does not appear that any of these exceptions apply and, given his central role

1 part simply by a desire to ensure the Nicolau Award never take effect.

2 At the conclusion of the additional negotiations, US Airways, American Airlines,
3 USAPA, and APA entered into a “Memorandum of Understanding Regarding Contingent
4 Collective Bargaining Agreement” (“MOU”). The MOU dictated the working conditions
5 that would apply to all pilots once the merger was consummated. The MOU contained the
6 revised Paragraph 10(h) outlined above. The MOU also stated “[a] seniority integration
7 process consistent with McCaskill-Bond³ shall begin as soon as possible” after the merger.⁴
8 (Doc. 213-2 at 7). Finally, the MOU required US Airways and American Airlines “remain
9 neutral” on the seniority issue during the McCaskill-Bond process.

10 Having agreed to the MOU, USAPA set out to convince its members to ratify the
11 MOU. In oral presentations to pilots, USAPA representatives, including Mr. Szymanski,
12 made very different statements depending on whom was being addressed. For example,
13 when Mr. Szymanski was speaking to East Pilots, he explained the MOU was beneficial
14 because, in effect, it confirmed the Nicolau Award was “dead.” (Transcript at 166). But
15 when talking to West Pilots, Mr. Szymanski stressed that the MOU was merely “neutral”
16 regarding seniority. (Transcript at 54, 95). In its written statements, USAPA reiterated this
17 alleged neutrality: “West pilots should not vote in favor of the MOU because they believe
18 it will revive the Nicolau Award, and the East pilots should not vote against it because they
19 are concerned it will cause the Nicolau Award to be implemented.” (Doc. 206-1 at 41). In
20 general, the West Pilots accepted USAPA’s oral and written representations that the MOU

21 _____
22 in crafting the crucial portion of the parties’ agreement, Mr. Szymanski likely should have
23 withdrawn from this case.

24 ³“McCaskill-Bond” refers to a federal statute that governs how merging airlines must
25 deal with seniority integration. It is addressed in detail in the Analysis section.

26 ⁴ It is crucial to note the terms of the MOU state that if arbitration pursuant to
27 McCaskill-Bond is needed, it will not occur until *after* a new collective bargaining
28 representative for all pilots is certified. (Doc. 206-1 at 27, ¶¶ 135, 137). In other words,
before a seniority arbitration can occur, a new certified representative will be in place for all
the pilots. US Airways shares this view of the timing issue. (Doc. 212 at 12 n.6).

1 was neutral and they voted to ratify the MOU. The East Pilots also voted to ratify the MOU,
2 meaning the MOU easily obtained enough votes for ratification.

3 After a delay due to other litigation, on December 9, 2013, “US Airways Group, Inc.,
4 the corporate parent of US Airways, became a wholly-owned subsidiary of American
5 Airlines Group, Inc.” (Doc. 292). The completion of the merger triggered the MOU,
6 meaning all the pilots from US Airways and American Airlines must soon begin a “seniority
7 integration process consistent with McCaskill-Bond.” (Doc. 213-2 at 7).

8 **C. Procedural History**

9 In March 2013, shortly after the MOU was ratified but before the merger was
10 completed, a group of West Pilots, on behalf of themselves and others similarly situated, filed
11 the present suit alleging various claims against USAPA. As stated in the amended complaint,
12 the West Pilot’s first claim is that USAPA “breached the duty of fair representation by
13 entering into the MOU because the MOU abandons a duty to treat the Nicolau Award as final
14 and binding.” (Doc. 134 at 13). Because the only seniority integration that will occur will
15 be during the McCaskill-Bond process, the exact claim is formulated as “USAPA breached
16 the duty of fair representation when it entered into the MOU because the MOU does not
17 require USAPA use the Nicolau Award in the McCaskill-Bond process.” (Doc. 122 at 4).
18 In addition to this claim, the West Pilots also seek a declaration “that they have party status
19 and the right (but not the obligation) to participate fully (with counsel of their own choice)
20 in the [McCaskill-Bond process].”⁵

21 Neither party requested a jury trial and the Court consolidated the request for a
22 preliminary injunction with the trial of the merits. (Doc. 122). Less than two weeks before
23 trial, USAPA filed a motion for summary judgment on all the claims. US Airways also filed
24 a motion for summary judgment but only on the claim regarding the West Pilots’
25 participation in the McCaskill-Bond process. Approximately one week before trial, USAPA
26

27 ⁵ The complaint also contains a claim against US Airways that was later dismissed and
28 a claim for attorneys’ fees. (Doc. 134).

1 filed a “Motion to Continue Trial Date Due to Serious Illness of Principal Witness/Party
2 Designee [Gary Hummel].” That motion was denied and trial commenced on October 22,
3 2013. At the conclusion of the West Pilots’ case, USAPA made an oral motion for directed
4 verdict. The motion was taken under advisement and the trial continued. After the trial, the
5 Court ordered the parties to complete the briefing on the portions of the summary judgment
6 motions presenting legal issues and to submit summaries of the evidence presented at trial.
7 All briefing is complete.

8 ANALYSIS

9 There are two central issues the Court must decide: first, whether the West Pilots have
10 established USAPA breached its duty of fair representation by entering into the MOU, and
11 second, whether the West Pilots are entitled to participate in the McCaskill-Bond process.
12 The first issue turns on questions of fact but the second is largely a matter of statutory
13 interpretation. Before reaching either of these issues, however, the Court must first address
14 USAPA’s request to include in the record the declaration of Gary Hummel.

15 **A. The Court Will Not Consider the Declaration of Gary Hummel**

16 Gary Hummel is the President of USAPA and its Chief Executive Officer. Mr.
17 Hummel was scheduled to testify at the trial but had heart surgery shortly before trial and
18 was unable to attend. USAPA sought to delay the trial until Mr. Hummel could attend but
19 that request was denied. One week after the trial ended, USAPA submitted a lengthy
20 declaration from Mr. Hummel. That declaration allegedly recounts all the facts Mr. Hummel
21 would have testified to if he had been able to attend the trial. The West Pilots object to the
22 Court considering Mr. Hummel’s declaration. (Doc. 257).

23 Before directly addressing Mr. Hummel’s declaration, some context is important.
24 During the course of this case, USAPA employed almost every conceivable delaying tactic.
25 A brief recap of USAPA’s tactics includes a motion to transfer venue and suspend deadlines
26 (later withdrawn); a motion to dismiss for failure to state a claim and lack of jurisdiction
27 (denied); opposition to the West Pilots’ motion to accelerate trial on the merits (West Pilot’s
28 motion granted); opposition to class certification (class certified); a renewed motion to

1 dismiss based on ripeness (denied); and a petition for mandamus to the Ninth Circuit seeking
2 dismissal of the case (denied). As evidenced by the record, keeping the case on track for the
3 expedited trial required substantial effort by both the West Pilots and the Court. In light of
4 its past actions, USAPA's last-minute request to continue the trial was viewed with some
5 skepticism.

6 USAPA filed its motion to continue the trial on October 15. (Doc. 221). Two days
7 later, the Court held a hearing on that request. (Doc. 231). At that hearing, the Court heard
8 from the parties and Mr. Hummel's physician. The physician indicated Mr. Hummel could
9 participate in the trial by phone. In light of that, as well as USAPA's general failure to
10 establish how Mr. Hummel's physical presence was truly critical to its case, the Court denied
11 the request to continue the trial.

12 USAPA later claimed the Court had misunderstood Mr. Hummel's physician and Mr.
13 Hummel simply could not participate at all in the trial. Indeed, Mr. Hummel did not testify
14 during trial. During the trial, USAPA maintained that Mr. Hummel was crucial to its defense
15 and that it was being prejudiced by not having Mr. Hummel present. In an attempt to broker
16 a compromise, at the end of the trial the Court ordered USAPA to proffer to the West Pilots
17 the testimony Mr. Hummel would have provided. If the West Pilots reviewed that testimony
18 and concluded there was no need for cross-examination, the Court would then consider a
19 declaration from Mr. Hummel. Unfortunately, the declaration proffered by USAPA is very
20 different from what the Court anticipated.

21 Mr. Hummel's proposed declaration, filed one week after the trial, shows Mr.
22 Hummel was able to review the entirety of the trial transcript and craft a declaration
23 addressing many perceived shortcomings in USAPA's evidence.⁶ Even assuming USAPA's
24

25 ⁶ In seeking to continue the trial, USAPA's counsel stated Mr. Hummel would not be
26 well enough to meaningfully participate until six weeks after the trial's scheduled date.
27 USAPA has not explained whether that representation was inaccurate at the time or if Mr.
28 Hummel simply made a remarkable recovery. But in light of USAPA's past practices, it is
hard not to think Mr. Hummel's illness was exaggerated as an attempt to further delay the
trial.

1 counsel was acting in good faith in seeking the continuance, the extent of information Mr.
2 Hummel addresses in his proposed declaration means substantial cross-examination would
3 be needed. Therefore, consideration of the declaration would be inappropriate. The hearsay
4 declaration will not be considered nor will any evidence that relies on that declaration. *See*
5 *Fed. R. Evid. 802.*

6 **B. Breach of Duty of Fair Representation**

7 Having resolved the outstanding evidentiary issue, the Court now turns to whether the
8 evidence establishes USAPA breached its duty of fair representation (“DFR”) when it
9 entered into the MOU. The MOU does not contain a provision adopting a particular seniority
10 regime. Thus, while the West Pilots’ DFR claim is ripe, it is an exceptionally difficult claim
11 to prove because no “new” seniority regime has been adopted. That is, the Court cannot
12 compare the Nicolau Award to a new and different seniority list. Instead, the Court must
13 compare the Nicolau Award to the facially neutral seniority provision in the MOU. Despite
14 the difficulty in making this comparison, USAPA’s actions are sufficiently disturbing to
15 make this a very close call. Viewed as a whole, however, the present record does not
16 establish the facially neutral provision was *completely* divorced from legitimate union
17 objectives. Therefore, the West Pilots have not proven their DFR claim.

18 **i. Standard for DFR Claim**

19 The duty of fair representation is meant to ensure that a union “serve[s] the interests
20 of all members without hostility or discrimination toward any . . . exercise[s] its discretion
21 with complete good faith and honesty [and] avoid[s] arbitrary conduct.” *Beck v. United Food*
22 *and Commercial Workers Union*, 506 F.3d 874, 879 (9th Cir. 2007) (quotation omitted).
23 Accordingly, to prevail on a DFR claim, a plaintiff must show the challenged action was
24 “arbitrary, discriminatory, or in bad faith.” *Id.* (quotation omitted). This is a difficult
25 standard to meet because collectively bargained agreements often require “the interests of
26 a few individuals . . . give way to the interests of the group.” *Bernard v. Air Line Pilots*
27 *Ass’n*, 873 F.2d 213, 216 (9th Cir. 1989). Thus, “[b]argaining has winners and losers,” and
28 the “losers” cannot prove a DFR claim merely by showing they were disadvantaged by the

1 ultimate result. *Rakestraw v. United Airlines, Inc.*, 981 F.2d 1524, 1530 (7th Cir. 1992).
2 Instead, the “losers” must show the ultimate result did not serve “the interests of labor as a
3 whole.” *Id.* at 1533.

4 In the particular context of seniority disputes, courts have recognized “that a union
5 may not take away the seniority of some employees for no reason other than that the losers
6 have too few votes to affect the outcome of an intra-union election, or that they opposed the
7 union’s leadership.” *Rakestraw v. United Airlines, Inc.*, 981 F.2d 1524, 1530 (7th Cir. 1992)
8 (citing *Barton Brands, Ltd. v. NLRB*, 529 F.2d 793, 798-800 (7th Cir. 1976)). In other
9 words, “a union may not juggle the seniority roster for no reason other than to advance one
10 group of employees over another.” *Id.* at 1535. Any change in seniority “must rationally
11 promote the aggregate welfare of employees in the bargaining unit.” *Id.* This low standard
12 means that so long as a Court can find *some* legitimate union purpose motivating a seniority
13 change, the union has not breached its duty of fair representation.

14 **ii. Legitimate Purpose for MOU Provision**

15 Turning to the present case, the West Pilots claim USAPA breached its duty of fair
16 representation by “abandoning the existing obligation to use the Nicolau Award.” (Doc. 267
17 at 11). For present purposes, the Court will assume such an obligation existed. Therefore,
18 the question is whether USAPA had a legitimate union purpose for that abandonment. As
19 mentioned earlier, this would be an easier inquiry if USAPA had abandoned the Nicolau
20 Award in favor of a different seniority regime. The Court could then compare the Nicolau
21 Award to the new seniority regime and evaluate USAPA’s reasons for adopting the new
22 regime. But the complicated state of affairs means that, at present, there is no new seniority
23 regime directly comparable to the Nicolau Award. And, in fact, there never will be. The
24 merger with American Airlines, combined with the terms of the MOU, means a new seniority
25 regime will exist only after the McCaskill-Bond process is complete. That new seniority
26 regime will include the thousands of pilots from American Airlines and it will be difficult to
27 compare that regime to the Nicolau Award. Thus, the only question the Court can answer
28

1 at this time is whether USAPA had a legitimate union purpose for entering into the MOU.
2 It did.

3 As conceded by a West Pilot who testified at trial, the drafting and negotiation of the
4 MOU consisted of a “give and take.” (Transcript at 114). For example, the MOU required
5 the East Pilots give up a beneficial “change in control” provision that would have granted the
6 East Pilots—and the East Pilots only—a temporary increase in compensation.⁷ (*Id.* at 54, 139).
7 On the other hand, the MOU contained significant compensation increases for both the West
8 and East Pilots. (*Id.* at 114). In light of the increased compensation provisions, there is no
9 doubt that legitimate union objectives motivated *some* aspects of the MOU.

10 Because the MOU is beneficial in many respects, the West Pilots ask the Court to
11 focus exclusively on Paragraph 10(h) and decide whether there was a legitimate union
12 purpose supporting its inclusion. (Doc. 267 at 11, “USAPA . . . must have a objectively
13 legitimate union purpose for putting ¶ 10.h into the MOU.”). It is unclear whether agreement
14 terms can, as a practical matter, be analyzed in this way. Given the nature of bargaining,
15 analyzing every provision of an agreement in complete isolation will often result in a
16 distorted picture of the overall situation. During bargaining, parties’ positions and agreement
17 provisions evolve. It may inappropriately enmesh courts in the minutiae of collective
18 bargaining if unions can be required to justify every provision without regard to the overall
19 beneficial nature of an agreement.

20 But accepting for present purposes that the West Pilots are correct and Paragraph
21 10(h) should be examined in isolation, the question is whether there was a legitimate union
22 purpose behind it. Or, in other words, does 10(h) “rationally promote the aggregate welfare”
23 of the pilots at US Airways. *Rakestraw v. United Airlines, Inc.*, 981 F.2d 1524, 1535 (7th
24 Cir. 1992). Paragraph 10(h) requires the existing seniority regimes remain in place pending
25

26 ⁷ There was some possibility the change in control provision would not be triggered
27 by the merger with American Airlines. (Transcript at 202). Thus, one witness discounted
28 the value of the provision by 40 percent. (*Id.*). But even with that discount, the provision
undoubtedly had *some* value.

1 a final integration of all pilots. A rational person could conclude that making the MOU
2 explicitly neutral served the legitimate union purpose of securing the additional
3 compensation contained in the MOU while putting off to another day the question of the
4 appropriate seniority regime.⁸ The fact that USAPA might have, in truth, been motivated by
5 a desire to weaken the chances of eventual adoption of the Nicolau Award is not enough.⁹
6 *See id.* (“[A] ‘bad’ motive does not spoil a collective bargaining agreement that rationally
7 serves the interests of workers as a whole”). The presence of a rational reason for
8 Paragraph 10(h) means the West Pilots have not established their DFR claim.

9 **iii. USAPA’s Ratification Argument is Wrong**

10 In reaching its conclusion on the DFR claim, the Court must stress it is not adopting
11 an argument USAPA has repeatedly proffered. According to USAPA, it has always been
12 free to ignore the Nicolau Award because its members will refuse to ratify anything other
13 than a strict date-of-hire system. (The East Pilots outnumber the West Pilots and the East
14 Pilots allegedly will refuse to ratify any agreement deemed advantageous to the West Pilots.)
15 In effect, this is an argument that USAPA is free to treat the West Pilots poorly because that
16 is what the majority of its members wish it to do. That is not the law. USAPA owes duties
17 to *all* of its members. It cannot justify its actions by claiming it is merely acting as the
18 conduit for enacting the East Pilots’ self-serving wishes. USAPA has never been free—and
19 never will be free—to extract the maximum benefits for the East Pilots, regardless of the cost
20 to the West Pilots.

21 **C. Participation in McCaskill-Bond**

22 The West Pilots seek a declaration that they are entitled to participate in the upcoming
23

24 ⁸ The West Pilots claim there is no evidence of a link between Paragraph 10(h) and
25 the additional compensation. Even assuming that were true, USAPA could have rationally
26 decided the neutral provision was necessary to prevent the drag-out fight that surely would
27 have accompanied any non-neutral, seniority-related provision.

28 ⁹ As discussed earlier, USAPA undoubtedly played fast-and-loose with its members
and changed its explanation of Paragraph 10(h) depending on its audience.

1 seniority integration process for all pilots at the post-merger airline. That process is governed
2 by the McCaskill-Bond Amendment to the Federal Aviation Act, 49 U.S.C. § 42112 note
3 (“McCaskill-Bond”). Under that statute, the West Pilots are not entitled to participate.

4 **i. Background of Civil Aeronautics Board**

5 McCaskill-Bond utilizes numerous specialized definitions, contains various
6 exceptions, and incorporates rules from the long-defunct Civil Aeronautics Board (“CAB”).
7 Fortunately, everyone agrees the statute’s provisions are triggered and no exception applies.
8 Therefore, the present dispute depends entirely on the meaning of McCaskill-Bond’s
9 incorporation of CAB rules.

10 McCaskill-Bond states that, in any qualifying merger between airlines, the integration
11 of employee seniority lists is governed by “sections 3 and 13 of the labor protective
12 provisions imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger.” 49
13 U.S.C. § 42112 note. Understanding this provision requires a brief diversion into the history
14 of airline regulation.

15 “Early in the development of the aviation industry Congress came to the conclusion
16 that a system of unbridled competition . . . was not in the best public interest.” *Price v. Trans*
17 *World Airlines, Inc.*, 481 F.2d 844, 846 (9th Cir. 1973). Thus, Congress created CAB in
18 1938 to regulate the industry. *Id.* Once CAB was in place, airlines were required to obtain
19 CAB approval for any agreement “relating to rates, fares or charges, or for controlling
20 competition.” *Id.* In fulfilling its regulatory duties, CAB often “conditioned approval of
21 airline route transfers and mergers upon carrier acceptance of terms mitigating hardship to
22 employees.” *Braniff Master Exec. Council of Air Line Pilots Ass’n Int’l v. CAB*, 693 F.2d
23 220, 222 (D.C. Cir. 1982). The conditions CAB imposed on carriers came to be known as
24 “labor protective provisions” or “LPPs.”¹⁰ *Id.*

25 Over time, CAB imposed a variety of LPPs depending upon the factual circumstances

26
27 ¹⁰ According to CAB, LPPs were “first imposed . . . in *United-Western, Acquisition*
28 *Air Carrier Property*, 11 C.A.B. 701 (1950).” *United-Capital Merger Case*, 33 C.A.B. 307,
323 n.71 (1961).

1 at issue. In the specific context of seniority disputes, as early as 1951 CAB imposed an LPP
2 requiring seniority integration occur in a “fair and equitable” manner. *N. Atl. Route Transfer*
3 *Case*, 14 C.A.B. 910, 918 (1951). In subsequent years, CAB routinely imposed some version
4 of this LPP. *See, e.g., United-Capital Merger Case*, 33 C.A.B. 307, 343 (1961). CAB also
5 began imposing an LPP requiring parties proceed to arbitration if they were unable to reach
6 agreement regarding seniority integration. *See, e.g., id.* at 346-47. Eventually, the LPPs
7 requiring “fair and equitable” seniority integration and arbitration came to be sections of the
8 “standard” set of LPPs CAB imposed when approving transactions. *See Braniff*, 693 F.2d
9 at 222 n.2 (referring to “standard LPPs”); *Pan Am. World Airways, Inc. v. CAB*, 683 F.2d
10 554, 556 (D.C. Cir. 1982) (same).

11 In 1972, CAB approved the merger of Allegheny Airlines, Inc. and Mohawk Airlines,
12 Inc. *Allegheny-Mohawk*, 59 C.A.B. 19 (1972). In doing so, CAB imposed slightly modified
13 versions of its standard LPPs. *Id.* at 31. Two of the LPPs imposed in that merger are the
14 LPPs referenced by McCaskill-Bond. That is, McCaskill-Bond imposes Section 3 from the
15 Allegheny-Mohawk merger requiring seniority integration occur in a “fair and equitable
16 manner” as well as Section 13 requiring “final and binding” arbitration if no agreement can
17 be reached. After the Allegheny-Mohawk merger, CAB continued to impose substantially
18 similar LPPs up until CAB was abolished in 1984. *See, e.g., W. Air Lines, Control by AFSI*,
19 93 C.A.B. 545, 574, 595 (1982).

20 **ii. Plain Language of McCaskill-Bond**

21 With the necessary background in mind, the question is what McCaskill-Bond means
22 when it subjects airline mergers to “sections 3 and 13 of the labor protective provisions
23 imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger.” 49 U.S.C. §
24 42112 note. The starting point, as always, is the language of the statute. If the statute is
25 unambiguous, “judicial inquiry is complete.” *Connecticut Nat. Bank v. Germain*, 503 U.S.
26 249, 254 (1992) (quotation omitted). Only when “the statutory text is ambiguous” can the
27 Court “look to other interpretive tools . . . in order to determine the statute’s best meaning.”
28 *In re HP Inkjet Printer Litigation*, 716 F.3d 1173, 1180-81 (9th Cir. 2013). Those other

1 interpretive tools include legislative history, established rules of construction, or any other
2 “extrinsic materials” that “shed a reliable light on the enacting Legislature’s understanding
3 of otherwise ambiguous terms.” *Exxon Mobil Corp. v. Allapattah Services, Inc.*, 545 U.S.
4 546, 568 (2005).

5 Beginning with the statutory text, the question is whether the statute is so clear,
6 interpreted using “the ordinary, contemporary, and common meaning of the words Congress
7 used,” that there is nothing to do other than enforce the language. *United States v. Gallegos*,
8 613 F.3d 1211, 1215 (9th Cir. 2010) (quotation omitted). The statute is far from so clear.

9 Section 3 from the Allegheny-Mohawk merger states:

10 Insofar as the merger affects the seniority rights of the carriers’
11 employees, provisions shall be made for the integration of seniority lists
12 in a fair and equitable manner, including, where applicable, agreement
13 through collective bargaining between the carriers and the
representatives of the employees affected. In the event of failure to
agree, the dispute may be submitted by either party for adjustment in
accordance with section 13.

14 Using “the specific context in which [this] language is used,” *United States v. Gallegos*, 613
15 F.3d at 1214, this section imposes on carriers an obligation to ensure a “fair and equitable”
16 integration.¹¹ Section 3 contemplates carriers will often fulfill that obligation through
17 “collective bargaining between the carriers and the representatives of the employees
18 affected.” This reference to collective bargaining *seems* to contemplate that only the carrier
19 and the employee’s certified representative will be involved in determining the proper
20 method of integration because only a certified representative is capable of engaging in
21 collective bargaining. *See Whisper Soft Mills, Inc. v. NLRB*, 754 F.2d 1381, 1385 (9th Cir.

23
24 ¹¹ Standing alone, the language of Section 3 does not make clear who must make
25 “provisions” for a fair and equitable seniority integration process. But LPPs were imposed
26 on carriers to “mitigat[e] hardship to employees.” *Braniff Master Executive Council of Air*
27 *Line Pilots Ass’n International v. Civil Aeronautics Board*, 693 F.2d 220, 222 (D.C. Cir.
28 1982). Thus, the larger context shows LPPs imposed obligations on carriers. *Great N.*
Pilots, Arb. Petition, 91 C.A.B. 795, 799 (1981) (“Sections 3 and 13 impose upon the carrier
a duty to integrate seniority listings fairly and equitably and a duty to submit certain disputes
between it and its employees to arbitration.”).

1 1984) (obligation to “bargain with the chosen representatives” of employees “exacts a
2 negative duty to treat with no other”). But Section 3 does not state that such collective
3 bargaining is the exclusive method a carrier may use. Rather, collective bargaining is
4 contemplated only “where applicable.” And there is no indication when such bargaining is
5 “applicable.”¹² Therefore, Section 3 does not have a plain meaning subject to simple
6 application.

7 As for Section 13 from the Allegheny-Mohawk merger, it states:

8 In the event that any dispute or controversy . . . arises with respect to
9 the protections provided herein which cannot be settled by the parties
10 . . . it may be referred by any party to an arbitrator selected from a panel
11 of seven names furnished by the National Mediation Board for
12 consideration and determination. . . . The salary and expenses of the
13 arbitrator shall be borne equally by the carrier and (i) the organization
14 or organizations representing the employee or employees or (ii) if
15 unrepresented, the employee or employees or group or groups of
16 employees. The decision of the arbitrator shall be final and binding on
17 the parties.

18 The crucial phrases here are that “the organization or organizations representing the
19 employee or employees” will bear part of the cost of arbitration but “if unrepresented, the
20 employee or employees or group or groups of employees” must pay a portion of the cost.
21 Again, this language can be viewed as stating that when a certified bargaining representative
22 exists, only that representative will be involved in the arbitration. But Section 13 does not
23 define “organizations representing . . . employees.”

24 Based on one view, “organizations representing . . . employees” might be referring
25 only to certified bargaining representatives. This interpretation is somewhat bolstered by the
26 later reference that when employees are “unrepresented,” they can participate on their own
27 behalf. But there is no obvious reason why “organizations representing . . . employees” must
28

25 ¹² The fact that Section 3 does not *always* require collective bargaining between the
26 carrier and the employees is established by USAPA’s own actions. According to the MOU,
27 the post-merger carrier will remain “neutral” regarding seniority integration. In other words,
28 the post-merger carrier will not engage in collective bargaining with the pilots to determine
seniority. Therefore, Section 3’s reference to collective bargaining is of little help in
understanding its meaning.

1 be referring to certified bargaining representatives. The language itself does not make that
2 clear. And unlike Section 3’s explicit reference to “collective bargaining,” Section 13 simply
3 refers to “organizations” that represent employees. Thus, using a common definition, it is
4 possible “organizations representing . . . employees” refers to any group who “stands for or
5 acts on behalf” of certain employees. *Black’s Law Dictionary* 1304 (7th ed. 1999) (defining
6 “representative”). Under this latter reading, any employee who believed his interests were
7 not being adequately “represented” by an existing organization could appear in the
8 arbitration.

9 In short, neither Section 3 nor Section 13 has sufficiently clear language that the Court
10 can stop with the language alone. The Court must continue to other methods of
11 interpretation.

12 **iii. No Meaningful Legislative History**

13 The Court has been unable to locate any helpful legislative history. McCaskill-Bond
14 “was enacted in December 2007 as a last-minute amendment to an unrelated budget bill, and
15 was never considered in committee.” *Seniority Integration in Airline Mergers Under the*
16 *McCaskill-Bond Act*, Airline and Railroad Labor and Employment Law: A Comprehensive
17 Analysis, American Law Institute (October 11-13, 2012). The limited information available
18 establishes the statute “grew out of American Airlines’ acquisition of Trans World Airlines.”
19 *Comm. of Concerned Midwest Flight Attendants for Fair and Equitable Seniority Integration*
20 *v. Int’l Bhd. of Teamsters Airline Division*, 662 F.3d 954, 957 (7th Cir. 2011). And it was
21 sponsored by two senators who believed the American Airlines and Trans World Airlines
22 (“TWA”) merger had been unfair to the TWA employees. As explained in a press release
23 from one of the sponsors, the statute was meant to “ensure workers in the future don’t suffer
24 the same fate as the TWA workers.” *Seniority Integration in Airline Mergers Under the*
25 *McCaskill-Bond Act*, Airline and Railroad Labor and Employment Law: A Comprehensive
26 Analysis, American Law Institute (October 11-13, 2012) (quoting Press Release, Sen. Claire
27 McCaskill, McCaskill and Bond Work to Protect Airline Workers In Mergers (Dec. 17
28 2007)). Thus, McCaskill-Bond obviously was meant to protect workers but there is no

1 indication how Congress believed Sections 3 and 13 should be interpreted and applied to
2 vindicate that goal.

3 **iv. CAB Decisions Provide Guidance**

4 With an ambiguous text and no useful legislative history, the next step is to look to
5 any other reliable evidence that might illuminate the text's meaning. Both parties invoke the
6 rule allowing the use of "extrinsic materials" to interpret the statutory language. *Exxon*
7 *Mobil Corp. v. Allapattah Servs., Inc.*, 545 U.S. 546, 568 (2005). In particular, the parties
8 rely on decisions from CAB as providing useful guidance. That reliance is understandable,
9 although the Court has some hesitation in relying on the decisions in light of it being entirely
10 unclear whether Congress meant to adopt CAB interpretations. In general, however, there
11 is a presumption that Congress is "familiar with the background of existing law when it
12 legislates." *Abebe v. Gonzales*, 493 F.3d 1092, 1101 (9th Cir. 2007); *see also Lorillard v.*
13 *Pons*, 434 U.S. 575, 581 (1978). Thus, Congress is presumed to have been aware of how
14 Sections 3 and 13 from the Allegheny-Mohawk merger had been interpreted and those
15 interpretations provide useful, but certainly not dispositive, guidance.

16 Neither the parties nor the Court has been able to locate authority from CAB
17 providing definitive constructions of Sections 3 and 13. Instead, both parties point to CAB
18 decisions supporting their view. For example, an early CAB decision recognized that under
19 Section 3, the identity of the certified bargaining representative did not matter. *Braniff-Mid-*
20 *Continent Merger Case*, 17 C.A.B. 19, 21 (1953). In that decision, CAB ruled it was
21 "immaterial as to who [was] the certified representative, within the meaning of the Railway
22 Labor Act. For, regardless of which representative is certified, there will still remain a
23 dissident group, and [CAB was] unwilling to allow [the] protective conditions [of Section
24 3] to be used as a means for allowing one group to dominate the other." *Id.* Unfortunately,
25 later CAB decisions, especially those from the merger of Pan American World Airways and
26 National Airlines, seem to adopt the opposite view.

27 In the Pan American and National Airlines merger, a group of employees had formed
28 a group, known as the Janus Group, to advocate a specific seniority position. The members

1 of the Janus Group were also represented by a union but they believed their union was
2 unlikely to represent the Janus Group's interests. The various unions had begun negotiating
3 seniority but before that process was even complete the Janus Group asked CAB to grant it
4 "separate arbitration rights under the LPPs." *Nat'l Airlines, Arbitration*, 84 C.A.B. 408, 476
5 (1979). The Janus Group believed it should be entitled to force the matter to arbitration if
6 it concluded "its interests [had] not been adequately represented [during the seniority
7 integration negotiations] by the unions charged with its representation." CAB refused to
8 grant the Janus Group "independent arbitration rights" because doing so would "interfere
9 with the established representation format and, in effect, set up another bargaining unit." *Id.*
10 CAB did not wish to "tamper with and inevitably complicate the procedures used to negotiate
11 seniority list integration." *Id.* at 476-77. CAB did not explain why it was reaching a
12 conclusion different from that reached in *Braniff-Mid-Continent Merger Case*, 17 C.A.B. 19,
13 21 (1953).

14 Later CAB decisions, including in the National Airlines merger itself, seem to adopt
15 a softer stance, allowing a limited type of participation by entities other than certified
16 bargaining representatives. *See, e.g., Nat'l Airlines Acquisition, Arbitration*, 95 C.A.B. 584,
17 588 (1982) (recognizing the Janus Group was allowed to make statements at arbitration); *Pan*
18 *Am-TWA Route Exchange, Arbitration Award*, 85 C.A.B. 1825 (1980) (certified collective
19 bargaining representative as well as three of its members participated in seniority arbitration);
20 *S. Employees v. Republic/ALEA*, 102 C.A.B. 579 (1983) (committee of employees elected
21 by employees, not certified bargaining representative, handled seniority integration). By the
22 end of its existence, however, CAB seemed to express a preference, when the question was
23 presented, that only certified bargaining representatives participate in seniority integration
24 proceedings. *See Nat'l Airlines Acquisition, Arbitration Request*, 94 C.A.B. 433, 436 (1982)
25 (noting CAB would not interfere to allow non-certified representative to demand arbitration
26 of seniority integration).

27 **v. Meaning of McCaskill-Bond**

28 With the limited amount of guidance from CAB, and the parties offering no other

1 legal authority or materials that might help illuminate Congressional intent, the Court is left
2 to arrive at the meaning of McCaskill-Bond on its own. Section 3 requires carriers provide
3 a “fair and equitable” integration process. And Section 13 requires arbitration between “the
4 organization or organizations representing the employee or employees.” The Court is
5 persuaded this statutory text should be interpreted in harmony with those CAB decisions
6 allowing participation *only* by the employees’ certified representatives. When a certified
7 representative exists, that representative owes a duty of fair representation to all employees.
8 A “fair and equitable” integration process will involve that representative acting on behalf
9 of the represented employees. And when a certified bargaining representative exists,
10 introducing an independent group, such as the West Pilots, would “interfere with the
11 established representation format” and also “tamper with and inevitably complicate the
12 procedures used to negotiate seniority list integration.” *Nat’l Airlines, Arbitration*, 84
13 C.A.B. 408, 476 (1979). In addition, allowing the involvement of any employee or group
14 of employees with sufficiently distinct interests would be an invitation to chaos; the seniority
15 integration process cannot accommodate the participation of whoever might be affected by
16 the final result. Therefore, the process contemplated by McCaskill-Bond allows *only* the
17 certified bargaining representatives to participate in seniority integration proceedings.

18 **vi. USAPA’s Position is Unwise**

19 USAPA has succeeded here but it is a Pyrrhic victory. As contemplated by the MOU,
20 in the very near future an election will take place and a new representative will be chosen by
21 all of the post-merger pilots.¹³ It is almost certain USAPA will lose that election. Once that
22 happens, USAPA will no longer be entitled to participate in the seniority integration
23 proceedings.¹⁴ The Court has no doubt that—as is USAPA’s consistent practice—USAPA will
24

25 ¹³ Footnote 4 explains the Court’s understanding of the timing issue.

26 ¹⁴ USAPA’s own authority proves this point. As cited by USAPA, the order in
27 *National Airlines Acquisition, Arbitration Request*, 94 C.A.B. 433 (1982) establishes the new
28 representative of all the post-merger pilots will be the only proper party involved in
determining seniority.

1 change its position when it needs to do so to fit its hard and unyielding view on seniority.
2 That is, having prevailed in convincing the Court that only certified representatives should
3 participate in seniority discussions, once USAPA is no longer a certified representative, it
4 will change its position and argue entities other than certified representatives should be
5 allowed to participate. The Court’s patience with USAPA has run out. USAPA avoided
6 liability on the DFR claim by the slimmest of margins and the Court has serious doubts that
7 USAPA will fairly and adequately represent *all* of its members while it remains a certified
8 representative. But all the Court can do at this stage is implore USAPA to, in the words of
9 CAB, “make every effort to see that [the West Pilots’] are given extensive consideration, and
10 that their interests are fairly and fully represented” during seniority integration. *National*
11 *Airlines, Acquisition*, 84 C.A.B. 408, 477 (1979). And when USAPA is no longer the
12 certified representative, it must immediately stop participating in the seniority integration.¹⁵

13 **D. Request for Attorneys’ Fees**

14 The West Pilots’ amended complaint included a separate claim for attorneys’ fees.
15 That request, however, is not a substantive cause of action but instead a form of relief if the
16 West Pilots were to prevail. Because the West Pilots did not prevail, the claim will be
17 dismissed.

18 **E. Motion for Injunction**

19 US Airways filed a “Motion for Injunction Against USAPA Pursuant to the All Writs
20 Act.” (Doc. 297). Resolution of the pending DFR claim and declaratory judgment claim
21 render this motion moot.

23 ¹⁵ The parties have not explained how the process contemplated by the MOU could
24 ever take effect. The MOU contemplates the need for arbitration but also requires the post-
25 merger carrier remain neutral. Under the Court’s reading of McCaskill-Bond, there will be
26 no need for arbitration because, based on explicit language in the MOU, prior to the
27 arbitration, there will have been an election and there will be only one certified representative
28 for all pilots. Simply put, with the carrier having promised neutrality, there will not be two
parties to go to arbitration. Whether the post-merger carrier’s promise to remain neutral
regarding seniority violates the obligations imposed on it by McCaskill-Bond is an open
question and one not presented in this case.

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Accordingly,

IT IS ORDERED the Motion for Preliminary Injunction (**Doc. 13**) is **DENIED AS MOOT**.

IT IS FURTHER ORDERED the Motions for Summary Judgment (**Docs. 211, 212**) are **DENIED**.

IT IS FURTHER ORDERED the Motion for Directed Verdict (**Doc. 239**) is **DENIED**.

IT IS FURTHER ORDERED the Motion to Include Declaration of Gary Hummel (**Doc. 256**) is **DENIED**.

IT IS FURTHER ORDERED the Motion to Strike (**Doc. 257**) is **GRANTED IN PART AND DENIED IN PART**. Mr. Hummel's declaration, and the portions of subsequent filings that cite to it, are **STRICKEN** but it is not necessary to strike USAPA's motion (Doc. 256).

IT IS FURTHER ORDERED the Motion to Strike (**Doc. 283**) is **DENIED**.

IT IS FURTHER ORDERED the Motion For Injunction (**Doc. 297**) is **DENIED AS MOOT**.

IT IS FURTHER ORDERED the Clerk of Court is directed to enter judgment in favor of Defendant US Airline Pilots Association on Count I and Count IV, a judgment in favor of US Airways, Inc. on Count II, and a judgment of dismissal without prejudice on Count III.

DATED this 10th day of January, 2014.



Roslyn O. Silver
Senior United States District Judge

BEFORE THE PRELIMINARY ARBITRATION BOARD

In the Matter of the West Pilots'
Request for a Merger Committee

Between

Allied Pilots Association (APA)

and

American Airlines Pilots Seniority
Integration Committee f/k/a Allied
Pilots Association Merger Committee

and

US Airline Pilots Association (USAPA)

and

US Airline Pilots Association
Merger Committee

and

West Pilots Merger Committee

and

US Airways, Inc.

and

American Airlines, Inc.

SLI: West Pilots' Request
for Merger Committee

Before: Joshua M. Javits, Chair
Stephen Crable, Member
Shyam Das, Member

Date of Pre-Hearing Briefs: December 3, 2014
Dates of Hearing: December 15, 16 and 17, 2014
Date of Award: January 9, 2015

ISSUE:

The parties were unable to stipulate the exact issue to be considered by the Preliminary Arbitration Board and, instead, each party presented different versions of what it believed the issue should be.

APA proposes the issue as:

“Should the West Pilots’ request that APA designate a separate merger committee to represent the interests of pilots on the US Airways (West) Seniority List be granted as a valid exercise of APA’s discretion as the exclusive certified bargaining representative for all Company pilots?”

USAPA presents the following statement as the issue for consideration:

“Whether or not the Preliminary Arbitration Board should grant the Applicant’s request for a separate seniority committee in the Sections 3 and 13 process?”

The Company proposes that the issue before the Preliminary Arbitration Board is:

“Whether APA has the authority to designate a West Pilots Merger Committee and whether it should do so?”

The West Pilots present the following issue for consideration:

“Does the Allied Pilots Association (APA), as the certified exclusive

bargaining agent for all American Airlines pilots, have discretion to appoint a merger committee to represent the interests of the West Pilots in the seniority list integration process?”

BACKGROUND TO THE DISPUTE:

The background to the underlying dispute essentially stems from the merger between US Airways and America West in May 2005. At the time of the merger, US Airways had approximately 5,100 pilots (East Pilots) whereas America West had only around 1,900 pilots (West Pilots). Both pilot groups were at the time represented by ALPA.

In September 2005, US Airways, America West and ALPA entered in to a Transition Agreement that was designed to integrate operations and combine the pilots groups of the two airlines. This integration, however, was contingent on three events: (1) the post-merger airline obtaining a single FAA certificate; (2) the creation of a single seniority list; and (3) the negotiation of a single CBA which would cover both East and West Pilots.

When the US Airways and America West Merger Committees were unable to agree to an integrated seniority list, the issue was referred to “final and binding arbitration” for resolution as provided for in their Transition Agreement.

In May 2007, Arbitrator Nicolau issued an award (the “Nicolau Award”) that placed the 500 most senior East Pilots at the top of the integrated seniority list. The Nicolau Award placed the approximately 1,700 furloughed East Pilots at the bottom of the seniority list. The remaining pilots – both East and West Pilots

– were then blended on the integrated seniority list according to their relative seniority prior to the merger.

It is worth noting that the East Pilot group was unhappy with the result of the Nicolau Award, believing that the integrated seniority list was less favorable to them than it was to the West Pilot group. The East Pilots preferred the use of the “date of hire” method of integrating seniority lists and had unsuccessfully sought to have this method adopted at arbitration. After the Nicolau Award was issued, a group of East Pilots established a new union, USAPA, which was set up to block the introduction of the Nicolau Award and to promote the use of “date of hire” for integrated seniority list purposes.

Following an election between USAPA and ALPA, USAPA prevailed and was later certified by the National Mediation Board (NMB) to be the bargaining unit representative for both the East Pilot and the West Pilot groups. After replacing ALPA, USAPA rejected and blocked the implementation of the Nicolau Award and began promoting the use of the “date of hire” principle for integrating seniority lists. This resulted in a dispute between the East Pilots and the West Pilots, as the West Pilot group believed that the “date of hire” principle for integrating seniority lists was much less favorable to them than the Nicolau Award. If the “date of hire” principle were adopted as the basis for integrating seniority lists, it would have resulted in West Pilots generally being placed at a much lower position on the seniority list than was otherwise the case under the Nicolau Award. Given the nature of the dispute between the East and West Pilot groups, US Airways was unable to implement a single, integrated seniority list, or

a single collective bargaining agreement for East and West pilots. Instead, both sets of pilots – the East Pilots and the West Pilots – continued to operate under their respective pre-merger seniority lists and collective bargaining agreements.

This dispute, moreover, resulted in long-running litigation between USAPA, the West Pilots and US Airways. In September 2008, a group of West Pilots sued USAPA in the Federal District Court in Arizona alleging that USAPA had breached its duty of fair representation to them by blocking the Nicolau Award during its negotiations with US Airways for a single CBA. The court (in a jury trial) ruled in favor of the West Pilots, finding that USAPA had indeed breached its duty of fair representation to the West Pilots through its insistence on using “date of hire” for seniority list integration (Addington I, District Court decision).

This finding was ultimately appealed to the Federal Court of Appeals for the 9th Circuit, which in a 2-1 decision ruled that the West Pilots complaint was not yet ripe for consideration, as negotiations between USAPA and US Airways for a joint CBA was not yet complete (Addington I, 9th Circuit decision).

Shortly after the Addington I decision, US Airways filed a suit in the Federal District Court in Arizona against USAPA and the West Pilots’, requesting a declaratory judgment regarding its obligations with respect to the Nicolau Award (Addington II). The Company filed this petition in light of the fact that USAPA insisted that it would never accept the Nicolau Award while the West Pilots maintained that they would not accept anything other than the implementation of the Nicolau Award.

In October 2012, the District Court in Addington II ruled that the issue was still not ripe for consideration as the parties had not reached an agreement for a single CBA. The court noted that USAPA was free to abandon the Nicolau Award if it so chose, but it went on to hold that USAPA was on “dangerous ground” by seeking to discard the Nicolau Award. In particular, the court found:

“By discarding the result of a valid arbitration and negotiation for a different seniority regime, USAPA is running the risk that it will be sued by disadvantaged pilots when the new collective bargaining agreement is finalized. An impartial arbitrator’s decision regarding an appropriate method of seniority integration is powerful evidence of a fair result. Discarding the Nicolau Award places USAPA on dangerous ground.”

Against this backdrop, American Airlines, which was in bankruptcy at the time, agreed to merge with US Airways. On February 13, 2013, US Airways and American Airlines entered in to an Agreement and Plan of Merger. The merger was finalized on December 9, 2013. At the time of the merger, the approximately 10,000 pilots flying for American Airlines were represented by APA. The approximately 5,000 pilots – both East Pilots and West Pilots – flying for US Airways continued to be represented by USAPA.

In anticipation of the US Airways and American Airlines merger, the two carriers, USAPA and APA entered in to a Memorandum of Understanding Regarding Contingent Collective Bargaining (MOU). The MOU provided that the recently negotiated CBA between American Airlines and APA would become the

CBA for the pilots of both carriers (American and US Airways) in the event of the merger. This initial CBA was termed the “Master Transition Agreement” (MTA) by the parties. All signatories recognized, however, that the parties would need to negotiate a joint collective bargaining agreement (JCBA).

The MOU provides that all parties agree that APA would petition the NMB for a finding that US Airways and American constituted a “single carrier” as soon as possible after the merger. Once the NMB made a finding that the newly merged group was a “single carrier,” the “organization certified to represent the pilots of the single carrier...shall promptly engage or re-engage in negotiations to achieve a JCBA.” If the parties fail to conclude the JCBA negotiations within 30 days of the NMB certifying the new union, the parties agree to submit the open issues to arbitration.

The MOU also established the framework whereby the parties would integrate pilot seniority lists for the two carriers utilizing a process consistent with McCaskill-Bond. In the event the parties were unable to negotiate an integrated seniority list, the dispute would then be submitted to a panel of arbitrators for consideration.

In March 2013, after the US Airways-American merger had taken effect, the West Pilots filed another lawsuit in Federal District Court against USAPA (Addington III). According to the West Pilots, USAPA breached its duty of representation by entering into the MOU because it did not require the use of the Nicolau Award to determine the relative order of East and West Pilots in the McCaskill-Bond seniority integration process set out in the MOU. The West

Pilots sought an injunction requiring USAPA to use the Nicolau Award as the basis for ranking East and West Pilots in the seniority integration process.

US Airways subsequently filed a petition to intervene in Addington III, asking the court to confirm its position that “its obligation under McCaskill-Bond to provide for a ‘fair and equitable’ seniority integration entailed affording an opportunity to the West Pilots to have a ‘separate seat at the table’ under the circumstances of this case.” US Airways wished to have the West Pilots participate in the seniority integration list process in order to avoid any potential future litigation. The Company argued that participation in seniority integration negotiations was not limited to only the certified bargaining representative under McCaskill-Bond. USAPA countered that only the certified bargaining unit representative (in this case, USAPA) is permitted to take part in the McCaskill-bond process. USAPA’s position was that it and only it could represent the former pilots of US Airways, including the West Pilot grouping.

In January 2014, the District Court issued its decision in Addington III, finding in favor of USAPA. Addressing the West Pilots right to participate separately and independently in the seniority integration process, the court found that the West Pilots could not do so where their certified collective bargaining representative (USAPA) objected to their participation. The court found in relevant part:

“[W]hen a certified bargaining representative exists, introducing an independent group, such as the West Pilots, would “interfere with the established representation format” and also ‘tamper with and inevitably

complicate the procedures used to negotiate seniority list integration.’...In addition, allowing the involvement of any employee or group of employees with sufficiently distinct interests would be an invitation to chaos; the seniority integration process cannot accommodate the participation of whoever might be affected by the final result. Therefore, the process contemplated by McCaskill-Bond allows only the certified bargaining representatives to participate in the seniority integration proceedings.”

The Addington III court noted, however, the following:

“USAPA has succeeded here but it is a Pyrrhic victory. As contemplated by the MOU, in the very near future an election will take place and a new representative will be chosen by all of the post-merger pilots. It is almost certain USAPA will lose that election. Once that happens, USAPA will no longer be entitled to participate in the seniority integration proceedings. The court has no doubt that – as is USAPA’s consistent practice – USAPA will change its position when it needs to do so to fit its hard and unyielding view on seniority. That is, having prevailed in convincing the court that only certified representatives should participate in seniority discussions, once USAPA is no longer the certified representative, it will change its position and argue entities other than certified representatives should be allowed to participate. The Court’s patience with USAPA has run out. USAPA avoided liability on the DFR claim by the slimmest of margins and the court has serious doubts that USAPA will fairly and adequately

represent all of its members while it remains certified representative. But all the court can do at this stage is implore USAPA to, in the words of the CAB, 'make every effort to see that [the West Pilots] are given extensive consideration, and that their interests are fairly and fully represented' during seniority integration."

It should be noted that the parties' MOU provided that within 30 days of the merger a Seniority Integration Protocol Agreement would be agreed. This Protocol Agreement was to establish the process for conducting seniority list integration negotiations and, if necessary arbitration. Although the deadline to agree to a Protocol Agreement was mutually extended, the parties were nonetheless unable to reach an agreement.

The central issue of contention was a disagreement between USAPA and APA over the role of USAPA in the seniority integration process following its decertification by the NMB. Although APA agreed that USAPA could continue to participate in the SLI (Seniority List Integration) process even though it no longer presented any Company pilots, it and USAPA disagreed over whether or not APA could appoint other merger committees to participate in SLI negotiations.

During these negotiations, APA insisted that as the certified bargaining representative it had the authority to appoint other merger committees to take part in the SLI process. APA believed it had the discretion to appoint not only an East Pilots Merger Committee (USAPA) and an American Pilots Merger Committee, but also a separate West Pilots Merger Committee. USAPA

disputed this, insisting that the APA did not have the authority to designate a separate West Pilots Merger Committee to take part in SLI negotiations.

Because of this ongoing dispute over whether a West Pilots Merger Committee could be appointed by APA or not, the parties were unable to reach a Protocol Agreement by the February 2014 deadline.

In February 2014, USAPA filed a lawsuit in Federal District Court in the District of Columbia against US Airways, American, and APA. USAPA sought a declaratory judgment that the Company and APA were required to conduct the seniority integration process, including any arbitration hearing, pursuant to the procedures prescribed in Section 13(a) of Allegheny-Mohawk instead of those provided in the agreed MOU.

Both the Company and APA denied that Section 13(a) applied and filed counterclaims against USAPA. In its counterclaim, APA sought a declaration that it, as the certified bargaining unit representative of all Company Pilots, had the discretion to establish new merger committees to take part in the SLI process if it so chose.

While the lawsuit in the District of Columbia was pending, the parties participated in mediation in an effort to reach a Protocol Agreement. During mediation, USAPA claimed that the question to be presented to any arbitration board should be whether or not the West Pilots had an independent legal right under McCaskill-Bond to take part in the SLI process. This proposal was, however, rejected by APA and the Company, which claimed that the issue was whether or not APA, as the certified bargaining unit representative had the

discretion to appoint a separate West Pilots Merger Committee to take part in SLI negotiations.

Ultimately, the parties executed a Protocol Agreement on September 4, 2014, in which they agreed to dismiss all claims and counterclaims in the District of Columbia lawsuit. The parties agreed in Paragraph 8 of the Protocol Agreement that the issue in contention should be presented to a Preliminary Arbitration Board for consideration, as follows:

8a. Effective if and when the NMB certifies APA as the representative of the combined craft and class, the Merger Committees established by APA and USAPA shall continue in existence, solely for the purpose of concluding an integrated pilot seniority list pursuant to the MOU; provided, that all parties reserve their rights and/or positions with respect to the establishment of a separate Merger Committee to represent the interests of the pilots on the US Airways (West) seniority list referenced in paragraph 2(b) including, without limitation, APA's position that, following certification by the NMB as the single bargaining unit representative, it will have the discretion to designate such a committee, and USAPA's position that APA will have no such legal authority...

8b. APA has received requests from pilots on the US Airways (West) seniority list referred to in paragraph 2(b) and/or their representatives that, following certification of the APA by the NMB, a Merger Committee be

designated to represent the interests of such pilots for purposes of this seniority Integration Protocol. Upon such certification by the NMB, those requests will be referred to a "Preliminary Arbitration Board." The parties to such Preliminary Arbitration will be American, APA, USAPA, the existing Merger Committees, and any committee of pilots on the US Airways (West) seniority list making such requests to APA or the Preliminary Arbitration Board not later than 14 days after certification of APA by the NMB... The Preliminary Arbitration Board shall issue an order granting or denying any such requests that APA designate the requested Committee...The order shall be final and binding on APA and USAPA, American and US Airways or their successors, and all of the pilots of American and US Airways."

On September 20, 2014, the West Pilots sent a request to APA asking APA to appoint a West Pilots Merger Committee to participate in the SLI process.

The matter now comes before the undersigned Preliminary Arbitration Board to consider whether or not a West Pilots Merger Committee should be permitted to take part in the SLI process. As noted earlier in this decision , though, the parties were unable to agree to the exact "issue" in the instant case.

POSITIONS OF THE PARTIES:

The Company's Position:

The **Company** asserts that APA has the authority to appoint a West Pilots Merger Committee in the instant case. As APA is certified by the National Mediation Board (NMB) as the exclusive collective bargaining representative of all Company pilots, it has the inherent authority to appoint merger committees that represent the interests of all pilots in the seniority integration process.

The Company notes that APA has already exercised that authority by allowing the USAPA Merger Committee to participate in the seniority integration process - even though USAPA's representation certificate was revoked by the NMB. According to the Company, APA has the same authority to appoint a separate West Pilots Merger Committee to participate in the seniority integration process.

The Company notes that APA has a duty of fair representation to all of its pilot members. The principles of "fairness and equity" that are embodied in Section 3 of the Allegheny Mohawk Labor Protective Provisions and incorporated into the McCaskill-Bond Amendment to the Federal Aviation Act suggest that APA should be permitted to appoint a West Pilots Merger Committee, the Company contends. Allowing a West Pilots Merger Committee to participate in the seniority integration process will ensure that the distinct minority interests of the West Pilots will be properly represented, the Company maintains.

Recent industry practice involving the integration of multiple different seniority lists has been to designate separate merger committees for each of the

seniority lists to be integrated, the Company notes. According to the Company, this trend suggests that APA should designate separate merger committees for each of the seniority lists to be integrated.

The Company insists that the appointment of a West Pilots Merger Committee would allow competing opinions to be heard during the seniority integration arbitration. APA, as the sole bargaining representative for all Company pilots, can and should designate a separate merger committee to represent the distinct minority interests of West Pilots, the Company asserts. Doing so would ensure the pilots on each of the three (3) separate seniority lists are fully and fairly represented throughout the integration process, the Company maintains. Adopting this approach would also expedite achieving an integrated seniority list and avoid further litigation between the respective parties.

APA's Position:

APA notes that as the exclusive bargaining representative it has the discretion to act on behalf of all Company pilots in the upcoming seniority integration list negotiations. This discretion is limited only by APA's duty of fair representation under McCaskill-Bond. According to APA, it has the discretion to designate a separate West Pilot Merger Committees to participate in SLI negotiations so long as this designation is consistent with the duty of fair representation.

APA insists that its decision to designate a West Committee was fully consistent with its duty of fair representation and, therefore, within APA's

discretion as the certified bargaining unit representative. To ensure a SLI process that does not favor one group of pilots over another, APA wishes that all distinct pilot seniority list groups (American Pilots, East Pilots and West Pilots) be heard at the seniority integration negotiations. This means that a separate West Pilot Merger Committee should be designated to represent the interests of West Pilots, APA argues. Not only is APA's designation of a West Pilot Merger Committee reasonable and non-discriminatory, but it also meets APA's requirement to ensure a fair process for all pilot groups. According to APA, designating a West Pilot Merger Committee is fully within its discretion as the pilots' exclusive bargaining representative.

APA denies that the designation of a West Pilot Merger Committee is unreasonable or somehow arbitrary. It notes that all Company Pilots – East Pilots, West Pilots, and legacy American Pilots – are on separate seniority lists and, thus, have disparate interests regarding the integration of those lists. Appointing a West Pilot Merger Committee will ensure that the interests of all pilots will be properly represented during the SLI negotiations, APA contends.

APA further notes the years of litigation between East and West Pilots and the disruptive effect that ongoing dispute had on Company operations. According to APA, it is entirely reasonable to include West Pilots in any seniority integration process to avoid any additional litigation caused by their exclusion from the SLI process. If APA permitted the USAPA Merger Committee to be the sole representative of the US Airways pilots (i.e. both East and West Pilot groups), West Pilots would inevitably claim that APA breached its duty of fair

representation to those in the West Pilot group. According to APA, West Pilots would highlight the fact that USAPA no longer owes West Pilots a duty of fair representation during any SLI negotiations and arbitration. Given that USAPA's constitution requires it to advocate seniority based on "date of hire" – a position that West Pilots vigorously oppose - APA would be accused of abdicating its fiduciary duty to West Pilots. To avoid potential future litigation, APA wishes to designate a West Merger Committee to participate alongside the USAPA Merger Committee in the SLI process.

APA notes that its duty of fair representation makes it responsible for fully representing the interests of both East Pilots and West Pilots and forbids it from arbitrary or discriminatory treatment of either group. If West Pilots were not involved in the SLI process, APA would be vulnerable to a DFR suit alleging that it favored the larger, more powerful East Pilot group over the minority West Pilot group. According to APA, it must have the discretion to designate separate Merger Committees for both East and West Pilot groups. Doing so would not only ensure a fair process for determining seniority, but it would also inoculate the APA against any claims of discriminating against one group in favor of the other.

APA denies that designating a West Merger Committee in any way prejudices or discriminates against East Pilots. Having a West Merger Committee participate in SLI negotiations would merely afford West Pilots the same status granted to the East Pilots and the legacy American Pilots, APA asserts. According to APA, designating a West Merger Committee cannot be

deemed to violate its DFR obligation by discriminating against any pilot group. To the contrary, designating a West Merger Committee is a good faith effort by APA to ensure the aggregate welfare of all bargaining unit members.

APA insists that it has the discretion to designate separate Merger Committees to represent disparate seniority interests in the upcoming SLI process. According to APA, its exercise of this discretion is consistent with APA's duty of fair representation; it is also consistent with the McCaskill-Bond requirement that the SLI process be "fair and equitable." Designating a West Merger Committee is fair and equitable given the contentious and litigious history between East and West Pilots, APA contends. Since USAPA no longer owes a duty to West Pilots, it is necessary for West Pilots to have their own representatives participate in the SLI process, APA argues. For that reason, APA concludes that its designation of a separate West Pilots Merger Committee is essential to ensure a fair and equitable SLI process.

The West Pilots' Position:

The **West Pilots** insist that APA, as the statutorily certified representative of all American Airlines pilots, has the discretion to appoint a West Merger Committee to participate in the seniority integration process. According to the West Pilots, APA owes a duty of fair representation to all Company pilot employees even where those employees may have competing interests. Nonetheless, APA has broad authority to determine how best to meet the diverse interests of these competing groups.

The West Pilots contend that APA has the discretion to decide the best way to represent its members during the seniority list integration process. So long as APA's discretion is not arbitrary, discriminatory or exercised in bad faith, APA must be permitted to act in what it perceives to be its members' best interests. According to the West Pilots, the Preliminary Board of Arbitration should be highly deferential when considering whether APA's discretion has been properly exercised.

The West Pilots argue that APA and the Company are charged with creating a "fair and equitable process" for determining seniority integration following an airline merger. As the sole representative of all Company pilot employees, APA must ensure that the seniority integration process it employs is not biased in favor of one group of employees over another.

According to the West Pilots, APA's discretion to appoint Merger Committees to represent the seniority interests of Company pilots is constrained only by its duty of fair representation to all those employees. It is clearly within APA's discretion to appoint Merger Committees to advance the respective interests of disparate pilots groups within the Company.

The West Pilots insist there is no breach of APA's duty of fair representation in its appointing a West Pilots Merger Committee in this case. By ensuring that a minority pilot group (West Pilots) is a full participant in the seniority integration process, APA is fully meeting its duty of fair representation to all employees, the West Pilots maintain. For these reasons, the West Pilots insist that APA has the sole discretion to appoint a West Pilots Merger

Committee to participate in the seniority integration process.

The West Pilots note that USAPA no longer possesses any statutory authority to represent Company pilots in any forum. Following the NMB's certification of APA as the exclusive bargaining representative for all American Airline pilots, USAPA no longer owes the West Pilots a duty of fair representation under the law. As a participant in seniority integration negotiations, USAPA cannot be expected to properly represent the interests of West Pilots.

According to the West Pilots, it is more likely that USAPA, free from its statutory duty of fair representation to West Pilots, will advance its own agenda and pursue a seniority list based on "date of hire." This "date of hire" principle is precisely the opposite of what the West Pilot group believes should be used as the basis for pilot seniority. Given the litigious past between the West Pilot group and the East Pilot group, APA has properly concluded that both groups should participate in the seniority list integration negotiations.

According to the West Pilots, APA has acted in the interests of all its members and created a "fair and equitable" seniority integration process by having both East and West Merger Committees participate in the SLI process. APA's decision in this regard is clearly within its discretion as the exclusive bargaining representative of all Company employees, the West Pilots insist. There is no legal bar that would prevent APA from appointing a West Pilots Merger Committee from participating in the seniority integration process.

The West Pilots deny that the issue before the Board is whether or not West Pilots have an independent legal right to participate in the SLI proceedings.

Any attempt to reframe the issue in this manner should be dismissed by the Board, the West Pilots insist. Whether the West Pilots have a separate and independent legal right to engage in SLI negotiations and arbitration is irrelevant, as APA has already decided as a matter of its discretion to appoint a West Merger Committee.

According to the West Pilots, USAPA is merely attempting to confuse the issue before the Board by recrafting the issue to be decided. The only issue to be resolved, the West Pilots maintain, is whether APA has properly exercised its discretion to appoint a West Merger Committee to ensure that the interests of West Pilots are fully represented in the SLI process. As a minority group, the West Pilots should be afforded full party status in the SLI proceedings to avoid being dominated by USAPA. For that reason, the West Pilots conclude that APA has the discretion to appoint a West Committee to participate in the seniority integration process.

USAPA's Position:

USAPA insists that the issue before the Board is whether or not the West Pilots' have an independent legal right to have a separate Merger Committee for SLI negotiations. It denies that the issue is whether APA has the authority under McCaskill-Bond to designate a separate Merger committee for West Pilots. This issue, as proposed by the West Pilots, is incorrect, USAPA asserts. Section 8(b) of the Protocol Agreement clearly states that the Board is to decide whether to grant or deny the West Pilots' request for a separate Merger Committee. For that

reason, USAPA maintains that the issue to be determined by the Board centers on the legal right of West Pilots to participate in SLI proceedings.

USAPA argues that the Board is bound by and must give preclusive effect to the prior court judgment in *Addington III*. In its decision in that case, the Federal District Court for Arizona dismissed the West Pilots request for separate party status in seniority integration negotiations. According to USAPA, the doctrines of *res judicata* and collateral estoppel prevent the West Pilots from re-litigating a claim that has already been decided.

USAPA asserts that those Unions which were the certified bargaining agents prior to a merger are the only entities that have the right to participate in the SLI process. It insists that USAPA - as the pre-merger representative that represented all US Airways pilots - is by McCaskill-Bond's terms automatically part of the SLI process.

According to USAPA, it has the full authority to represent all former US Airways pilots in SLI proceedings. Only it has the discretion to allow a West Pilots' Merger Committee to participate in the SLI process, USAPA contends. USAPA argues that its pre-merger representation status gives it exclusive authority to represent all US Airways pilots (including West pilots) in the SLI process. Since USAPA held that position for all of the US Airways pilots (including the West Pilots) before the merger, it therefore has the statutory right to participate in this SLI process entirely independent of the wishes of APA.

USAPA contends that APA is precluded from asserting control over the McCaskill-Bond process. In its counterclaim against USAPA in the action before

the District Court for the District of Columbia, APA asserted that upon its certification as the designated post-merger representative for bargaining unit members that it would assume control over the McCaskill-Bond process and USAPA could only participate with the permission of APA. However, both APA and USAPA filed a stipulation agreeing to the dismissal of all claims with prejudice and the District Court entered an order to that effect. According to USAPA, the District Court's dismissal with prejudice of APA's claim under McCaskill-Bond precludes it from litigating that same claim in any other forum.

USAPA contends that the West Pilots' request for a separate Merger Committee also should be denied because their participation in the SLI process is not necessary for the "fair and equitable" integration of seniority lists (Section 3 of Allegheny-Mohawk). According to USAPA, West Pilots have no unique interests that require their independent participation in SLI proceedings. Rather, their participation would merely perpetuate an internal seniority dispute between the East Pilots and West Pilots. West Pilots should not have a right to participate as a separate party in the SLI process just because they have differing seniority proposals to those of the USAPA Merger Committee. Allowing West Pilots to have a separate Merger Committee would divide the pre-merger US Airways pilot group and would pit the interests of the East and West Pilots against one another.

According to USAPA, it is inevitable that various pilot segments will have differing interests relative to others within their group (e.g. junior employees v. senior employees). However, without identifying a unique, equitable interest that

justifies their participation, West Pilots' request for a separate Merger Committee should be dismissed. The only reason West Pilots want separate party status is so that they can continue their effort to impose the Nicolau Award in the SLI process, USAPA asserts. According to USAPA, the West Pilots have obstinately refused to consider any alternative to the Nicolau Award. Allowing West Pilots separate status to participate in SLI negotiations would allow them to advance the Nicolau Award and allow them to elevate their seniority position relative to East Pilots

USAPA rejects the contention that it is somehow hostile to the interests of the West Pilot group. There is no evidence that the USAPA Merger Committee is incapable of representing the seniority interests of all US Airways Pilots – both East Pilots and West Pilots - in the SLI process. To the contrary, West Pilots' unyielding intent to impose the Nicolau Award is an attempt by it to obtain more seniority for West Pilots at the expense of other pilots.

DECISION AND ORDER:

Determination of the Issue

The Company, APA and the West Pilots all argue that the issue of whether or not APA, as the certified bargaining unit representative for all Company Pilots, has the authority to appoint a West Pilots Merger Committee to participate in the seniority list integration (SLI) process is properly before the Preliminary Arbitration Board. USAPA, in contrast, believes that the issue is whether or not the West Pilots have a separate and independent legal right to

participate in the SLI process, such that the Board should grant their request to do so.

The Company, APA and the West Pilots base their argument -- as does USAPA -- on the language found in the parties' Protocol Agreement. This Protocol Agreement was based on an earlier MOU, which set forth the process for the merger of the American Airlines and US Airways pilot groups. Section 10(f) of the MOU states that the parties will negotiate a "Protocol Agreement" that will set forth the process for seniority list integration (SLI) in accordance with McCaskill-Bond.

The relevant provisions of the Protocol Agreement, which was reached in mediation, are Paragraph 8(a) and 8(b), which provide the following:

8a. Effective if and when the NMB certifies APA as the representative of the combined craft and class, the Merger Committees established by APA and USAPA shall continue in existence, solely for the purpose of concluding an integrated pilot seniority list pursuant to the MOU; provided, that all parties reserve their rights and/or positions with respect to the establishment of a separate Merger Committee to represent the interests of the pilots on the US Airways (West) seniority list referenced in paragraph 2(b) including, without limitation, APA's position that, following certification by the NMB as the single bargaining unit representative, it will

have the discretion to designate such a committee, and USAPA's position that APA will have no such legal authority...

8b. APA has received requests from pilots on the US Airways (West) seniority list referred to in paragraph 2(b) and/or their representatives that, following certification of the APA by the NMB, a Merger Committee be designated to represent the interests of such pilots for purposes of this seniority Integration Protocol. Upon such certification by the NMB, those requests will be referred to a "Preliminary Arbitration Board." The parties to such Preliminary Arbitration will be American, APA, USAPA, the existing Merger Committees, and any committee of pilots on the US Airways (West) seniority list making such requests to APA or the Preliminary Arbitration Board not later than 14 days after certification of APA by the NMB... The Preliminary Arbitration Board shall issue an order granting or denying any such requests that APA designate the requested Committee...The order shall be final and binding on APA and USAPA, American and US Airways or their successors, and all of the pilots of American and US Airways."

(Emphasis added).

Paragraph 8(a) essentially sets forth the differences between the parties and specifically provides that the parties agree to "reserve" their respective positions. APA's position is that, following its certification by the NMB as the exclusive bargaining unit representative, it has the inherent discretion to

designate merger committees, including a West Pilot Merger Committee, if it so wishes. USAPA reserves its position that APA has no such legal authority to appoint separate merger committees to represent the interests of the former US Airways pilots.

Paragraph 8(b) of the Protocol Agreement then goes on to establish a Preliminary Arbitration Board to determine whether a request by the West Pilots group to be designated to represent West Pilots in the SLI process should be granted. Paragraph 8(b) sets up the process for the selection of the Preliminary Arbitration Board and details the time frame for a decision by the Board.

USAPA maintains that the language in Paragraph 8(b) of the Protocol Agreement that....”the Preliminary Arbitration Board shall issue an order granting or denying any such requests that APA designate the West Committee” requires that the Board must decide the question of the West Pilots participation in the SLI process without any regard to APA’s discretion to appoint a separate merger committee.

The Board believes that the use of the term “designate” in Paragraph 8(b) of the Protocol Agreement is key to determining the appropriate issue in this case. By using an active verb like “designate,” the parties clearly anticipated that someone or something would be responsible for doing the “designating.”

Paragraph 8(b) makes clear that while the Board has the authority to grant or deny the West Pilots Merger Committee’s request, the designation is to be made by APA. As set forth in Paragraph 8(a) the parties could not agree on whether

APA has discretion to make such a designation. That is an issue left to this Board to resolve.

The bargaining history of the Protocol Agreement also strongly supports the conclusion that the issue of whether or not APA has the discretion to "designate" a West Pilots Merger Committee to participate in the SLI negotiations is properly before this Board.

The negotiations for the Protocol Agreement involved the Company (American Airlines), APA and USAPA. Under Section 8(a) of the Protocol Agreement, USAPA was granted the right to participate in the SLI process even though it was no longer the certified bargaining unit representative for former US Airways pilots. At the time, APA was going to be certified by the NMB as the sole and exclusive bargaining unit representative and, given this certification, it alone had the right to appoint any merger committees it wanted given that it controlled the SLI process.

This right, of course, was subject to APA's McCaskill-Bond and duty of fair representation obligations to Company employees. Nonetheless, APA was essentially agreeing in Section 8(a) of the Protocol Agreement that USAPA as an entity would stay in existence to participate in the SLI process – even if USAPA had no independent legal right to continue to be a participant in the SLI process. APA also agreed that it would stay out of the SLI process, and instead choose an American Airlines Pilots Seniority Integration Committee (PSIC) to represent all American Airlines pilots in the SLI process.

The dispute identified by the parties in Paragraph 8(a) of the Protocol Agreement was whether APA had the right to appoint a West Pilots Merger Committee, since at the time a West Pilots group had made a request to APA to participate in the SLI negotiations. Rather than simply appointing a West Pilots Merger Committee, APA – as is its right as the certified representative of all American Airline pilots – agreed to delegate its authority to the Preliminary Arbitration Board to decide if it could and should appoint a West Pilots Merger Committee.

The Board notes that USAPA suggested in its August 6, 2014, proposal that the issue to be put before the Board should be what is the legal status of West Pilots to participate in the seniority list integration process? This proposal, however, was rejected by both the Company and by APA on August 7, 2014. In the subsequent Protocol Agreement, the language proposed by USAPA was not included. Rather, as noted above, the issue as outlined in Paragraph 8(a) of the Protocol Agreement focuses on APA's authority to designate a West Pilots Merger Committee in the SLI process.

In Paragraph 8(b) of the Protocol Agreement, the parties further agreed that this Board would issue an order granting or denying the West Pilots Merger Committee's request that APA designate it to represent the interests of the West Pilots seniority list group in the SLI process. The Preliminary Arbitration Board was given the authority to essentially stand in APA's place and determine whether or not the West Pilot group should be represented at the SLI bargaining table by its own Merger Committee.

After carefully considering the arguments of the parties, the Board finds that the proper issue before it, therefore, is as follows: “Whether the APA has the discretion to designate a West Pilots Merger Committee to participate in the seniority Integration List (SLI) process and, if so, whether it should do so?”

Determination of the Merits

Based on the entire record and arguments of the parties, the Board finds that APA has the discretion to designate a West Pilots Merger Committee to participate in the seniority Integration List (SLI) process, and that it should do so.

Of course, USAPA wishes the issue to center on the West Pilots “right” to be part of the SLI process because it believes that the West Pilots do not have such an independent right. This is exactly what the court said in *Addington III*; that only the certified and exclusive bargaining representative has the right to appoint Merger Committees to participate in the SLI process.

Based on the court’s decision in *Addington III*, one could argue that the West Pilots do not have an independent right to take part in the SLI process. The Preliminary Arbitration Board takes no position with respect to this particular matter, as it is currently being appealed to the 9th Circuit Court of Appeals.

What is clear from *Addington III*, however, is that the certified representative of all bargaining unit employees is vested with the authority to control the SLI process and to designate the participants in the SLI process.

At the time of the *Addington III* decision, USAPA was the designated

representative of all Company (US Airways) bargaining unit members, it should be noted. In this role, USAPA did not wish to appoint a West Pilots Merger Committee to participate in the SLI process, insisting that control over who is involved in SLI negotiations is reserved exclusively for the certified bargaining unit representative.

Since APA became certified by the NMB as bargaining unit representative for the single carrier, it now has the inherent discretion to determine whom it wishes to participate in the SLI process. Following USAPA's decertification, it is no longer the bargaining unit representative of any Company employees.

While the Board makes no finding as to the legal status of USAPA and its right to independently participate in the SLI process as the pre-merger representative of US Airways Pilots, the Board notes that USAPA owes no duty of fair representation to any employee group.

The Board dismisses USAPA's argument that it - as the pre-merger representative of all US Airways pilots - has the full authority to represent all former US Airways pilots and has the sole discretion to allow or not a West Pilots Merger Committee to participate in the SLI process. This argument is unconvincing and runs contrary to the NMB's determination that APA is the representative of all Company pilots (both US Airways and American Airlines).

As the sole and exclusive bargaining representative of all Company pilots, only APA has the authority to choose which merger committees may participate in the SLI process. This comports with the exclusive representation concept; that is, multiple unions cannot represent the same bargaining unit members. It is

simply not possible for USAPA to represent all US Airways Pilots when those same employees are currently represented by APA.

USAPA, the Board finds, has neither obligations nor responsibilities to any bargaining unit members, including even the East Pilot seniority list grouping. What is clear, though, is that USAPA does not represent the West Pilot seniority list grouping and does not have a duty of fair representation to that group of employees.

Moreover, USAPA does not have the authority to prevent the West Pilots from participating in the SLI process at the invitation of APA, the sole and exclusive bargaining unit representative.

The Board is satisfied that APA is permitted to designate a West Pilots Merger Committee to take part in the SLI process. As the sole representative of all Company pilots, APA has the authority to appoint merger committees to represent the interests of pilots in the SLI process. Not only does APA have the authority to appoint a West Pilots Merger Committee, the Board believes that doing so is appropriate and warranted in the instant case.

The Board finds that APA's designation of a separate West Pilots Merger Committee is consistent with its duty of fair representation to all pilot employees and is "fair and equitable" as required under McCaskill Bond. APA's duty of fair representation obligation makes it accountable to its entire membership, including minority interests such as the West Pilots.

In this case, APA has determined that the interests of all pilot seniority list groups should be represented in the SLI negotiations. The Board notes that

there are three such groups of pilots within the newly merged Company - East Pilots, West Pilots, and legacy American Pilots. Each pilot group is on a separate seniority list and, therefore, has a distinct interest regarding the integration of those seniority lists.

By including an American Airlines PSIC Merger Committee, a USAPA Merger Committee and a West Pilots Merger Committee, APA is trying to establish a full and fair process whereby all three pilot groups have their say in the SLI process.

The Board believes that APA's comprehensive efforts to include all pilot groups in the SLI process meet its duty of fair representation obligations. Appointing a West Pilots Merger Committee will ensure that the interests of all pilots will be properly represented during the SLI negotiations. There is no evidence that such a process is biased in favor of one single pilot group over any other.

Given the history of intransigence and hostility between USAPA and the West Pilots, it is far from clear that USAPA could or would adequately represent the interests of the West pilots. The fact that USAPA's very constitution contains a provision stating that only date of hire principles is acceptable in any SLI process is simply one of several considerations supporting this conclusion.

Designating separate merger committees for USAPA (East Pilots) and the West Pilots is not only reasonable, but is also desirable to ensure that both pilot groups have their interests properly represented in the SLI negotiations. The Board sees no convincing basis on which to conclude that the designation of a

West Pilots Merger Committee would prejudice or discriminate against the East Pilots, as USAPA claims.

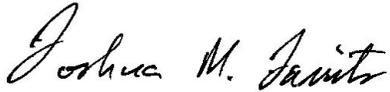
To the contrary, designating a West Pilots Merger Committee merely means that West Pilots would have the same opportunity to promote their case as the East Pilots. Allowing a West Pilots Merger Committee to participate in the seniority integration process would ensure that the distinct minority interests of the West Pilots will be properly represented.

For all the foregoing reasons, the Board concludes that APA's designation of a West Pilots Merger Committee is consistent with the Protocol and MOU; is consistent with the MacKaskill-Bond requirement that the SLI process be "fair and equitable;" is a proper and reasonable exercise of its discretion; and is fully consistent with APA's duty of fair representation to all Company pilots. Indeed, in this particular case, the Board concludes that "fairness and equity" demand the appointment of a West Pilot Merger Committee to participate in the SLI process.

The Board notes that pursuant to Paragraph 8(b) of the Protocol Agreement, "[T]he Preliminary Arbitration Board shall issue an order granting or denying any such requests that APA designate the requested Committee...The order shall be final and binding on APA and USAPA, American and US Airways...and all of the pilots of American and US Airways."

ORDER

The Board orders APA to designate the West Pilots Merger Committee as a full participant in the seniority integration process.



Joshua M. Javits, Chair

1/9/15 _____
Date



Stephen Crable, Member

1/9/15 _____
Date



Shyam Das, Member

1/9/15 _____
Date

487 U.S. 735
108 S.Ct. 2641
101 L.Ed.2d 634
COMMUNICATIONS WORKERS OF AMERICA and its Locals 2100, 2101, 2108 and 2110,
Petitioners
v.
Harry E. BECK, Jr., et al.
No. 86-637.
Argued Jan. 11, 1988.
Decided June 29, 1988.
Syllabus

Section 8(a)(3) of the National Labor Relations Act (NLRA) permits an employer and a union to enter into an agreement requiring all employees in the bargaining unit to pay union dues as a condition of continued employment, whether or not the employees become union members. Petitioner Communications Workers of America (CWA) entered into a collective-bargaining agreement that contains a union security clause under which all represented employees who do not become union members must pay the union "agency fees" in amounts equal to the dues paid by union members. Respondents, bargaining-unit employees who chose not to become union members, filed this suit in Federal District Court, challenging CWA's use of their agency fees for purposes other than collective bargaining, contract administration, or grievance adjustment (hereinafter "collective-bargaining" activities). They alleged that expenditure of their fees on activities such as organizing the employees of other employers, lobbying for labor legislation, and participating in social, charitable, and political events violated CWA's duty of fair representation, § 8(a)(3), and the First Amendment. The court concluded that CWA's collection and disbursement of agency fees for purposes other than collective-bargaining activities violated the associational and free speech rights of objecting nonmembers, and granted injunctive relief and an order for reimbursement of excess fees. The Court of Appeals, preferring to rest its judgment on a ground other than the Constitution, ultimately concluded, *inter alia*, that the collection of nonmembers' fees for purposes unrelated to

collective bargaining violated CWA's duty of fair representation.

Held:

1. The courts below properly exercised jurisdiction over respondents' claims that exactions of agency fees beyond those necessary to finance collective-bargaining activities violated the judicially created duty of fair representation and respondents' First Amendment rights. Although the National Labor Relations Board (Board) had primary jurisdiction over respondents' § 8(a)(3) claim, cf. *San Diego Building Trades Council v. Garmon*, 359 U.S. 236, 79 S.Ct. 773, 3 L.Ed.2d 775, the courts below were not precluded from deciding the merits of that claim insofar as such a decision was necessary

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to the disposition of respondents' duty-of-fair representation challenge. Federal courts may resolve unfair labor practice questions that emerge as collateral issues in suits brought under independent federal remedies. Respondents did not attempt to circumvent the Board's primary jurisdiction by casting their statutory claim as a violation of CWA's duty of fair representation. Instead, the necessity of deciding the scope of § 8(a)(3) arose because CWA and its copetitioner local unions sought to defend themselves on the ground that the statute authorizes the type of union-security agreement in issue. Pp. 742-744.

2. Section 8(a)(3) does not permit a union, over the objections of dues-paying nonmember employees, to expend funds collected from them on activities unrelated to collective-bargaining activities. Pp. 744-762.

(a) The decision in *Machinists v. Street*, 367 U.S. 740, 81 S.Ct. 1784, 6 L.Ed.2d 1141—holding that § 2, Eleventh of the Railway Labor Act (RLA) does not permit a union, over the objections of nonmembers, to expend agency fees on political causes—is controlling, for § 8(a)(3) and § 2, Eleventh are in all material respects identical. Their nearly identical language reflects the fact that in both Congress authorized compulsory unionism only to the extent necessary to ensure that those who enjoy union-negotiated benefits contribute to their cost. Indeed, Congress, in 1951, expressly modeled § 2, Eleventh on § 8(a)(3), which it had added to the NLRA by the Taft-Hartley Act only four years earlier, and emphasized that it was extending to railroad labor the same rights and privileges of the union shop that were contained in the Taft-Hartley Act. Pp. 744-747.

(b) Section 8(a)(3) was intended to correct abuses of compulsory unionism that had developed under "closed shop" agreements and, at the same time, to require, through union-security clauses, that nonmember employees pay their share of the cost of benefits secured by the union through collective bargaining. These same concerns prompted Congress' later amendment of the RLA. Given the parallel purpose, structure, and language of § 8(a)(3) and § 2, Eleventh, both provisions must be interpreted in the same manner. Only the most compelling evidence would support a contrary conclusion, and petitioners have not proffered such evidence here. Pp. 747-754.

(c) Petitioners claim that the union-security provisions of the RLA and NLRA should be read differently in light of the different history of unionism in the regulated industries—that is, the tradition of voluntary unionism in the railway industry prior to the 1951 amendment of the RLA and the history of compulsory unionism in NLRA-regulated

industries prior to 1947. Petitioners contend that because agreements requiring the payment of uniform dues were not among the specific abuses Congress sought to remedy in the Taft-Hartley Act, § 8(a)(3) cannot plausibly be read to prohibit the collection of fees in excess of those

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necessary to cover the costs of collective bargaining. This argument is unpersuasive because the legislative history of § 8(a)(3) shows that Congress was concerned with numerous and systemic abuses of the closed shop and therefore resolved to ban the closed shop altogether; to the extent it permitted union-security agreements at all, Congress was guided—as it was in its later amendment of the RLA—by the principle that those enjoying the benefits of union representation should contribute their fair share to the expense of securing those benefits. Moreover, it is clear that Congress understood its actions in 1947 and 1951 to have placed the respective regulated industries on an equal footing insofar as compulsory unionism was concerned. Pp. 754-756.

(d) The fact that in the Taft-Hartley Act Congress expressly considered proposals regulating union finances but ultimately placed only a few limitations on the collection and use of dues and fees, and otherwise left unions free to arrange their financial affairs as they saw fit, is not sufficient to compel a broader construction of § 8(a)(3) than that accorded § 2, Eleventh in *Street*. The legislative history of § 8(a)(3) shows that Congress was concerned with the dues and rights of union members, not the agency fees and rights of nonmembers. The absence, in such legislative history, of congressional concern for the rights of nonmembers is consistent with the view that Congress understood § 8(a)(3) to afford nonmembers adequate protection by authorizing the collection of only those fees necessary to finance collective-bargaining activities. Nor is there any merit to the contention that, because unions had previously

used members' dues for a variety of purposes in addition to collective-bargaining agreements, Congress' silence in 1947 as to the uses to which unions could put nonmembers' fees should be understood as an acquiescence in such union practices. Pp. 756-761.

(e) *Street* cannot be distinguished on the theory that the construction of § 2, Eleventh was merely expedient to avoid the constitutional question—as to the use of fees for political causes that nonmembers find objectionable—that otherwise would have been raised because the RLA (unlike the NLRA) pre-empts state laws banning union-security agreements and thus nonmember fees were compelled by "governmental action." Even assuming that the exercise of rights permitted, though not compelled, by § 8(a)(3) does not involve state action, and that the NLRA and RLA therefore differ in such respect, nevertheless the absence of any constitutional concerns in this case would not warrant reading the nearly identical language of § 8(a)(3) and § 2, Eleventh differently. Pp. 761-762.

800 F.2d 1280 (CA 4 1986), affirmed.

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BRENNAN, J., delivered the opinion of the Court, in which REHNQUIST, C.J., and WHITE, MARSHALL, and STEVENS, JJ., joined. BLACKMUN, J., filed an opinion, concurring in part and dissenting in part, in which O'CONNOR and SCALIA, JJ., joined, *post*, p. 763. KENNEDY, J., took no part in the consideration or decision of the case.

Laurence Gold, Washington, D.C., for petitioners.

Edwin Vieira, Jr., Manassas, Va., for respondents.

Justice BRENNAN delivered the opinion of the Court.

Section 8(a)(3) of the National Labor Relations Act of 1935 (NLRA), 49 Stat. 452, as amended, 29 U.S.C. § 158(a)(3), permits an employer and an exclusive bargaining representative to enter into an agreement requiring all employees in the bargaining unit to pay periodic union dues and initiation fees as a condition of continued employment, whether or not the employees otherwise wish to become union members. Today we must decide whether this provision also permits a union, over the objections of dues-paying nonmember employees, to expend funds so collected on activities unrelated to collective bargaining, contract administration, or grievance adjustment, and, if so, whether such expenditures violate the union's duty of fair representation or the objecting employees' First Amendment rights.

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I

In accordance with § 9 of the NLRA, 49 Stat. 453, as amended, 29 U.S.C. § 159, a majority of the employees of American Telephone and Telegraph Company and several of its subsidiaries selected petitioner Communications Workers of America (CWA) as their exclusive bargaining representative. As such, the union is empowered to bargain collectively with the employer on behalf of all employees in the bargaining unit over wages, hours, and other terms and conditions of employment, § 9(a), 29 U.S.C. § 159(a), and it accordingly enjoys "broad authority . . . in the negotiation and administration of [the] collective bargaining contract." *Humphrey v. Moore*, 375 U.S. 335, 342, 84 S.Ct. 363, 367, 11 L.Ed.2d 370 (1964). This broad authority, however, is tempered by the union's "statutory obligation to serve the interests of all members without hostility or discrimination toward any," *Vaca v. Sipes*, 386 U.S. 171, 177, 87 S.Ct. 903, 910, 17 L.Ed.2d 842 (1967), a duty that extends not only to the negotiation of the collective-bargaining agreement itself but also to the subsequent enforcement of that agreement, including the

administration of any grievance procedure the agreement may establish. *Ibid.* CWA chartered several local unions, copetitioners in this case, to assist it in discharging these statutory duties. In addition, at least in part to help defray the considerable costs it incurs in performing these tasks, CWA negotiated a union-security clause in the collective-bargaining agreement under which all represented employees, including those who do not wish to become union members, must pay the union "agency fees" in "amounts equal to the periodic dues" paid by union members. Plaintiffs' Complaint ¶ 11 and Plaintiffs' Exhibit A-1, 1 Record. Under the clause, failure to tender the required fee may be grounds for discharge.

In June 1976, respondents, 20 employees who chose not to become union members, initiated this suit challenging CWA's use of their agency fees for purposes other than collective bargaining, contract administration, or grievance adjustment

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(hereinafter "collective-bargaining" or "representational" activities). Specifically, respondents alleged that the union's expenditure of their fees on activities such as organizing the employees of other employers, lobbying for labor legislation, and participating in social, charitable, and political events violated petitioners' duty of fair representation, § 8(a)(3) of the NLRA, the First Amendment, and various common-law fiduciary duties. In addition to declaratory relief, respondents sought an injunction barring petitioners from exacting fees above those necessary to finance collective-bargaining activities, as well as damages for the past collection of such excess fees.

The District Court concluded that the union's collection and disbursement of agency fees for purposes other than bargaining unit representation violated the associational and free speech rights of objecting nonmembers, and therefore enjoined their future collection. 468

F.Supp. 93 (Md.1979). Applying a "clear and convincing" evidentiary standard, the District Court concluded that the union had failed to show that more than 21% of its funds were expended on collective-bargaining matters. App. to Pet. for Cert. 119a. The court ordered reimbursement of all excess fees respondents had paid since January 1976, and directed the union to institute a recordkeeping system to segregate accounts for representational and noncollective-bargaining activities. *Id.*, at 125a, 108a-109a.

A divided panel of the United States Court of Appeals for the Fourth Circuit agreed that respondents stated a valid claim for relief under the First Amendment, but, preferring to rest its judgment on a ground other than the Constitution, concluded that the collection of nonmembers' fees for purposes unrelated to collective bargaining violated § 8(a)(3). 776 F.2d 1187 (1985). Turning to the specific activities challenged, the majority noted that the District Court's adoption of a "clear and convincing" standard of proof was improper, but found that for certain categories of expenditures, such

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as lobbying, organizing employees in other companies, and funding various community services, the error was harmless inasmuch as the activities were indisputably unrelated to bargaining unit representation. The majority remanded the case for reconsideration of the remaining expenditures, which the union claimed were made in connection with valid collective-bargaining activities. Chief Judge Winter dissented. *Id.*, at 1214. He concluded that § 8(a)(3) authorized exaction of fees in amounts equivalent to full union dues, including fees expended on nonrepresentational activities, and that the negotiation and enforcement of agreements permitting such exactions was private conduct incapable of violating the constitutional rights of objecting nonmembers.

On rehearing, the en banc court vacated the panel opinion and by a 6-to-4 vote again affirmed in part, reversed in part, and remanded for further proceedings. 800 F.2d 1280 (1986). The court explained in a brief *per curiam* opinion that five of the six majority judges believed there was federal jurisdiction over both the § 8(a)(3) and the duty-of-fair-representation claims, and that respondents were entitled to judgment on both. Judge Murnaghan, casting the deciding vote, concluded that the court had jurisdiction over only the duty-of-fair-representation claim; although he believed that § 8(a)(3) permits union-security clauses requiring payment of full union dues, he concluded that the collection of such fees from nonmembers to finance activities unrelated to collective bargaining violates the union's duty of fair representation. All six of these judges agreed with the panel's resolution of the specific allocations issue and accordingly remanded the action. Chief Judge Winter, joined by three others, again dissented for the reasons set out in his earlier panel dissent.

The decision below directly conflicts with that of the United States Court of Appeals for the Second Circuit. See *Price v. Auto Workers*, 795 F.2d 1128 (1986). We granted certiorari to resolve the important question concerning the

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validity of such agreements, 482 U.S. 904, 107 S.Ct. 2480, 96 L.Ed.2d 372 (1987), and now affirm.

II

At the outset, we address briefly the jurisdictional question that divided the Court of Appeals. Respondents sought relief on three separate federal claims: that the exaction of fees beyond those necessary to finance collective-bargaining activities violates § 8(a)(3); that such exactions violate the judicially created duty of fair representation; and that such exactions violate respondents' First Amendment rights. We

think it clear that the courts below properly exercised jurisdiction over the latter two claims, but that the National Labor Relations Board (NLRB or Board) had primary jurisdiction over respondents' § 8(a)(3) claim.

In *San Diego Building Trades Council v. Garmon*, 359 U.S. 236, 79 S.Ct. 773, 3 L.Ed.2d 775 (1959), we held that "[w]hen an activity is arguably subject to § 7 or § 8 of the [NLRA], the States as well as the federal courts must defer to the exclusive competence of the [Board] if the danger of state interference with national policy is to be averted." *Id.*, at 245, 79 S.Ct., at 780 (emphasis added). A simple recitation of respondents' § 8(a)(3) claim reveals that it falls squarely within the primary jurisdiction of the Board: respondents contend that, by collecting and using agency fees for nonrepresentational purposes, the union has contravened the express terms of § 8(a)(3), which, respondents argue, provides a limited authorization for the collection of only those fees necessary to finance collective-bargaining activities. There can be no doubt, therefore, that the challenged fee-collecting activity is "subject to" § 8.

While the five-judge plurality of the en banc court did not explain the basis of its jurisdictional holding, the panel majority concluded that because courts have jurisdiction over challenges to union-security clauses negotiated under § 2, Eleventh of the Railway Labor Act (RLA), 64 Stat. 1238, 45 U.S.C. § 152, Eleventh, which is in all material respects identical to § 8(a)(3), there must be a parity of federal juris-

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diction over § 8(a)(3) claims. Unlike the NLRA, however, the RLA establishes no agency charged with administering its provisions, and instead leaves it to the courts to determine the validity of activities challenged under the Act. The primary jurisdiction of the NLRB, therefore, cannot be diminished by analogies to the RLA, for in this regard the two labor statutes do not

parallel one another. The Court of Appeals erred, then, to the extent that it concluded it possessed jurisdiction to pass directly on respondents' § 8(a)(3) claim.

The court was not precluded, however, from deciding the merits of this claim insofar as such a decision was necessary to the disposition of respondents' duty-of-fair-representation challenge. Federal courts may resolve unfair labor practice questions that "emerge as collateral issues in suits brought under independent federal remedies," *Connell Construction Co. v. Plumbers*, 421 U.S. 616, 626, 95 S.Ct. 1830, 1837, 44 L.Ed.2d 418 (1975), and one such remedy over which federal jurisdiction is well settled is the judicially implied duty of fair representation. *Vaca v. Sipes*, 386 U.S. 171, 87 S.Ct. 903, 17 L.Ed.2d 842 (1967). This jurisdiction to adjudicate fair-representation claims encompasses challenges leveled not only at a union's contract administration and enforcement efforts, *id.*, at 176-188, 87 S.Ct., at 909-915, but at its negotiation activities as well. *Ford Motor Co. v. Huffman*, 345 U.S. 330, 73 S.Ct. 681, 97 L.Ed. 1048 (1953). Employees, of course, may not circumvent the primary jurisdiction of the NLRB simply by casting statutory claims as violations of the union's duty of fair representation. Respondents, however, have done no such thing here; rather, they claim that the union failed to represent their interests fairly and without hostility by negotiating and enforcing an agreement that allows the exaction of funds for purposes that do not serve their interests and in some cases are contrary to their personal beliefs. The necessity of deciding the scope of § 8(a)(3) arises because *petitioners* seek to defend themselves on the ground that the statute authorizes precisely this type of agreement. Under these circumstances, the Court of Ap-

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peals had jurisdiction to decide the § 8(a)(3) question raised by respondents' duty-of-fair-representation claim.¹

III

Added as part of the Labor Management Relations Act, 1947, or Taft-Hartley Act, § 8(a)(3) makes it an unfair labor practice for an employer "by discrimination in regard to hire or tenure of employment . . . to encourage or discourage membership in any labor organization." 29 U.S.C. § 158(a)(3). The section contains two provisos without which all union-security clauses would fall within this otherwise broad condemnation: the first states that nothing in the Act "preclude[s] an employer from making an agreement with a labor organization . . . to require as a condition of employment membership therein" 30 days after the employee attains employment, *ibid.*; the second, limiting the first, provides:

"[N]o employer shall justify any discrimination against an employee for nonmembership in a labor organization (A) if he has reasonable grounds for believing that such membership was not available to the employee on the same terms and conditions generally applicable to other members, or (B) if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure . . . to tender the periodic

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dues and the initiation fees uniformly required as a condition of acquiring or retaining membership." *Ibid.*

Taken as a whole, § 8(a)(3) permits an employer and a union² to enter into an agreement requiring all employees to become union members as a condition of continued employment, but the "membership" that may be so required has been "whittled down to its financial core." *NLRB v. General Motors Corp.*, 373 U.S. 734, 742, 83 S.Ct. 1453, 1459, 10

L.Ed.2d 670 (1963). The statutory question presented in this case, then, is whether this "financial core" includes the obligation to support union activities beyond those germane to collective bargaining, contract administration, and grievance adjustment. We think it does not.

Although we have never before delineated the precise limits § 8(a)(3) places on the negotiation and enforcement of union-security agreements, the question the parties proffer is not an entirely new one. Over a quarter century ago we held that § 2, Eleventh of the RLA does not permit a union, over the objections of nonmembers, to expend compelled agency fees on political causes. *Machinists v. Street*, 367 U.S. 740, 81 S.Ct. 1784, 6 L.Ed.2d 1141 (1961). Because the NLRA and RLA differ in certain crucial respects, we have frequently warned that decisions construing the latter often provide only the roughest of guidance when interpreting the former. See, e.g., *Street, supra*, at 5; *First National Maintenance Corp. v. N.L.R.B.*, 452 U.S. 666, 686, n. 23, 101 S.Ct. 2573, 2585, n. 23, 69 L.Ed.2d 318 (1984). Our decision in *Street*, however, is far more than merely instructive here: we believe it is controlling, for § 8(a)(3) and § 2, Eleventh are in all material respects identical.³ Indeed, we have previously described

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the two provisions as "statutory equivalent[s]," *Ellis v. Railway Clerks*, 466 U.S. 435, 452, n. 13, 104 S.Ct. 1883, 1894, n. 13, 80 L.Ed.2d 428 (1984), and with good reason, because their nearly identical language reflects the fact that in both Congress authorized compulsory unionism only to the extent necessary to ensure that those who enjoy union-negotiated benefits contribute to their cost. Thus, in amending the RLA in 1951, Congress expressly modeled § 2, Eleventh on § 8(a)(3), which it had added to the NLRA only four years earlier, and repeatedly emphasized that it was extending "to railroad labor the same rights and privileges of the union shop that are contained in the Taft-Hartley Act."

96 Cong.Rec. 17055 (1951) (remarks of Rep. Brown).⁴ In

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these circumstances, we think it clear that Congress intended the same language to have the same meaning in both statutes.

Both the structure and purpose of § 8(a)(3) are best understood in light of the statute's historical origins. Prior to the enactment of the Taft-Hartley Act of 1947, 61 Stat. 140, § 8(a)(3) of the Wagner Act of 1935 (NLRA) permitted majority unions to negotiate "closed shop" agreements requiring employers to hire only persons who were already union members.

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See *Algoma Plywood Co. v. Wisconsin Employment Relations Board*, 336 U.S. 301, 307-311, 69 S.Ct. 584, 588-589, 93 L.Ed. 691 (1949). By 1947, such agreements had come under increasing attack, and after extensive hearings Congress determined that the closed shop and the abuses associated with it "create[d] too great a barrier to free employment to be longer tolerated." S.Rep. No. 105, 80th Cong., 1st Sess., 6 (1947) (S.Rep.), Legislative History of Labor Management Relations Act, 1947 (Committee Print compiled for the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare), p. 412 (1974) (Leg.Hist.). The 1947 Congress was equally concerned, however, that without such agreements, many employees would reap the benefits that unions negotiated on their behalf without in any way contributing financial support to those efforts. As Senator Taft, one of the authors of the 1947 legislation, explained, "the argument . . . against abolishing the closed shop . . . is that if there is not a closed shop those not in the union will get a free ride, that the union does the work, gets the wages raised, then the man who does not pay dues rides along freely without any expense to himself." 93

Cong.Rec. 4887 (1947), Leg.Hist. 1422.⁵ Thus, the Taft-Hartley Act was

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"intended to accomplish twin purposes. On the one hand, the most serious abuses of compulsory unionism were eliminated by abolishing the closed shop. On the other hand, Congress recognized that in the absence of a union-security provision 'many employees sharing the benefits of what unions are able to accomplish by collective bargaining will refuse to pay their share of the cost.'" *NLRB v. General Motors Corp.*, 373 U.S., at 740-741, 83 S.Ct., at 1458 (quoting S.Rep., at 6, Leg.Hist. 412).

The legislative solution embodied in § 8(a)(3) allows employers to enter into agreements requiring all the employees in a given bargaining unit to become members 30 days after being hired as long as such membership is available to all workers on a nondiscriminatory basis, but it prohibits the mandatory discharge of an employee who is expelled from the union for any reason other than his or her failure to pay initiation fees or dues. As we have previously observed, Congress carefully tailored this solution to the evils at which it was aimed:

"Th[e] legislative history clearly indicates that Congress intended to prevent utilization of union security agreements for any purpose other than to compel payment of union dues and fees. Thus Congress recognized the validity of unions' concerns about 'free riders,' *i.e.*, employees who receive the benefits of union representation but are unwilling to contribute their *fair share* of financial support to such union, and gave unions the power to contract to meet *that problem* while withholding from unions the power to cause the discharge of employees for any other reason." *Radio Officers v. NLRB*, 347 U.S. 17, 41, 74 S.Ct. 323, 336, 98 L.Ed. 455 (1954) (emphasis added).

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Indeed, "Congress' decision to allow union-security agreements *at all* reflects its concern that . . . the parties to a collective bargaining agreement be allowed to provide that there be no employees who are getting the benefits of union representation without paying for them." *Oil Workers v. Mobil Oil Corp.*, 426 U.S. 407, 416, 96 S.Ct. 2140, 2144, 48 L.Ed.2d 736 (1976) (emphasis added).

This same concern over the resentment spawned by "free riders" in the railroad industry prompted Congress, four years after the passage of the Taft-Hartley Act, to amend the RLA. As the House Report explained, 75 to 80% of the 1.2 million railroad industry workers belonged to one or another of the railway unions. H.R.Rep. No. 2811, 81st Cong., 2d Sess., 4 (1950). These unions, of course, were legally obligated to represent the interests of all workers, including those who did not become members thus nonunion workers were able, at no expense to themselves, to share in all the benefits the unions obtained through collective bargaining. *Ibid.* Noting that the "principle of authorizing agreements for the union shop and the deduction of union dues has now become firmly established as a national policy for all industry subject to the Labor Management Relations Act of 1947," the House Report concluded that "[n]o sound reason exists for continuing to deny to labor organizations subject to the Railway Labor Act the right to negotiate agreements with railroads and airlines of a character permitted in the case of labor organizations in the other large industries of the country." *Ibid.*

In drafting what was to become § 2, Eleventh, Congress did not look to § 8(a)(3) merely for guidance. Rather, as Senator Taft argued in support of the legislation, the amendment "inserts in the railway mediation law almost the exact provisions, so far as they fit, of the Taft-Hartley law, so that the conditions regarding the union shop and the check-off are carried into the relations between railroad unions and the rail-

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roads." 96 Cong.Rec. 16267 (1950).⁶ This was the universal understanding, among both supporters and opponents, of the purpose and effect of the amendment. See n. 4, *supra*. Indeed, railroad union representatives themselves proposed the amendment that incorporated in § 2, Eleventh, § 8(a)(3)'s prohibition against the discharge of employees who fail to obtain or maintain union membership for any reason other than nonpayment of periodic dues; in offering this proposal the unions argued, in terms echoing the language of the Senate Report accompanying the Taft-Hartley Act, that such a prohibition "remedies the alleged abuses of compulsory union membership . . . , yet makes possible the elimination of the 'free rider' and the sharing of the burden of maintenance by all of the beneficiaries of union activity." Hearings on H.R. 7789 before the House Committee on Interstate and Foreign Commerce, 81st Cong., 2d Sess., 253 (1950).

In *Street* we concluded "that § 2, Eleventh contemplated compulsory unionism to force employees to share the costs of negotiating and administering collective agreements, and the costs of the adjustment and settlement of disputes," but that Congress did not intend "to provide the unions with a means for forcing employees, over their objection, to support political causes which they oppose." 367 U.S., at 764, 81 S.Ct., at 1798. Constru-

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ing the statute in light of this legislative history and purpose, we held that although § 2, Eleventh on its face authorizes the collection from nonmembers of "periodic dues, initiation fees, and assessments . . . *uniformly required* as a condition of acquiring or retaining membership" in a union, 45 U.S.C. § 152, Eleventh (b) (emphasis added), this authorization did not

"ves[t] the unions with unlimited power to spend exacted money." 367 U.S., at 768, 81 S.Ct., at 1800. We have since reaffirmed that "Congress' essential justification for authorizing the union shop" limits the expenditures that may properly be charged to nonmembers under § 2, Eleventh to those "necessarily or reasonably incurred for the purpose of performing the duties of an exclusive [bargaining] representative." *Ellis v. Railway Clerks*, 466 U.S., at 447-448, 104 S.Ct., at 1892. Given the parallel purpose, structure, and language of § 8(a)(3), we must interpret that provision in the same manner.⁷ Like § 2, Eleventh,

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§ 8(a)(3) permits the collection of "periodic dues and initiation fees uniformly required as a condition of acquiring or retaining membership" in the union,⁸ and like its counterpart in the RLA, § 8(a)(3) was designed to remedy the inequities posed by "free riders" who would otherwise unfairly profit from the

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Taft-Hartley Act's abolition of the closed shop. In the face of such statutory congruity, only the most compelling evidence could persuade us that Congress intended the nearly identical language of these two provisions to have different meanings. Petitioners have not proffered such evidence here.

B

(1)

Petitioners claim that the union-security provisions of the RLA and NLRA can and should be read differently in light of the vastly different history of unionism in the industries the two statutes regulate. Thus they note that in *Street* we emphasized the "long-standing tradition of voluntary unionism" in the railway industry prior to the 1951 amendment, and the

fact that in 1934 Congress had expressly endorsed an "open shop" policy in the RLA. 367 U.S., at 750, 81 S.Ct., at 1790. It was this historical background, petitioners contend, that led us to conclude that in amending the RLA in 1951, Congress "did not completely abandon the policy of full freedom of choice embodied in the 1934 Act, but rather made inroads on it for the limited purpose of eliminating the problems created by the 'free rider.'" *Id.*, at 767, 81 S.Ct., at 1799. The history of union security in industries governed by the NLRA was precisely the opposite: under the Wagner Act of 1935, all forms of compulsory unionism, including the closed shop, were permitted. Petitioners accordingly argue that the inroads Congress made in 1947 on the policy of compulsory unionism were likewise limited, and were designed to remedy only those "carefully-defined" abuses of the union shop system that Congress had expressly identified. Brief for Petitioners 42. Because agreements requiring the payment of uniform dues were not among these specified abuses, petitioners contend that § 8(a)(3) cannot plausibly be read to prohibit the collection of fees in excess of those necessary to cover the costs of collective bargaining.

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We find this argument unpersuasive for several reasons. To begin with, the fact that Congress sought to remedy "the most serious abuses of compulsory union membership," S.Rep., at 7, Leg.Hist. 413, hardly suggests that the Taft-Hartley Act effected only limited changes in union-security practices. Quite to the contrary, in *Street* we concluded that Congress' purpose in amending the RLA was "limited" precisely because Congress did not perceive voluntary unionism as the source of widespread and flagrant abuses, and thus modified the railroad industry's open shop system only to the extent necessary to eliminate the problems associated with "free riders." That Congress viewed the Wagner Act's regime of compulsory unionism as seriously flawed, on the other hand, indicates that its purposes in overhauling that

system were, if anything, far less limited, and not, as petitioners and the dissent contend, equally circumspect. Not surprisingly, therefore—and in stark contrast to petitioners' "limited inroads" theory—congressional opponents of the Taft-Hartley Act's union-security provisions understood the Act to provide only the most grudging authorization of such agreements, permitting "union-shop agreement[s] only under limited and administratively burdensome conditions." S.Rep., pt. 2, p. 8, Leg.Hist. 470 (Minority Report). That understanding comports with our own recognition that "Congress' decision to allow union-security agreements *at all* reflects its concern that . . . the parties to a collective bargaining agreement be allowed to provide that there be no employees who are getting the benefits of union representation without paying for them." *Oil Workers v. Mobil Oil Corp.*, 426 U.S., at 416, 96 S.Ct., at 2144 (emphasis added). Congress thus did not set out in 1947 simply to tinker in some limited fashion with the NLRA's authorization of union-security agreements. Rather, to the extent Congress preserved the status quo, it did so because of the considerable evidence adduced at congressional hearings indicating that "such agreements promoted stability by eliminating 'free riders,'" S.Rep., at 7,

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Leg.Hist. 413, and Congress accordingly "gave unions the power to contract to meet *that problem* while withholding from unions the power to cause the discharge of employees for any other reason." *Radio Officers v. NLRB*, 347 U.S., at 41, 74 S.Ct., at 336 (emphasis added). We therefore think it not only permissible but altogether proper to read § 8(a)(3), as we read § 2, Eleventh, in light of this animating principle.

Finally, however much union-security practices may have differed between the railway and NLRA-governed industries prior to 1951, it is abundantly clear that Congress itself understood its actions in 1947 and 1951 to have

placed these respective industries on an equal footing insofar as compulsory unionism was concerned. Not only did the 1951 proponents of the union shop propose adding to the RLA language nearly identical to that of § 8(a)(3), they repeatedly insisted that the purpose of the amendment was to confer on railway unions precisely the same right to negotiate and enter into union-security agreements that all unions subject to the NLRA enjoyed. See n. 4, *supra*. Indeed, a subtheme running throughout the comments of these supporters was that the inequity of permitting "free riders" in the railroad industry was especially egregious in view of the fact that the Taft-Hartley Act gave exclusive bargaining representatives in all other industries adequate means to redress such problems. It would surely come as a surprise to these legislators to learn that their efforts to provide these same means of redress to railway unions were frustrated by the very historical disparity they sought to eliminate.

(2)

Petitioners also rely on certain aspects of the Taft-Hartley Act's legislative history as evidence that Congress intended to permit the collection and use of full union dues, including those allocable to activities other than collective bargaining. Again, however, we find this history insufficient to compel a

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broader construction of § 8(a)(3) than that accorded § 2, Eleventh in *Street*.

First and foremost, petitioners point to the fact that Congress expressly considered proposals regulating union finances but ultimately placed only a few limitations on the collection and use of dues and fees, and otherwise left unions free to arrange their financial affairs as they saw fit. In light of this history and the specific prohibitions Congress did enact, petitioners argue that there is no warrant for implying any further limitations on

the amount of dues equivalents that unions may collect or the manner in which they may use them. As originally passed, § 7(b) of the House bill guaranteed union members the "right to be free from unreasonable or discriminatory financial demands of" unions. Leg.Hist. 176. Similarly, § 8(c) of the bill, the so-called "bill of rights for union members," H.R.Rep., at 31, Leg.Hist. 322, set out 10 protections against arbitrary action by union officers, one of which made it an unfair labor practice for a union to impose initiation fees in excess of \$25 without NLRB approval, or to fix dues in amounts that were unreasonable, nonuniform, or not approved by majority vote of the members. *Id.*, at 53. In addition, § 304 of the bill prohibited unions from making contributions to or expenditures on behalf of candidates for federal office. *Id.*, at 97-98. The conferees adopted the latter provision, see *Pipefitters v. United States*, 407 U.S. 385, 405, 92 S.Ct. 2247, 2259, 33 L.Ed.2d 11 (1972), and agreed to a prohibition on "excessive" initiation fees, see § 8(b)(5), 29 U.S.C. § 158(b)(5), but the Senate steadfastly resisted any further attempts to regulate internal union affairs. Referring to the House provisions, Senator Taft explained:

"[T]he Senate conferees refused to agree to the inclusion of this subsection in the conference agreement since they felt that it was unwise to authorize an agency of the Government to undertake such elaborate policing of the internal affairs of unions as this section contemplated. . . . In the opinion of the Senate conferees the language

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which protected an employee from losing his job if a union expelled him for some reason other than nonpayment of dues and initiation fees, uniformly required of all members, was considered sufficient protection." 93 Cong.Rec. 6443 (1947), Leg.Hist. 1540.

Petitioners would have us infer from the demise of this "bill of rights" that Congress "

'rejected . . . general federal restrictions on either the dues equivalents that employees may be required to pay or the uses to which unions may put such dues-equivalents,' " and that aside from the prohibition on political expenditures Congress placed no limitations on union exactions other than the requirement that they be equal to uniform dues. Brief for Petitioners 39-40 (quoting Brief for United States as *Amicus Curiae* 19). We believe petitioners' reliance on this legislative compromise is misplaced. The House bill did not purport to set out the rights of *nonmembers* who are compelled to pay union dues, but rather sought to establish a "bill of rights for union *members* " vis-a-vis their union leaders. H.R.Rep., at 31, Leg.Hist. 322 (emphasis added). Thus, § 8(c) of the House bill sought to regulate, among other things, the ability of unions to fine, discipline, suspend, or expel members; the manner in which unions conduct certain elections or maintain financial records; and the extent to which they can compel contributions to insurance or other benefit plans, or encumber the rights of members to resign. Leg.Hist. 52-56. The debate over these provisions focused on the desirability of Government oversight of internal union affairs, and a myriad of reasons having nothing whatever to do with the rights of nonmembers accounted for Congress' decision to forgo such detailed regulation. In rejecting any limitation on dues, therefore, Congress was not concerned with restrictions on "dues-equivalents," but rather with the administrative burdens and

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potential threat to individual liberties posed by Government regulation of purely internal union matters.⁹

It simply does not follow from this that Congress left unions free to exact dues equivalents from nonmembers in any amount they please, no matter how unrelated those fees may be to collective-bargaining activities. On the contrary, the complete lack of congressional concern for the rights of nonmembers in the

debate surrounding the House "bill of rights" is perfectly consistent with the view that Congress understood § 8(a)(3) to afford nonmembers adequate protection by authorizing the collection of only those fees necessary to finance collective-bargaining activities: because the amount of such fees would be fixed by their underlying purpose—defraying the costs of collective bargaining—Congress would have every reason to believe that the lack of any limitations on union dues was entirely irrelevant so far as the rights of nonmembers were concerned. In short, we think it far safer and far more appropriate to construe § 8(a)(3) in light of its legislative justification, *i.e.*, ensuring that nonmembers who obtain the benefits of union representation can be made to pay for them, than by drawing inferences from Congress' rejection of a proposal that did not address the rights of nonmembers at all.

Petitioners also deem it highly significant that prior to 1947 unions " 'rather typically' " used their members' dues for a " 'variety of purposes . . . in addition to meeting the . . . costs of collective bargaining,' " *Retail Clerks v. Schermerhorn*, 373 U.S. 746, 754, 83 S.Ct. 1461, 1465-1466, 10 L.Ed.2d 678 (1963), and yet Congress, which was presumably well aware of the practice, in no way limited the

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uses to which unions could put fees collected from nonmembers. This silence, petitioners suggest, should be understood as congressional acquiescence in these practices. The short answer to this argument is that Congress was equally well aware of the same practices by railway unions, see *Street*, 367 U.S., at 767, 81 S.Ct., at 1799 ("We may assume that Congress was . . . fully conversant with the long history of intensive involvement of the railroad unions in political activities"); *Ellis*, 466 U.S., at 446, 104 S.Ct., at 1891 ("Congress was adequately informed about the broad scope of union activities"), yet neither in *Street* nor in any of the cases that followed it have we deemed Congress'

failure in § 2, Eleventh to prohibit or otherwise regulate such expenditures as an endorsement of fee collections unrelated to collective-bargaining expenses. We see no reason to give greater weight to Congress' silence in the NLRA than we did in the RLA, particularly where such silence is again perfectly consistent with the rationale underlying § 8(a)(3): prohibiting the collection of fees that are not germane to representational activities would have been redundant if Congress understood § 8(a)(3) simply to enable unions to charge nonmembers only for those activities that actually benefit them.

Finally, petitioners rely on a statement Senator Taft made during floor debate in which he explained how the provisos of § 8(a)(3) remedied the abuses of the closed shop. "The great difference [between the closed shop and the union shop]," the Senator stated, "is that [under the union shop] a man can get a job without joining the union or asking favors of the union. . . . The fact that the employee has to pay dues to the union seems to me to be much less important." 93 Cong.Rec. 4886 (1947), Leg.Hist. 1422. On its face, the statement—made during a lengthy legislative debate—is somewhat ambiguous, for the reference to "union dues" could connote "full union dues" or could as easily be a shorthand method of referring to "collective-bargaining-related dues." In any event, as noted above, Senator Taft later described § 2, Eleventh as "almost the exact provisions . . . of the Taft-Hartley law," 96 Cong.

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Rec. 16267 (1950), and we have construed the latter statute as permitting the exaction of only those dues related to representational activities. In view of Senator Taft's own comparison of the two statutory provisions, his comment in 1947 fails to persuade us that Congress intended virtually identical language in two statutes to have different meanings.

(3)

We come then to petitioners' final reason for distinguishing *Street*. Five years prior to our decision in that case, we ruled in *Railway Employees v. Hanson*, 351 U.S. 225, 76 S.Ct. 714, 100 L.Ed. 1112 (1956), that because the RLA pre-empts all state laws banning union-security agreements, the negotiation and enforcement of such provisions in railroad industry contracts involves "governmental action" and is therefore subject to constitutional limitations. Accordingly, in *Street* we interpreted § 2, Eleventh to avoid the serious constitutional question that would otherwise be raised by a construction permitting unions to expend governmentally compelled fees on political causes that nonmembers find objectionable. See 367 U.S., at 749, 81 S.Ct., at 1789. No such constitutional questions lurk here, petitioners contend, for § 14(b) of the NLRA expressly preserves the authority of States to outlaw union-security agreements. Thus, petitioners' argument runs, the federal pre-emption essential to *Hanson*'s finding of governmental action is missing in the NLRA context, and we therefore need not strain to avoid the plain meaning of § 8(a)(3) as we did with § 2, Eleventh.

We need not decide whether the exercise of rights permitted, though not compelled, by § 8(a)(3) involves state action. Cf. *Steelworkers v. Sadlowski*, 457 U.S. 102, 121, n. 16, 102 S.Ct. 2339, 2350, n. 16, 72 L.Ed.2d 707 (1982) (union's decision to adopt an internal rule governing its elections does not involve state action); *Steelworkers v. Weber*, 443 U.S. 193, 200, 99 S.Ct. 2721, 2725, 61 L.Ed.2d 480 (1979) (negotiation of collective-bargaining agreement's affirmative-action plan does not involve state action). Even assuming that it does not, and

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that the NLRA and RLA therefore differ in this respect, we do not believe that the absence of any constitutional concerns in this case would

warrant reading the nearly identical language of § 8(a)(3) and § 2, Eleventh differently. It is, of course, true that federal statutes are to be construed so as to avoid serious doubts as to their constitutionality, and that when faced with such doubts the Court will first determine whether it is fairly possible to interpret the statute in a manner that renders it constitutionally valid. *Edward J. DeBartolo Corp. v. Florida Gulf Coast Building & Construction Trades Council*, 485 U.S. 568, 108 S.Ct. 1392, 99 L.Ed.2d 645 (1988); *Crowell v. Benson*, 285 U.S. 22, 62, 52 S.Ct. 285, 296, 76 L.Ed. 598 (1932). But statutory construction may not be pressed " 'to the point of disingenuous evasion,' " *United States v. Locke*, 471 U.S. 84, 96, 105 S.Ct. 1785, 1793, 85 L.Ed.2d 64 (1985) (quoting *George Moore Ice Cream Co. v. Rose*, 289 U.S. 373, 379, 53 S.Ct. 620, 622, 77 L.Ed. 1265 (1933)), and in avoiding constitutional questions the Court may not embrace a construction that "is plainly contrary to the intent of Congress." *DeBartolo, supra*, 485 U.S., at 575, 108 S.Ct., at 1397. In *Street*, we concluded that our interpretation of § 2, Eleventh was "not only 'fairly possible' but entirely reasonable," 367 U.S., at 750, 81 S.Ct., at 1790, and we have adhered to that interpretation since. We therefore decline to construe the language of § 8(a)(3) differently from that of § 2, Eleventh on the theory that our construction of the latter provision was merely constitutionally expedient. Congress enacted the two provisions for the same purpose, eliminating "free riders," and that purpose dictates our construction of § 8(a)(3) no less than it did that of § 2, Eleventh, regardless of whether the negotiation of union-security agreements under the NLRA partakes of governmental action.

IV

We conclude that § 8(a)(3), like its statutory equivalent, § 2, Eleventh of the RLA, authorizes the exaction of only those fees and dues necessary to "performing the duties of an exclusive representative of the employees in dealing with the

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employer on labor-management issues." *Ellis*, 466 U.S., at 448, 104 S.Ct., at 1892. Accordingly, the judgment of the Court of Appeals is

Affirmed.

Justice KENNEDY took no part in the consideration or decision of this case.

Justice BLACKMUN, with whom Justice O'CONNOR and Justice SCALIA join, concurring in part and dissenting in part.

I agree that the District Court and the Court of Appeals properly exercised jurisdiction over respondents' duty-of-fair-representation and First Amendment claims, and that the National Labor Relations Board had primary jurisdiction over respondents' claim brought under § 8(a)(3) of the National Labor Relations Act of 1935, 49 Stat. 452, as amended, 29 U.S.C. § 158(a)(3). I also agree that the Court of Appeals had jurisdiction to decide the § 8(a)(3) question raised by respondents' duty-of-fair-representation claim.¹ I therefore join Parts I and II of the Court's opinion.

My agreement with the majority ends there, however, for I cannot agree with its resolution of the § 8(a)(3) issue. Without the decision in *Machinists v. Street*, 367 U.S. 740, 81 S.Ct. 1784, 6 L.Ed.2d 1141 (1961), involving the Railway Labor Act (RLA), the Court could not reach the result it does today. Our accepted mode of resolving statutory questions would not lead to a construction of § 8(a)(3) so foreign to that section's express language and legislative history, which show that Congress did not intend to limit either the amount of "agency fees" (or what the majority labels "dues-equivalents") a union may collect under a union-security agreement, or the union's expenditure of such funds. The Court's excessive reliance on *Street* to reach a

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contrary conclusion is manifested by its unique line of reasoning. No sooner is the language of § 8(a)(3) intoned, than the Court abandons all attempt at construction of *this* statute and leaps to its interpretation over a quarter century ago of another statute enacted by a different Congress, a statute with a distinct history and purpose. See *ante*, at 744-745. I am unwilling to offend our established doctrines of statutory construction and strain the meaning of the language used by Congress in § 8(a)(3), simply to conform § 8(a)(3)'s construction to the Court's interpretation of similar language in a different later-enacted statute, an interpretation which is itself "not without its difficulties." *Abood v. Detroit Board of Education*, 431 U.S. 209, 232, 97 S.Ct. 1782, 1798, 52 L.Ed.2d 261 (1977) (characterizing the Court's decision in *Street*). I therefore dissent from Parts III and IV of the Court's opinion.

I

As the Court observes, "we have never before delineated the precise limits § 8(a)(3) places on the negotiation and enforcement of union-security agreements." *Ante*, at 745. Unlike the majority, however, I think the issue is an entirely new one. I shall endeavor, therefore, to resolve it in accordance with our well-settled principles of statutory construction.

A.

As with any question of statutory interpretation, the starting point is the language of the statute itself. Section 8(a)(3) makes it unlawful for an employer to "discriminat[e] in regard to hire or tenure of employment or any term or condition of employment to encourage or discourage membership in any labor organization." 29 U.S.C. § 158(a)(3). Standing alone, this proscription, and thus § 8(b)(2)'s corollary proscription,² effectively would outlaw union-security agreements. The proscription, however, is qualified by two provisos. The first, which appeared initially in § 8(a)(3) of the

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NLRA as originally enacted in 1935, 49 Stat. 452, generally excludes union-security agreements from statutory condemnation by explaining that

"nothing in [the NLRA] or in any other statute of the United States, shall preclude an employer from making an agreement with a labor organization . . . to require as a condition of employment membership therein . . . if such labor organization is the representative of the employees as provided in section 159(a) of this title. . . ." § 8(a)(3), 29 U.S.C. § 158(a)(3).

The second proviso, incorporated in § 8(a)(3) by the Taft-Hartley Amendments of 1947, 61 Stat. 141,³ circumscribes the first proviso's general exemption by the following limitations:

"[N]o employer shall justify any discrimination against an employee for nonmembership in a labor organization . . . if he has reasonable grounds for believing that membership was denied or terminated for reasons other than the failure of the employee to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership."

The plain language of these statutory provisions, read together, permits an employer and union to enter into an agreement requiring *all* employees, as a condition of continued employment, to pay uniform periodic dues and initiation fees.⁴ The second proviso expressly allows an employer to terminate any "employee," pursuant to a union-security agreement permitted by the first proviso, if the employee

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fails "to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining membership" in the union. 29 U.S.C. § 158(a)(3). The term

"employee," as statutorily defined, includes any employee, without regard to union membership. See 29 U.S.C. § 152(3). Union-member employees and nonunion-member employees are treated alike under § 8(a)(3).

"[W]e assume 'that the legislative purpose is expressed by the ordinary meaning of the words used.' " *American Tobacco Co. v. Patterson*, 456 U.S. 63, 68, 102 S.Ct. 1534, 1537, 71 L.Ed.2d 748 (1982), quoting *Richards v. United States*, 369 U.S. 1, 9, 82 S.Ct. 585, 591, 7 L.Ed.2d 492 (1962). The terms "dues" and "fees," as used in the proviso, can refer to nothing other than the regular, periodic dues and initiation fees paid by "voluntary" union members. This was the apparent understanding of the Court in those decisions in which it held that § 8(a)(3) permits union-security agreements. See *NLRB v. General Motors Corp.*, 373 U.S. 734, 736, 83 S.Ct. 1453, 1456, 10 L.Ed.2d 670 (1963) (approving a union-security proposal that would have conditioned employment "upon the payment of sums equal to the initiation fee and regular monthly dues paid by the union members"); *Retail Clerks v. Schermerhorn*, 373 U.S. 746, 753, 83 S.Ct. 1461, 1465, 10 L.Ed.2d 678 (1963) (upholding agreement requiring nonmembers to pay a "service fee [which] is admittedly the exact equal of membership initiation fees and monthly dues"). It also has been the consistent view of the NLRB,⁵ "the agency en-

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trusted by Congress with the authority to administer the NLRA." *Edward J. DeBartolo Corp. v. Florida Gulf Coast Building & Construction Trades Council*, 485 U.S. 568, 574, 108 S.Ct. 1392, 1397, 99 L.Ed.2d 645 (1988). The provisos do not give any employee, union member or not, the right to pay less than the full amount of regular dues and initiation fees charged to all other bargaining-unit employees.

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The Court's conclusion that § 8(a)(3) prohibits petitioners from requiring respondents to pay fees for purposes other than those "germane" to collective bargaining, contract administration, and grievance adjustment simply cannot be derived from the plain language of the statute. In effect, the Court accepts respondents' contention that the words "dues" and "fees," as used in § 8(a)(3), refer not to the periodic amount a union charges its members but to the portion of that amount that the union expends on statutory collective bargaining.⁶ See Brief for Respondents 17-20. Not only is this reading implausible as a matter of simple English usage, but it is also contradicted by the decisions of this Court and of the NLRB interpreting the section. Section 8(a)(3) does not speak of "dues" and "fees" that employees covered by a

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union-security agreement may be required to tender to their union representative; rather, the section speaks only of "the periodic dues and the initiation fees *uniformly required as a condition of acquiring or retaining membership* " (emphasis added). Thus, the section, by its terms, defines "periodic dues" and "initiation fees" as those dues and fees "uniformly required" of all members, not as a portion of full dues. As recognized by this Court, "dues collected from members may be used for a variety of purposes, in addition to meeting the union's costs of collective bargaining. Unions rather typically use their membership dues to do those things which the members authorize the union to do in their interest and on their behalf." *Retail Clerks v. Schermerhorn*, 373 U.S., at 753-754, 83 S.Ct., at 1465-1466 (internal quotations omitted). By virtue of § 8(a)(3), such dues may be required from *any* employee under a union-security agreement. Nothing in § 8(a)(3) limits, or even addresses, the purposes to which a union may devote the moneys collected pursuant to such an agreement.⁷

B

The Court's attempt to squeeze support from the legislative history for its reading of congressional intent contrary to the plain language of § 8(a)(3) is unavailing. As its own discussion of the relevant legislative materials reveals, *ante*, at 747-750, there is no indication that the 1947 Congress intended to limit the union's authority to collect from nonmembers the same periodic dues and initiation fees it collects from members. Indeed, on balance, the legislative history rein-

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forces what the statutory language suggests: the provisos neither limit the uses to which agency fees may be put nor require nonmembers to be charged less than the "uniform" dues and initiation fees.

In *Machinists v. NLRB*, 362 U.S. 411, 80 S.Ct. 822, 4 L.Ed.2d 832 (1960), the Court stated:

"It is well known, and the legislative history of the 1947 Taft-Hartley amendments plainly shows, that § 8(a)(3) including its proviso—represented the Congressional response to the competing demands of employee freedom of choice and union security. Had Congress thought one or the other overriding, it would doubtless have found words adequate to express that judgment. It did not do so; it accommodated both interests, doubtless in a manner unsatisfactory to the extreme partisans of each, by drawing a line it thought reasonable. It is not for the administrators of the Congressional mandate to approach either side of that line grudgingly." *Id.*, at 418, n. 7, 80 S.Ct., at 827, n. 7.

The legislative debates surrounding the adoption of § 8(a)(3) in 1947, show that in crafting the proviso to § 8(a)(3), Congress was attempting "only to 'remedy the most serious abuses of compulsory union membership. . . .'" *NLRB v. General Motors Corp.*, 373 U.S., at

741, 83 S.Ct., at 1458, quoting from the legislative history. The particular "abuses" Congress identified and attempted to correct were two: the closed shop, which "deprives management of any real choice of the men it hires" and gives union leaders "a method of depriving employees of their jobs, and in some cases [of] a means of securing a livelihood in their trade or calling, for purely capricious reasons," S.Rep. No. 105, 80th Cong., 1st Sess., 6 (1947) (S.Rep.), Legislative History of the Labor Management Relations Act, 1947 (Committee Print compiled for the Subcommittee on Labor of the Senate Committee on Labor and Public Welfare), p. 412 (1974) (Leg.Hist.); and those union shops in which the union sought to obtain indirectly the same

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result as that obtained through a closed shop by negotiating a union-shop agreement and maintaining a "closed" union where it was free to deny membership to an individual arbitrarily or discriminatorily and then compel the discharge of that person because of his nonmembership, 93 Cong.Rec. 3836-3837, 4193, 4885-4886 (1947), Leg.Hist. 1010, 1096-1097, 1420-1421 (remarks of Sen. Taft); 93 Cong.Rec. 4135, Leg.Hist. 1061-1062 (remarks of Sen. Ellender). Senator Taft, the chief sponsor of the Senate bill, in arguing against an amendment to proscribe all forms of union-security agreements, stated that it was unwise to outlaw union-security agreements altogether "since there had been for such a long time so many union shops in the United States, [and] since in many trades it was entirely customary and had worked satisfactorily," and that therefore the appropriate approach was to "meet the problem of dealing with the abuses which had appeared." 93 Cong.Rec. 4885, Leg.Hist. 1420.⁸ "Con-

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gress [also] recognized that in the absence of a union-security provision 'many employees sharing the benefits of what unions are able to accomplish by collective bargaining will refuse to pay their share of the cost.' " *NLRB v. General Motors Corp.*, 373 U.S., at 740-741, 83 S.Ct., at 1458, quoting S.Rep., at 6, Leg.Hist. 412.

Congress' solution was to ban the closed shop and to permit the enforcement of union-shop agreements as long as union membership is available "on the same terms and conditions" to all employees, and mandatory discharge is required only for "nonpayment of regular dues and initiation fees." S.Rep., at 7, 20, Leg.Hist. 413, 426. Congress was of the view, that, as Senator Taft stated, "[t]he fact that the employee will have to pay dues to the union seems . . . to be much less important. The important thing is that the man will have the job." 93 Cong.Rec. 4886 (1947), Leg.Hist. 1422. "[A] man can get a job with an employer and can continue in that job if, in effect, he joins the union and pays the union dues.

* * * * *

"If he pays the dues without joining the union, he has the right to be employed." 93 Cong.Rec. 4886 (1947), Leg.Hist.

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1421-1422. There is no serious doubt that what Congress had in mind was a situation in which the nonmember employee would "pay the same dues as other members of the union." 93 Cong.Rec. 4272 (1947), Leg.Hist. 1142 (remarks of Sen. Taft); accord, 93 Cong.Rec. 3557 (1947), Leg.Hist. 740 (remarks of Sen. Jennings) (members of the minority "should go along and contribute dues like the others"). In their financial obligations, therefore, these employees were "in effect," union members, and could not be discharged pursuant to a union-security agreement as long as they maintained this aspect of union "membership." ⁹ This solution was viewed as "tak[ing] care" of the

free-rider issue. 93 Cong.Rec. 4887 (1947), Leg.Hist. 1422 (remarks of Sen. Taft).

Throughout the hearings and lengthy debate on one of the most hotly contested issues that confronted the 1947 Congress, not once did any Member of Congress suggest that § 8(a)(3) did not leave employers and unions free to adopt and enforce union-security agreements requiring all employees in the bargaining unit to pay an amount equal to full union dues and standard initiation fees. Nor did anyone suggest that § 8(a)(3) affected a union's expenditure of such funds.

Indeed, the legislative history indicates that Congress affirmatively declined to place limitations on either the amount of dues a union could charge or the uses to which it could put these dues. The Court dismisses as irrelevant the fact that Congress expressly rejected the House proposal that would have empowered the NLRB to regulate the "reasonableness" of union dues and expenditures. The Court finds meaningful the fact that "[t]he House bill did not purport to set out the

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rights of *nonmembers* who are compelled to pay union dues, but rather sought to establish a 'bill of rights for union *members*' vis-a-vis their union leaders. H.R. Rep., at 31, Leg.Hist. 322 (emphasis added)." *Ante*, at 758. But this is a distinction without a difference. Contrary to the Court's view, Congress viewed this proposal as directly related to § 8(a)(3); Congress clearly saw the nonmembers' interests in this context as being represented by union members.¹⁰ Thus, Senator Taft explained the Senate conferees' reasons for refusing to accept the provisions in the House bill:

"In the opinion of the Senate conferees[,] the language which protected an employee from losing his job if a union expelled him for some reason other than nonpayment of dues and initiation fees, uniformly required of all

members, was considered sufficient protection." 93 Cong.Rec. 6443 (1947), Leg.Hist. 1540.

Congress' decision, in the course of the well-documented Senate-House compromise, not to place any general federal restrictions on the levels or uses of union dues,¹¹ indicates

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that it did not intend the provisos to limit the uses to which agency fees may be put.

The Court invokes what it apparently sees as a singleminded legislative purpose, namely, the eradication of a "free-rider" problem, and then views the legislative history through this narrow prism. The legislative materials demonstrate, however, that, contrary to the impression left by the Court, Congress was not guided solely by a desire to eliminate "free riders." The 1947 Congress that carefully crafted § 8(a)(3) was focusing on a quite different problem—the most serious abuses of compulsory unionism. As the majority observes, "Congress carefully tailored [its] solution to the evils at which it was aimed." *Ante*, at 749. In serving its purpose, Congress went only so far in foreclosing compulsory unionism. It outlawed closed shops altogether, but banned unions from using union-security provisions only where those provisions exact more than the initiation fees and "periodic dues" uniformly required as conditions of union

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membership. Otherwise, it determined that the regulation of union-security agreements should be left to specific federal legislation and to the legislatures and courts of the several States.¹² Congress explicitly declined to mandate the kind of particularized regulation of union dues and fees which the Court attributes to it today.

II

By suggesting that the 1947 Congress was driven principally by a desire to eradicate a "free-rider" problem, the Court finds the means not only to distort the legislative justification for § 8(a)(3) and to ignore the provision's plain language, but also to draw a controlling parallelism to § 2, Eleventh of the RLA, 64 Stat. 1238, 45 U.S.C. § 152. As mistaken as the Court is in its view of Congress' purpose in enacting § 8(a)(3), the Court is even more mistaken in its reliance on this Court's interpretation of § 2, Eleventh in *Machinists v. Street*, 367 U.S. 740, 81 S.Ct. 1784, 6 L.Ed.2d 1141 (1961).

The text of § 8(a)(3) of the NLRA is, of course, very much like the text of the later enacted § 2, Eleventh of the RLA. This similarity, however, does not dictate the conclusion that the 1947 Congress intended § 8(a)(3) to have a meaning identical to that which the 1951 Congress intended § 2, Eleventh to have. The Court previously has held that the scope of the RLA is not identical to that of the NLRA and that courts should be wary of drawing parallels between the two stat-

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utes. See, e.g., *First National Maintenance Corp. v. NLRB*, 452 U.S. 666, 686, n. 23, 101 S.Ct. 2573, 2583, n. 23, 69 L.Ed.2d 318 (1981); *Railroad Trainmen v. Jacksonville Terminal Co.*, 394 U.S. 369, 383, 89 S.Ct. 1109, 1117, 22 L.Ed.2d 344 (1969). Thus, parallels between § 8(a)(3) and § 2, Eleventh, "like all parallels between the NLRA and the Railway Labor Act, should be drawn with the utmost care and with full awareness of the differences between the statutory schemes." *Chicago & N.W.R. Co. v. Transportation Union*, 402 U.S. 570, 579, n. 11, 91 S.Ct. 1731, 1736, n. 11, 29 L.Ed.2d 187 (1971). Contrary to the majority's conclusion, *ante*, at 750, the two provisions were not born of the "same concern[s]"; indeed, they were born of competing concerns. This Court's interpretation of § 2, Eleventh, therefore, provides no support for construing § 8(a)(3) in a fashion inconsistent with its plain language and legislative history.¹³

The considerations that enabled the Court to conclude in *Street*, 367 U.S., at 750, 81 S.Ct., at 1790, that it is " 'fairly possible' " and "entirely reasonable" to read § 2, Eleventh to proscribe union-security agreements requiring uniform payments from all bargaining-unit employees are wholly absent with respect to § 8(a)(3). In *Street*, the Court stressed the fact that from 1926, when the RLA was first enacted, until 1951 when § 2, Eleventh assumed its present form, that Act prohibited all forms of union security and declared a "policy of complete freedom of choice of employees to join or not to join a union." *Ibid.* By 1951, however, Congress recognized "the expenses and burdens incurred by the unions in the administration of the complex scheme of the [RLA]." 367 U.S., at 751, 81 S.Ct., at 1790-1791. The purpose advanced for amending the RLA in 1951 to authorize union-security agreements for the first time was "the elimi-

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nation of the 'free riders.' " 367 U.S., at 761, 81 S.Ct., at 1796. Given that background, the Court was persuaded that it was possible to conclude that "Congress did not completely abandon the policy of full freedom of choice embodied in the . . . Act, but rather made inroads on it for the limited purpose of eliminating the problems created by the 'free rider.'" *Id.*, at 767, 81 S.Ct., at 1799.

The NLRA does not share the RLA's underlying policy, which propelled the Court's interpretation of § 2, Eleventh in *Street*. Indeed, the history of the NLRA points in the opposite direction: the original policy of the Wagner Act was to permit all forms of union-security agreements, and such agreements were commonplace in 1947. Thus, in enacting § 8(a)(3), the 1947 Congress, unlike the 1951 Congress, was not making inroads on a policy of full freedom of choice in order to provide "a specific response," *id.*, at 751, 81 S.Ct., at 1790, to a particular problem facing unions. Rather, the 1947 amendments to § 8(a)(3) were designed

to make an inroad into a preexisting policy of the absolute freedom of private parties under federal law to negotiate union-security agreements. It was a "limited" inroad, responding to carefully defined abuses that Congress concluded had arisen in the union-security agreements permitted by the Wagner Act. The 1947 Congress did not enact § 8(a)(3) for the "same purpose" as did the 1951 Congress in enacting § 2, Eleventh. Therefore, contrary to the Court's conclusion, *ante*, at 762, the latter purpose, "eliminating 'free riders,' " does *not* dictate our construction of § 8(a)(3), regardless of its impact on our construction of § 2, Eleventh.

In order to overcome this inevitable conclusion, the Court relies on remarks made by a few Members of the Congress in enacting the 1951 amendments to § 2, Eleventh of the RLA, which the Court contends show that the 1951 Congress viewed those amendments as identical to the amendments that had been made to § 8(a)(3) of the NLRA in 1947. See *ante*, at 756; see also *ante*, at 746, and n. 4. But even assuming the Court's view of the legislative history of § 2, Elev-

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enth is correct (and the legislative materials do not obviously impart the message the Court receives¹⁴), it does not provide support for the Court's strained reading of § 8(a)(3). Its only possible relevance in this case is to evidence the 1951 Congress' understanding of a statute that particular Congress did not enact. The relevant question here, however, is what the 1947 Congress intended by the statute that *it* enacted. "[I]t is well settled that ' "the views of a subsequent Congress form a hazardous basis for inferring the intent of an earlier one." ' " *Russello v. United States*, 464 U.S. 16, 26, 104 S.Ct. 296, 302, 78 L.Ed.2d 17 (1983), quoting *Jefferson County Pharmaceutical Assn. v. Abbott Laboratories*, 460 U.S. 150, 165, n. 27, 103 S.Ct. 1011, 1021, n. 27, 74 L.Ed.2d 882 (1983), in turn quoting *United States v. Price*,

361 U.S. 304, 313, 80 S.Ct. 326, 331, 4 L.Ed.2d 334 (1960). See also *United States v. Clark*, 445 U.S. 23, 33, n. 9, 100 S.Ct. 895, n. 9, 63 L.Ed.2d 171 (1980). It

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would "surely come as a surprise" to the legislators who enacted § 8(a)(3) to learn that, in discerning their intent, the Court listens not to their voices, but to those of a later Congress. *Ante*, at 756. Unlike the majority, I am unwilling to put the 1951 legislators' words into the 1947 legislators' mouths.

The relevant sources for gleaning the 1947 Congress' intent are the plain language of § 8(a)(3), and, at least to the extent that it might reflect a clear intention contrary to the plain meaning of the statute, the legislative history of § 8(a)(3). Those sources show that the 1947 Congress did not intend § 8(a)(3) to have the same meaning the Court has attributed to § 2, Eleventh of the RLA. I therefore must disagree with the majority's assertion that the Court's decision in *Street* is "controlling" here. See *ante*, at 745.

III

In sum, I conclude that, in enacting § 8(a)(3) of the NLRA, Congress did not intend to prohibit union-security agreements that require the tender of full union dues and standard union initiation fees from nonmember employees, without regard to how the union expends the funds so collected. In finding controlling weight in this Court's interpretation of § 2, Eleventh of the RLA to reach a contrary conclusion, the Court has not only eschewed our well-established methods of statutory construction, but also interpreted the terms of § 8(a)(3) in a manner inconsistent with the congressional purpose clearly expressed in the statutory language and amply documented in the legislative history. I dissent.

1. The courts below, of course, possessed jurisdiction over respondents' constitutional challenges. Whether or not the NLRB entertains constitutional

claims, see *Florida Gulf Coast Building & Construction Trades Council (Edward J. DeBartolo Corp.)*, 273 N.L.R.B. 1431, 1432 (1985) (Board "will presume the constitutionality of the Act [it] administer[s]"); *Handy Andy, Inc.*, 228 N.L.R.B. 447, 452 (1977) (Board lacks the authority "to determine the constitutionality of mandatory language in the Act"); see also *Johnson v. Robison*, 415 U.S. 361, 368, 94 S.Ct. 1160, 1166, 39 L.Ed.2d 389 (1974) ("Adjudication of the constitutionality of congressional enactments has generally been thought beyond the jurisdiction of administrative agencies"); cf. *NLRB v. Catholic Bishop of Chicago*, 440 U.S. 490, 495-499, 99 S.Ct. 1313, 1316-1318, 59 L.Ed.2d 533 (1979) (reviewing Board's history of determining its jurisdiction over religious schools in light of Free Exercise Clause concerns), such claims would not fall within the Board's primary jurisdiction.

2. Section 8(b)(2) makes it unlawful for unions "to cause or attempt to cause an employer to discriminate against an employee in violation of subsection (a)(3)," 29 U.S.C. § 158(b)(2); accordingly, the provisos to § 8(a)(3) also allow unions to seek and enter into union-security agreements.

3. Section 2, Eleventh provides, in pertinent part:

"Notwithstanding any other provisions of this chapter, or of any other statute or law of the United States, or Territory thereof, or of any State, any carrier or carriers as defined in this chapter and a labor organization or labor organizations duly designated and authorized to represent employees in accordance with the requirements of this chapter shall be permitted—

"(a) to make agreements, requiring, as a condition of continued employment, that within sixty days following the beginning of such employment, or the effective date of such agreements, whichever is later, all employees shall become members of the labor organization representing their craft or class: *Provided*, That no such agreement shall require such condition of employment with respect to employees to whom membership is not available upon the same terms and conditions as are generally applicable to any other member or with respect to employees to whom membership was denied or terminated for any reason other than the failure of the employee to tender the periodic dues, initiation fees, and assessments (not including fines and penalties) uniformly required as a condition of acquiring or retaining membership." 45 U.S.C. § 152, Eleventh.

Although § 2, Eleventh allows termination of an employee for failure to pay "periodic dues, initiation fees, *and assessments (not including fines and penalties)*," the italicized language was added to the RLA only because some railway unions required only nominal dues, and financed their bargaining activities through monthly assessments; having added "assessments" as a proper element of agency fees, Congress simply clarified that the term did not refer, as it often did in the parlance of other industries, to fines or penalties. See *Machinists v. Street*, 367 U.S., at 766, 81 S.Ct., at 1798. In addition, § 2, Eleventh pre-empts state laws that would otherwise ban union shops. This difference, however, has no bearing on the types of union-

security agreements that the statute permits, and thus does not distinguish the union shop authorization of § 2, Eleventh from that of § 8(a)(3).

4. See also S.Rep. No. 2262, 81st Cong., 2d Sess., 3 (1950), U.S. Code Cong.Serv. 1950, p. 4319 ("[T]he terms of [the bill] are substantially the same as those of the Labor-Management Relations Act"); H.R.Rep. No. 2811, 81st Cong., 2d Sess., 4 (1950) (the bill allows unions "to negotiate agreements with railroads and airlines of a character permitted in the case of labor organizations in the other large industries of the country"); 96 Cong. Rec. 15737 (1950) (remarks of Sen. Hill) ("The bill . . . is designed merely to extend to employees and employers subject to the [RLA] rights now possessed by employees and employers under the Taft-Hartley Act"); *id.*, at 15740 (remarks of Sen. Lehman) ("The railroad brotherhoods should have the same right that any other union has to negotiate for the union shop"); *id.*, at 16267 (remarks of Sen. Taft) ("[T]he bill inserts in the railway mediation law almost the exact provisions . . . of the Taft-Hartley law"); *id.*, at 17049 (remarks of Rep. Beckworth) (the bill permits railway unions "to bring about agreements with carriers providing for union shops, a principle enacted into law in the Taft-Hartley bill"); *id.*, at 17055 (remarks of Rep. Biemiller)

("[The] provision . . . gives to railway labor the right to bargain for the union shop just as any other labor group in the country may do"); *id.*, at 17056 (remarks of Rep. Bennett) ("The purpose of the bill is to amend the [RLA] to give railroad workers . . . the same right to enjoy the benefits and privileges of a union-shop arrangement that is now accorded to all workmen in most other types of employment"); *ibid.* (remarks of Rep. Heselton) ("[T]his bill primarily provides for the same kind of treatment of railroad and airline employees as is now accorded employees in all other industries under existing law"); *id.*, at 17059 (remarks of Rep. Harris) ("The fundamental proposition involved in the bill [is to extend] the national policy expressed in the Taft-Hartley Act regarding the lawfulness of . . . the union shop . . . to . . . railroad and airline labor organizations"); *id.*, at 17061 (remarks of Rep. Vursell) ("This bill simply extends to the railroad workers and employers the benefit of this provision now enjoyed by all other laboring men under the Taft-Hartley Act").

5. This sentiment was repeated throughout the hearings and lengthy debate that preceded passage of the bill. See, *e.g.*, 93 Cong. Rec. 3557 (1947), Leg. Hist. 740 (remarks of Rep. Jennings) (because members of the minority "would get the benefit of that contract made between the majority of their fellow workmen and the management . . . it is not unreasonable that they should go along and contribute dues like the others"); 93 Cong. Rec. 3558, Leg. Hist. 741 (remarks of Rep. Robison) ("If [union-negotiated] benefits come to the workers all alike, is it not only fair that the beneficiaries, whether the majority or the minority, contribute their equal share in securing these benefits?"); 93 Cong. Rec. 3837, Leg. Hist. 1010 (remarks of Sen. Taft) ("[T]he legislation, 'in effect, . . . say[s], that no one can get a free ride in such a shop. That meets one of the arguments for a union shop. The employee has to pay the union dues"); S.Rep., at 6, Leg.Hist. 412 ("In testifying before this Committee, . . . leaders of organized labor have

stressed the fact that in the absence of [union-security] provisions many employees sharing the benefits of what unions are able to accomplish by collective bargaining will refuse to pay their share of the cost"). See also H.R.Rep. No. 245, 80th Cong., 1st Sess., 80 (1947) (H.R.Rep.), Leg.Hist. 371 ("[Closed shop] agreements prevent nonunion workers from sharing in the benefits resulting from union activities without also sharing in the obligations").

6. Although Senator Taft qualified his comparison by explaining that the provisions of the Taft-Hartley law were incorporated into the RLA "so far as they fit," this qualification merely reflected the fact that the laws were not identical in all respects, their chief difference inhering in their preemptive effect, or lack thereof, on all state regulation of union-security agreements. See n. 3, *supra*. This difference, of course, does not detract from the near identity of the provisions insofar as they confer on unions and employers authority to enter into union-security agreements, nor does it in any way undermine the force of Senator Taft's comparison with respect to this authority. Indeed, Taft himself explained that he initially "objected to some of the original terms of the bill, but when the [bill's] proponents agreed to accept amendments which made the provisions *identical* with the Taft-Hartley law," he decided to support the law. 96 Cong. Rec. 16267 (1950) (emphasis added).

7. We note that the NLRB, at least for a time, also took the position that the uniform "periodic dues and initiation fees" required by § 8(a)(3) were limited by the congressional concern with free riders to those fees necessary to finance collective-bargaining activities. In *Teamsters Local No. 959*, 167 N.L.R.B. 1042, 1045 (1967), the Board explained:

"[T]he right to charge 'periodic dues' granted unions by the proviso to Section 8(a)(3) is concerned exclusively with the concept that those enjoying the benefits of collective bargaining should bear their fair share of the costs incurred by the collective-bargaining agent in representing them. But it is manifest that dues that do not contribute, and are not intended to contribute, to the cost of operation of a union in its capacity as collective-bargaining agent cannot be justified as necessary for the elimination of 'free riders.' "

The Board, however, subsequently repudiated that view. See *Detroit Mailers Union No. 40*, 192 N.L.R.B. 951, 952 (1971).

Notwithstanding this unequivocal language, the dissent advises us, *post*, at 5, n. 5, that we have misread *Teamsters Local*. Choosing to ignore the above-quoted passage, the dissent asserts that the Board never "embraced . . . the view," *ibid.*, that "periodic dues and initiation fees" are limited to those that finance the union in its capacity as collective-bargaining agent, because in *Teamsters Local* itself the Board concluded that the dues in question "were actually 'special purpose funds,' " and were thus " 'assessments' not contemplated by the proviso to § 8(a)(3)." *Post*, at 5, n. 5 (quoting *Teamsters Local*, *supra*, at 1044). This observation, however, avails the dissent nothing; obviously, once the Board determined that the dues were not used

for collective-bargaining purposes, the conclusion that they were not dues within the meaning of § 8(a)(3) followed automatically. Under the dissent's reading, had the union simply built the increase into its dues base, rather than initially denominating it as a "special assessment," it would have been entitled to exact the fees as "periodic dues" and spend them for precisely the same purposes without running afoul of § 8(a)(3). The Board made entirely clear, however, that it was the *purpose* of the fee, not the manner in which it was collected, that controlled, and thus explained that "[m]onies collected for a credit union or building fund even if regularly recurring,

as here, are obviously not 'for the maintenance of the' [union] as an organization, but are for a 'special purpose' and could be terminated without affecting *the continued existence of [the union] as the bargaining representative.*" *Teamsters Local*, *supra*, at 1045 (emphasis added). Finally, the dissent's portrayal of *Teamsters Local* as part of an unbroken string of consistent Board decisions on the issue is belied by the dissenting statement in *Detroit Mailers*, in which member Jenkins, who joined the decision in *Teamsters Local*, charged that the Board had ignored the clear holding of that earlier case. 192 N.L.R.B., at 952-953.

8. Construing both § 8(a)(3) and § 2, Eleventh as permitting the collection and use of only those fees germane to collective bargaining does not, as petitioners seem to believe, read the term "uniform" out of the statutes. The uniformity requirement makes clear that the costs of representational activities must be borne equally by all those who benefit; without this language, unions could conceivably establish different dues rates both among members and between members and nonmembers, and thereby apportion the costs of collective bargaining unevenly. Indeed, the uniformity requirement inures to the benefit of dissident union members as well, by ensuring that if the union discriminates against them by charging higher dues, their failure to pay such dues cannot be grounds for discharge. See § 8(b)(2), 29 U.S.C. § 158(b)(2) (making it an unfair labor practice for a union "to cause or attempt to cause an *employer* to discriminate against an employee . . . with respect to whom membership in [the union] has been denied or terminated on some ground other than [the] failure to tender the periodic dues and initiation fees uniformly required") (emphasis added).

9. See, e.g., H.R.Rep., at 76-77, Leg.Hist. 367-368 (Minority Views) (charging that Government regulation was essentially impossible; that the encroachment on the rights of voluntary organizations such as unions was "without parallel"; and that such regulation invited harassment by rival unions and employers, and ultimately complete governmental control over union affairs).

1. Like the majority, I do not reach the First Amendment issue raised below by respondents, and therefore similarly do not address whether a union's exercise of rights pursuant to § 8(a)(3) involves state action. See *ante*, at 761.

2. Section 8(b)(2) makes it unlawful for a union "to cause or attempt to cause an employer" to violate § 8(a)(3). 29 U.S.C. § 158(b)(2).

3. The Taft-Hartley Act also amended the first proviso to prohibit the application of a union-security agreement to an individual until he has been employed for 30 days. See 29 U.S.C. § 158(a)(3).

4. This reading, of course, flows from the fact that "membership" as used in the first proviso, means not *actual* membership in the union, but rather "the payment of initiation fees and monthly dues." *NLRB v. General Motors Corp.*, 373 U.S. 734, 742, 83 S.Ct. 1453, 1459, 10 L.Ed.2d 670 (1963).

5. See, e.g., *In re Union Starch & Refining Co.*, 87 N.L.R.B. 779, (1949), *enfd.*, 186 F.2d 1008 (CA7), *cert. denied*, 342 U.S. 815, 72 S.Ct. 30, 96 L.Ed. 617 (1951); *Detroit Mailers Union No. 40*, 192 N.L.R.B. 951, 951-952 (1971). In *Detroit Mailers*, the Board explained:

"Neither on its face nor in the congressional purpose behind [§ 8(a)(3)] can any warrant be found for making any distinction here between dues which may be allocated for collective-bargaining purposes and those earmarked for institutional expenses of the union. . . . '[D]ues collected from members may be used for a variety of purposes, in addition to meeting the union's costs of collective bargaining.' Unions 'rather typically' use their membership dues to do those things which the members authorized the union to do in their interest and on their behalf.' By virtue of Section 8(a)(3),

such dues may be required from an employee under a union-security contract so long as they are periodic and uniformly required and are not devoted to a purpose which would make their mandatory extraction otherwise inimical to public policy." *Id.*, at 952, quoting *Retail Clerks v. Schermerhorn*, 373 U.S., at 753-754, 83 S.Ct., at 1465-1466 (internal quotations omitted).

The United States, appearing here as *amicus curiae*, maintains that position in this case.

Contrary to the Court's suggestion, the NLRB has not embraced and then "repudiated" the view that, for purposes of § 8(a)(3), "periodic dues and initiation fees" mean only "those fees necessary to finance collective-bargaining activities." *Ante*, at 752, n. 7. *Teamsters Local No. 959*, 167 N.L.R.B. 1042 (1967), does not demonstrate otherwise. In *Teamsters Local*, the NLRB held that "working dues" designated to fund a union building program and a credit union were actually "assessments" not contemplated by the proviso to § 8(a)(3). *Id.*, at 1044. The Board found that the union itself regarded the levy as a "temporary assessment," clearly distinct from its "regular dues." *Ibid.* Moreover, because the financing for the programs was constructed in such a way that the union treasury might never have received 90% of the moneys, the Board concluded that the "working dues" were actually "special purposes funds," and that "the support of such funds cannot come from 'periodic dues' as that term is used in § 8(a)(3)." *Ibid.* In *Detroit Mailers*, the NLRB distinguished such assessments from "periodic and

uniformly required" dues, which, in its view, a union is not precluded from demanding of nonmembers pursuant to § 8(a)(3). 192 N.L.R.B., at 952.

While the majority credits an interpretation of *Teamsters Local* propounded by a dissenting member of the Board in *Detroit Mailers*, ante, at 752—753, n. 7, I prefer to take the Board's word at face value: *Teamsters Local* did not create "controlling precedent" endorsing the view of § 8(a)(3) enunciated by the Court today. 192 N.L.R.B., at 952. Significantly, the majority cannot cite one case in which the Board has held that uniformly required, periodic dues used for purposes other than "collective bargaining" are not dues within the meaning of § 8(a)(3).

6. The Court's insistence that it has not changed the meaning of the term "uniform," see ante, at 2652, n. 8, misses the point. The uniformity requirement obviously requires that the union can collect from nonmembers under a union-security agreement only those "periodic dues and initiation fees" collected equally from its members. But this begs the question: what "periodic dues and initiation fees"? It is the meaning of those terms which the Court misconceives.

Under our settled doctrines of statutory construction, were there any ambiguity in the meaning of § 8(a)(3)—which there is not the Court would be constrained to defer to the interpretation of the NLRB, unless the agency's construction were contrary to the clear intent of Congress. *Chevron U.S.A. Inc. v. National Resources Defense Council, Inc.*, 467 U.S. 837, 842-843, and n. 9, 104 S.Ct. 2778, 2781, and n. 9, 81 L.Ed.2d 694 (1984). Although the Court apparently finds such ambiguity, it fails to apply this doctrine. By reference to a narrow view of congressional "purpose" gleaned from isolated statements in the legislative history, and in reliance upon this Court's interpretation of another statute, the Court constructs an interpretation that not only finds no support in the statutory language or legislative history of § 8(a)(3), but also contradicts the Board's settled interpretation of the statutory provision. The Court previously has directed: "Where the Board's construction of the Act is reasonable, it should not be rejected 'merely because the courts might prefer another view of the statute.'" *Pattern Makers v. NLRB*, 473 U.S. 95, 114, 105 S.Ct. 3064, 3075, 87 L.Ed.2d 68 (1985), quoting *Ford Motor Co. v. NLRB*, 441 U.S. 488, 497, 99 S.Ct. 1842, 1849, 60 L.Ed.2d 420 (1979). Here, the only apparent motivation for holding that the Board's interpretation of § 8(a)(3) is impermissible, is the Court's view of another statute.

7. The Court's answer to the absolute lack of evidence that Congress intended to regulate such expenditures is no answer at all; the Court simply reiterates that in *Machinists v. Street*, 367 U.S. 740, 81 S.Ct. 1784, 6 L.Ed.2d 1141 (1961), it did not give weight to congressional silence in the RLA on this issue. See ante, at 760. The point, however, is not that the Court should give weight to Congress' silence in the NLRA; the point is that the Court must find some support in the NLRA for its proposition. Congress' silence simply highlights that there is no support for the Court's interpretation of the 1947 Congress' intent.

8. See also, e.g., 93 Cong.Rec. 3837 (1947), Leg.Hist. 1010 (remarks of Sen. Taft) ("[B]ecause the union shop has been in force in many industries for so many years . . . to upset it today probably would destroy relationships of long standing and probably would bring on more strikes than it would cure").

Despite a legislative history rife with unequivocal statements to the contrary, the Court concludes that the 1947 Congress did not set out to restrict union-security agreements in a "limited fashion." Ante, at 755. Quite apart from the Court's unorthodox reliance on representations of those opposed to the Taft-Hartley amendments, the majority's observation that "Congress viewed the Wagner Act's regime of compulsory unionism as seriously flawed," *ibid.*, begs the question. The perceived flaws were embedded in the closed-shop system, not the union-shop system. Thus, as is characteristic of the majority's opinion, its comparison to the RLA, under which there was no closed-shop system, is beside the point. See *ibid.* Congress was aware that under the NLRA, "the one system [the closed shop] ha[d] led to very serious abuses and the other system [the union shop] ha[d] not led to such serious abuses." 93 Cong.Rec. 4886 (1947), Leg.Hist. 1421 (remarks of Sen. Taft). Accordingly, Congress banned closed shops altogether, but it made only limited inroads on the union-shop system that had been in effect prior to 1947, carefully describing its limitations on such agreements. H.R.Rep. No. 245, 80th Cong., 1st Sess., 9, Leg.Hist. 300; S.Rep., at 6-7, Leg.Hist. 412-413. It could not be clearer from the legislative history that in enacting the proviso to § 8(a)(3), Congress attempted to deal only with specific abuses in the union-shop system, only the "actual problems that ha[d] arisen." 93 Cong.Rec. 4886 (1947), Leg.Hist. 1421 (remarks of Sen. Taft); accord, 93 Cong.Rec. 3836-3837 (1947), Leg.Hist. 1010-1011 (remarks of Sen. Taft). Congress' philosophy was that it had "to decree either an open shop or an open union. [It] decreed an open union, . . . [which would] permit the continuation of existing relationships, and [would] not violently tear apart a great many long-existing relationships and make trouble in the labor movement; and yet at the same time it [would] meet the abuses which exist." 93 Cong. Rec. 4886 (1947), Leg.Hist. 1420 (remarks of Sen. Taft). Union-security agreements requiring the payment of uniform periodic dues and standard initiation fees were not among the specified abuses. There was no testimony regarding problems arising from such arrangements. Indeed, the subtext of the entire debate was that such arrangements were acceptable. The Court's suggestion to the contrary is simply untenable.

9. The Senate Report explained: Congress "did not desire to limit the labor organization with respect to either its selection of membership or expulsion therefrom. But [it] did wish to protect the employee in his job if unreasonably expelled or denied membership. The tests provided by the amendment are based upon facts readily ascertainable and do not require the employer to inquire into the internal affairs of the union." S.Rep., at 20, Leg.Hist. 426.

10. The Court appears to believe that Congress intended § 8(a)(3) to protect the interests of individual nonmembers in the uses to which the union puts

their moneys. See *ante*, at 759. It could not be clearer, however, that Congress did not have this in mind at all. As Senator Taft explained to his colleague who complained that requiring a man to join a union he does not wish to join (pursuant to § 8(a)(3)) was no less restrictive than a closed shop: in enacting § 8(a)(3), Congress was not trying "to go into the broader fields of the rights of particular persons." 93 Cong.Rec. 4886 (1947), Leg.Hist. 1421.

The only "rights" protected by the § 8(a)(3) provisos are workers' employment rights. As the legislative debates reflect, Congress was principally concerned with insulating workers' jobs from capricious actions by union leaders. "The purpose of the union unfair labor practice provisions added to § 8(a)(3) was to 'prevent[t] the union from inducing the employer to use the emoluments of the job to enforce the union's rules.'" *Pattern Makers v. NLRB*, 473 U.S., at 126, 105 S.Ct., at 3081 (dissenting opinion), quoting *Scofield v. NLRB*, 394 U.S. 423, 429, 89 S.Ct. 1154, 1157, 22 L.Ed.2d 385 (1969).

11. Congress placed only one limitation on the uses which can be made of union dues. "[W]ith little apparent discussion or opposition," the Senate conferees adopted the House bill's prohibition limiting what unions may spend from dues money on federal elections. *Pipefitters v. United States*, 407 U.S. 385, 405, 92 S.Ct. 2247, 2259-2260, 33 L.Ed.2d 11 (1972). In § 304 of the Labor Management Relations (Taft-Hartley) Act, 61 Stat. 159-160, which is now incorporated in the Federal Election Campaign Act of 1976, 90 Stat. 490, 2 U.S.C. § 441b(a), Congress made it unlawful for a union "to make a contribution or expenditure in connection with" certain political elections, primaries, or political conventions.

The Senate conferees also agreed with the House that some safeguard was needed to prevent unions from charging new members exorbitant initiation fees that effectively "close" the union, thereby "frustrat[ing] the intent of [§ 8(a)(3)]." 93 Cong. Rec. 6443 (1947), Leg. Hist. 1540 (remarks of Sen. Taft). Hence, § 8(b)(5) was added to the final bill, which makes it an unfair labor practice for a union which has negotiated a union-security agreement to require initiation fees that the NLRB "finds excessive or discriminatory under all the circumstances." 29 U.S.C. § 158(b)(5). The Senate passed § 8(b)(5) only after receiving assurances from Senator Taft that it would not allow the NLRB to regulate union expenditures. See 93 Cong. Rec. 6859 (1947), Leg.Hist. 1623 (stressing that the provision "is limited to initiation fees and does not cover dues").

12. "It was never the intention of the [NLRA] . . . to preempt the field in this regard so as to deprive the States of their powers to prevent compulsory

unionism." H.R.Conf.Rep. 510, 80th Cong., 1st Sess., 60 (1947), U.S. Code Cong.Serv. 1947, pp. 1135, 1166, Leg.Hist. 564. Accordingly, Congress added § 14(b) to the final bill, which, as enacted, expressly preserves the authority of the States to regulate union-security agreements, including the use of funds collected from employees pursuant to such an agreement. See *Retail Clerks v. Schermerhorn*, 373 U.S., at 751-752, 83 S.Ct., at 1464-1465. Many States in fact have imposed limitations on the union-security agreements that are permitted in their jurisdictions. See 2 C. Morris, *The Developing Labor Law* 1391-1392 (2d ed. 1983).

13. The dissent in the original panel decision in this case appropriately observed: "If the legislative purposes behind § 8(a)(3) and § 2, Eleventh were identical, one would expect that [this] Court in *Street* would have looked to the NLRA for guidance in interpreting § 2, Eleventh. The *Street* opinion, however, does not significantly rely on or discuss either the NLRA or § 8(a)(3). Instead, it focuses on the distinctive features of the railroad industry and the Railway Labor Act in construing § 2, Eleventh." 776 F.2d 1187, 1220 (CA4 1985).

14. The Court overstates the clarity of what was said about § 8(a)(3) when § 2, Eleventh was amended in 1951. As the Court's recitation of various statements reflects, the extent to which the 1951 Congress saw itself engrafting onto the RLA terms *identical*, in all respects, to the terms of § 8(a)(3) is uncertain. See *ante*, at 746—747, n. 4. The remarks are only general comments about the similarity of the NLRA union-security provisions, rather than explicit comparisons of § 8(a)(3) with the provisions of the RLA. For example, Senator Taft explained: "In effect, the bill inserts in the railway mediation law *almost the exact provisions, so far as they fit*, of the Taft-Hartley law, so that the conditions regarding the union shop and the check-off are carried into the relations between railroad unions and the railroads." 96 Cong. Rec. 16267 (1950) (emphasis added). See also, *e.g.*, H.R.Rep. No. 2811, 81st Cong., 2d Sess., 4 (1950) (§ 2, Eleventh allows agreements "of a character" permitted in § 8(a)(3)); 96 Cong. Rec. 17049 (1951) (remarks of Rep. Beckworth) (§ 2, Eleventh extends to railroads "a principle" embodied in § 8(a)(3)). Especially when it is remembered that Congress was *extending* to unions in the railroad industry the authority to enter into agreements for which they previously had *no* authority, whereas the 1947 Congress had rescinded authorization for certain kinds of union-security agreements, the import of these statements is ambiguous. To borrow a phrase from the majority, I "think it far safer and far more appropriate to construe § 8(a)(3) in light of its" language and legislative history, "than by drawing inferences from" ambiguous statements made by Members of a later Congress in enacting a different statute. *Ante*, at 759.

29 USC Ch. 11: LABOR-MANAGEMENT REPORTING AND DISCLOSURE PROCEDURE

From Title 29—LABOR

CHAPTER 11—LABOR-MANAGEMENT REPORTING AND DISCLOSURE PROCEDURE

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SUBCHAPTER I—GENERAL PROVISIONS

§401. Congressional declaration of findings, purposes, and policy

(a) Standards for labor-management relations

The Congress finds that, in the public interest, it continues to be the responsibility of the Federal Government to protect employees' rights to organize, choose their own representatives, bargain collectively, and otherwise engage in concerted activities for their mutual aid or protection; that the relations between employers and labor organizations and the millions of workers they represent have a substantial impact on the commerce of the Nation; and that in order to accomplish the objective of a free flow of commerce it is essential that labor organizations, employers, and their officials adhere to the highest standards of responsibility and ethical conduct in administering the affairs of their organizations, particularly as they affect labor-management relations.

(b) Protection of rights of employees and the public

The Congress further finds, from recent investigations in the labor and management fields, that there have been a number of instances of breach of trust, corruption, disregard of the rights of individual employees, and other failures to observe high standards of responsibility and ethical conduct which require further and supplementary legislation that will afford necessary protection of the rights and interests of employees and the public generally as they relate to the activities of labor organizations, employers, labor relations consultants, and their officers and representatives.

(c) Necessity to eliminate or prevent improper practices

The Congress, therefore, further finds and declares that the enactment of this chapter is necessary to eliminate or prevent improper practices on the part of labor organizations, employers, labor relations consultants, and their officers and representatives which distort and defeat the policies of the Labor Management Relations Act, 1947, as amended [29 U.S.C. 141 et seq.], and the Railway Labor Act, as amended [45 U.S.C. 151 et seq.], and have the tendency or necessary effect of burdening or obstructing commerce by (1) impairing the efficiency, safety, or operation of the instrumentalities of commerce; (2) occurring in the current of commerce; (3) materially affecting, restraining, or controlling the flow of raw materials or manufactured or processed goods into or from the channels of commerce, or the prices of such materials or goods in commerce; or (4) causing diminution of employment and wages in such volume as substantially to impair or disrupt the market for goods flowing into or from the channels of commerce.

(Pub. L. 86–257, §2, Sept. 14, 1959, 73 Stat. 519.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (c), was in the original "this Act", meaning Pub. L. 86–257, Sept. 14,

1959, 73 Stat. 519, as amended, known as the Labor-Management Reporting and Disclosure Act of 1959, which enacted this chapter, amended sections 153, 158, 159, 160, 164, 186, and 187 of this title, and enacted provisions set out as notes under sections 153, 158, and 481 of this title. For complete classification of this Act to the Code, see Short Title note set out below and Tables.

The Labor Management Relations Act, 1947, referred to in subsec. (c), is act June 23, 1947, ch. 120, 61 Stat. 136, as amended, which is classified principally to chapter 7 (§141 et seq.) of this title. For complete classification of this Act to the Code, see section 141 of this title and Tables.

The Railway Labor Act, referred to in subsec. (c), is act May 20, 1926, ch. 347, 44 Stat. 577, as amended, which is classified principally to chapter 8 (§151 et seq.) of Title 45, Railroads. For complete classification of this Act to the Code, see section 151 of Title 45 and Tables.

SHORT TITLE

Pub. L. 86–257, §1, Sept. 14, 1959, 73 Stat. 519, provided that: "This Act [enacting this chapter, amending sections 153, 158, 159, 160, 164, 186, and 187 of this title, and enacting provisions set out as notes under sections 153, 158, and 481 of this title] may be cited as the 'Labor-Management Reporting and Disclosure Act of 1959'."

§402. Definitions

For the purposes of this chapter—

(a) "Commerce" means trade, traffic, commerce, transportation, transmission, or communication among the several States or between any State and any place outside thereof.

(b) "State" includes any State of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, American Samoa, Guam, Wake Island, the Canal Zone, and Outer Continental Shelf lands defined in the Outer Continental Shelf Lands Act [43 U.S.C. 1331 et seq.].

(c) "Industry affecting commerce" means any activity, business, or industry in commerce or in which a labor dispute would hinder or obstruct commerce or the free flow of commerce and includes any activity or industry "affecting commerce" within the meaning of the Labor Management Relations Act, 1947, as amended [29 U.S.C. 141 et seq.], or the Railway Labor Act, as amended [45 U.S.C. 151 et seq.].

(d) "Person" includes one or more individuals, labor organizations, partnerships, associations, corporations, legal representatives, mutual companies, joint-stock companies, trusts, unincorporated organizations, trustees, trustees in cases under title 11, or receivers.

(e) "Employer" means any employer or any group or association of employers engaged in an industry affecting commerce (1) which is, with respect to employees engaged in an industry affecting commerce, an employer within the meaning of any law of the United States relating to the employment of any employees or (2) which may deal with any labor organization concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work, and includes any person acting directly or indirectly as an employer or as an agent of an employer in relation to an employee but does not include the United States or any corporation wholly owned by the Government of the United States or any State or political subdivision thereof.

(f) "Employee" means any individual employed by an employer, and includes any individual whose work has ceased as a consequence of, or in connection with, any current labor dispute or because of any unfair labor practice or because of exclusion or expulsion from a labor organization in any manner or for any reason inconsistent with the requirements of this chapter.

(g) "Labor dispute" includes any controversy concerning terms, tenure, or conditions of employment, or concerning the association or representation of persons in negotiating, fixing, maintaining, changing, or seeking to arrange terms or conditions of employment, regardless of whether the disputants stand in the proximate relation of employer and employee.

(h) "Trusteeship" means any receivership, trusteeship, or other method of supervision or control whereby a labor organization suspends the autonomy otherwise available to a subordinate body under its constitution or bylaws.

(i) "Labor organization" means a labor organization engaged in an industry affecting commerce and includes any organization of any kind, any agency, or employee representation committee, group, association, or plan so engaged in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, and any conference, general committee, joint or system board, or joint council so engaged which is subordinate to a national or international labor organization, other than a State or local central body.

(j) A labor organization shall be deemed to be engaged in an industry affecting commerce if it—

(1) is the certified representative of employees under the provisions of the National Labor Relations Act, as

amended [29 U.S.C. 151 et seq.], or the Railway Labor Act, as amended [45 U.S.C. 151 et seq.]; or

(2) although not certified, is a national or international labor organization or a local labor organization recognized or acting as the representative of employees of an employer or employers engaged in an industry affecting commerce; or

(3) has chartered a local labor organization or subsidiary body which is representing or actively seeking to represent employees of employers within the meaning of paragraph (1) or (2); or

(4) has been chartered by a labor organization representing or actively seeking to represent employees within the meaning of paragraph (1) or (2) as the local or subordinate body through which such employees may enjoy membership or become affiliated with such labor organization; or

(5) is a conference, general committee, joint or system board, or joint council, subordinate to a national or international labor organization, which includes a labor organization engaged in an industry affecting commerce within the meaning of any of the preceding paragraphs of this subsection, other than a State or local central body.

(k) "Secret ballot" means the expression by ballot, voting machine, or otherwise, but in no event by proxy, of a choice with respect to any election or vote taken upon any matter, which is cast in such a manner that the person expressing such choice cannot be identified with the choice expressed.

(l) "Trust in which a labor organization is interested" means a trust or other fund or organization (1) which was created or established by a labor organization, or one or more of the trustees or one or more members of the governing body of which is selected or appointed by a labor organization, and (2) a primary purpose of which is to provide benefits for the members of such labor organization or their beneficiaries.

(m) "Labor relations consultant" means any person who, for compensation, advises or represents an employer, employer organization, or labor organization concerning employee organizing, concerted activities, or collective bargaining activities.

(n) "Officer" means any constitutional officer, any person authorized to perform the functions of president, vice president, secretary, treasurer, or other executive functions of a labor organization, and any member of its executive board or similar governing body.

(o) "Member" or "member in good standing", when used in reference to a labor organization, includes any person who has fulfilled the requirements for membership in such organization, and who neither has voluntarily withdrawn from membership nor has been expelled or suspended from membership after appropriate proceedings consistent with lawful provisions of the constitution and bylaws of such organization.

(p) "Secretary" means the Secretary of Labor.

(q) "Officer, agent, shop steward, or other representative", when used with respect to a labor organization, includes elected officials and key administrative personnel, whether elected or appointed (such as business agents, heads of departments or major units, and organizers who exercise substantial independent authority), but does not include salaried nonsupervisory professional staff, stenographic, and service personnel.

(r) "District court of the United States" means a United States district court and a United States court of any place subject to the jurisdiction of the United States.

(Pub. L. 86–257, §3, Sept. 14, 1959, 73 Stat. 520; Pub. L. 95–598, title III, §320, Nov. 6, 1978, 92 Stat. 2678.)

REFERENCES IN TEXT

This chapter, referred to in the opening phrase, was in the original "titles I, II, III, IV, V (except section 505), and VI of this Act", which reference includes those sections of the Act which are classified principally to this chapter. For complete classification of such titles to the Code, see Tables.

For definition of Canal Zone, referred to in subsec. (b), see section 3602(b) of Title 22, Foreign Relations and Intercourse.

The Outer Continental Shelf Lands Act, referred to in subsec. (b), is act [Aug. 7, 1953, ch. 345](#), 67 Stat. 462, as amended, which is classified generally to subchapter III (§1331 et seq.) of chapter 29 of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1301 of Title 43 and Tables.

The Labor Management Relations Act, 1947, referred to in subsec. (c), is act [June 23, 1947, ch. 120](#), 61 Stat. 136, as amended, which is classified principally to chapter 7 (§141 et seq.) of this title. For complete classification of this Act to the Code, see section 141 of this title and Tables.

This chapter, referred to in subsec. (f), was in the original "this Act", meaning [Pub. L. 86–257, Sept. 14, 1959](#), 73 Stat. 519, as amended, known as the Labor-Management Reporting and Disclosure Act of 1959, which enacted this chapter, amended sections 153, 158, 159, 160, 164, 186, and 187 of this title, and enacted provisions set out as notes under sections 153, 158, and 481 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 401 of this title and Tables.

The Railway Labor Act, referred to in subsecs. (c) and (j)(1), is act May 20, 1926, ch. 347, 44 Stat. 577, as amended, which is classified principally to chapter 8 (§151 et seq.) of Title 45, Railroads. For complete classification of this Act to the Code, see section 151 of Title 45 and Tables.

The National Labor Relations Act, referred to in subsec. (j)(1), is act July 5, 1935, ch. 372, 49 Stat. 452, as amended, which is classified generally to subchapter II (§151 et seq.) of chapter 7 of this title. For complete classification of this Act to the Code, see section 167 of this title and Tables.

AMENDMENTS

1978—Subsec. (d). Pub. L. 95–598 substituted "cases under title 11" for "bankruptcy".

EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95–598 effective Oct. 1, 1979, see section 402(a) of Pub. L. 95–598, set out as an Effective Date note preceding section 101 of Title 11, Bankruptcy.

SUBCHAPTER II—BILL OF RIGHTS OF MEMBERS OF LABOR ORGANIZATIONS

§411. Bill of rights; constitution and bylaws of labor organizations

(a)(1) Equal rights

Every member of a labor organization shall have equal rights and privileges within such organization to nominate candidates, to vote in elections or referendums of the labor organization, to attend membership meetings, and to participate in the deliberations and voting upon the business of such meetings, subject to reasonable rules and regulations in such organization's constitution and bylaws.

(2) Freedom of speech and assembly

Every member of any labor organization shall have the right to meet and assemble freely with other members; and to express any views, arguments, or opinions; and to express at meetings of the labor organization his views, upon candidates in an election of the labor organization or upon any business properly before the meeting, subject to the organization's established and reasonable rules pertaining to the conduct of meetings: *Provided*, That nothing herein shall be construed to impair the right of a labor organization to adopt and enforce reasonable rules as to the responsibility of every member toward the organization as an institution and to his refraining from conduct that would interfere with its performance of its legal or contractual obligations.

(3) Dues, initiation fees, and assessments

Except in the case of a federation of national or international labor organizations, the rates of dues and initiation fees payable by members of any labor organization in effect on September 14, 1959 shall not be increased, and no general or special assessment shall be levied upon such members, except—

(A) in the case of a local labor organization, (i) by majority vote by secret ballot of the members in good standing voting at a general or special membership meeting, after reasonable notice of the intention to vote upon such question, or (ii) by majority vote of the members in good standing voting in a membership referendum conducted by secret ballot; or

(B) in the case of a labor organization, other than a local labor organization or a federation of national or international labor organizations, (i) by majority vote of the delegates voting at a regular convention, or at a special convention of such labor organization held upon not less than thirty days' written notice to the principal office of each local or constituent labor organization entitled to such notice, or (ii) by majority vote of the members in good standing of such labor organization voting in a membership referendum conducted by secret ballot, or (iii) by majority vote of the members of the executive board or similar governing body of such labor organization, pursuant to express authority contained in the constitution and bylaws of such labor organization: *Provided*, That such action on the part of the executive board or similar governing body shall be effective only until the next regular convention of such labor organization.

(4) Protection of the right to sue

No labor organization shall limit the right of any member thereof to institute an action in any court, or in a proceeding before any administrative agency, irrespective of whether or not the labor organization or its officers are named as defendants or respondents in such action or proceeding, or the right of any member of a labor organization to appear as a witness in any judicial, administrative, or legislative proceeding, or to petition any

legislature or to communicate with any legislator: *Provided*, That any such member may be required to exhaust reasonable hearing procedures (but not to exceed a four-month lapse of time) within such organization, before instituting legal or administrative proceedings against such organizations or any officer thereof: *And provided further*, That no interested employer or employer association shall directly or indirectly finance, encourage, or participate in, except as a party, any such action, proceeding, appearance, or petition.

(5) Safeguards against improper disciplinary action

No member of any labor organization may be fined, suspended, expelled, or otherwise disciplined except for nonpayment of dues by such organization or by any officer thereof unless such member has been (A) served with written specific charges; (B) given a reasonable time to prepare his defense; (C) afforded a full and fair hearing.

(b) Invalidity of constitution and bylaws

Any provision of the constitution and bylaws of any labor organization which is inconsistent with the provisions of this section shall be of no force or effect.

(Pub. L. 86–257, title I, §101, Sept. 14, 1959, 73 Stat. 522.)

§412. Civil action for infringement of rights; jurisdiction

Any person whose rights secured by the provisions of this subchapter have been infringed by any violation of this subchapter may bring a civil action in a district court of the United States for such relief (including injunctions) as may be appropriate. Any such action against a labor organization shall be brought in the district court of the United States for the district where the alleged violation occurred, or where the principal office of such labor organization is located.

(Pub. L. 86–257, title I, §102, Sept. 14, 1959, 73 Stat. 523.)

§413. Retention of existing rights of members

Nothing contained in this subchapter shall limit the rights and remedies of any member of a labor organization under any State or Federal law or before any court or other tribunal, or under the constitution and bylaws of any labor organization.

(Pub. L. 86–257, title I, §103, Sept. 14, 1959, 73 Stat. 523.)

§414. Right to copies of collective bargaining agreements

It shall be the duty of the secretary or corresponding principal officer of each labor organization, in the case of a local labor organization, to forward a copy of each collective bargaining agreement made by such labor organization with any employer to any employee who requests such a copy and whose rights as such employee are directly affected by such agreement, and in the case of a labor organization other than a local labor organization, to forward a copy of any such agreement to each constituent unit which has members directly affected by such agreement; and such officer shall maintain at the principal office of the labor organization of which he is an officer copies of any such agreement made or received by such labor organization, which copies shall be available for inspection by any member or by any employee whose rights are affected by such agreement. The provisions of section 440 of this title shall be applicable in the enforcement of this section.

(Pub. L. 86–257, title I, §104, Sept. 14, 1959, 73 Stat. 523.)

§415. Information to members of provisions of chapter

Every labor organization shall inform its members concerning the provisions of this chapter.

(Pub. L. 86–257, title I, §105, Sept. 14, 1959, 73 Stat. 523.)

§431. Report of labor organizations

(a) Adoption and filing of constitution and bylaws; contents of report

Every labor organization shall adopt a constitution and bylaws and shall file a copy thereof with the Secretary, together with a report, signed by its president and secretary or corresponding principal officers, containing the following information—

- (1) the name of the labor organization, its mailing address, and any other address at which it maintains its principal office or at which it keeps the records referred to in this subchapter;
- (2) the name and title of each of its officers;
- (3) the initiation fee or fees required from a new or transferred member and fees for work permits required by the reporting labor organization;
- (4) the regular dues or fees or other periodic payments required to remain a member of the reporting labor organization; and
- (5) detailed statements, or references to specific provisions of documents filed under this subsection which contain such statements, showing the provision made and procedures followed with respect to each of the following: (A) qualifications for or restrictions on membership, (B) levying of assessments, (C) participation in insurance or other benefit plans, (D) authorization for disbursement of funds of the labor organization, (E) audit of financial transactions of the labor organization, (F) the calling of regular and special meetings, (G) the selection of officers and stewards and of any representatives to other bodies composed of labor organizations' representatives, with a specific statement of the manner in which each officer was elected, appointed, or otherwise selected, (H) discipline or removal of officers or agents for breaches of their trust, (I) imposition of fines, suspensions, and expulsions of members, including the grounds for such action and any provision made for notice, hearing, judgment on the evidence, and appeal procedures, (J) authorization for bargaining demands, (K) ratification of contract terms, (L) authorization for strikes, and (M) issuance of work permits. Any change in the information required by this subsection shall be reported to the Secretary at the time the reporting labor organization files with the Secretary the annual financial report required by subsection (b) of this section.

(b) Annual financial report; filing; contents

Every labor organization shall file annually with the Secretary a financial report signed by its president and treasurer or corresponding principal officers containing the following information in such detail as may be necessary accurately to disclose its financial condition and operations for its preceding fiscal year—

- (1) assets and liabilities at the beginning and end of the fiscal year;
- (2) receipts of any kind and the sources thereof;
- (3) salary, allowances, and other direct or indirect disbursements (including reimbursed expenses) to each officer and also to each employee who, during such fiscal year, received more than \$10,000 in the aggregate from such labor organization and any other labor organization affiliated with it or with which it is affiliated, or which is affiliated with the same national or international labor organization;
- (4) direct and indirect loans made to any officer, employee, or member, which aggregated more than \$250 during the fiscal year, together with a statement of the purpose, security, if any, and arrangements for repayment;
- (5) direct and indirect loans to any business enterprise, together with a statement of the purpose, security, if any, and arrangements for repayment; and
- (6) other disbursements made by it including the purposes thereof;

all in such categories as the Secretary may prescribe.

(c) Availability of information to members; examination of books, records, and accounts

Every labor organization required to submit a report under this subchapter shall make available the information required to be contained in such report to all of its members, and every such labor organization and its officers shall be under a duty enforceable at the suit of any member of such organization in any State court of competent jurisdiction or in the district court of the United States for the district in which such labor organization maintains its principal office, to permit such member for just cause to examine any books, records, and accounts necessary to verify such report. The court in such action may, in its discretion, in addition to any judgment awarded to the plaintiff or plaintiffs, allow a reasonable attorney's fee to be paid by the defendant, and costs of the action.

(Pub. L. 86–257, title II, §201(a)–(c), Sept. 14, 1959, 73 Stat. 524, 525.)

CODIFICATION

Section is comprised of subsecs. (a) to (c) of section 201 of Pub. L. 86–257. Subsec. (d) of section

201 repealed subsecs. (f) to (h) of section 159 of this title, and subsec. (e) of section 201 amended section 158(a)(3)(i) of this title.

§432. Report of officers and employees of labor organizations

(a) Filing; contents of report

Every officer of a labor organization and every employee of a labor organization (other than an employee performing exclusively clerical or custodial services) shall file with the Secretary a signed report listing and describing for his preceding fiscal year—

(1) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child derived directly or indirectly from, an employer whose employees such labor organization represents or is actively seeking to represent, except payments and other benefits received as a bona fide employee of such employer;

(2) any transaction in which he or his spouse or minor child engaged, directly or indirectly, involving any stock, bond, security, or loan to or from, or other legal or equitable interest in the business of an employer whose employees such labor organization represents or is actively seeking to represent;

(3) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child directly or indirectly derived from, any business a substantial part of which consists of buying from, selling or leasing to, or otherwise dealing with, the business of an employer whose employees such labor organization represents or is actively seeking to represent;

(4) any stock, bond, security, or other interest, legal or equitable, which he or his spouse or minor child directly or indirectly held in, and any income or any other benefit with monetary value (including reimbursed expenses) which he or his spouse or minor child directly or indirectly derived from, a business any part of which consists of buying from, or selling or leasing directly or indirectly to, or otherwise dealing with such labor organization;

(5) any direct or indirect business transaction or arrangement between him or his spouse or minor child and any employer whose employees his organization represents or is actively seeking to represent, except work performed and payments and benefits received as a bona fide employee of such employer and except purchases and sales of goods or services in the regular course of business at prices generally available to any employee of such employer; and

(6) any payment of money or other thing of value (including reimbursed expenses) which he or his spouse or minor child received directly or indirectly from any employer or any person who acts as a labor relations consultant to an employer, except payments of the kinds referred to in section 186(c) of this title.

(b) Report of certain bona fide investments

The provisions of paragraphs (1), (2), (3), (4), and (5) of subsection (a) of this section shall not be construed to require any such officer or employee to report his bona fide investments in securities traded on a securities exchange registered as a national securities exchange under the Securities Exchange Act of 1934 [15 U.S.C. 78a et seq.], in shares in an investment company registered under the Investment Company Act of 1940 [15 U.S.C. 80a–1 et seq.], or in securities of a public utility holding company registered under the Public Utility Holding Company Act of 1935, or to report any income derived therefrom.

(c) Exemption from filing requirement

Nothing contained in this section shall be construed to require any officer or employee of a labor organization to file a report under subsection (a) of this section unless he or his spouse or minor child holds or has held an interest, has received income or any other benefit with monetary value or a loan, or has engaged in a transaction described therein.

(Pub. L. 86–257, title II, §202, Sept. 14, 1959, 73 Stat. 525.)

REFERENCES IN TEXT

The Securities Exchange Act of 1934, referred to in subsec. (b), is act June 6, 1934, ch. 404, 48 Stat. 881, as amended, which is classified principally to chapter 2B (§78a et seq.) of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see section 78a of Title 15 and Tables.

The Investment Company Act of 1940, referred to in subsec. (b), is title I of act Aug. 22, 1940, ch. 686, 54 Stat. 789, as amended, which is classified generally to subchapter I (§80a–1 et seq.) of chapter 2D of Title 15. For complete classification of this Act to the Code, see section 80a–51 of Title 15 and

Tables.

The Public Utility Holding Company Act of 1935, referred to in subsec. (b), is title I of act Aug. 26, 1935, ch. 687, 49 Stat. 803, as amended, which was classified generally to chapter 2C (§79 et seq.) of Title 15, Commerce and Trade, prior to repeal by Pub. L. 109–58, title XII, §1263, Aug. 8, 2005, 119 Stat. 974. For complete classification of this Act to the Code, see Tables.

§433. Report of employers

(a) Filing and contents of report of payments, loans, promises, agreements, or arrangements

Every employer who in any fiscal year made—

(1) any payment or loan, direct or indirect, of money or other thing of value (including reimbursed expenses), or any promise or agreement therefor, to any labor organization or officer, agent, shop steward, or other representative of a labor organization, or employee of any labor organization, except (A) payments or loans made by any national or State bank, credit union, insurance company, savings and loan association or other credit institution and (B) payments of the kind referred to in section 186(c) of this title;

(2) any payment (including reimbursed expenses) to any of his employees, or any group or committee of such employees, for the purpose of causing such employee or group or committee of employees to persuade other employees to exercise or not to exercise, or as the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing unless such payments were contemporaneously or previously disclosed to such other employees;

(3) any expenditure, during the fiscal year, where an object thereof, directly or indirectly, is to interfere with, restrain, or coerce employees in the exercise of the right to organize and bargain collectively through representatives of their own choosing, or is to obtain information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding;

(4) any agreement or arrangement with a labor relations consultant or other independent contractor or organization pursuant to which such person undertakes activities where an object thereof, directly or indirectly, is to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing, or undertakes to supply such employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding; or

(5) any payment (including reimbursed expenses) pursuant to an agreement or arrangement described in subdivision (4);

shall file with the Secretary a report, in a form prescribed by him, signed by its president and treasurer or corresponding principal officers showing in detail the date and amount of each such payment, loan, promise, agreement, or arrangement and the name, address, and position, if any, in any firm or labor organization of the person to whom it was made and a full explanation of the circumstances of all such payments, including the terms of any agreement or understanding pursuant to which they were made.

(b) Persuasive activities relating to the right to organize and bargain collectively; supplying information of activities in connection with labor disputes; filing and contents of report of agreement or arrangement

Every person who pursuant to any agreement or arrangement with an employer undertakes activities where an object thereof is, directly or indirectly—

(1) to persuade employees to exercise or not to exercise, or persuade employees as to the manner of exercising, the right to organize and bargain collectively through representatives of their own choosing; or

(2) to supply an employer with information concerning the activities of employees or a labor organization in connection with a labor dispute involving such employer, except information for use solely in conjunction with an administrative or arbitral proceeding or a criminal or civil judicial proceeding;

shall file within thirty days after entering into such agreement or arrangement a report with the Secretary, signed by its president and treasurer or corresponding principal officers, containing the name under which such person is engaged in doing business and the address of its principal office, and a detailed statement of the terms and conditions of such agreement or arrangement. Every such person shall file annually, with respect to each fiscal year during which payments were made as a result of such an agreement or arrangement, a report with the Secretary, signed by its president and treasurer or corresponding principal officers, containing a statement (A) of

its receipts of any kind from employers on account of labor relations advice or services, designating the sources thereof, and (B) of its disbursements of any kind, in connection with such services and the purposes thereof. In each such case such information shall be set forth in such categories as the Secretary may prescribe.

(c) Advisory or representative services exempt from filing requirements

Nothing in this section shall be construed to require any employer or other person to file a report covering the services of such person by reason of his giving or agreeing to give advice to such employer or representing or agreeing to represent such employer before any court, administrative agency, or tribunal of arbitration or engaging or agreeing to engage in collective bargaining on behalf of such employer with respect to wages, hours, or other terms or conditions of employment or the negotiation of an agreement or any question arising thereunder.

(d) Exemption from filing requirements generally

Nothing contained in this section shall be construed to require an employer to file a report under subsection (a) of this section unless he has made an expenditure, payment, loan, agreement, or arrangement of the kind described therein. Nothing contained in this section shall be construed to require any other person to file a report under subsection (b) of this section unless he was a party to an agreement or arrangement of the kind described therein.

(e) Services by and payments to regular officers, supervisors, and employees of employer

Nothing contained in this section shall be construed to require any regular officer, supervisor, or employee of an employer to file a report in connection with services rendered to such employer nor shall any employer be required to file a report covering expenditures made to any regular officer, supervisor, or employee of an employer as compensation for service as a regular officer, supervisor, or employee of such employer.

(f) Rights protected by section 158(c) of this title

Nothing contained in this section shall be construed as an amendment to, or modification of the rights protected by, section 158(c) of this title.

(g) "Interfere with, restrain, or coerce" defined

The term "interfere with, restrain, or coerce" as used in this section means interference, restraint, and coercion which, if done with respect to the exercise of rights guaranteed in section 157 of this title, would, under section 158(a) of this title, constitute an unfair labor practice.

(Pub. L. 86-257, title II, §203, Sept. 14, 1959, 73 Stat. 526.)

§434. Exemption of attorney-client communications

Nothing contained in this chapter shall be construed to require an attorney who is a member in good standing of the bar of any State, to include in any report required to be filed pursuant to the provisions of this chapter any information which was lawfully communicated to such attorney by any of his clients in the course of a legitimate attorney-client relationship.

(Pub. L. 86-257, title II, §204, Sept. 14, 1959, 73 Stat. 528.)

§435. Reports and documents as public information

(a) Publication; statistical and research purposes

The contents of the reports and documents filed with the Secretary pursuant to sections 431, 432, 433, and 441 of this title shall be public information, and the Secretary may publish any information and data which he obtains pursuant to the provisions of this subchapter. The Secretary may use the information and data for statistical and research purposes, and compile and publish such studies, analyses, reports, and surveys based thereon as he may deem appropriate.

(b) Inspection and examination of information and data

The Secretary shall by regulation make reasonable provision for the inspection and examination, on the request of any person, of the information and data contained in any report or other document filed with him pursuant to section 431, 432, 433, or 441 of this title.

(c) Copies of reports or documents; availability to State agencies

The Secretary shall by regulation provide for the furnishing by the Department of Labor of copies of reports or other documents filed with the Secretary pursuant to this subchapter, upon payment of a charge based upon the

cost of the service. The Secretary shall make available without payment of a charge, or require any person to furnish, to such State agency as is designated by law or by the Governor of the State in which such person has his principal place of business or headquarters, upon request of the Governor of such State, copies of any reports and documents filed by such person with the Secretary pursuant to section 431, 432, 433, or 441 of this title, or of information and data contained therein. No person shall be required by reason of any law of any State to furnish to any officer or agency of such State any information included in a report filed by such person with the Secretary pursuant to the provisions of this subchapter, if a copy of such report, or of the portion thereof containing such information, is furnished to such officer or agency. All moneys received in payment of such charges fixed by the Secretary pursuant to this subsection shall be deposited in the general fund of the Treasury. (Pub. L. 86-257, title II, §205, Sept. 14, 1959, 73 Stat. 528; Pub. L. 89-216, §2(a)-(c), Sept. 29, 1965, 79 Stat. 888.)

AMENDMENTS

1965—Pub. L. 89-216 inserted references to section 441 of this title.

§436. Retention of records

Every person required to file any report under this subchapter shall maintain records on the matters required to be reported which will provide in sufficient detail the necessary basic information and data from which the documents filed with the Secretary may be verified, explained, or clarified, and checked for accuracy and completeness, and shall include vouchers, worksheets, receipts, and applicable resolutions, and shall keep such records available for examination for a period of not less than five years after the filing of the documents based on the information which they contain.

(Pub. L. 86-257, title II, §206, Sept. 14, 1959, 73 Stat. 529.)

§437. Time for making reports

(a) Each labor organization shall file the initial report required under section 431(a) of this title within ninety days after the date on which it first becomes subject to this chapter.

(b) Each person required to file a report under section 431(b), 432, 433(a), the second sentence of 433(b), or section 441 of this title shall file such report within ninety days after the end of each of its fiscal years; except that where such person is subject to section 431(b), 432, 433(a), the second sentence of 433(b), or section 441 of this title, as the case may be, for only a portion of such a fiscal year (because September 14, 1959, occurs during such person's fiscal year) such person becomes subject to this chapter during its fiscal year or such person may consider that portion as the entire fiscal year in making such report.

(Pub. L. 86-257, title II, §207, Sept. 14, 1959, 73 Stat. 529; Pub. L. 89-216, §2(d), Sept. 29, 1965, 79 Stat. 888.)

AMENDMENTS

1965—Subsec. (b). Pub. L. 89-216 inserted reference to section 441 of this title in two places.

§438. Rules and regulations; simplified reports

The Secretary shall have authority to issue, amend, and rescind rules and regulations prescribing the form and publication of reports required to be filed under this subchapter and such other reasonable rules and regulations (including rules prescribing reports concerning trusts in which a labor organization is interested) as he may find necessary to prevent the circumvention or evasion of such reporting requirements. In exercising his power under this section the Secretary shall prescribe by general rule simplified reports for labor organizations or employers for whom he finds that by virtue of their size a detailed report would be unduly burdensome, but the Secretary may revoke such provision for simplified forms of any labor organization or employer if he determines, after such investigation as he deems proper and due notice and opportunity for a hearing, that the purposes of this section would be served thereby.

(Pub. L. 86-257, title II, §208, Sept. 14, 1959, 73 Stat. 529.)

§439. Violations and penalties

(a) Willful violations of provisions of subchapter

Any person who willfully violates this subchapter shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(b) False statements or representations of fact with knowledge of falsehood

Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any document, report, or other information required under the provisions of this subchapter shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(c) False entry in or willful concealment, etc., of books and records

Any person who willfully makes a false entry in or willfully conceals, withholds, or destroys any books, records, reports, or statements required to be kept by any provision of this subchapter shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(d) Personal responsibility of individuals required to sign reports

Each individual required to sign reports under sections 431 and 433 of this title shall be personally responsible for the filing of such reports and for any statement contained therein which he knows to be false.

(Pub. L. 86-257, title II, §209, Sept. 14, 1959, 73 Stat. 529.)

§440. Civil action for enforcement by Secretary; jurisdiction

Whenever it shall appear that any person has violated or is about to violate any of the provisions of this subchapter, the Secretary may bring a civil action for such relief (including injunctions) as may be appropriate. Any such action may be brought in the district court of the United States where the violation occurred or, at the option of the parties, in the United States District Court for the District of Columbia.

(Pub. L. 86-257, title II, §210, Sept. 14, 1959, 73 Stat. 530.)

§441. Surety company reports; contents; waiver or modification of requirements respecting contents of reports

Each surety company which issues any bond required by this chapter or the Employee Retirement Income Security Act of 1974 [29 U.S.C. 1001 et seq.] shall file annually with the Secretary, with respect to each fiscal year during which any such bond was in force, a report, in such form and detail as he may prescribe by regulation, filed by the president and treasurer or corresponding principal officers of the surety company, describing its bond experience under each such chapter or Act, including information as to the premiums received, total claims paid, amounts recovered by way of subrogation, administrative and legal expenses and such related data and information as the Secretary shall determine to be necessary in the public interest and to carry out the policy of the chapter. Notwithstanding the foregoing, if the Secretary finds that any such specific information cannot be practicably ascertained or would be uninformative, the Secretary may modify or waive the requirement for such information.

(Pub. L. 86-257, title II, §211, as added Pub. L. 89-216, §3, Sept. 29, 1965, 79 Stat. 888; amended Pub. L. 93-406, title I, §111(a)(2)(D), Sept. 2, 1974, 88 Stat. 852.)

REFERENCES IN TEXT

The Employee Retirement Income Security Act of 1974, referred to in text, is Pub. L. 93-406, Sept. 2, 1974, 88 Stat. 829, as amended, which is classified principally to chapter 18 (§1001 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of this title and Tables.

AMENDMENTS

1974—Pub. L. 93-406 substituted "Employee Retirement Income Security Act of 1974" for "Welfare and Pension Plans Disclosure Act".

EFFECTIVE DATE OF 1974 AMENDMENT

Amendment by Pub. L. 93-406 effective Jan. 1, 1975, except as provided in section 1031(b)(2) of this title, see section 1031(b)(1) of this title.

SUBCHAPTER IV—TRUSTEESHIPS

§461. Reports

(a) Filing and contents; annual financial report

Every labor organization which has or assumes trusteeship over any subordinate labor organization shall file with the Secretary within thirty days after September 14, 1959 or the imposition of any such trusteeship, and semiannually thereafter, a report, signed by its president and treasurer or corresponding principal officers, as well as by the trustees of such subordinate labor organization, containing the following information: (1) the name and address of the subordinate organization; (2) the date of establishing the trusteeship; (3) a detailed statement of the reason or reasons for establishing or continuing the trusteeship; and (4) the nature and extent of participation by the membership of the subordinate organization in the selection of delegates to represent such organization in regular or special conventions or other policy-determining bodies and in the election of officers of the labor organization which has assumed trusteeship over such subordinate organization. The initial report shall also include a full and complete account of the financial condition of such subordinate organization as of the time trusteeship was assumed over it. During the continuance of a trusteeship the labor organization which has assumed trusteeship over a subordinate labor organization shall file on behalf of the subordinate labor organization the annual financial report required by section 431(b) of this title signed by the president and treasurer or corresponding principal officers of the labor organization which has assumed such trusteeship and the trustees of the subordinate labor organization.

(b) Applicability of other laws

The provisions of sections 431(c), 435, 436, 438, and 440 of this title shall be applicable to reports filed under this subchapter.

(c) Penalty for violations

Any person who willfully violates this section shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(d) False statements and entries; failure to disclose material facts; withholding, concealing or destroying documents, books, records, reports, or statements; penalty

Any person who makes a false statement or representation of a material fact, knowing it to be false, or who knowingly fails to disclose a material fact, in any report required under the provisions of this section or willfully makes any false entry in or willfully withholds, conceals, or destroys any documents, books, records, reports, or statements upon which such report is based, shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(e) Personal liability

Each individual required to sign a report under this section shall be personally responsible for the filing of such report and for any statement contained therein which he knows to be false.

(Pub. L. 86-257, title III, §301, Sept. 14, 1959, 73 Stat. 530.)

§462. Purposes for establishment of trusteeship

Trusteeships shall be established and administered by a labor organization over a subordinate body only in accordance with the constitution and bylaws of the organization which has assumed trusteeship over the subordinate body and for the purpose of correcting corruption or financial malpractice, assuring the performance of collective bargaining agreements or other duties of a bargaining representative, restoring democratic procedures, or otherwise carrying out the legitimate objects of such labor organization.

(Pub. L. 86-257, title III, §302, Sept. 14, 1959, 73 Stat. 531.)

§463. Unlawful acts relating to labor organization under trusteeship

(a) During any period when a subordinate body of a labor organization is in trusteeship, it shall be unlawful (1) to count the vote of delegates from such body in any convention or election of officers of the labor organization unless the delegates have been chosen by secret ballot in an election in which all the members in good standing of such subordinate body were eligible to participate, or (2) to transfer to such organization any current receipts or other funds of the subordinate body except the normal per capita tax and assessments payable by subordinate bodies not in trusteeship: *Provided*, That nothing herein contained shall prevent the distribution of the assets of a labor organization in accordance with its constitution and bylaws upon the bona fide dissolution thereof.

(b) Any person who willfully violates this section shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(Pub. L. 86–257, title III, §303, Sept. 14, 1959, 73 Stat. 531.)

§464. Civil action for enforcement

(a) Complaint; investigation; commencement of action by Secretary, member or subordinate body of labor organization; jurisdiction

Upon the written complaint of any member or subordinate body of a labor organization alleging that such organization has violated the provisions of this subchapter (except section 461 of this title) the Secretary shall investigate the complaint and if the Secretary finds probable cause to believe that such violation has occurred and has not been remedied he shall, without disclosing the identity of the complainant, bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate. Any member or subordinate body of a labor organization affected by any violation of this subchapter (except section 461 of this title) may bring a civil action in any district court of the United States having jurisdiction of the labor organization for such relief (including injunctions) as may be appropriate.

(b) Venue

For the purpose of actions under this section, district courts of the United States shall be deemed to have jurisdiction of a labor organization (1) in the district in which the principal office of such labor organization is located, or (2) in any district in which its duly authorized officers or agents are engaged in conducting the affairs of the trusteeship.

(c) Presumptions of validity or invalidity of trusteeship

In any proceeding pursuant to this section a trusteeship established by a labor organization in conformity with the procedural requirements of its constitution and bylaws and authorized or ratified after a fair hearing either before the executive board or before such other body as may be provided in accordance with its constitution or bylaws shall be presumed valid for a period of eighteen months from the date of its establishment and shall not be subject to attack during such period except upon clear and convincing proof that the trusteeship was not established or maintained in good faith for a purpose allowable under section 462 of this title. After the expiration of eighteen months the trusteeship shall be presumed invalid in any such proceeding and its discontinuance shall be decreed unless the labor organization shall show by clear and convincing proof that the continuation of the trusteeship is necessary for a purpose allowable under section 462 of this title. In the latter event the court may dismiss the complaint or retain jurisdiction of the cause on such conditions and for such period as it deems appropriate.

(Pub. L. 86–257, title III, §304, Sept. 14, 1959, 73 Stat. 531.)

§465. Report to Congress

The Secretary shall submit to the Congress at the expiration of three years from September 14, 1959, a report upon the operation of this subchapter.

(Pub. L. 86–257, title III, §305, Sept. 14, 1959, 73 Stat. 532.)

§466. Additional rights and remedies; exclusive jurisdiction of district court; res judicata

The rights and remedies provided by this subchapter shall be in addition to any and all other rights and remedies at law or in equity: *Provided*, That upon the filing of a complaint by the Secretary the jurisdiction of the district court over such trusteeship shall be exclusive and the final judgment shall be *res judicata*.

(Pub. L. 86–257, title III, §306, Sept. 14, 1959, 73 Stat. 532.)

SUBCHAPTER V—ELECTIONS

§481. Terms of office and election procedures

(a) Officers of national or international labor organizations; manner of election

Every national or international labor organization, except a federation of national or international labor organizations, shall elect its officers not less often than once every five years either by secret ballot among the members in good standing or at a convention of delegates chosen by secret ballot.

(b) Officers of local labor organizations; manner of election

Every local labor organization shall elect its officers not less often than once every three years by secret ballot among the members in good standing.

(c) Requests for distribution of campaign literature; civil action for enforcement; jurisdiction; inspection of membership lists; adequate safeguards to insure fair election

Every national or international labor organization, except a federation of national or international labor organizations, and every local labor organization, and its officers, shall be under a duty, enforceable at the suit of any bona fide candidate for office in such labor organization in the district court of the United States in which such labor organization maintains its principal office, to comply with all reasonable requests of any candidate to distribute by mail or otherwise at the candidate's expense campaign literature in aid of such person's candidacy to all members in good standing of such labor organization and to refrain from discrimination in favor of or against any candidate with respect to the use of lists of members, and whenever such labor organizations or its officers authorize the distribution by mail or otherwise to members of campaign literature on behalf of any candidate or of the labor organization itself with reference to such election, similar distribution at the request of any other bona fide candidate shall be made by such labor organization and its officers, with equal treatment as to the expense of such distribution. Every bona fide candidate shall have the right, once within 30 days prior to an election of a labor organization in which he is a candidate, to inspect a list containing the names and last known addresses of all members of the labor organization who are subject to a collective bargaining agreement requiring membership therein as a condition of employment, which list shall be maintained and kept at the principal office of such labor organization by a designated official thereof. Adequate safeguards to insure a fair election shall be provided, including the right of any candidate to have an observer at the polls and at the counting of the ballots.

(d) Officers of intermediate bodies; manner of election

Officers of intermediate bodies, such as general committees, system boards, joint boards, or joint councils, shall be elected not less often than once every four years by secret ballot among the members in good standing or by labor organization officers representative of such members who have been elected by secret ballot.

(e) Nomination of candidates; eligibility; notice of election; voting rights; counting and publication of results; preservation of ballots and records

In any election required by this section which is to be held by secret ballot a reasonable opportunity shall be given for the nomination of candidates and every member in good standing shall be eligible to be a candidate and to hold office (subject to section 504 of this title and to reasonable qualifications uniformly imposed) and shall have the right to vote for or otherwise support the candidate or candidates of his choice, without being subject to penalty, discipline, or improper interference or reprisal of any kind by such organization or any member thereof. Not less than fifteen days prior to the election notice thereof shall be mailed to each member at his last known home address. Each member in good standing shall be entitled to one vote. No member whose dues have been withheld by his employer for payment to such organization pursuant to his voluntary authorization provided for in a collective bargaining agreement shall be declared ineligible to vote or be a candidate for office in such organization by reason of alleged delay or default in the payment of dues. The votes cast by members of each local labor organization shall be counted, and the results published, separately. The election officials designated in the constitution and bylaws or the secretary, if no other official is designated, shall preserve for one year the ballots and all other records pertaining to the election. The election shall be conducted in accordance with the

constitution and bylaws of such organization insofar as they are not inconsistent with the provisions of this subchapter.

(f) Election of officers by convention of delegates; manner of conducting convention; preservation of records

When officers are chosen by a convention of delegates elected by secret ballot, the convention shall be conducted in accordance with the constitution and bylaws of the labor organization insofar as they are not inconsistent with the provisions of this subchapter. The officials designated in the constitution and bylaws or the secretary, if no other is designated, shall preserve for one year the credentials of the delegates and all minutes and other records of the convention pertaining to the election of officers.

(g) Use of dues, assessments or similar levies, and funds of employer for promotion of candidacy of person

No moneys received by any labor organization by way of dues, assessment, or similar levy, and no moneys of an employer shall be contributed or applied to promote the candidacy of any person in any election subject to the provisions of this subchapter. Such moneys of a labor organization may be utilized for notices, factual statements of issues not involving candidates, and other expenses necessary for the holding of an election.

(h) Removal of officers guilty of serious misconduct

If the Secretary, upon application of any member of a local labor organization, finds after hearing in accordance with subchapter II of chapter 5 of title 5 that the constitution and bylaws of such labor organization do not provide an adequate procedure for the removal of an elected officer guilty of serious misconduct, such officer may be removed, for cause shown and after notice and hearing, by the members in good standing voting in a secret ballot, conducted by the officers of such labor organization in accordance with its constitution and bylaws insofar as they are not inconsistent with the provisions of this subchapter.

(i) Rules and regulations for determining adequacy of removal procedures

The Secretary shall promulgate rules and regulations prescribing minimum standards and procedures for determining the adequacy of the removal procedures to which reference is made in subsection (h) of this section. (Pub. L. 86–257, title IV, §401, Sept. 14, 1959, 73 Stat. 532.)

CODIFICATION

In subsec. (h), "subchapter II of chapter 5 of title 5" substituted for "the Administrative Procedure Act" on authority of Pub. L. 89–554, §7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5, Government Organization and Employees.

EFFECTIVE DATE

Pub. L. 86–257, title IV, §404, Sept. 14, 1959, 73 Stat. 535, provided that: "The provisions of this title [enacting this subchapter] shall become applicable—

"(1) ninety days after the date of enactment of this Act [Sept. 14, 1959] in the case of a labor organization whose constitution and bylaws can lawfully be modified or amended by action of its constitutional officers or governing body, or

"(2) where such modification can only be made by a constitutional convention of the labor organization, not later than the next constitutional convention of such labor organization after the date of enactment of this Act [Sept. 14, 1959], or one year after such date, whichever is sooner. If no such convention is held within such one-year period, the executive board or similar governing body empowered to act for such labor organization between conventions is empowered to make such interim constitutional changes as are necessary to carry out the provisions of this title [enacting this subchapter]."

§482. Enforcement

(a) Filing of complaint; presumption of validity of challenged election

A member of a labor organization—

(1) who has exhausted the remedies available under the constitution and bylaws of such organization and of any parent body, or

(2) who has invoked such available remedies without obtaining a final decision within three calendar months after their invocation,

may file a complaint with the Secretary within one calendar month thereafter alleging the violation of any provision of section 481 of this title (including violation of the constitution and bylaws of the labor organization pertaining to the election and removal of officers). The challenged election shall be presumed valid pending a final decision thereon (as hereinafter provided) and in the interim the affairs of the organization shall be conducted by the officers elected or in such other manner as its constitution and bylaws may provide.

(b) Investigation of complaint; commencement of civil action by Secretary; jurisdiction; preservation of assets

The Secretary shall investigate such complaint and, if he finds probable cause to believe that a violation of this subchapter has occurred and has not been remedied, he shall, within sixty days after the filing of such complaint, bring a civil action against the labor organization as an entity in the district court of the United States in which such labor organization maintains its principal office to set aside the invalid election, if any, and to direct the conduct of an election or hearing and vote upon the removal of officers under the supervision of the Secretary and in accordance with the provisions of this subchapter and such rules and regulations as the Secretary may prescribe. The court shall have power to take such action as it deems proper to preserve the assets of the labor organization.

(c) Declaration of void election; order for new election; certification of election to court; decree; certification of result of vote for removal of officers

If, upon a preponderance of the evidence after a trial upon the merits, the court finds—

- (1) that an election has not been held within the time prescribed by section 481 of this title, or
- (2) that the violation of section 481 of this title may have affected the outcome of an election,

the court shall declare the election, if any, to be void and direct the conduct of a new election under supervision of the Secretary and, so far as lawful and practicable, in conformity with the constitution and bylaws of the labor organization. The Secretary shall promptly certify to the court the names of the persons elected, and the court shall thereupon enter a decree declaring such persons to be the officers of the labor organization. If the proceeding is for the removal of officers pursuant to subsection (h) of section 481 of this title, the Secretary shall certify the results of the vote and the court shall enter a decree declaring whether such persons have been removed as officers of the labor organization.

(d) Review of orders; stay of order directing election

An order directing an election, dismissing a complaint, or designating elected officers of a labor organization shall be appealable in the same manner as the final judgment in a civil action, but an order directing an election shall not be stayed pending appeal.

(Pub. L. 86–257, title IV, §402, Sept. 14, 1959, 73 Stat. 534.)

§483. Application of other laws; existing rights and remedies; exclusiveness of remedy for challenging election

No labor organization shall be required by law to conduct elections of officers with greater frequency or in a different form or manner than is required by its own constitution or bylaws, except as otherwise provided by this subchapter. Existing rights and remedies to enforce the constitution and bylaws of a labor organization with respect to elections prior to the conduct thereof shall not be affected by the provisions of this subchapter. The remedy provided by this subchapter for challenging an election already conducted shall be exclusive.

(Pub. L. 86–257, title IV, §403, Sept. 14, 1959, 73 Stat. 534.)

SUBCHAPTER VI—SAFEGUARDS FOR LABOR ORGANIZATIONS

§501. Fiduciary responsibility of officers of labor organizations

(a) Duties of officers; exculpatory provisions and resolutions void

The officers, agents, shop stewards, and other representatives of a labor organization occupy positions of trust in relation to such organization and its members as a group. It is, therefore, the duty of each such person, taking

into account the special problems and functions of a labor organization, to hold its money and property solely for the benefit of the organization and its members and to manage, invest, and expend the same in accordance with its constitution and bylaws and any resolutions of the governing bodies adopted thereunder, to refrain from dealing with such organization as an adverse party or in behalf of an adverse party in any matter connected with his duties and from holding or acquiring any pecuniary or personal interest which conflicts with the interests of such organization, and to account to the organization for any profit received by him in whatever capacity in connection with transactions conducted by him or under his direction on behalf of the organization. A general exculpatory provision in the constitution and bylaws of such a labor organization or a general exculpatory resolution of a governing body purporting to relieve any such person of liability for breach of the duties declared by this section shall be void as against public policy.

(b) Violation of duties; action by member after refusal or failure by labor organization to commence proceedings; jurisdiction; leave of court; counsel fees and expenses

When any officer, agent, shop steward, or representative of any labor organization is alleged to have violated the duties declared in subsection (a) of this section and the labor organization or its governing board or officers refuse or fail to sue or recover damages or secure an accounting or other appropriate relief within a reasonable time after being requested to do so by any member of the labor organization, such member may sue such officer, agent, shop steward, or representative in any district court of the United States or in any State court of competent jurisdiction to recover damages or secure an accounting or other appropriate relief for the benefit of the labor organization. No such proceeding shall be brought except upon leave of the court obtained upon verified application and for good cause shown, which application may be made ex parte. The trial judge may allot a reasonable part of the recovery in any action under this subsection to pay the fees of counsel prosecuting the suit at the instance of the member of the labor organization and to compensate such member for any expenses necessarily paid or incurred by him in connection with the litigation.

(c) Embezzlement of assets; penalty

Any person who embezzles, steals, or unlawfully and willfully abstracts or converts to his own use, or the use of another, any of the moneys, funds, securities, property, or other assets of a labor organization of which he is an officer, or by which he is employed, directly or indirectly, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

(Pub. L. 86-257, title V, §501, Sept. 14, 1959, 73 Stat. 535.)

§502. Bonding of officers and employees of labor organizations; amount, form, and placement of bonds; penalty for violation

(a) Every officer, agent, shop steward, or other representative or employee of any labor organization (other than a labor organization whose property and annual financial receipts do not exceed \$5,000 in value), or of a trust in which a labor organization is interested, who handles funds or other property thereof shall be bonded to provide protection against loss by reason of acts of fraud or dishonesty on his part directly or through connivance with others. The bond of each such person shall be fixed at the beginning of the organization's fiscal year and shall be in an amount not less than 10 per centum of the funds handled by him and his predecessor or predecessors, if any, during the preceding fiscal year, but in no case more than \$500,000. If the labor organization or the trust in which a labor organization is interested does not have a preceding fiscal year, the amount of the bond shall be, in the case of a local labor organization, not less than \$1,000, and in the case of any other labor organization or of a trust in which a labor organization is interested, not less than \$10,000. Such bonds shall be individual or schedule in form, and shall have a corporate surety company as surety thereon. Any person who is not covered by such bonds shall not be permitted to receive, handle, disburse, or otherwise exercise custody or control of the funds or other property of a labor organization or of a trust in which a labor organization is interested. No such bond shall be placed through an agent or broker or with a surety company in which any labor organization or any officer, agent, shop steward, or other representative of a labor organization has any direct or indirect interest. Such surety company shall be a corporate surety which holds a grant of authority from the Secretary of the Treasury under sections 9304-9308 of title 31, as an acceptable surety on Federal bonds: *Provided*, That when in the opinion of the Secretary a labor organization has made other bonding arrangements which would provide the protection required by this section at comparable cost or less, he may exempt such labor organization from placing a bond through a surety company holding such grant of authority.

(b) Any person who willfully violates this section shall be fined not more than \$10,000 or imprisoned for not more than one year, or both.

(Pub. L. 86-257, title V, §502, Sept. 14, 1959, 73 Stat. 536; Pub. L. 89-216, §1, Sept. 29, 1965, 79 Stat. 888.)

CODIFICATION

In subsec. (a), "sections 9304–9308 of title 31" substituted for "the Act of July 30, 1947 (6 U.S.C. 6–13)" on authority of Pub. L. 97–258, §4(b), Sept. 13, 1982, 96 Stat. 1067, the first section of which enacted Title 31, Money and Finance.

AMENDMENTS

1965—Subsec. (a). Pub. L. 89–216 substituted "to provide protection against loss by reason of act of fraud or dishonesty on his part directly or through connivance with others" for "for the faithful discharge of his duties" in first sentence and inserted proviso allowing Secretary to permit other arrangements to provide necessary protection.

§503. Financial transactions between labor organization and officers and employees

(a) Direct and indirect loans

No labor organization shall make directly or indirectly any loan or loans to any officer or employee of such organization which results in a total indebtedness on the part of such officer or employee to the labor organization in excess of \$2,000.

(b) Direct or indirect payment of fines

No labor organization or employer shall directly or indirectly pay the fine of any officer or employee convicted of any willful violation of this chapter.

(c) Penalty for violations

Any person who willfully violates this section shall be fined not more than \$5,000 or imprisoned for not more than one year, or both.

(Pub. L. 86–257, title V, §503, Sept. 14, 1959, 73 Stat. 536.)

§504. Prohibition against certain persons holding office

(a) Membership in Communist Party; persons convicted of robbery, bribery, etc.

No person who is or has been a member of the Communist Party or who has been convicted of, or served any part of a prison term resulting from his conviction of, robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, assault which inflicts grievous bodily injury, or a violation of subchapter III or IV of this chapter ¹ any felony involving abuse or misuse of such person's position or employment in a labor organization or employee benefit plan to seek or obtain an illegal gain at the expense of the members of the labor organization or the beneficiaries of the employee benefit plan, or conspiracy to commit any such crimes or attempt to commit any such crimes, or a crime in which any of the foregoing crimes is an element, shall serve or be permitted to serve—

(1) as a consultant or adviser to any labor organization,

(2) as an officer, director, trustee, member of any executive board or similar governing body, business agent, manager, organizer, employee, or representative in any capacity of any labor organization,

(3) as a labor relations consultant or adviser to a person engaged in an industry or activity affecting commerce, or as an officer, director, agent, or employee of any group or association of employers dealing with any labor organization, or in a position having specific collective bargaining authority or direct responsibility in the area of labor-management relations in any corporation or association engaged in an industry or activity affecting commerce, or

(4) in a position which entitles its occupant to a share of the proceeds of, or as an officer or executive or administrative employee of, any entity whose activities are in whole or substantial part devoted to providing goods or services to any labor organization, or

(5) in any capacity, other than in his capacity as a member of such labor organization, that involves decisionmaking authority concerning, or decisionmaking authority over, or custody of, or control of the moneys, funds, assets, or property of any labor organization,

during or for the period of thirteen years after such conviction or after the end of such imprisonment, whichever is later, unless the sentencing court on the motion of the person convicted sets a lesser period of at least three

years after such conviction or after the end of such imprisonment, whichever is later, or unless prior to the end of such period, in the case of a person so convicted or imprisoned, (A) his citizenship rights, having been revoked as a result of such conviction, have been fully restored, or (B) if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, the United States district court for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements under section 994(a) of title 28, determines that such person's service in any capacity referred to in clauses (1) through (5) would not be contrary to the purposes of this chapter. Prior to making any such determination the court shall hold a hearing and shall give notice of such proceeding by certified mail to the Secretary of Labor and to State, county, and Federal prosecuting officials in the jurisdiction or jurisdictions in which such person was convicted. The court's determination in any such proceeding shall be final. No person shall knowingly hire, retain, employ, or otherwise place any other person to serve in any capacity in violation of this subsection.

(b) Penalty for violations

Any person who willfully violates this section shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

(c) Definitions

For the purpose of this section—

- (1) A person shall be deemed to have been "convicted" and under the disability of "conviction" from the date of the judgment of the trial court, regardless of whether that judgment remains under appeal.
- (2) A period of parole shall not be considered as part of a period of imprisonment.

(d) Salary of person barred from labor organization office during appeal of conviction

Whenever any person—

- (1) by operation of this section, has been barred from office or other position in a labor organization as a result of a conviction, and
- (2) has filed an appeal of that conviction,

any salary which would be otherwise due such person by virtue of such office or position, shall be placed in escrow by the individual employer or organization responsible for payment of such salary. Payment of such salary into escrow shall continue for the duration of the appeal or for the period of time during which such salary would be otherwise due, whichever period is shorter. Upon the final reversal of such person's conviction on appeal, the amounts in escrow shall be paid to such person. Upon the final sustaining of such person's conviction on appeal, the amounts in escrow shall be returned to the individual employer or organization responsible for payments of those amounts. Upon final reversal of such person's conviction, such person shall no longer be barred by this statute² from assuming any position from which such person was previously barred.

(Pub. L. 86–257, title V, §504, Sept. 14, 1959, 73 Stat. 536; Pub. L. 98–473, title II, §§229, 803, Oct. 12, 1984, 98 Stat. 2031, 2133; Pub. L. 100–182, §15(a), Dec. 7, 1987, 101 Stat. 1269.)

CONSTITUTIONALITY

For information regarding constitutionality of certain provisions of section 504 of Pub. L. 86–257, see Congressional Research Service, *The Constitution of the United States of America: Analysis and Interpretation*, Appendix 1, *Acts of Congress Held Unconstitutional in Whole or in Part by the Supreme Court of the United States*.

AMENDMENTS

1987—Subsec. (a). Pub. L. 100–182, in concluding provisions, substituted "if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, the United States district court for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements under section 994(a) of title 28," for "the United States Parole Commission", "court" and "court's" for "Commission" and "Commission's", respectively, and "a hearing" for "an administrative hearing".

1984—Subsec. (a). Pub. L. 98–473, §229, which directed substitution of "if the offense is a Federal offense, the sentencing judge or, if the offense is a State or local offense, on motion of the United States Department of Justice, the district court of the United States for the district in which the offense was committed, pursuant to sentencing guidelines and policy statements issued pursuant to section 994(a) of title 28," for "the Board of Parole of the United States Justice Department", "court" and "court's" for "Board" and "Board's", respectively, and "a" for "an administrative", was (except for the last

substitution) incapable of execution in view of the previous amendment by section 803(a) of Pub. L. 98-473 which became effective prior to the effective date of the amendment by section 229. See note below.

Pub. L. 98-473, §803(a), in amending provisions after "or a violation of subchapter III or IV of the chapter" generally, inserted provisions relating to abuse or misuse of employment in a labor organization or employee benefit plan, substituted "conspiracy to commit any such crimes or attempt to commit any such crimes, or a crime in which any of the foregoing crimes is an element" for "conspiracy to commit any such crimes", added par. (1), redesignated former par. (1) as (2) and in par. (2) as so redesignated substituted "employee, or representative in any capacity of any labor organization" for "or other employee (other than as an employee performing exclusively clerical or custodial duties) of any labor organization, or", redesignated former par. (2) as (3) and in par. (3) as so redesignated inserted "or advisor" after "consultant", struck out "(other than as an employee performing exclusively clerical or custodial duties)" after "employee", and inserted "or in a position having specific collective bargaining authority or direct responsibility in the area of labor-management relations in any corporation or association engaged in an industry or activity affecting commerce, or", added pars. (4) and (5), struck out "or for five years after the termination of his membership in the Communist Party," substituted "the period of thirteen years" for "five years", inserted "whichever is later, unless the sentencing court on the motion of the person convicted sets a lesser period of at least three years after such conviction or after the end of such imprisonment, whichever is later, or", substituted in cl. (B) "United States Parole Commission" for "Board of Parole of the United States Department of Justice", and in the provisions following cl. (B) substituted "Commission" and "Commission's" for "Board" and "Board's", respectively, inserted provision of notice to the Secretary of Labor, and substituted "No person shall knowingly hire, retain, employ, or otherwise place any other person to serve in any capacity in violation of this subsection" for "No labor organization or officer thereof shall knowingly permit any person to assume or hold any office or paid position in violation of this subsection".

Subsec. (b). Pub. L. 98-473, §803(b), amended subsec. (b) generally, substituting "five years" for "one year".

Subsec. (c). Pub. L. 98-473, §803(c), designated existing provisions as par. (1), substituted provisions defining conviction as from date of judgment of trial court, regardless of appeal, for former provisions defining it as from date of judgment of trial court or date of final sustaining of judgment on appeal, whichever is later, regardless of whether such conviction occurred before or after Sept. 14, 1959, and added par. (2).

Subsec. (d). Pub. L. 98-473, §803(d), added subsec. (d).

EFFECTIVE DATE OF 1987 AMENDMENT

Amendment by Pub. L. 100-182 applicable with respect to offenses committed after Dec. 7, 1987, see section 26 of Pub. L. 100-182, set out as a note under section 3006A of Title 18, Crimes and Criminal Procedure.

EFFECTIVE DATE OF 1984 AMENDMENT

Amendment by section 229 of Pub. L. 98-473 effective Nov. 1, 1987, and applicable only to offenses committed after the taking effect of such amendment, see section 235(a)(1) of Pub. L. 98-473, set out as an Effective Date note under section 3551 of Title 18, Crimes and Criminal Procedure.

Pub. L. 98-473, title II, §804, Oct. 12, 1984, 98 Stat. 2134, provided that:

"(a) The amendments made by section 802 [amending section 1111 of this title] and section 803 [amending this section] of this title shall take effect with respect to any judgment of conviction entered by the trial court after the date of enactment of this title [Oct. 12, 1984], except that that portion of such amendments relating to the commencement of the period of disability shall apply to any judgment of conviction entered prior to the date of enactment of this title if a right of appeal or an appeal from such judgment is pending on the date of enactment of this title.

"(b) Subject to subsection (a) the amendments made by sections 803 and 804 [probably should be sections 802 and 803] shall not affect any disability under section 411 of the Employee Retirement Income Security Act of 1974 [section 1111 of this title] or under section 504 of the Labor-Management Reporting and Disclosure Act of 1959 [this section] in effect on the date of enactment of this title [Oct. 12, 1984]."

¹ *So in original. Probably should be followed by a comma.*

² *So in original. Probably should be "section".*

SUBCHAPTER VII—MISCELLANEOUS PROVISIONS

§521. Investigations by Secretary; applicability of other laws

(a) The Secretary shall have power when he believes it necessary in order to determine whether any person has violated or is about to violate any provision of this chapter (except subchapter II of this chapter) to make an investigation and in connection therewith he may enter such places and inspect such records and accounts and question such persons as he may deem necessary to enable him to determine the facts relative thereto. The Secretary may report to interested persons or officials concerning the facts required to be shown in any report required by this chapter and concerning the reasons for failure or refusal to file such a report or any other matter which he deems to be appropriate as a result of such an investigation.

(b) For the purpose of any investigation provided for in this chapter, the provisions of sections 49 and 50 of title 15 (relating to the attendance of witnesses and the production of books, papers, and documents), are made applicable to the jurisdiction, powers, and duties of the Secretary or any officers designated by him.

(Pub. L. 86–257, title VI, §601, Sept. 14, 1959, 73 Stat. 539.)

REFERENCES IN TEXT

The phrase "this chapter (except subchapter II of this chapter)", referred to in subsec. (a), was in the original "this Act (except title I or amendments made by this Act to other statutes)". "This chapter", referred to later in subsec. (a) and also in subsec. (b), was in the original "this Act". "This Act" is Pub. L. 86–257, Sept. 14, 1959, 73 Stat. 519, as amended, known as the Labor-Management Reporting and Disclosure Act of 1959, which enacted this chapter, amended sections 153, 158, 159, 160, 164, 186, and 187 of this title, and enacted provisions set out as notes under sections 153, 158, and 481 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 401 of this title and Tables.

§522. Extortionate picketing; penalty for violation

(a) It shall be unlawful to carry on picketing on or about the premises of any employer for the purpose of, or as part of any conspiracy or in furtherance of any plan or purpose for, the personal profit or enrichment of any individual (except a bona fide increase in wages or other employee benefits) by taking or obtaining any money or other thing of value from such employer against his will or with his consent.

(b) Any person who willfully violates this section shall be fined not more than \$10,000 or imprisoned not more than twenty years, or both.

(Pub. L. 86–257, title VI, §602, Sept. 14, 1959, 73 Stat. 539.)

§523. Retention of rights under other Federal and State laws

(a) Except as explicitly provided to the contrary, nothing in this chapter shall reduce or limit the responsibilities of any labor organization or any officer, agent, shop steward, or other representative of a labor organization, or of any trust in which a labor organization is interested, under any other Federal law or under the laws of any State, and, except as explicitly provided to the contrary, nothing in this chapter shall take away any right or bar any remedy to which members of a labor organization are entitled under such other Federal law or law of any State.

(b) Nothing contained in this chapter and section 186(a)–(c) of this title shall be construed to supersede or impair or otherwise affect the provisions of the Railway Labor Act, as amended [45 U.S.C. 151 et seq.], or any of the obligations, rights, benefits, privileges, or immunities of any carrier, employee, organization, representative, or person subject thereto; nor shall anything contained in this chapter be construed to confer any rights, privileges, immunities, or defenses upon employers, or to impair or otherwise affect the rights of any person under the National Labor Relations Act, as amended [29 U.S.C. 151 et seq.].

(Pub. L. 86–257, title VI, §603, Sept. 14, 1959, 73 Stat. 540.)

REFERENCES IN TEXT

This chapter, referred to in subsec. (a), was in the original "this Act", meaning Pub. L. 86–257, Sept. 14, 1959, 73 Stat. 519, as amended, known as the Labor-Management Reporting and Disclosure Act of 1959, which enacted this chapter, amended sections 153, 158, 159, 160, 164, 186, and 187 of this title, and enacted provisions set out as notes under sections 153, 158, and 481 of this title. For complete classification of this Act to the Code, see Short Title note set out under section 401 of this title and Tables.

The phrase "this chapter and section 186(a)–(c) of this title", referred to in subsec. (b), was in original "titles I, II, III, IV, V, or VI of this Act". The phrase "this chapter" later appearing in subsec. (b), was in original "said titles (except section 505) of this Act". Original text reference, in both instances, includes those sections of the Act which are classified principally to this chapter. For complete classification of such titles to the Code, see Tables.

The Railway Labor Act, referred to in subsec. (b), is act May 20, 1926, ch. 347, 44 Stat. 577, as amended, which is classified principally to chapter 8 (§151 et seq.) of Title 45, Railroads. For complete classification of this Act to the Code, see section 151 of Title 45 and Tables.

The National Labor Relations Act, referred to in subsec. (b), is act July 5, 1935, ch. 372, 49 Stat. 452, as amended, which is classified generally to subchapter II (§151 et seq.) of chapter 7 of this title. For complete classification of this Act to the Code, see section 167 of this title and Tables.

§524. Effect on State laws

Nothing in this chapter shall be construed to impair or diminish the authority of any State to enact and enforce general criminal laws with respect to robbery, bribery, extortion, embezzlement, grand larceny, burglary, arson, violation of narcotics laws, murder, rape, assault with intent to kill, or assault which inflicts grievous bodily injury, or conspiracy to commit any of such crimes.

(Pub. L. 86–257, title VI, §604, Sept. 14, 1959, 73 Stat. 540.)

§524a. Elimination of racketeering activities threat; State legislation governing collective bargaining representative

Notwithstanding this or any other Act regulating labor-management relations, each State shall have the authority to enact and enforce, as part of a comprehensive statutory system to eliminate the threat of pervasive racketeering activity in an industry that is, or over time has been, affected by such activity, a provision of law that applies equally to employers, employees, and collective bargaining representatives, which provision of law governs service in any position in a local labor organization which acts or seeks to act in that State as a collective bargaining representative pursuant to the National Labor Relations Act [29 U.S.C. 151 et seq.], in the industry that is subject to that program.

(Pub. L. 98–473, title II, §2201, Oct. 12, 1984, 98 Stat. 2192.)

REFERENCES IN TEXT

This Act, referred to in text, probably means title II of Pub. L. 98–473, Oct. 12, 1984, 98 Stat. 1976, known as the Comprehensive Crime Control Act of 1984. For complete classification of this Act to the Code, see Short Title of 1984 Amendment note set out under section 1 of Title 18, Crimes and Criminal Procedure, and Tables.

The National Labor Relations Act, referred to in text, is act July 5, 1935, ch. 372, 49 Stat. 449, as amended, which is classified generally to subchapter II (§151 et seq.) of chapter 7 of this title. For complete classification of this Act to the Code, see section 167 of this title and Tables.

CODIFICATION

Section was not enacted as part of the Labor-Management Reporting and Disclosure Act of 1959, which comprises this chapter.

§525. Service of process

For the purposes of this chapter, service of summons, subpoena, or other legal process of a court of the United States upon an officer or agent of a labor organization in his capacity as such shall constitute service upon the labor organization.

(Pub. L. 86–257, title VI, §605, Sept. 14, 1959, 73 Stat. 540.)

§526. Applicability of administrative procedure provisions

The provisions of subchapter II of chapter 5, and chapter 7, of title 5 shall be applicable to the issuance, amendment, or rescission of any rules or regulations, or any adjudication authorized or required pursuant to the provisions of this chapter.

(Pub. L. 86–257, title VI, §606, Sept. 14, 1959, 73 Stat. 540.)

CODIFICATION

"Subchapter II of chapter 5, and chapter 7, of title 5" substituted in text for "the Administrative Procedure Act" on authority of Pub. L. 89–554, §7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5, Government Organization and Employees.

§527. Cooperation with other agencies and departments

In order to avoid unnecessary expense and duplication of functions among Government agencies, the Secretary may make such arrangements or agreements for cooperation or mutual assistance in the performance of his functions under this chapter and the functions of any such agency as he may find to be practicable and consistent with law. The Secretary may utilize the facilities or services of any department, agency, or establishment of the United States or of any State or political subdivision of a State, including the services of any of its employees, with the lawful consent of such department, agency, or establishment; and each department, agency, or establishment of the United States is authorized and directed to cooperate with the Secretary and, to the extent permitted by law, to provide such information and facilities as he may request for his assistance in the performance of his functions under this chapter. The Attorney General or his representative shall receive from the Secretary for appropriate action such evidence developed in the performance of his functions under this chapter as may be found to warrant consideration for criminal prosecution under the provisions of this chapter or other Federal law.

(Pub. L. 86–257, title VI, §607, Sept. 14, 1959, 73 Stat. 540.)

§528. Criminal contempt

No person shall be punished for any criminal contempt allegedly committed outside the immediate presence of the court in connection with any civil action prosecuted by the Secretary or any other person in any court of the United States under the provisions of this chapter unless the facts constituting such criminal contempt are established by the verdict of the jury in a proceeding in the district court of the United States, which jury shall be chosen and empaneled in the manner prescribed by the law governing trial juries in criminal prosecutions in the district courts of the United States.

(Pub. L. 86–257, title VI, §608, Sept. 14, 1959, 73 Stat. 541.)

§529. Prohibition on certain discipline by labor organization

It shall be unlawful for any labor organization, or any officer, agent, shop steward, or other representative of a labor organization, or any employee thereof to fine, suspend, expel, or otherwise discipline any of its members for exercising any right to which he is entitled under the provisions of this chapter. The provisions of section 412 of this title shall be applicable in the enforcement of this section.

(Pub. L. 86–257, title VI, §609, Sept. 14, 1959, 73 Stat. 541.)

§530. Deprivation of rights by violence; penalty

It shall be unlawful for any person through the use of force or violence, or threat of the use of force or violence, to restrain, coerce, or intimidate, or attempt to restrain, coerce, or intimidate any member of a labor organization for the purpose of interfering with or preventing the exercise of any right to which he is entitled under the provisions of this chapter. Any person who willfully violates this section shall be fined not more than \$1,000 or imprisoned for not more than one year, or both.

(Pub. L. 86-257, title VI, §610, Sept. 14, 1959, 73 Stat. 541.)

§531. Separability

If any provision of this chapter, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of this chapter or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

(Pub. L. 86-257, title VI, §611, Sept. 14, 1959, 73 Stat. 541.)

United States Department of Labor

Office of Labor-Management Standards

Office of Labor-Management Standards (OLMS)

Union Member Rights and Officer Responsibilities Under the LMRDA

The Labor-Management Reporting and Disclosure Act (LMRDA) guarantees certain rights to union members and imposes certain responsibilities on union officers. The Office of Labor-Management Standards (OLMS) enforces many LMRDA provisions while other provisions, such as the bill of rights, may only be enforced by union members through private suit in federal court. For more information contact the nearest OLMS field office listed on page 2 of this fact sheet.

Union Member Rights

Bill of Rights - Union members have:

- equal rights to participate in union activities
- freedom of speech and assembly
- voice in setting rates of dues, fees, and assessments
- protection of the right to sue
- safeguards against improper discipline

Copies of Collective Bargaining Agreements - Union members and nonunion employees have the right to receive or inspect copies of collective bargaining agreements.

Reports - Unions are required to file an initial information report (Form LM-1), copies of constitutions and bylaws, and an annual financial report (Form LM-2/3/4) with OLMS. Unions must make the reports available to members and permit members to examine supporting records for just cause. The reports are public information and copies are available from the OLMS Internet Public Disclosure Room at www.unionreports.dol.gov.

Officer Elections - Union members have the right to

- nominate candidates for office
- run for office
- cast a secret ballot
- protest the conduct of an election

Officer Removal- Local union members have the right to an adequate procedure for the removal of an elected officer guilty of serious misconduct.

Trusteeships - Unions may only be placed in trusteeship by a parent body for the reasons specified in the LMRDA.

Prohibition Against Certain Discipline - A union or any of its officials may not fine, expel, or otherwise discipline a member for exercising any LMRDA right.

Prohibition Against Violence - No one may use or threaten to use force or violence to interfere with a union member in the exercise of LMRDA rights.

Union Officer Responsibilities

Financial Safeguards - Union officers have a duty to manage the funds and property of the union solely for the benefit of the union and its members in accordance with the union's constitution and bylaws. Union officers or employees who embezzle or steal union funds or other assets commit a Federal crime punishable by a fine and/or imprisonment.

Bonding - Union officers or employees who handle union funds or property must be bonded to provide protection against losses if their union has property and annual financial receipts which exceed \$5,000.

Labor Organization Reports - Union officers must:

- file an initial information report (Form LM-1) and annual financial reports (Forms LM-2/3/4) with OLMS.
- retain the records necessary to verify the reports for at least five years.

Officer Reports - Union officers and employees must file reports concerning any loans and benefits received from, or certain financial interests in, employers whose employees their unions represent and businesses that deal with their unions.

Officer Elections - Unions must:

- hold elections of officers of local unions by secret ballot at least every three years
- conduct regular elections in accordance with their constitution and bylaws and preserve all records for one year
- mail a notice of election to every member at least 15 days prior to the election
- comply with a candidate's request to distribute campaign material
- not use union funds or resources to promote any candidate (nor may employer funds or resources be used)
- permit candidates to have election observers
- allow candidates to inspect the union's membership list once within 30 days prior to the election

Restrictions on Holding Office - A person convicted of certain crimes may not serve as a union officer, employee, or other representative of a union for up to 13 years.

Loans - A union may not have outstanding loans to any one officer or employee that in total exceed \$2,000 at any time.

Fines - A union may not pay the fine of any officer or employee convicted of any willful violation of the LMRDA.

Last Updated: 2/26/10

49 USC 42112: Labor requirements of air carriers

Text contains those laws in effect on April 13, 2015

From Title 49-TRANSPORTATION

SUBTITLE VII-AVIATION PROGRAMS

PART A-AIR COMMERCE AND SAFETY

subpart ii-economic regulation

CHAPTER 421-LABOR-MANAGEMENT PROVISIONS

SUBCHAPTER II-MUTUAL AID AGREEMENTS AND LABOR REQUIREMENTS OF AIR CARRIERS

Jump To:

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[Miscellaneous](#)

§42112. Labor requirements of air carriers

(a) DEFINITIONS.-In this section-

(1) "copilot" means an employee whose duties include assisting or relieving the pilot in manipulating an aircraft and who is qualified to serve as, and has in effect an airman certificate authorizing the employee to serve as, a copilot.

(2) "pilot" means an employee who is-

(A) responsible for manipulating or who manipulates the flight controls of an aircraft when under way, including the landing and takeoff of an aircraft; and

(B) qualified to serve as, and has in effect an airman certificate authorizing the employee to serve as, a pilot.

(b) DUTIES OF AIR CARRIERS.-An air carrier shall-

(1) maintain rates of compensation, maximum hours, and other working conditions and relations for its pilots and copilots who are providing interstate air transportation in the 48 contiguous States and the District of Columbia to conform with decision number 83, May 10, 1934, National Labor Board, notwithstanding any limitation in that decision on the period of its effectiveness;

(2) maintain rates of compensation for its pilots and copilots who are providing foreign air transportation or air transportation only in one territory or possession of the United States; and

(3) comply with title II of the Railway Labor Act (45 U.S.C. 181 et seq.) as long as it holds its certificate.

(c) MINIMUM ANNUAL RATE OF COMPENSATION.-A minimum annual rate under subsection (b)(2) of this section may not be less than the annual rate required to be paid for comparable service to a pilot or copilot under subsection (b)(1) of this section.

(d) COLLECTIVE BARGAINING.-This section does not prevent pilots or copilots of an air carrier from obtaining by collective bargaining higher rates of compensation or more favorable working conditions or relations.

(Pub. L. 103-272, §1(e), July 5, 1994, 108 Stat. 1160 .)

HISTORICAL AND REVISION NOTES

<i>Revised Section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
42112(a)	49 App.:1371(k)(5).	Aug. 23, 1958, Pub. L. 85-726, §401(k), 72 Stat. 756 .
42112(b), (c)	49 App.:1371(k)(1), (2), (4).	
42112(d)	49 App.:1371(k)(3).	

In subsection (a), the words "properly" and "currently" are omitted as surplus.

In subsection (b), the word "providing" is substituted for "engaged in" for consistency in the revised title. In clause (1), the words "48 contiguous States and the District of Columbia" are substituted for "the continental United States (not including Alaska)" for clarity and consistency in the revised title. In clause (2), the words "overseas or" are omitted as obsolete. The word "only" is substituted for "wholly" for consistency. In clause (3), the words "as long as it holds" are substituted for "upon the holding" for clarity.

In subsection (c), the words "under subsection (b)(1) of this section" are substituted for "said decision 83 . . . engaged in interstate air transportation within the continental United States (not including Alaska)" to eliminate unnecessary words.

In subsection (d), the words "or other employees" are omitted as unnecessary because this section only applies to pilots and copilots.

REFERENCES IN TEXT

The Railway Labor Act, referred to in subsec. (b)(3), is act May 20, 1926, ch. 347, 44 Stat. 577, as amended. Title II of the Act was added by act Apr. 10, 1936, ch. 166, 49 Stat. 1189, and is classified generally to subchapter II (§181 et seq.) of chapter 8 of Title 45, Railroads. For complete classification of this Act to the Code, see section 151 of Title 45 and Tables.

LABOR INTEGRATION

Pub. L. 110–161, div. K, title I, §117, Dec. 26, 2007, 121 Stat. 2382, provided that:

"(a) LABOR INTEGRATION.-With respect to any covered transaction involving two or more covered air carriers that results in the combination of crafts or classes that are subject to the Railway Labor Act (45 U.S.C. 151 et seq.), sections 3 and 13 of the labor protective provisions imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger (as published at 59 C.A.B. 45) shall apply to the integration of covered employees of the covered air carriers; except that-

"(1) if the same collective bargaining agent represents the combining crafts or classes at each of the covered air carriers, that collective bargaining agent's internal policies regarding integration, if any, will not be affected by and will supersede the requirements of this section; and

"(2) the requirements of any collective bargaining agreement that may be applicable to the terms of integration involving covered employees of a covered air carrier shall not be affected by the requirements of this section as to the employees covered by that agreement, so long as those provisions allow for the protections afforded by sections 3 and 13 of the Allegheny-Mohawk provisions.

"(b) DEFINITIONS.-In this section, the following definitions apply:

"(1) AIR CARRIER.-The term 'air carrier' means an air carrier that holds a certificate issued under chapter 411 of title 49, United States Code.

"(2) COVERED AIR CARRIER.-The term 'covered air carrier' means an air carrier that is involved in a covered transaction.

"(3) COVERED EMPLOYEE.-The term 'covered employee' means an employee who-

"(A) is not a temporary employee; and

"(B) is a member of a craft or class that is subject to the Railway Labor Act (45 U.S.C. 151 et seq.).

"(4) COVERED TRANSACTION.-The term 'covered transaction' means-

"(A) a transaction for the combination of multiple air carriers into a single air carrier; and
which

"(B) involves the transfer of ownership or control of-

"(i) 50 percent or more of the equity securities (as defined in section 101 of title 11, United States Code) of an air carrier; or

"(ii) 50 percent or more (by value) of the assets of the air carrier.

"(c) APPLICATION.-This section shall not apply to any covered transaction involving a covered air carrier that took place before the date of enactment of this Act [Dec. 26, 2007].

"(d) EFFECTIVENESS OF PROVISION.-This section shall become effective on the date of enactment of this Act and shall continue in effect in fiscal years after fiscal year 2008."

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Airline and Railroad Labor and Employment Law: A Comprehensive Analysis

***673 SENIORITY INTEGRATION AND THE MCCASKILL-BOND STATUTE**

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- APPENDIX A (49 U.S.C. § 42112)**

***675 I. Introduction to McCaskill-Bond**

Missouri Senators Clare McCaskill and Christopher Bond, concerned about the seniority integration treatment of employees at Trans World Airlines (TWA) following its purchase by American Airlines and integration of the two airlines' operations and workforce, introduced legislation to guarantee labor protective provisions to airline employees with respect to seniority integration for certain covered transactions. The legislation, known as the McCaskill-Bond statute, was signed into law in December 2007 and is codified at [49 U.S.C. § 42112](#).

The statute applies when two or more air carriers are involved in a “covered transaction,” described as:

- (A) a transaction for the combination of multiple air carriers into a single air carrier; and which
- (B) Involves the transfer of ownership or control of --
 - (i) 50 percent or more of the equity securities (as defined in [section 101 of title 11, United States Code](#)) of an air carrier; or
 - (ii) 50 percent or more (by value) of the assets of the air carrier. [49 U.S.C. § 42112\(b\)\(4\)](#).

When such a covered transaction “results in the combination of crafts or classes that are subject to the Railway Labor Act,” “sections 3 and 13 of the labor protective provisions imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger (as published at 59 C.A.B. 45) shall apply to the integration of covered employees of the covered air carriers.” *Id.* § 42112(a). [FN1] In short, these Allegheny-Mohawk Labor *676 Protective Provisions (“LPPs”) require that the carrier make provisions “for the integration of seniority lists in a fair and equitable manner,” including negotiation with union representatives and binding arbitration in covered transactions. The participants in this negotiation/arbitration process are the affected employee groups, and the carrier or carriers involved. The interests of unionized employee groups are represented by their union, while interests of non-unionized employee groups may be represented by employee committees or by the carrier.

By incorporating Sections 3 and 13 of the Allegheny-Mohawk LPPs, McCaskill-Bond establishes that it is the duty of the surviving or combined *carrier* to provide the fair and equitable seniority list integration process. The carrier can satisfy this duty by accepting a voluntarily negotiated or arbitrated list from the employee group parties. To the extent that the employee group parties do not voluntarily present such a list to the carrier, however, it is the carrier's duty to engage in arbitration with those groups as provided for in Section 13. If the covered transaction involves employee groups represented by the same union, the statute provides that the union's internal merger policies apply exclusively, with no carrier involvement, except as to whether it will accept and implement the result of the integration process (i.e., the combined seniority list). Likewise, any additional LPP or other merger-related requirements in a CBA that are consistent with the “protections afforded by” Sections 3 and 13 are not directly affected by the statute.

II. Background of Seniority List Integration in Airline Mergers

A. Labor Protective Provisions Issued by the Civil Aeronautics Board

As part of its economic regulation of air carriers, the Civil Aeronautics Board (“CAB” or the “Board”) had jurisdiction over proposed mergers from its creation in 1940 *677 through deregulation in 1984. Following the practice of the Interstate Commerce Commission (“ICC”), the CAB would often condition approval of route transfers and mergers on the implementation of certain LPPs. The goal of these provisions was to “ward off labor strife that could impede or delay a route transfer or merger, or detrimentally affect a carrier's stability or efficiency.” *Braniff Master Exec. Council of the APA v. C.A.B.*, 693 F.2d 220, 223 (D.C. Cir. 1982) (“Braniff MEC”) (summarizing history of LPP use by the CAB).

In 1972, the CAB established a set of LPPs in the *Allegheny-Mohawk* case. *Allegheny-Mohawk*, 59 C.A.B. 19, 45 (1972), App. B. Between 1972 and the passage of the Airline Deregulation Act of 1978, the CAB used the Allegheny-Mohawk LPPs as the standard set of provisions in airline mergers. When deregulation became imminent, the CAB began deferring labor protection issues to collective bargaining, unless there were “special circumstances” or the CAB determined that LPPs were “necessary to prevent labor strife that would disrupt the nation's air transportation systems.” The Department of Transportation assumed jurisdiction over airline mergers in 1984 and maintained the CAB's policy of deferring labor protection issues to collective bargaining based on the theory that LPPs were inconsistent with deregulation.

B. Sections 3 and 13 of the Allegheny-Mohawk LPPs

Section 3 of the Allegheny-Mohawk LPPs established the fair and equitable standard for seniority integration, stating:

Insofar as the merger affects the seniority rights of the carriers' employees, provisions shall be made for the integration of seniority lists in a fair and equitable manner, including, where applicable, agreement through collective bargaining between the carriers and the representatives of the employees affected. In the event of failure to agree, the *678 dispute may be submitted by either part for adjustment in accordance with section 13.

Allegheny-Mohawk, 59 C.A.B. at 45.

Section 13 mandated arbitration of disputes with employees that arose in this process or under any of the other provisions of the Allegheny-Mohawk LPPs. [FN2] Section 13 provides:

(a) In the event that any dispute or controversy (except as to matters arising under section 9) arises with respect to the protections provided herein which cannot be settle by the parties within 20 days after the controversy arises, it may be referred

by any party to an arbitrator selected from a panel of seven names furnished by the National Mediation Board for consideration and determination. The parties shall select the arbitrator from such panel by alternatively striking names until only one remains, and he shall serve as arbitrator. Expedited hearings and decisions will be expected, and a decision shall be rendered within 90 days after the controversy arises, unless an extension of time it is mutually agreeable to all parties. The salary and expenses of the arbitrator shall be borne equally by the carrier and (i) the organization or organizations representing employee or employees or (ii) if unrepresented, the employee or employees or group or groups of employees. The decision of the arbitrator shall be final and binding on the parties.

(b) The above condition shall not apply if the parties by mutual agreement determine that an alternative method for dispute settlement or an alternative procedure for selection of an arbitrator is appropriate in their particular dispute. No party shall be excused from complying with the above condition by reason of having suggested an alternative method or procedure unless and until that alternative method or procedure shall have been agreed to by all parties.

***679** Neither the LPPs nor the CAB's interpretation of them provided any specific criteria for what constituted a "fair and equitable" integration process. Where applicable, "fair and equitable" included "agreement through collective bargaining" between the carriers and the representatives of the employees affected. *Allegheny-Mohawk*, 59 C.A.B. at 45. The CAB acknowledged that "no single way could be devised that would meet all situations. Whatever the method used . . . some employees will be disadvantaged and some will gain." *Nat'l Airlines Acquisition, Arbitration Bd.*, 97 C.A.B. 570, 572 (1982) ("*NAA II*").

The cases under Sections 3 and 13 make clear that the obligation to provide the fair and equitable seniority list integration process was the obligation of the carrier. The employee groups had no obligation to negotiate or arbitrate with each other over any disagreement of seniority list integration. As the CAB explained in *Great Northern Pilots Association*:

Sections 3 and 13 impose upon the carrier a duty to integrate seniority listings fairly and equitably and a duty to submit certain disputes between it and its employees to arbitration. They impose no comparable duties on the consolidating employee groups. 91 C.A.B. 795, 799-800 (1981) (denying order to arbitrate on the basis that the Board's "responsibility to order arbitration under section 13 . . . does not arise until an integrated list has been presented to the carrier and the carrier has proceeded to act in a manner arguably inconsistent with its duty to integrate seniority lists fairly and equitably and submit to arbitration if it and the employees fail to agree.") (emphasis in original). Thus, employee groups, whether represented or not, had no obligation to arbitrate among themselves.

***680 1. CAB and Judicial Interpretations of Section 3**

Under the Allegheny-Mohawk LPPs, the unions (or other representatives) of the merging employees often agreed among themselves on the method of seniority list integration and presented that proposal to the carrier for approval. *See, e.g., Nat'l Airlines Acquisition, Arbitration Bd.*, 95 C.A.B. 584, 594 (1982) ("*NAA I*") (noting the board's "long-held and judicially approved view" on such arrangements); *Northeast Master Exec. Council v. CAB*, 506 F.2d 97, 100-01 (D.C. Cir. 1974) (noting that the board's reliance on intra-employee negotiations "is recognition of a practical means to reach a result meeting the statutory standard"). When the Air Line Pilots Association International ("*ALPA*") represented pilots at both carriers before the merger, ALPA applied its internal policies to produce an integrated seniority list. *See, e.g., Allegheny-Mohawk Merger Case (Petition of Kingston)*, Order 79-11-53 (Nov. 7, 1979). The Board consistently held that a carrier's acceptance of a seniority integration agreement negotiated in this manner satisfied the obligations created by Section 3, even without active involvement by the carrier in the process. *See, NAA I*, 95 C.A.B. at 584.

Although Section 3 gave the CAB jurisdiction over the seniority integration process, the CAB limited this oversight to negotiations between the merging carriers and employees, not to those between the merging employee groups (or their pre-merger collective bargaining representatives). *See, e.g., Great Northern Pilots Ass'n*, 91 C.A.B. 795, 799 (1981) (noting that disputes between employee groups "do not come within the long-established purview of section 13(a)"). Further, under Section 3, the carrier had to negotiate seniority integration with both merging unions. Where a carrier negotiated with and entered into a seniority integration agreement with only one of the unions, the CAB and courts routinely held that the LPPs took precedence

over [*681](#) the negotiated seniority rights of one union, even if they were vested in existing contracts. *See, e.g., NAA I*, 95 C.A.B. at 584; *Am. Airlines v. CAB*, 445 F.2d 891 (2d Cir. 1971).

2. CAB and Judicial Interpretations of Section 13

Section 13 was consistently interpreted by the CAB to require arbitration between the carrier and the employee groups or their representatives, not between the employee groups or union representatives themselves. *See, e.g., Allegheny-Mohawk Merger Case (Petition of Kingston)*, Order 79-11-53 (the Section 13 “arbitral duty is imposed on the carrier to provide for peaceful settlement of merger-related disputes between the carrier and employees to avoid, for example, service disruptive strikes.”) When seniority integration was negotiated between the unions, the CAB had no authority to order arbitration until the carrier was presented with the relevant agreement. *Great Northern Pilots Ass’n*, 91 C.A.B. at 799-800. However, when an order for arbitration was proper, CAB policy was to do so for any dispute “at least arguably” covered by the LPP’s. *See Pan Am. World Airways, Inc. v. CAB*, 683 F.2d 554 (D.C. Cir. 1982) (approving this board practice).

Although unions and management were typically the parties in section 13 arbitrations, other employee groups and individual employees could be granted party status or allowed to otherwise participate. *See, e.g., Southern Emps. v. Republic/ALEA*, 102 C.A.B. 616 (1983) (describing how seniority integration was negotiated by an “employee committee” established for that purpose without union involvement); *Pan Am-TWA Route Exchange, Arbitration Award*, 85 C.A.B. 2537 (1980) (noting that three individual engineers were parties to arbitration); *NAA I*, 95 C.A.B. at 584 (denying dissenting group “full party status” but noting that they’d been given the opportunity to [*682](#) participate in the LPP arbitration). Thus, as indicated by the language of the LPPs, unrepresented employees still had rights to fair and equitable seniority integration and binding arbitration to resolve integration disputes under the Allegheny-Mohawk LPPs.

The CAB’s review of a validly negotiated or arbitrated seniority integration was extremely limited. The Board would only review arbitrated awards to determine whether the award “dr[ew] its essence” from the LPPs, “in other words, whether it rest[ed] on grounds consistent with the letter and purpose of the provisions.” *NAA II*, 97 C.A.B. at 573 (internal quotation marks omitted). Even this narrow review was limited to challenges made by parties to the arbitration, which included carriers, employees, and employee representatives who took advantage of their opportunity to participate in the arbitration (as opposed to challenging the results of it after the fact). *Id.* Where individual employees challenged negotiated agreements or arbitrated agreements under the Allegheny-Mohawk LPPs, the CAB consistently deferred to the results of seniority integration negotiations either between unions or between unions and management. *See, e.g., Nat’l Airlines Acquisition*, 84 C.A.B. 408 (1979), *Great Northern Pilots*, 91 C.A.B. at 800 (“when employees challenge a freely negotiated seniority list that has been accepted by the carrier, we refuse to examine the negotiation process ‘absent a showing of bad faith or claim that the procedures were otherwise improperly conducted.’”) Challenges by dissatisfied members to their union’s seniority integration determination could only be maintained by demonstrating bad faith or unfair representation. *See Nat’l Airlines Acquisition*, 84 C.A.B. 408 (citing *Delta Air Lines, Inc. v. CAB*, 574 F.2d 546, 550 (D.C. Cir. 1978)).

[*683](#) C. Internal Union Merger Policy

Where one union represented both employee groups affected by a transaction prior to a merger, the CAB held that a carrier’s acceptance of an integrated seniority list produced pursuant to that union’s internal merger policy satisfied the obligations under Section 3. The McCaskill-Bond statute explicitly provides that the union’s internal policy applies in this circumstance. While several unions have internal merger policies, most of the litigation has involved ALPA Merger Policy. Under that policy, each Master Executive Council (“MEC”) at their respective merging carriers typically chooses two or three merger representatives who are given total authority to negotiate seniority integration on behalf of their MEC, with the overall process subject to the supervision of ALPA’s President and Executive Council. ALPA *Administrative Manual* § 45 (2009). Seniority integration agreements do not require ratification, but the integrated seniority list is generally part of a combined CBA, which does. To avoid having seniority list concerns artificially distort combined CBA negotiation and ratification, ALPA promotes in the application of its most recently revised Merger Policy the resolution of a combined CBA *prior* to the completion of the seniority list integration process (as was the case in the recent Delta-Northwest and Pinnacle-Mesaba and Colgan mergers and as ALPA

is attempting to do with regard to the United-Continental merger). The MEC merger representatives must attempt to negotiate an agreement, but should they fail to do so, the ALPA Merger provisions provide for mediation and for binding arbitration.

The ALPA Merger Policy in particular differs from the Allegheny-Mohawk LPPs primarily in three ways. First, in an effort to more comprehensively protect pilot career interests in various forms of transactions, the ALPA guidelines define mergers subject to the policy more broadly, to include both actual combinations and situations in which *684 there is a “reasonable probability” of integration of operations between multiple ALPA carriers. The definition also focuses on the effect of the integration on employees by defining a merger as when “there is or will be a need for an integrated seniority list” and joint representation on other labor issues. In contrast, the Allegheny-Mohawk definitions limited the term “merger” to actual combinations, and focused on the operations of the carriers, specifically whether their joint actions served to “unify, consolidate, merge or pool in whole or in part their separate airline facilities or any of the operations or services previously performed by them through such separate facilities.”

Second, the ALPA Merger Policy differs from the LPPs in the role it envisions management will play in negotiations. The Allegheny-Mohawk LPPs specifically create an obligation for management to provide for integration of seniority lists in a fair and equitable manner and acceptance of a list produced under internal union policies was construed to satisfy this obligation. ALPA policy, on the other hand, is governed exclusively by the involved ALPA MEC merger committees, under the supervision of ALPA's President and Executive Council, and forbids management participation in the process except insofar as the merger committees are required to seek management acceptance of the list produced under ALPA's procedures.

Finally, while the LPPs do not provide any criteria for determining how lists should be integrated, ALPA Merger Policy provides specific factors that must be considered in determining what qualifies as a “fair and equitable” process of seniority integration include: career expectations, longevity, status, and category. [FN3] The *685 guidelines state, however, that these factors are not exhaustive, and that they are to be considered “in no particular order and with no particular weight.”

III. Seniority Integration In the Absence of McCaskill-Bond

While seniority integration in airline mergers often engenders some controversy, the experiences of US Airways and America West and American Airlines and TWA highlight the potential difficulties associated with seniority list integration.

A. US Airways and America West

In May 2005, America West and US Airways merged as US Airways exited bankruptcy protection. At that time, the legacy America West pilots (“West Pilots”) were fewer (about 1,900) than the legacy US Airways pilots (“East Pilots”) (about 5,100). America West was also the younger of the two airlines, and the West Pilots had generally been hired more recently than the East Pilots. Both groups were represented by ALPA.

The two ALPA MECs and the two air carriers entered into a Transition Agreement, which created three conditions that had to be met before operational integration of the airlines: (1) creation of an integrated seniority list; (2) a single CBA; and (3) a single FAA operating certificate. The Transition Agreement provided that the ALPA internal merger policy would be used for integration, and that the integrated list would be subject to ratification as part of the new CBA.

After the East and West Merger Representatives could not reach a negotiated agreement, [FN4] the parties selected George Nicolau as a mediator. When mediation failed, *686 a final and binding arbitration was held before Mr. Nicolau. In May 2007, Mr. Nicolau issued an award (1) placing about 500 senior East Pilots at the top of the seniority list because of their specialized experience with wide-body aircraft that America West had not flown prior to the merger, (2) placing about 1700 furloughed East Pilots at the bottom of the list and (3) then blending the rest of the pilots generally according to relative positions on their original seniority lists (the “Nicolau Award”).

The East Pilots were dissatisfied with the award. They petitioned ALPA to revisit it, and ALPA attempted to reach a compromise. In the end, however, the East MEC withdrew its representatives from the Joint Negotiating Committee, freezing negotiations for a single CBA. ALPA nonetheless submitted the Nicolau Award to the merged carrier and the seniority list was accepted.

As a result of this seniority integration process, the US Airline Pilots Association (“USAPA”) was created by certain East Pilots, for the express purpose of blocking implementation of the Nicolau Award as required under ALPA Merger Policy. In November 2007, the National Mediation Board (“NMB”) certified a representation election. In April 2008, the NMB certified USAPA as the pilot representative for East and West Pilots and extinguished ALPA’s certification. USAPA presented a different seniority proposal to the carrier based on date of hire, with West Pilots generally at the bottom. The proposal also included a number of conditions detrimental to West Pilots.

On September 8, 2008, six individual West Pilots sued USAPA and the carrier in federal court on a breach of duty of fair representation and breach of contract claim. [FN5] *687 *Addington v. US Airline Pilots Ass’n*, 588 F. Supp. 2d 1051 (D. Ariz. 2008). The district court dismissed the case against the carrier for failure to exhaust administrative remedies. *Id.* at 1069. After class certification in the case against the USAPA, a jury found that USAPA had breached its duty of fair representation to the West Pilots. The district court then held a bench trial on the remaining equitable issues, ultimately granting injunctive relief to the West Pilots. *Addington v. US Airline Pilots Ass’n*, No. CV 08-1633-PHX-NVW, 2009 WL 2169164, at *30 (D. Ariz. July 17, 2009).

USAPA appealed to the Ninth Circuit, which overturned the decision on ripeness grounds in June 2010. *Addington v. US Airline Pilots Ass’n*, 606 F.3d 1174, 1189 (9th Cir. 2010). The Ninth Circuit reasoned that “neither the West Pilots nor USAPA can be certain what seniority proposal ultimately will be acceptable to both USAPA and the airline as part of a final CBA” and that “[n]ot until the airline responds to the proposal, the parties complete negotiations, and the membership ratifies the CBA will the West Pilots actually be affected by USAPA’s seniority proposal -- whatever USAPA’s final proposal ultimately is.” *Id.* at 1179-80.

Meanwhile, in July 2010, US Airways filed a Complaint for Declaratory Relief against USAPA and the Addington plaintiff class, seeking a declaration as to the parties’ respective rights and obligations, identifying that the Ninth Circuit failed to “discuss the legal rights, constraints and obligations of *US Airways* in those collective bargaining negotiations, including how US Airways could complete those negotiations without exposure to potential legal liability in light of the conflicting assertions by the West Pilots and USAPA regarding the permissibility of USAPA’s position on the seniority issues.” *US Airways, Inc. v. Addington*, No. 2:10-cv-01570-ROS (D. Ariz. July 26, 2010), ECF *688 No. 642, ¶ 2 (emphasis in original). USAPA opposed the carrier’s request for declaratory relief, again on ripeness grounds. No decision has yet been issued.

B. TWA and American Airlines

In early 2001, TWA, then in bankruptcy, and American Airlines entered into an agreement under which American purchased TWA’s assets. TWA’s pilots were represented by ALPA and their CBA required “the fair and equitable seniority integration of employees in the event of a merger or acquisition of TWA.” American, whose pilots were represented by the Allied Pilots Association (APA) and whose CBA required pilots from an acquired carrier to be placed at the bottom of the American seniority list, offered to hire nearly all of TWA’s union-represented employees, but only if the TWA-MEC waived their scope and successorship provisions, including the seniority integration provision. Initially, ALPA refused to agree to this request but after TWA moved to reject its CBA with ALPA under § 1113(c) of the Bankruptcy Code, the MEC consented to the waiver, in exchange for various alternative protections. The deal closed on April 10, 2001.

As an inducement for the waiver, American agreed that it would use its “reasonable best efforts” with APA to secure a fair and equitable process for seniority integration of the American and TWA pilots. But after several months of unsuccessful negotiations between APA and the TWA-MEC, on November 8, 2001, APA and American Airlines executed an agreement that imposed the default seniority integration formula on slightly more than half of the former TWA pilots, giving them American seniority dates of April 10, 2001, while the remainder were placed higher on the list. (TWA Flight attendants also largely received April 10, 2001 seniority dates.)

*689 A few months later, the NMB also found that American and TWA were sufficiently integrated to be a single employer for collective bargaining purposes. Dissatisfied TWA pilots then filed suit against the APA, ALPA, American and TWA LLC for breach of the duty of fair representation. These claims were dismissed in *Bensel v. Allied Pilots Ass’n*, 271 F. Supp. 2d 616 (D.N.J. 2003), but the Third Circuit resurrected the DFR claim against ALPA on statute of limitations grounds in *Bensel v.*

Allied Pilots Ass'n, 387 F.3d 298 (3d Cir. 2004). In *Bensel v. Allied Pilots Ass'n*, 675 F. Supp. 2d 493 (D.N.J. 2009), the court denied ALPA's motion for summary judgment. [FN6] As a result, the case remains pending.

IV. Questions Arising Under The McCaskill-Bond Statute

While it is clear that the McCaskill-Bond law was passed as a direct response to the American-TWA merger and was intended to prohibit the type of treatment that former TWA employees experienced in that merger, there is little bargaining history that sheds further light on the intended application of the statute. There is relatively little case law exists interpreting the statute. As a result, there are a number of open questions with regard to the scope and application of McCaskill-Bond.

***690 First**, it is unclear whether Congress, by requiring application of the Allegheny-Mohawk LPPs, intended to incorporate the case law that had developed before the CAB and federal courts under the LPPs. In particular, the case law under the Allegheny-Mohawk LPPs makes it clear that the carrier has the obligation to provide for integration of seniority lists in a fair and equitable manner, and that the employee groups have a right to seek arbitration with the carrier over seniority integration but not with each other. Whether Congress intended to incorporate -- or was even aware -- of this case law is uncertain.

Second, there are unanswered questions about where the McCaskill-Bond statute applies. In a recent suit by Midwest Airlines flight attendants and the Association of Flight Attendants ("AFA") seeking seniority integration rights in connection with the acquisition of the holding company that owned Midwest Airlines ("MAG"), a district court for the first time construed and applied McCaskill-Bond. *Comm. of Concerned Midwest Flight Attendants for Fair and Equitable Seniority Integration v. Int'l Bhd. of Teamsters*, No. 10-C-379, 2010 WL 3860366 (E.D. Wis. Sept. 30, 2010). In this litigation, the district court initially concluded that McCaskill-Bond applied to the transaction under which MAG was acquired. On motion for reconsideration, however, the same judge changed his mind, reaching exactly the opposite decision.

Midwest was purchased by Republic Airways Holdings ("RAH"), a holding company that owned Republic Airlines, Chautauqua, and Shuttle America, and whose flight attendants were represented by the International Brotherhood of Teamsters ("IBT"). The IBT argued that McCaskill-Bond did not apply because the acquisition involved only ***691** the holding companies and not the airlines. The district court initially rejected the IBT's contention, finding that the law "does not require that the transaction be *between* two air carriers. Instead, the amendment only requires that the transaction be 'for the combination of multiple air carriers into a single air carrier.'" *Id.* at *5 (quoting 49 U.S.C. § 42112, note, § 117(b)(4)).

The court also initially rejected the IBT's argument that the transaction did not come under the coverage of McCaskill-Bond because Midwest ceased operating after the acquisition and the Midwest flight attendants became unemployed. "The logic of the Teamsters' position is flawed because it suggests that an employer could avoid McCaskill-Bond simply by refusing to employ a group of employees from the merging air carrier." *Id.* at *6. The court held that the law applied if "the *purpose* of the RAH-MAG transaction was to combine multiple air carriers into a single air carrier." *Id.* (emphasis added). The court then went on to determine the question of the intent of the transaction as to combining carrier operations was one of fact that would require discovery and possible trial. *Id.*

On cross-motions for reconsideration, however, the court changed its mind and adopted the IBT's position, holding that McCaskill-Bond did not, in fact, apply to RAH's purchase of MAG. *Comm. of Concerned Midwest Flight Attendants v. Int'l Bhd. of Teamsters*, No. 10-C-379, 2011 WL 94697, at *2 (E.D. Wis. Jan. 10, 2011). The court reexamined the applicability of McCaskill-Bond, and found that it was "apparent that RAH did not combine multiple air carriers -- Republic and Midwest -- into a single air carrier." *Id.* (citations omitted). Principally, the court relied upon the purpose of RAH's purchase of MAG, stating that RAH was "hoping to capitalize on the goodwill associated ***692** with the Midwest brand," more so than RAH wanted to purchase MAG's equipment, aircraft, flight routes, and employees. *Id.* In fact, when Republic began servicing Midwest's former routes, "it did so with Republic aircraft and Republic flight attendants." *Id.* The court, therefore, held that McCaskill-Bond did not apply because the *purpose* of transaction was something other than "combin[ing] multiple air carriers into a single air carrier." *See id.* at *1-3 (citing 49 U.S.C. § 42112, note, § 117(b)(4)). The court concluded that "McCaskill-Bond was never meant to protect the employees of an air carrier that simply goes out of business." *Id.* at *3.

As a result of the decision on reconsideration, plaintiffs have filed a motion for certification of interlocutory appeal, or alternatively, for entry of partial final judgment pursuant to [Federal Rule of Civil Procedure 54\(b\)](#). The stated basis for the

motion is that the court's "holding involved controlling questions of law as to the interpretation of McCaskill-Bond over which there is substantial ground for difference of opinion. McCaskill-Bond is the key statutory claim in the litigation, and appellate review of the statute's meaning -- a matter of first impression -- should not await final adjudication of Plaintiffs' two remaining claims." The IBT has opposed the motion and there has been no ruling.

Third, in a case arising from the 2008 merger between Delta Airlines and Northwest Airlines, the District Court for the District of Columbia recently questioned, but did not decide, whether there is even a private cause of action under McCaskill-Bond. *See Ass'n of Flight Attendants v. Delta Airlines, Inc.*, Nos. 08-2009, 08-2114, 2010 WL 5300534 (D.D.C. Dec. 21, 2010). At the time of the merger, AFA represented flight attendants employed by Northwest, but Delta flight attendants were not unionized. *693 After Delta began integration of the seniority lists, AFA filed a lawsuit in federal court seeking a declaratory judgment that Delta's actions violated the RLA and was premature in light of the McCaskill-Bond statute. *Id.* Specifically, AFA alleged that (1) efforts by Delta to initiate a seniority integration process to combine pre-merger Northwest employees and Delta employees constituted unlawful interference with those employees' rights to choose their own representatives and bargain collectively; and (2) Delta was not permitted to integrate seniority lists prior to an NMB finding that a single carrier existed and issuance of an NMB determination of the bargaining representative of the combined carrier. Delta moved to dismiss, arguing that the claims were representation disputes within the exclusive jurisdiction of the NMB. The court denied Delta's motion to dismiss for lack of subject matter jurisdiction, finding that the actions "present no dispute over the representation of the relevant employees." *Id.* at *1. But the court did not decide AFA's contention that Delta could not integrate seniority lists prior to a single-carrier finding.

In this case, Delta had asserted in pleadings that there was no private cause of action under McCaskill-Bond but had not sought to dismiss on that basis. In the course of its decision, the court noted that there was no indication in the text of the statute that Congress intended to create a private cause of action but did not decide the question because it was not raised by Delta's motion.

[FN1]. McCaskill-Bond notably addresses seniority list integration only, and does not address integration of labor agreements.

[FN2]. The other provisions required the merging carriers to: (1) pay a "displacement allowance" to any employee who was "placed in a worse position with respect to compensation" as a result of the merger; (2) pay a "dismissal allowance" to employees who lost their jobs as a result of the merger for a period of time of up to five years for those with fifteen years of service with either carrier; (3) continue benefits to employees "affected by the merger;" and (4) provide a relocation benefit to employees forced to move as a result of the merger. *Braniff MEC*, 693 F.2d at 223 n.2 (internal quotation marks omitted).

[FN3]. During the years in which the LPPs were applied by the CAB, ALPA Merger Policy stated a preference for the date of hire method, although the use of temporary restrictions or conditions and ratio-rank was permissible when date of hire did not lead to an equitable resolution. *NAA I*, 95 C.A.B. at 584.

[FN4]. East wanted seniority rights based on date of hire, including for East Pilots who were then on furlough; West wanted those furloughees placed at the bottom of the list and then the rest of the pilots would be merged based on relative seniority of the original seniority lists of the two airlines.

[FN5]. The plaintiffs also sued a class of East Pilots in state court and after removal and consolidation, the state court action was dismissed.

[FN6]. Like the pilots, the ground groups (mechanics and related, fleet service, stock clerks, and flight simulator technicians) were represented by different unions. The IAM, representing ground groups at TWA, and TWU, representing ground groups at American, attempted to negotiate seniority integration, but ultimately submitted the integration dispute to arbitration before Richard Kasher in February and March 2002 under Sections 3 and 13 of the Allegheny-Mohawk LPPs. During the course of TWA's bankruptcy leading up to American's acquisition of it, IAM and TWA agreed to a Transition Agreement in April 2001, which removed obligations to apply Allegheny-Mohawk seniority integration provisions. The TWU CBAs, however, provided that the LPPs would apply, provided that no employee on the master seniority list would be adversely impacted in rates of pay, hours, or working conditions by the integration. The TWU, IAM, and American eventually arbitrated before Arbitrator Kasher.

The arbitration award provided that: (1) at certain TWA hubs, TWA employees were permitted to exercise their full TWA seniority, (2) at a city/station where TWA's ASM contribution was less than 10% compared to combined TWA and American ASMs, TWA employees will be awarded 25% of their seniority, and (3) for all others, TWA employees would receive an April 10, 2001 seniority date.

***694 APPENDIX A**

49 U.S.C. § 42112. Labor requirements of air carriers

(a) Labor integration. With respect to any covered transaction involving two or more covered air carriers that results in the combination of crafts or classes that are subject to the Railway Labor Act ([45 U.S.C. 151 et seq.](#)), sections 3 and 13 of the labor protective provisions imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger (as published at 59 C.A.B. 45) shall apply to the integration of covered employees of the covered air carriers; except that --

(1) if the same collective bargaining agent represents the combining crafts or classes at each of the covered air carriers, that collective bargaining agent's internal policies regarding integration, if any, will not be affected by and will supersede the requirements of this section; and

(2) the requirements of any collective bargaining agreement that may be applicable to the terms of integration involving covered employees of a covered air carrier shall not be affected by the requirements of this section as to the employees covered by that agreement so long as those provisions allow for the protections afforded by sections 3 and 13 of the Allegheny-Mohawk provisions.

(b) Definitions. In this section, the following definitions apply:

(1) Air carrier. The term "air carrier" means an air carrier that holds a certificate issued under chapter 411 of title 49, United States Code.

(2) Covered air carrier. The term "covered air carrier" means an air carrier that is involved in a covered transaction.

(3) Covered employee. The term "covered employee" means an employee who --

(A) is not a temporary employee; and

(B) is a member of a craft or class that is subject to the Railway Labor Act ([45 U.S.C. 151 et seq.](#)).

(4) Covered transaction. The term "covered transaction" means --

(A) a transaction for the combination of multiple air carriers into a single air carrier; and which

(B) Involves the transfer of ownership or control of --

(i) 50 percent or more of the equity securities (as defined in [section 101 of title 11, United States Code](#)) of an air carrier; or

(ii) 50 percent or more (by value) of the assets of the air carrier.

(c) Application. This section shall not apply to any covered transaction involving a covered air carrier that took place before the date of enactment of this Act.

(d) Effectiveness of provision. This section shall become effective on the date of enactment of this Act and shall continue in effect in fiscal years after fiscal year 2008

**161 Lab.Cas. P 10,427
192 L.R.R.M. (BNA) 2268
662 F.3d 954**

**COMMITTEE OF CONCERNED MIDWEST FLIGHT ATTENDANTS FOR FAIR AND
EQUITABLE SENIORITY INTEGRATION, et al., Plaintiffs–Appellants,**

v.

**INTERNATIONAL BROTHERHOOD OF TEAMSTERS AIRLINE DIVISION and Teamsters
Local 135, Defendants–Appellees.**

No. 11–1921.

United States Court of Appeals, Seventh Circuit.

Argued Sept. 30, 2011. Decided Nov. 30, 2011.

Summaries:

Source: Justia

The McCaskill–Bond Amendment to the Federal Aviation Act, 49 U.S.C. 42112, provides that "combination of multiple air carriers into a single air carrier" requires the combined business to merge seniority lists of employees. Republic acquired Midwest. Seniority lists for mechanics, baggage handlers, and administrative personnel have been integrated, but Republic furloughed flight attendants, requiring them to apply for "new" jobs; if they are rehired, the Teamsters Union, which represents flight attendants at Republic's older carriers, places them at the bottom of its seniority roster. The Union maintained its position, even after the National Mediation Board concluded that the flight attendants who worked for Midwest became part of a single bargaining unit at an integrated air transportation business. The district court held that Republic's abandonment of Midwest's federal air transportation certificate, and the return of its planes, meant that Republic had acquired some assets but not an "air carrier" and entered judgment in favor of the Teamsters. The Seventh Circuit reversed and remanded, reasoning that Midwest was completely integrated into Republic.

Marianne G. Robbins (argued), Attorney, Previant, Goldberg, Uelmen, Gratz, Miller & Brueggeman, Milwaukee, WI, for Defendants–Appellees.

Before EASTERBROOK, Chief Judge, and POSNER and WILLIAMS, Circuit Judges.

EASTERBROOK, Chief Judge.

The McCaskill–Bond Amendment to the Federal Aviation Act, 49 U.S.C. § 42112 note, provides that a transaction "for the combination of multiple air carriers into a single air carrier" requires the combined business to merge the seniority lists of the two carriers' employees. Republic Airways Holding acquired Midwest Airlines in July 2009 by purchasing its parent, Midwest Air Group. The seniority lists for mechanics, baggage handlers, and administrative personnel have been integrated under the Amendment. But Republic furloughed the flight attendants, requiring them to apply for "new" jobs; if they are rehired, the Teamsters Union, which represents the flight attendants at Republic's older carriers (Republic Airlines, Chautauqua Airlines, and Shuttle America), places them at the bottom of its seniority roster. (Pilots, too, were furloughed, but their status is not at issue here.) The Teamsters Union has refused to budge from this position, which it has maintained even after the National Mediation Board concluded that the flight attendants who worked for Midwest became part of a single bargaining unit at an integrated air transportation business that comprised Republic, Chautauqua, Shuttle America, and Midwest. *In re Chautauqua Airlines/Shuttle America/Republic*

[662 F.3d 955]

Jeffrey A. Bartos (argued), Paul E. Knupp, III, Attorney, Guerrieri, Clayman, Bartos & Parcelli, P.C., Washington, DC, for Plaintiffs–Appellants.

Airlines/Midwest Airlines/Frontier Airlines/Lynx Aviation, 37 N.M.B. 148 (2010). Three of Midwest's

[662 F.3d 956]

flight attendants, and a committee purporting to speak for all of them, filed this suit.

When Republic Airways Holding acquired it, Midwest was losing money and needed to surrender most of its planes, which had been leased. Midwest had only nine planes on the date of the merger. Within a few months, Republic returned them to Boeing and abandoned the certificate from federal regulators that entitled Midwest to engage in the air transportation business. Republic retained and used Midwest's gates, takeoff and landing slots, trademarks, code (YX), and other assets. Republic (operating with Midwest's name and marks) provided service to most of the city pairs that Midwest had flown; only the type of aircraft changed. (Midwest used Boeing 717 planes; Republic uses Embraer 190s.) Frontier Airlines, another subsidiary of Republic Airways Holding, has taken over the routes that Republic Airlines operated in Midwest's name from mid-2009 through mid-2011, and Midwest's trademarks have been retired; no one contends that these developments affect how seniority issues should have been handled earlier. (Eventually we may need to consider questions about what rights Midwest's former employees have in Frontier's seniority system, which is separate from Republic's. See *Teamsters Union, Airline Division v. Frontier Airlines, Inc.*, 708 F.Supp.2d 750 (E.D.Wis.2010); *In re Chautauqua Airlines*, 37 N.M.B. at 167.)

The district court held that Republic's abandonment of Midwest's certificate, and the return of its planes, meant that Republic had acquired some assets related to air transportation but not an "air carrier" for the purpose of the McCaskill-Bond Amendment. Although the court initially denied the Teamsters' motion for summary judgment, 742 F.Supp.2d 1035 (E.D.Wis.2010), it granted a motion for reconsideration and ruled in the Union's favor.

2011 WL 94697, 2011 U.S. Dist. LEXIS 2718 (E.D.Wis. Jan. 10, 2011). The court stated that "McCaskill-Bond was never meant to protect the employees of an air carrier that simply goes out of business." *Id.* at *3, 2011 U.S. Dist. LEXIS 2718, at *9.

Legislatures do not mean things in the abstract; as Justice Holmes once put it, the right question is what they meant by what they said. "[A statute] does not disclose one meaning conclusively according to the laws of language. Thereupon we ask, not what this man meant, but what those words would mean in the mouth of a normal speaker of English, using them in the circumstances in which they were used.... But the normal speaker of English is merely a special variety, a literary form, so to speak, of our old friend the prudent man. He is external to the particular writer, and a reference to him as a criterion is simply another instance of the externality of the law.... We do not inquire what the legislature meant; we ask only what the statute means." Oliver Wendell Holmes, Jr., *The Theory of Legal Interpretation*, 12 Harv. L.Rev. 417, 417-19 (1899), reprinted in his *Collected Legal Papers* 204, 207 (1920). What the McCaskill-Bond Amendment means is not hard to discern.

Here is all of the statutory text that matters:

(a) With respect to any covered transaction involving two or more covered air carriers that results in the combination of crafts or classes that are subject to the Railway Labor Act (45 U.S.C. § 151 et seq.), sections 3 and 13 of the labor protective provisions imposed by the Civil Aeronautics Board in the Allegheny-Mohawk merger (as published at 59 C.A.B. 45) shall apply to the integration of covered employees of the covered air carriers; [two exceptions are omitted as irrelevant]

[662 F.3d 957]

(b) In this section, the following definitions apply:

(1) The term “air carrier” means an air carrier that holds a certificate issued under chapter 411 of title 49, United States Code.

(2) The term “covered air carrier” means an air carrier that is involved in a covered transaction....

(4) The term “covered transaction” means—

(A) a transaction for the combination of multiple air carriers into a single air carrier; and which

(B) involves the transfer of ownership or control of—

(i) 50 percent or more of the equity securities (as defined in section 101 of title 11, United States Code) of an air carrier; or

(ii) 50 percent or more (by value) of the assets of the air carrier.

Subsection (a) provides the basic rule: merging the seniority lists, rather than putting employees of the acquired carrier at the bottom of the acquiring carrier's list, was a condition of the Allegheny–Mohawk merger and therefore is required in every covered transaction “involving” covered air carriers. An “air carrier” is any firm that holds a certificate issued under 49 U.S.C. Chapter 411. Midwest held such a certificate on the date the merger closed and therefore was an “air carrier.” It also was “involved in” a transaction. True, Midwest Airlines was a subsidiary in a holding company structure. Republic Airlines' parent company acquired Midwest's parent. Yet subsidiaries are “involved in” such a transaction; the McCaskill–Bond Amendment does not require that the operating company be acquired, only that it be “involved.” (Otherwise the statute could be evaded with ease, because it is easy to create a parent for any corporation.)

Thus the question becomes whether Midwest and Republic engaged in a “covered transaction.” The conditions of subparagraph (B) are satisfied because Republic acquired 100% of

Midwest. (It is therefore unnecessary to consider whether the gates and landing slots were worth more than Midwest's meager equity in the leased planes.) And subparagraph (A) is satisfied if Midwest became part of a “single air carrier” with Republic. That it did. Operations and schedules were integrated; Republic answered the phones, took reservations, and began to fly Midwest's routes with planes and employees that came from its other subsidiary carriers. That's why the National Mediation Board concluded that all flight attendants are part of a single pool, represented by a single union; that's why the seniority lists of the reservations clerks and mechanics already have been integrated. When Republic abandoned Midwest's certificate and returned the leased planes, this meant even more complete consolidation. Only Republic remained, as a “single air carrier.”

Nothing in the text of the statute asks whether one of the merging carriers is bankrupt and about to vanish when the transaction closes. There's a good reason for the omission: this statute grew out of American Airlines' acquisition of Trans World Airlines, which was bankrupt and would have closed its doors had it not been acquired. TWA had its main hub in St. Louis; the two Senators whose names are on the legislation represented the State of Missouri. (The original sponsors were Senators Bond and Talent; Sen. McCaskill replaced Sen. Talent as a sponsor when she succeeded him.) What seniority TWA's former employees would retain was a contentious issue that threatened to frustrate the transaction or precipitate a strike; the statute provides how these transactions must be handled in the future. One cannot remove bankrupt and soon-to-

[662 F.3d 958]

disappear carriers from the statute's coverage, as the Teamsters propose, without simultaneously circumventing the statutory text and frustrating the design behind it. “[W]hat those words would mean in the mouth of a normal speaker of English, using them in the circumstances in which they were used” is that they govern all transactions in which an acquisition is followed

by joint operations, whether or not one carrier was on the brink of collapse. Republic acquired Midwest—what little of it remained—lock, stock, and barrel, via a merger, which turns two corporations into one, while the statute would have been satisfied with the acquisition of only 50% of Midwest's assets.

The statutory requirement that the (formerly) separate carriers operate as a single carrier matters when the carriers maintain separate businesses. Although United Airlines and Continental Airlines have merged (rather, their holding companies have merged), they have continued to operate as separate businesses, integrating their operations only slowly. Until the joint operations have reached the point that

they have become a “single air carrier,” they need not merge their seniority lists. Midwest, by contrast, integrated operations with Republic, Chautauqua, and Shuttle America expeditiously; that's why it was able to give up its certificate and planes, while transferring gates and landing slots for use by the other jointly operated carriers. Midwest and Republic engaged in a “covered transaction.” The later wasting away of Midwest illustrates the completeness of the integration; it does not negate the statute's coverage.

The judgment is reversed, and the case is remanded for proceedings consistent with this opinion.

11 USC 1113: Rejection of collective bargaining agreements

Text contains those laws in effect on April 13, 2015

From Title 11-BANKRUPTCY

CHAPTER 11-REORGANIZATION

SUBCHAPTER I-OFFICERS AND ADMINISTRATION

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§1113. Rejection of collective bargaining agreements

(a) The debtor in possession, or the trustee if one has been appointed under the provisions of this chapter, other than a trustee in a case covered by subchapter IV of this chapter and by title I of the Railway Labor Act, may assume or reject a collective bargaining agreement only in accordance with the provisions of this section.

(b)(1) Subsequent to filing a petition and prior to filing an application seeking rejection of a collective bargaining agreement, the debtor in possession or trustee (hereinafter in this section "trustee" shall include a debtor in possession), shall-

(A) make a proposal to the authorized representative of the employees covered by such agreement, based on the most complete and reliable information available at the time of such proposal, which provides for those necessary modifications in the employees benefits and protections that are necessary to permit the reorganization of the debtor and assures that all creditors, the debtor and all of the affected parties are treated fairly and equitably; and

(B) provide, subject to subsection (d)(3), the representative of the employees with such relevant information as is necessary to evaluate the proposal.

(2) During the period beginning on the date of the making of a proposal provided for in paragraph (1) and ending on the date of the hearing provided for in subsection (d)(1), the trustee shall meet, at reasonable times, with the authorized representative to confer in good faith in attempting to reach mutually satisfactory modifications of such agreement.

(c) The court shall approve an application for rejection of a collective bargaining agreement only if the court finds that-

(1) the trustee has, prior to the hearing, made a proposal that fulfills the requirements of subsection (b)(1);

(2) the authorized representative of the employees has refused to accept such proposal without good cause; and

(3) the balance of the equities clearly favors rejection of such agreement.

(d)(1) Upon the filing of an application for rejection the court shall schedule a hearing to be held not later than fourteen days after the date of the filing of such application. All interested parties may appear and be heard at such hearing. Adequate notice shall be provided to such parties at least ten days before the date of such hearing. The court may extend the time for the commencement of such hearing for a period not exceeding seven days where the circumstances of the case, and the interests of justice require such extension, or for additional periods of time to which the trustee and representative agree.

(2) The court shall rule on such application for rejection within thirty days after the date of the commencement of the hearing. In the interests of justice, the court may extend such time for ruling for such additional period as the trustee and the employees' representative may agree to. If the court does not rule on such application within thirty days after the date of the commencement of the hearing, or within such additional time as the trustee and the employees' representative may agree to, the trustee may terminate or alter any provisions of the collective bargaining agreement pending the ruling of the court on such application.

(3) The court may enter such protective orders, consistent with the need of the authorized representative of the employee to evaluate the trustee's proposal and the application for rejection, as may be necessary to prevent disclosure of information provided to such representative where such disclosure could compromise the position of the debtor with respect to its competitors in the industry in which it is engaged.

(e) If during a period when the collective bargaining agreement continues in effect, and if essential to the continuation of the debtor's business, or in order to avoid irreparable damage to the estate, the court, after notice and a hearing, may authorize the trustee to implement interim changes in the terms, conditions, wages, benefits,

or work rules provided by a collective bargaining agreement. Any hearing under this paragraph shall be scheduled in accordance with the needs of the trustee. The implementation of such interim changes shall not render the application for rejection moot.

(f) No provision of this title shall be construed to permit a trustee to unilaterally terminate or alter any provisions of a collective bargaining agreement prior to compliance with the provisions of this section.

(Added Pub. L. 98-353, title III, §541(a), July 10, 1984, 98 Stat. 390 .)

REFERENCES IN TEXT

The Railway Labor Act, referred to in subsec. (a), is act May 20, 1926, ch. 347, 44 Stat. 577, as amended. Title I of the Railway Labor Act is classified principally to subchapter I (§151 et seq.) of chapter 8 of Title 45, Railroads. For complete classification of this Act to the Code, see section 151 of Title 45 and Tables.

EFFECTIVE DATE

Pub. L. 98-353, title III, §541(c), July 10, 1984, 98 Stat. 391 , provided that: "The amendments made by this section [enacting this section] shall become effective upon the date of enactment of this Act [July 10, 1984]; provided that this section shall not apply to cases filed under title 11 of the United States Code which were commenced prior to the date of enactment of this section."

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483 F.3d 160

United States Court of Appeals,
Second Circuit.

In re NORTHWEST AIRLINES
CORPORATION, Debtor,
Northwest Airlines Corporation, and
all other plaintiffs, Plaintiff-Appellee

v.

Association of Flight Attendants-CWA, AFL-CIO,
and all other defendants, Defendant-Appellant,
Air Line Pilots Association, International
("ALPA"), Intervenor-Appellant.

Docket Nos. 06-4371-cv(L),
06-4468-cv(CON). Argued: Nov.
28, 2006. Decided: March 29, 2007.

Synopsis

Background: Chapter 11 debtor-airline, following its rejection of its collective bargaining agreement (CBA) with labor union of flight attendants, moved to enjoin flight attendants from striking. The Bankruptcy Court, [Allan L. Gropper, J.](#), [346 B.R. 333](#), denied debtor-airline's motion for preliminary injunctive relief on jurisdictional grounds, and debtor-airline appealed. The District Court for the Southern District of New York, [Victor Marrero, J.](#), [349 B.R. 338](#), reversed and remanded. Union appealed.

Holdings: The Court of Appeals, [John M. Walker, Jr.](#), Circuit Judge, held that:

- 1 Norris-LaGuardia Act did not bar issuance of preliminary injunction;
- 2 debtor-airline's rejection CBA abrogated, without breaching, the existing CBA;
- 3 the abrogation necessarily terminated the status quo created by that CBA, after which the Railway Labor Act's status quo provisions ceased to apply;
- 4 abrogation of CBA did not free the parties from their RLA duty to exert every reasonable effort to make new contract; and
- 5 preliminary injunction was warranted.

Affirmed.

[Dennis Jacobs](#), Chief Judge, filed concurring opinion.

West Headnotes (17)

1 Labor and Employment

🔑 Termination in General

A collective bargaining agreement (CBA) between a carrier subject to the Railway Labor Act (RLA) and its employees or their labor union hardly ever expires. Railway Labor Act, § 1 et seq., [45 U.S.C.A. § 151 et seq.](#)

2 Labor and Employment

🔑 Nature and Scope of Duty in General

Once a collective bargaining agreement (CBA) between a carrier subject to the Railway Labor Act (RLA) and a labor union becomes amendable, the carrier and the union are bound by statute to embark upon an almost interminable renegotiation process. Railway Labor Act, § 1 et seq., [45 U.S.C.A. § 151 et seq.](#)

3 Labor and Employment

🔑 Termination in General

Only after the carrier subject to the Railway Labor Act (RLA) and the labor union have fully exhausted the dispute resolution and renegotiation processes does a collective bargaining agreement (CBA) expire, freeing the parties from their contractual obligations and the RLA's rules governing the preservation of the status quo. Railway Labor Act, § 1 et seq., [45 U.S.C.A. § 151 et seq.](#)

[1 Cases that cite this headnote](#)

4 Labor and Employment

🔑 Duty to Bargain Collectively

A carrier subject to the Railway Labor Act (RLA) or its employees may invoke the RLA provision requiring carriers and employees to exert every reasonable effort to make agreements, maintain agreements, and settle disputes, either to ensure

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effective compliance with the explicit status quo provisions, or to further justify an injunction premised primarily on those provisions. Railway Labor Act, § 2, 45 U.S.C.A. § 152.

[1 Cases that cite this headnote](#)

5 Labor and Employment

🔑 Strikes and Lockouts

The Norris-LaGuardia Act, generally prohibiting the issuance of injunctions in labor disputes, did not bar the district court's issuance of preliminary injunction to prevent flight attendants' labor union from striking, where debtor-airline rejected collective bargaining agreement (CBA) with union, since the union's proposed strike would violate Railway Labor Act (RLA) duty to exert every reasonable effort to make agreements and to settle all disputes. 11 U.S.C.A. § 1113; Railway Labor Act, § 2, 45 U.S.C.A. § 152; Norris-LaGuardia Act, § 1, 29 U.S.C.A. § 101.

[1 Cases that cite this headnote](#)

6 Statutes

🔑 Effect and Consequences

Statutes

🔑 Knowledge of Legislature

In interpreting statutory schemes seriatim, a court assumes that Congress passed each subsequent law with full knowledge of the existing legal landscape, and without intending the absurd.

[4 Cases that cite this headnote](#)

7 Bankruptcy

🔑 Effect of Acceptance or Rejection

Debtor-airline's rejection of collective bargaining agreement (CBA) with flight attendants' labor union, after obtaining court authorization to do so, abrogated, without breaching, the existing CBA between the debtor and the union, which thereafter ceased to exist. 11 U.S.C.A. § 1113.

[1 Cases that cite this headnote](#)

8 Bankruptcy

🔑 Effect of Acceptance or Rejection

The Bankruptcy Code generally treats rejection of a collective bargaining agreement (CBA) as a breach so that the non-debtor party will have a viable claim against the debtor. 11 U.S.C.A. § 1113.

[1 Cases that cite this headnote](#)

9 Bankruptcy

🔑 Effect of Acceptance or Rejection

A debtor who rejects a collective bargaining agreement (CBA) with a court order pursuant to statutory authority abrogates rather than breaches the CBA at issue. 11 U.S.C.A. § 1113.

[2 Cases that cite this headnote](#)

10 Bankruptcy

🔑 Effect of Acceptance or Rejection

If a debtor rejects an executory contract, it does not completely terminate the contract. 11 U.S.C.A. § 365.

11 Labor and Employment

🔑 Duration and Termination

The Railway Labor Act (RLA) does not contemplate the inauguration of a new status quo absent the mutual agreement of labor and management. Railway Labor Act, § 2, 45 U.S.C.A. § 152.

12 Labor and Employment

🔑 Termination in General

Abrogation of the collective bargaining agreement (CBA) between debtor-airline and flight attendants' labor union, after obtaining court order authorizing the abrogation, necessarily terminated the status quo created by that CBA, after which termination, both the Railway Labor Act's (RLA) explicit status

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quo provisions and implicit status quo provision ceased to apply. 11 U.S.C.A. § 1113; Railway Labor Act, § 2, 45 U.S.C.A. § 152.

13 Labor and Employment

🔑 Nature and Scope of Duty in General

The duty to make agreements, under the Railway Labor Act (RLA) governs the conduct of a carrier subject to the RLA and a labor union, both after a collective bargaining agreement (CBA) has lapsed, and pending the negotiation of an initial CBA. Railway Labor Act, § 2, 45 U.S.C.A. § 152.

14 Labor and Employment

🔑 Duration and Termination

Arrangements between a carrier subject to the Railway Labor Act (RLA) and labor union made after collective bargaining are entitled to a higher degree of permanency and continuity. Railway Labor Act, § 2, 45 U.S.C.A. § 152.

15 Labor and Employment

🔑 Termination in General

Abrogation of the collective bargaining agreement (CBA) between debtor-airline and flight attendants' labor union, after obtaining bankruptcy court order approval of abrogation, shielded debtor from breach of contract claim, and absolved parties of their status quo duties under the Railway Labor Act (RLA), but it did not free the parties from their RLA duty to exert every reasonable effort to make new contract that would effect a new status quo. 11 U.S.C.A. § 1113; Railway Labor Act, § 2, 45 U.S.C.A. § 152.

16 Labor and Employment

🔑 Strikes and Lockouts

Preliminary injunction to bar strike by flight attendants' labor union was warranted, in light of debtor-airline's abrogation of collective bargaining agreement (CBA), with bankruptcy

court's approval; strike would violate the union's independent duty under the Railway Labor Act (RLA) to exert every reasonable effort to make new CBA, since debtor-airline acted in good faith, union had not yet sought to persuade its members of the need to face up to economic reality, nor had it sought the assistance of a labor board, and recommendation of strike failed take into account the duty the debtor-airline owed to the public.

11 U.S.C.A. § 1113; Railway Labor Act, § 2, 45 U.S.C.A. § 152.

17 Labor and Employment

🔑 Strikes and Lockouts

Only if a carrier has failed to take the steps required of it by the Railway Labor Act will a court deny injunctive relief against the strike of its employees. Norris-LaGuardia Act, § 8, 29 U.S.C.A. § 108; Railway Labor Act, § 2, 45 U.S.C.A. § 152.

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*164 Before: [JACOBS](#), Chief Judge, [WALKER](#) and [RAGGI](#) Circuit Judges.

Opinion

Chief Judge [JACOBS](#) concurs in a separate opinion.

[JOHN M. WALKER, JR.](#), Circuit Judge:

This dispute between the Association of Flight Attendants (“AFA”) and Northwest Airlines (“Northwest”) is situated in a peculiar corner of our law more evocative of an Eero Saarinen interior of creative angularity than the classical constructions of Cardozo and Holmes. Northwest, under the protection of Chapter 11 of the Bankruptcy Code and with the bankruptcy court’s imprimatur, has rejected the collective-bargaining agreement that until recently governed its relationship with the AFA and imposed new terms and conditions of employment upon its flight attendants. The AFA does not wish to accede to these terms and conditions of employment and threatens a work stoppage unless Northwest agrees to terms and conditions that are more favorable to the flight attendants.

The District Court for the Southern District of New York (Victor Marrero, *Judge*) issued a preliminary injunction precluding the AFA and its members from engaging in any form of work stoppage. It held that any such work stoppage

would cause irreparable harm and, at this juncture, violate the Railway Labor Act. On this basis, the district court concluded that the Norris-LaGuardia Act did not deprive it of jurisdiction to issue the injunction.

We agree, but for substantially different reasons than those advanced by the district court. We hold that Section 2 (First) of the Railway Labor Act forbids an immediate strike when a bankruptcy court approves a debtor-carrier’s rejection of a collective-bargaining agreement that is subject to the Railway Labor Act and permits it to impose new terms, and the propriety of that approval is not on appeal.

BACKGROUND

In December 2004, Northwest, one of the nation’s largest air carriers, began negotiating changes to the collective-bargaining agreement (“CBA”) governing its relationship with its flight attendants, who were then represented by the AFA’s predecessor, the Professional Flight Attendants Association (“PFAA”). Since April 2005, these negotiations have been conducted under the auspices of the National Mediation Board (“NMB”), which is authorized by the Railway Labor Act to mediate disputes between carriers and their employees.

In September 2005, Northwest filed for protection under Chapter 11 of the Bankruptcy Code. Northwest’s plan for reorganization required that its employees make significant concessions. Most of the unions that represent groups of Northwest employees have since negotiated new agreements.

Unable to reach an accommodation with its flight attendants, on November 7, 2005, Northwest sought bankruptcy court approval of certain interim modifications to the relevant CBA under 11 U.S.C. § 1113. On November 16, the bankruptcy court granted Northwest the requested relief. Nevertheless, the parties continued to negotiate in the hope of reaching a new mutually satisfactory agreement. On March 1, 2006, the PFAA leadership tentatively agreed to a new CBA (the “March 1 Agreement”); the membership, however, rejected the agreement by a margin of four-to-one.

In addition to seeking interim relief from its CBA, Northwest sought in September 2005 to obtain permanent relief from its CBA pursuant to *165 11 U.S.C. § 1113. After the flight attendants rejected the March 1 Agreement, Northwest reiterated this request, and, this time, the bankruptcy court

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granted Northwest's motion to reject its CBA. The bankruptcy court explained:

[t]he Court would do the flight attendants and the Debtors' thousands of other employees no favor if it refused to grant the Debtors' § 1113 relief, and the Debtors joined the ranks of the many other airlines that have liquidated as a consequence of a Chapter 11 filing.

In re Nw. Airlines Corp., 346 B.R. 307, 330 (Bankr.S.D.N.Y.2006). Along with this relief, the bankruptcy court permitted Northwest to impose the terms of the March 1 Agreement upon the flight attendants. Neither party appealed this decision.

The bankruptcy court conditioned its decision on Northwest's agreement to negotiate for an additional two weeks before it would allow the March 1 Agreement to take effect. Negotiations ensued, this time with the Association of Flight Attendants ("AFA"), which the flight attendants had elected as their new representative on July 7, 2006. On July 17, Northwest and the AFA reached another tentative agreement; again, however, on July 31, the flight attendants rejected the proposed agreement, this time by the narrower margin of 55-45%.

Northwest then imposed the March 1 Agreement. The AFA responded by notifying Northwest of its intent to disrupt Northwest's service by using a tactic suitably named CHAOS ("Create Havoc Around Our System"), which entails mass walkouts for limited periods of time and pinpoint walkouts at certain airports or gates. See *Ass'n of Flight Attendants v. Alaska Airlines*, 847 F.Supp. 832, 833-34 (W.D.Wash.1993).

Northwest moved to enjoin the strike. Bankruptcy Judge Gropper denied the motion on the basis that Northwest's rejection of the CBA and imposition of the March 1 Agreement amounted to a "unilateral action in changing the status quo that in turn frees the employees to take job action." *Nw. Airlines Corp. v. Ass'n of Flight Attendants-CWA (In re Nw. Airlines Corp.)*, 346 B.R. at 344. On appeal, the district court reversed and granted the preliminary injunction. Judge Marrero held that Northwest had not unilaterally changed the status quo and that the union remained bound by the status quo provisions of the RLA, which forbid the exercise of self-help pending the exhaustion of various mechanisms to resolve disputes, including NMB mediation. *Nw. Airlines Corp. v. Ass'n of Flight Attendants-CWA (In re Nw. Airlines Corp.)*,

349 B.R. 338, 379 (S.D.N.Y.2006) ("[T]his Court finds that an order authorizing rejection of a collective bargaining agreement pursuant to § 1113 does not terminate the Section 6 [of the RLA] process...").

The AFA and intervenor Air Line Pilots Association filed a timely appeal.

DISCUSSION

I. The Statutory Framework

The AFA appeals entry of a preliminary injunction. We review the district court's judgment for abuse of discretion, although our review of its application of the law is de novo. See *Green Party v. New York State Bd. of Elections*, 389 F.3d 411, 418 (2d Cir.2004). We inquire whether Northwest has shown,

first, irreparable injury, and, second, either (a) likelihood of success on the merits, or (b) sufficiently serious questions going to the merits and a balance of hardships decidedly tipped in [its] favor.

Id.

This appeal turns on Northwest's likelihood of success on the merits, any assessment *166 of which, in turn, requires us to interpret and heed three different statutory schemes: Section 1113 of Chapter 11 of the Bankruptcy Code, 11 U.S.C. § 1113; the Railway Labor Act of 1926 ("RLA"), 45 U.S.C. § 151 *et seq.*; and the Norris LaGuardia Act of 1932 ("NLGA"), 29 U.S.C. § 101 *et seq.*

A. The Bankruptcy Code: 11 U.S.C. § 1113

Section 1113(a) of Title 11 provides that a carrier subject to the RLA may "reject a collective bargaining agreement" if the bankruptcy court determines (among other things) that "the balance of the equities clearly favors rejection of such agreement" and that rejection is "necessary to permit the reorganization." 11 U.S.C. §§ 1113(a), (b)(1)(A), (c)(3). However, to make such a determination, the bankruptcy court must specifically find that (1) the carrier has "ma[de] a proposal" to its employees "which provides for those necessary modifications in the employee benefits and protections that are necessary to permit the reorganization," (2) the carrier has provided its employees

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“with such relevant information as is necessary to evaluate the proposal,” and (3) the “authorized representative of the employees has refused to accept such proposal *without good cause*.” *Id.* §§ 1113(b)(1), (c) (emphasis added). Moreover, § 1113 also explicitly precludes carriers from “terminat[ing] or alter[ing] any provisions of a collective bargaining agreement prior to compliance with the provisions” of § 1113. *Id.* § 1113(f).

Congress passed § 1113 in response to the Supreme Court's decision in *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 104 S.Ct. 1188, 79 L.Ed.2d 482 (1984). In *Bildisco*, the Court held (1) that a debtor did not violate the National Labor Relations Act (“NLRA”) by “unilaterally changing the terms of the [CBA]” after filing for bankruptcy, 465 U.S. at 519, 104 S.Ct. 1188, and (2) that the “Bankruptcy Court should permit rejection of a[CBA] ... that burdens the estate ... [if] after careful scrutiny, the equities balance in favor of rejecting the labor contract,” *id.* at 526, 104 S.Ct. 1188. Section 1113, by precluding a debtor from unilaterally changing the terms of its CBA without court approval upon entering bankruptcy, *see supra*, overturned the Supreme Court's first holding, while leaving the second (more or less) intact. *See* Daniel Keating, *The Continuing Puzzle of Collective Bargaining Agreements in Bankruptcy*, 35 Wm. & Mary L.Rev. 503, 505-06 (1994) (noting that commentators have “question[ed] whether the new Code provision was indeed nothing more than a dressed-up version of the most central holdings in the very case that it was thought to overrule”).

B. The Norris-LaGuardia Act

The NLGA deprives federal courts of jurisdiction to issue “any restraining order or temporary or permanent injunction in a case involving or growing out of a labor dispute, except in a strict conformity with the provisions of this chapter.” 29 U.S.C. § 101. While this jurisdiction-stripping provision generally admits of only limited exception, the Supreme Court has held that the NLGA does not preclude courts from enforcing the mandates of the RLA. *See Burlington N. R.R. v. Bhd. of Maint. of Way Employees*, 481 U.S. 429, 445, 107 S.Ct. 1841, 95 L.Ed.2d 381 (1987). Even so, however, a party seeking an injunction under the NLGA must have clean hands:

No restraining order or injunctive relief shall be granted to any complainant who has failed to comply with any obligation imposed by law which is involved in the labor

dispute in question, or who has failed to make every reasonable effort to settle such dispute either by negotiation *167 or with the aid of any available governmental machinery of mediation or voluntary arbitration.

29 U.S.C. § 108.

C. The Railway Labor Act

1 2 The RLA “abhors a contractual vacuum.” *See Air Line Pilots Ass'n, Int'l v. UAL Corp.*, 897 F.2d 1394, 1398 (7th Cir.1990). Accordingly, a collective-bargaining agreement between a carrier subject to the RLA and its employees or their union (we use the two terms interchangeably) hardly ever expires. *See Manning v. Am. Airlines, Inc.*, 329 F.2d 32, 34 (2d Cir.1964) (“The effect of § 6 [of the RLA] is to prolong agreements subject to its provisions regardless of what they say as to termination.”). Rather, once a CBA becomes “amendable,” the carrier and the union are bound by statute to embark upon an “almost interminable” re-negotiation process. *Detroit & Toledo Shore Line R.R. Co. v. United Transp. Union*, 396 U.S. 142, 149, 90 S.Ct. 294, 24 L.Ed.2d 325 (1969). During the pendency of this re-negotiation process, the RLA “obligate[s] [the parties] to maintain the status quo.” *Consol. Rail Corp. v. Ry. Labor Executives' Ass'n*, 491 U.S. 299, 302, 109 S.Ct. 2477, 105 L.Ed.2d 250 (1989).

3 The term “status quo,” found throughout the case law, appears nowhere in the RLA. Several of the RLA's provisions require that parties to a CBA governed by the RLA maintain objective working conditions during the pendency of any dispute arising under (or during the re-negotiation of) their CBA. *See* 45 U.S.C. §§ 152 (Seventh), 155 (First), 156, 160¹; *see also Aircraft Mechs. Fraternal Ass'n v. Atl. Coast Airlines* (“*Atlantic Coast II*”), 125 F.3d 41, 43 (2d Cir.1997) (explaining the statutory basis for the requirement that both parties maintain the status quo). The Supreme Court has described the function of these status quo provisions as follows: “The [RLA]'s status quo requirement is central to its design. Its immediate effect is to prevent the union from striking and management from doing anything that would justify a strike. In the long run, delaying the time when the parties can resort to self-help provides time for tempers to cool, helps create an atmosphere in which rational bargaining can occur, and permits the forces of public opinion to be mobilized in favor of a settlement without a strike or a lockout.” *Shore Line*, 396 U.S. at 150, 90 S.Ct. 294. Only

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after the parties have fully exhausted the dispute resolution and re-negotiation processes does a CBA expire, freeing the parties from their contractual obligations and the RLA's rules governing the preservation of the status quo. Cf. *Pan Am. World Airways v. Int'l Bhd. of Teamsters, Chauffeurs & Helpers of America*, 894 F.2d 36 (2d Cir.1990).

4 While the status quo provisions are integral to the RLA, the “heart” of that statute is Section 2 (First), *Bhd. of R.R. Trainmen v. Jacksonville Terminal Co.*, 394 U.S. 369, 377-78, 89 S.Ct. 1109, 22 L.Ed.2d 344 (1969), which requires carriers and employees to “exert every reasonable effort to make [agreements,] ... [to] maintain agreements ... and to settle all disputes, whether arising out of the application of such agreements or otherwise, in order to avoid any interruption to commerce,” 45 U.S.C. § 152 (First). The broad command of Section 2 (First) fills the interstices of the explicit status quo provisions: A carrier or its employees may invoke it either to ensure effective compliance with the explicit status quo provisions, see *168 *Chicago & Nw. Ry. Co. v. United Transp. Union*, 402 U.S. 570, 578, 91 S.Ct. 1731, 29 L.Ed.2d 187 (1971) (“The strictest compliance with the formal procedures of the Act [the RLA] is meaningless if one party goes through the motions with ‘a desire not to reach an agreement.’”), or to further justify an injunction premised primarily on those provisions, see *Shore Line*, 396 U.S. at 152, 90 S.Ct. 294 (holding that the explicit status quo “provisions, together with [§] 2 First, form an integrated, harmonious scheme for preserving the status quo from the beginning of the major dispute through the final 30-day ‘cooling-off’ period”). We thus conceive of this “implicit status quo requirement” of Section 2 (First), see *id.* at 151, 90 S.Ct. 294, as supplementary to the RLA's explicit status quo provisions.

Critical to this case, however, Section 2 (First) also imposes a separate duty, which is less closely related to the RLA's status quo provisions: carriers and unions must “exert every reasonable effort to make [agreements] ... and to settle all disputes,” 45 U.S.C. § 152 (First), even when the rules governing the RLA's status quo are not in effect. As the Supreme Court has explained, “[t]he statute does not undertake to compel agreement between the employer and employees, but it does command those preliminary steps without which no agreement can be reached. It at least requires the employer to meet and confer with the authorized representative of its employees, to listen to their complaints,

to make reasonable effort [sic] to compose differences-in short, to enter into a negotiation for the settlement of labor disputes....” *Virginian Ry. Co. v. Sys. Fed'n No. 40*, 300 U.S. 515, 548, 57 S.Ct. 592, 81 L.Ed. 789 (1937); compare *Int'l Ass'n of Machinists & Aerospace Workers v. Transportes Aereos Mercantiles Pan Americanos, S.A.*, 924 F.2d 1005, 1008-1009 (11th Cir.1991), with *Regional Airline Pilots Ass'n v. Wings West Airlines, Inc.*, 915 F.2d 1399, 1403 (9th Cir.1990), and *Int'l Ass'n of Machinists & Aerospace Workers v. Trans World Airlines, Inc.*, 839 F.2d 809, 814 (D.C.Cir.1988).

5 We conclude that, in light of Northwest's court-authorized rejection of its CBA under § 1113, the Norris-LaGuardia Act does not bar the district court's preliminary injunction because the union's proposed strike would violate this separate duty under Section 2 (First) to “exert every reasonable effort to make [agreements] ... and to settle all disputes.” 45 U.S.C. § 152 (First). The union concedes that it has an ongoing duty to negotiate under Section 2 (First), but, nevertheless, argues that it is “free to strike” because Northwest “unilaterally alter[ed] the contractual ‘status quo.’ ” Appellant's Br. at 15. As we explain below, this argument fails because Section 2 (First) operates independently of the RLA's status quo provisions (and the implicit status quo requirement of Section (2) First). Moreover, the AFA fails to recognize the unique effect on the status quo of a debtor's rejection of a CBA pursuant to § 1113. Because this unique effect informs the bulk of our analysis, it is to this latter issue that we now turn.

II. The Effect of Contract Rejection Under 11 U.S.C. § 1113

6 To understand the legal consequences of Northwest's rejection, we turn first to the plain text of § 1113, see *Leocal v. Ashcroft*, 543 U.S. 1, 8, 125 S.Ct. 377, 160 L.Ed.2d 271 (2004); *Conn. Nat'l Bank v. Germain*, 503 U.S. 249, 252, 112 S.Ct. 1146, 117 L.Ed.2d 391 (1992), and then to that of the RLA, reading these two statutory schemes *seriatim*, from the most recent to the oldest, see, e.g., *Shugrue v. Air Line Pilots Ass'n, Int'l* (*169 *In re Ionosphere Clubs, Inc.*), 922 F.2d 984, 991 (2d Cir.1990) (“[W]e must give effect to the most recently enacted statute since it is the most recent indication of congressional intent.”), and from the more specific to the more general, see, e.g., *Morton v. Mancari*, 417 U.S. 535, 550-51, 94 S.Ct. 2474, 41 L.Ed.2d 290 (1974). We also assume that Congress passed each subsequent law with full

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knowledge of the existing legal landscape, *Miles v. Apex Marine Corp.*, 498 U.S. 19, 32, 111 S.Ct. 317, 112 L.Ed.2d 275 (1990) (“We assume that Congress is aware of existing law when it passes legislation.”), and without intending the absurd, *see Green v. Bock Laundry Mach. Co.*, 490 U.S. 504, 509-10, 109 S.Ct. 1981, 104 L.Ed.2d 557 (1989).²

With these principles in mind, we reach three conclusions: (1) Northwest's rejection of its CBA after obtaining court authorization to do so under 11 U.S.C. § 1113 abrogated (without breaching) the existing collective-bargaining agreement between the AFA and Northwest, which *170 thereafter ceased to exist; (2) Northwest's abrogation of the CBA necessarily terminated the status quo created by that agreement, after which termination both the RLA's explicit status quo provisions and the implicit status quo requirement of Section 2 (First) ceased to apply; but (3) the AFA's proposed strike would, at present, violate the union's independent duty under the RLA to “exert every reasonable effort to make ... [an] agreement,” 45 U.S.C. § 152 (First), and thus may be enjoined. We proceed to discuss these conclusions in some detail.

A. Rejection of the CBA pursuant to the bankruptcy court's § 1113 order abrogates that agreement.

7 8 9 In theory, Northwest's rejection of its CBA under § 1113 could lead to one of three possible legal consequences: (1) Northwest abrogated the CBA in its entirety and replaced it with the March 1 Agreement; (2) Northwest replaced certain terms of the CBA with the more favorable terms of the March 1 Agreement, but the CBA otherwise continued in force and Northwest did not breach it; or (3) Northwest replaced certain terms of the CBA with the more favorable terms of the March 1 Agreement, but the CBA otherwise continued in force and Northwest did breach it.³ The first interpretation of the effect of Northwest's rejection of the CBA is far and away the most plausible.

10 The latter two interpretations suffer from one common defect: they ignore the unique purpose of § 1113. Section 365 of Title 11, like § 1113, authorizes contract rejection in bankruptcy.⁴ And, to be sure, under § 365, if a debtor rejects an executory contract, “it does not completely terminate the contract.” *Med. Malpractice Ins. Ass'n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 386-87 (2d Cir.1997). But Northwest did not reject the CBA at issue pursuant to § 365. It acted

with the authority *171 of a court order entered pursuant to § 1113. Contract rejection under § 1113, unlike contract rejection under § 365, permits more than non-performance; it allows one party, with the court's approval, to establish *new terms* that were not mutually agreed upon, the antithesis of a status quo.⁵ A carrier's obligation to comply with those new terms cannot be reconciled with the continued existence of its prior contract. *Compare In re Lavigne*, 114 F.3d at 389 (holding under § 365 that “because the rejection does not terminate all contractual and statutory obligations, [the parties are] not absolved from [compliance with the contract]”), with *Comair, Inc. v. Air Line Pilots' Ass'n, Int'l (In re Delta Air Lines, Inc.)*, 359 B.R. 491, 505 (Bankr.S.D.N.Y.2007) (“Section 1113 is forward-looking ... [and] it necessarily terminates the debtor's obligation to comply with the [prior] agreement”). If a rejected CBA were somehow to remain in force (to whatever extent), a carrier's adherence to a new, bankruptcy-court-approved contract would surely violate Section 2 (Seventh) of the RLA, which prohibits carriers from “chang[ing] the rates of pay, rules, or working conditions of its employees, as a class *as embodied in agreements* except in the manner prescribed in such agreements or in section 156 of this title.” 45 U.S.C. § 152 (Seventh) (emphasis added); *see also Shore Line*, 396 U.S. at 153, 90 S.Ct. 294 (requiring a carrier to maintain “actual, objective working conditions”).

Likewise, these two interpretations (CBA still in force-no breach; CBA still in force-breach) are also difficult to square with the structure of § 1113. *See Gade v. Nat'l Solid Wastes Mgmt. Ass'n*, 505 U.S. 88, 98, 112 S.Ct. 2374, 120 L.Ed.2d 73 (1992) (“[W]e must not be guided by a single sentence or member of a sentence, but look to the provisions of the whole law.”) (alteration in original) (internal quotation marks omitted). Sub-section (f) of § 1113 provides that a carrier may not “unilaterally terminate or alter any provisions of a collective bargaining agreement *prior to compliance with the provisions*” of § 1113. 11 U.S.C. § 1113(f) (emphasis added). If sub-section (f) forbids unilateral alteration of a CBA unless and until a carrier properly invokes sub-section (a), were we required to definitely interpret sub-section (a), we might well agree with appellants that it *permits* a carrier “unilaterally” to alter its employees' terms and conditions of employment. But such a “unilateral change” would no doubt breach the RLA's status quo provisions (both explicit and implicit), *see Consol. Rail Corp.*, 491 U.S. at 306, 109 S.Ct. 2477; *post* at 178-79. And this would lead to an odd result indeed: an airline's exercise of its options under § 1113, a statute that

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was passed after the RLA and specifically contemplated use by air carriers, *see* 11 U.S.C. § 1113(a) (extending coverage to air carriers but not railroads), would constitute a *violation* of the RLA.

The second possible interpretation of the effect of contract rejection under § 1113 (CBA still in force-no breach) is also at odds with bankruptcy precedent (of which *172 Congress was presumably aware when it passed § 1113), holding that under § 365, a party who rejects an executory contract also breaches it. As the Fifth Circuit explained in *In re Continental Airlines*, “it is difficult to reconcile a holding that damages are due when a [CBA] is rejected [with] an argument that that agreement at the same time does not effectively exist.” *O’Neill v. Cont’l Airlines, Inc. (In re Cont’l Airlines)*, 981 F.2d 1450, 1460 (5th Cir.1993). The converse is equally true; it is difficult to understand how a carrier can partially assume a CBA but not have its partial rejection of the CBA effect a simultaneous breach of the agreement.

The third possible interpretation of the effect of contract rejection under § 1113 (CBA still in force-breach) is equally flawed. If a carrier that rejected a CBA simultaneously breached that agreement *and* violated the RLA, the union would be correspondingly free to seek damages or strike, results inconsistent with Congress’s intent in passing § 1113. *Cf. In re Delta Air Lines, Inc.*, 359 B.R. at 509; *In re Blue Diamond Coal Co.*, 147 B.R. 720, 732 (Bankr.E.D.Tenn.1992), *aff’d*, 160 B.R. 574 (E.D.Tenn.1993). Moreover, even if a carrier breached that agreement but *did not* violate the RLA, the union would probably still be free to strike. The obligations of carrier and union under the explicit status quo provisions of the RLA are equal and mutual. *Shore Line*, 396 U.S. at 155, 90 S.Ct. 294. And if a *carrier* may breach its CBA without violating the RLA, it is plausible that a *union* might go on strike without violating the RLA. *Cf. NLRB v. Ins. Agents’ Int’l Union*, 361 U.S. 477, 80 S.Ct. 419, 4 L.Ed.2d 454 (1960) (strike not incompatible with duty to bargain in good faith).

Under the circumstances of this case, we adopt the first of the three possible interpretations we have identified: We hold that Northwest, acting pursuant the authority conferred to it by the bankruptcy court, *abrogated* its CBA. The purpose of § 1113-to permit CBA rejection in favor of alternate terms without fear of liability after a final negotiation before, and authorization from, a bankruptcy court-naturally leads to such

a conclusion. In addition, this holding suffers from none of the defects that we have identified in the two other possible interpretations of § 1113; nor does it offend our decisions in two ostensibly analogous, but in fact quite different, classes of cases: those arising under § 365 and those governed by the NLRA.

We have intimated that a union would be free to strike following contract rejection under § 365. *See, e.g., Truck Drivers Local 807 v. Carey Transp. Inc.*, 816 F.2d 82, 93 (2d Cir.1987). However, substantial differences between § 1113 and § 365 justify a different understanding of the consequences of invoking the former. Congress passed § 1113 in response to the Supreme Court’s holding that a debtor did not violate the NLRA by unilaterally changing the terms and conditions of employment detailed in a CBA after entering bankruptcy. *See United Food & Commercial Workers Union, Local 328, AFL-CIO v. Almac’s Inc.*, 90 F.3d 1, 4 (1st Cir.1996) (explaining this history). Congress sought to ensure that carriers could not avoid their agreements with their employees immediately upon entering bankruptcy, *cf.* 11 U.S.C. § 1113(e) (authorizing interim changes under limited circumstances); rather, it made contract avoidance possible only after a debtor procured court permission. But under § 365, if a debtor rejects an executory contract, courts assume a breach as of “the date immediately prior to the debtor’s filing for bankruptcy.” *In re Lavigne*, 114 F.3d at 387. Rejection under § 365 thus leads to a legal fiction at odds with the text of (and impetus behind) *173 § 1113. Consistent with Congress’s purpose, we are obligated to construe the statutory scheme to distinguish the legal consequences of rejection under § 365-including our suggestion that employees aggrieved by the rejection may strike-from the legal consequences of rejection under § 1113. *Cf. In re Ionosphere Clubs*, 922 F.2d at 991-92 (applying traditional canons of statutory construction to § 1113).

In cases governed by the NLRA, we have also hinted that a union is free to strike, even following contract rejection under § 1113. *See, e.g., In re Royal Composing Room, Inc.*, 62 B.R. 403, 405 (Bankr.S.D.N.Y.1986), *aff’d* 848 F.2d 345 (2d Cir.1988); *cf. NLRB v. Burns Int’l Sec. Servs., Inc.*, 406 U.S. 272, 92 S.Ct. 1571, 32 L.Ed.2d 61 (1972). But a union’s right to strike under the NLRA depends upon the terms of the CBA to which it is a party (for instance, the existence or continued viability, or lack thereof, of a contractual “no-strike clause”). *See* 29 U.S.C. § 163. If successful procurement of a §

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1113 order permits an employer to *abrogate* a CBA, it follows that a union subject to the NLRA would become free to strike consistent with *In re Royal Composing Room* precisely because it would no longer be bound by any contractual no-strike clause to which it might at one point have agreed. At the same time, however, a union subject to the RLA would still be under an obligation first to “exert every reasonable effort to make [agreements] ... and to settle all disputes” pursuant to Section 2 (First), notwithstanding the non-viability of any contractual no-strike clause. *See infra*.

We thus conclude that a carrier-debtor governed by the RLA and authorized by the bankruptcy court acting pursuant to § 1113 to reject its CBA and impose new terms *abrogates* its CBA.

B. Rejection under § 1113 terminates the status quo.

11 We must next consider how, if at all, the RLA applies in the event a carrier abrogates its CBA. The RLA's explicit status quo provisions attach to “rates of pay, rules, or working conditions ... *as embodied in agreements*,” 45 U.S.C. § 152 (Seventh) (emphasis added). *See, e.g.*, 45 U.S.C. § 156 (“Carriers and representatives of the employees shall give at least thirty days' written notice of an intended change in agreements....”). The plain text of these provisions compels the conclusion that they do not apply after a carrier has abrogated its CBA and the “agreement” has ceased to exist. *See, e.g., Atlantic Coast II*, 125 F.3d at 43 (refusing to apply the RLA's status quo provisions to the parties' objective working conditions prior to their agreement to an initial CBA); *Atlas Air, Inc. v. Air Line Pilots Ass'n*, 232 F.3d 218, 223 (D.C.Cir.2000) (“By their express terms, the [] so-called ‘status quo’ provisions of the Act only prohibit unilateral changes in wages or working conditions where there is a preexisting collective bargaining agreement.”); *In re Delta Air Lines, Inc.*, 359 B.R. at 506 (“The meaning, logic and purpose of both the contract rejection provisions in Section 1113 and the status quo provisions in the RLA compel the conclusion that a collective bargaining agreement which has been rejected can no longer constitute an ‘agreement’ within the meaning of RLA Section 2 Seventh and Section 6 such that the proscription in those provisions against changes in terms of employment would apply.”). The RLA does not contemplate the inauguration of a new status quo absent the mutual agreement of labor and management. *Cf. Pan Am.*, 894 F.2d at 39 (rejecting the notion that “a new status quo

has been created by changed circumstances and the passage of time”).⁶

*174 12 Nor does the implicit status quo requirement of Section 2 (First) apply in the absence of a collective-bargaining agreement to which both carrier and union have assented. First, like the explicit status quo provisions, Section 2 (First) refers to “agreements” between the parties, 45 U.S.C. § 152 (Second), not court-approved terms and conditions of employment opposed by one party. Second, it would be odd to construe the implicit status quo requirement of Section 2 (First) to reach farther than the explicit status quo provisions, since the Supreme Court only clarified that Section 2 (First) was judicially enforceable more than forty years after passage of the RLA. *See Chicago & N.W. Ry. Co. v. United Transp. Union*, 422 F.2d 979, 985 (7th Cir.1970) (“We construe § 2, First, as a statement of the purpose and policy of the subsequent provisions of the Act and not as a specific requirement anticipating judicial enforcement.”), *rev'd*, 402 U.S. 570, 581, 91 S.Ct. 1731, 29 L.Ed.2d 187 (1971) (“[W]e think the conclusion inescapable that Congress intended the enforcement of [§] 2 First to be overseen by appropriate judicial means....”).

C. Rejection under § 1113 leaves intact the duty to “make” agreements under Section 2 (First).

13 14 The explicit duty to exert every reasonable effort to “make” agreements, however, is distinct from the implicit status quo requirement of Section 2 (First). 45 U.S.C. § 152 (First) (imposing the duty not only to “maintain” agreements but also to “make” them). The duty to “make” agreements governs the parties' conduct both after a collective-bargaining agreement has lapsed, *see Pan Am.*, 894 F.2d 36, and pending the negotiation of an initial agreement, *see Atlantic Coast II*, 125 F.3d 41. The difference between the strict requirement that carriers and their employees “maintain” agreements and the somewhat more flexible duty to “make” agreements is a natural result of the different treatment the law affords “[a]rrangements made after collective bargaining” and “those made by a carrier [or a union] for its own convenience and purpose,” *Jacksonville Terminal*, 315 U.S. at 403, 62 S.Ct. 659: As the Supreme Court has explained, arrangements made after collective bargaining “are entitled to a higher degree of permanency and continuity.” *Id.*

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15 We thus conclude that a bankruptcy court acting pursuant to § 1113 may authorize a debtor to abrogate its CBA, effectively shielding it from a charge of breach. Such abrogation, by terminating the parties' agreed-to working conditions, also absolves them of their status quo duties under the RLA.⁷ It does not, *175 however, free the parties from their Section 2 (First) duty to "exert every reasonable effort" to make a new contract that would effect a new status quo. Indeed, the AFA conceded as much at oral argument. Accordingly, the relevant inquiry is whether the flight attendants' proposed strike would violate such a duty at this time.

III. The Duty to "Make" Agreements Under the RLA and the AFA's Proposed Strike

16 The "reasonable effort" required by Section 2 (First) has uncertain contours. At times, this court has suggested that "injunctive relief under section 152 First may be limited to cases where parties have bargained in bad faith." *United Air Lines, Inc. v. Airline Div., Int'l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am.*, 874 F.2d 110, 114 n. 5 (2d Cir.1989); cf. *Shore Line*, 396 U.S. at 155 n. 23, 90 S.Ct. 294. On the other hand, the Supreme Court has expressly reserved decision on whether the duty entails "more ... than avoidance of 'bad faith.'" *Chicago & Nw.*, 402 U.S. at 579 n. 11, 91 S.Ct. 1731.

The critical fact is that the Section 2 (First) duties are not fully reciprocal. This conclusion, that carriers and their employees may at times bear different, even unequal burdens, despite being subject to the same standard, is compelled by our decisions in the *Atlantic Coast* cases. In *Aircraft Mechanics Fraternal Ass'n v. Atlantic Coast Airlines, Inc.* ("*Atlantic Coast I*"), we held that a carrier did not breach Section 2 (First) by making unilateral changes to the terms and conditions of employment so long as it did not bargain in bad faith. 55 F.3d 90 (2d Cir.1995). Yet in *Atlantic Coast II*, we held that a union *did* breach Section 2 (First) by making (even if in good faith) a unilateral change to the terms and conditions of employment-e.g., by striking-where the railroad had taken no bad faith action to provoke such a response. See 125 F.3d 41. In line with our precedent, we hold today that in the absence of carrier bad faith, a union must come closer to exhausting the dispute resolution processes of the RLA than the AFA has in this case in order to satisfy its duty under

Section 2 (First). There is no need at this point to decide when and if the AFA will have fulfilled its duty; it has not done so yet.

In approving Northwest's motion to reject its collective-bargaining agreement, the bankruptcy court found, as it was required to do, see 11 U.S.C. § 1113(b)(1)(A), that Northwest's rejection of the CBA was *necessary*; Northwest remains willing to negotiate, including with regard to terms more favorable to the flight attendants than those the AFA has already accepted on their behalf; and the NMB has yet to conclude that further negotiations would be futile. The AFA's proposed strike cannot therefore be justified as a response to Northwest's violation of the RLA. See *United Air Lines*, 874 F.2d 110.

Simply put, the AFA has not exerted "every reasonable effort" to reach agreement. It has not sought to persuade its members of the need to "face [] up to economic reality." *In re Nw. Airlines Corp.*, 346 B.R. at 331; cf. *176 *United Air Lines, Inc. v. Int'l Ass'n of Machinist & Aerospace Workers, AFL-CIO*, 243 F.3d 349 (7th Cir.2001) (holding that union had duty under Section 2 (First) to control employee behavior and prevent "wildcatting"). Nor has it sought the assistance of the NMB, which is at least available on consent of the parties.⁸ Finally, since "reasonableness" under the RLA, like "reasonableness" under the NLRA, see, e.g., *Ass'n of Flight Attendants, AFL-CIO v. Horizon Air Indus., Inc.*, 976 F.2d 541, 545 (9th Cir.1992), is informed by the "reasonableness of the proposals," *id.*, our conclusion is buttressed by the AFA's failure to take account, as it must, of the duty Northwest "owes the public," *Bhd. of Ry. and Steamship Clerks, Freight Handlers, Express and Station Employees, AFL-CIO v. Florida East Coast Ry. Co.*, 384 U.S. 238, 245, 86 S.Ct. 1420, 16 L.Ed.2d 501 (1966).

The AFA argues that the foregoing reasoning is too one-sided in the carrier's favor and thus is at odds with the legislative history of the RLA, which was drafted by "a team composed of representatives of *both* management and labor." See *Summit Airlines, Inc. v. Teamsters Local Union No. 295*, 628 F.2d 787, 789 (2d Cir.1980) (emphasis added). But the duty Section 2 (First) imposes upon carriers is not toothless. *Bhd. of Maint. of Way Employees v. Union Pac. R.R. Co.*, 358 F.3d 453, 458 (7th Cir.2004) ("[T]he duty to exert every reasonable effort requires a [carrier] to do more than discharge its legal obligations."). Indeed, were a

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carrier simply to go “through the motions” of negotiating, see Archibald Cox, *The Duty to Bargain in Good Faith*, 71 Harv. L.Rev. 1401, 1413 (1958), it would violate its duty. Moreover, the scope of the duty to bargain in good faith increases as the parties approach agreement; for instance, whether the carrier has already agreed to a tentative deal, see *Transportes Aereos*, 924 F.2d at 1008-09, and whether it has a history of negotiating with a particular union, see *Virgin Atl. Airways, Ltd. v. Nat'l Mediation Bd.*, 956 F.2d 1245, 1253 (2d Cir.1992), are relevant variables. Cf. Cox, *supra* (suggesting that under certain circumstances unilateral changes to the terms and conditions of employment may constitute circumstantial evidence of bad faith). Finally, carriers must meet with union representatives, *United Air Lines*, 874 F.2d at 115, and, whether or not an agreement exists, must accede to a union's request for NMB assistance, 45 U.S.C. § 155,⁹ or face a strike, cf. *Bhd. of R.R. Trainmen Enter. Lodge, No. 27 v. Toledo, Peoria & W. R.R.*, 321 U.S. 50, 57-58, 64 S.Ct. 413, 88 L.Ed. 534 (1944).¹⁰ If Northwest *177 simply adheres to the March 1 Agreement and refuses to deal with the AFA in good faith, the AFA may seek an injunction of its own.

IV. The “Clean Hands” Requirement

17 Finally, the AFA argues that Northwest has not made “every reasonable effort to settle” this dispute, see 29 U.S.C. § 108, and thus lacks the requisite “clean hands” to secure an injunction under the NLRA. However, only if a carrier “has failed to take the steps required of it by the Railway Labor Act, ... [do we forbid it] injunctive relief against the strike of its employees.” *Rutland Ry. Corp. v. Bhd. of Locomotive Eng'rs*, 307 F.2d 21, 41 (2d Cir.1962). But as we have already explained, Northwest has, to this point, fulfilled its duties under Section 2 (First). Moreover, because it abrogated the existing CBA under authority of a § 1113 court order, Northwest did not violate either the RLA's explicit status quo provisions or the implicit status quo requirement of Section 2 (First). We have no indication in the record that Northwest is unwilling to return to the NMB, and indeed would expect it to do so. Nor has it sought to short-circuit the RLA's procedures in any other way. Cf. *Toledo, Peoria & W. R.R.*, 321 U.S. at 57, 64 S.Ct. 413.

CONCLUSION

Although this is a complicated case, one feature is simple enough to describe: Northwest's flight attendants have proven intransigent in the face of Northwest's manifest need to reorganize. On that basis, we conclude that the AFA has violated Section 2 (First) of the RLA and affirm the preliminary injunction.

DENNIS JACOBS, Chief Judge, concurring:

I agree with the majority in affirming the preliminary injunction, but I take a different route.

As the majority explains, the Association of Flight Attendants (AFA) has yet to “exert every reasonable effort to make and maintain agreements” as required by 45 U.S.C. § 152 (§ 2 (First)) in light of its failure to exhaust the bargaining procedures of the Railway Labor Act (RLA) and its rejection without good cause of Northwest's proposed modifications to the collective bargaining agreement (CBA).

But does that answer the AFA's argument that Northwest's alteration of the status quo-effected under § 1113 of the Bankruptcy Code-gave the AFA a reciprocal right to strike, without violating its § 2 (First) duty? The AFA argues, with real force, that a strike would not compromise its § 2 (First) duty (or the status quo obligation incorporated therein) if Northwest has already violated its own obligation to the status quo-an obligation that the Supreme Court has strongly implied (if not held) is reciprocal.

The majority sidesteps this argument, holding that once Northwest implemented the terms of the bankruptcy court's § 1113 order, the status quo simply “terminated.” Majority Op. at 170. In other words, the status quo-and the protections it offered to the AFA-is said to have terminated when (and because) it was abrogated. I could not possibly explain this to the flight attendants; if I agreed with the majority that Northwest violated a reciprocal duty to maintain the status quo, I would vote to vacate the injunction and permit the AFA to strike.

I vote to affirm nevertheless because, although Northwest effected a change in *178 the status quo, it did not do so *unilaterally*. A debtor-carrier's rejection of a labor agreement in bankruptcy-subject to strict statutory conditions and court oversight-cannot be described fairly as a unilateral divergence from the status quo, and does not trigger a reciprocal right to strike. Northwest's resort to § 1113 therefore did not affect

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the AFA's § 2 (First) duties, which keep the union at the bargaining table and off the picket line.

I

We affirm the anti-strike injunction on the basis of the AFA's § 2 (First) duty. Because “the vagueness of the obligation under § 2 (First) could provide a cover for freewheeling judicial interference in labor relations,” *Chicago & N.W. Ry. Co. v. United Transp. Union*, 402 U.S. 570, 583, 91 S.Ct. 1731, 29 L.Ed.2d 187 (1971), the section is understood to incorporate an “implicit status quo requirement,” see *Detroit & Toledo Shore Line R.R. v. United Transp. Union*, 396 U.S. 142, 151 & n. 18, 90 S.Ct. 294, 24 L.Ed.2d 325 (1969). Given this implicit status quo obligation, strikes are generally inconsistent with exerting every reasonable effort “to settle disputes without interruption to interstate commerce,” *id.* at 151, 90 S.Ct. 294. But if a debtor-carrier's resort to § 1113 violates its duty to maintain the status quo, and if that duty is reciprocal, *id.* at 154-55, 90 S.Ct. 294, then a union's strike might be fully consistent with § 2 (First). In my view, then, we cannot avoid deciding the antecedent question whether Northwest violated its duty to maintain the status quo.

* * *

The RLA does not expressly reference a “status quo,” yet the Supreme Court has read it to require that “[w]hile the dispute is working its way through the [] [RLA's] stages, neither party may *unilaterally* alter the status quo.” *Bhd. of R.R. Trainmen v. Jacksonville Terminal Co.*, 394 U.S. 369, 378, 89 S.Ct. 1109, 22 L.Ed.2d 344 (1969) (emphasis added). The obligation is “an affirmative legal duty upon both employers and unions alike-which is enforceable by the courts.” *United Air Lines, Inc. v. Int'l Ass'n of Machinist & Aero. Workers*, 243 F.3d 349, 363 (7th Cir.2001) (emphasis in original). Only “if the parties exhaust [RLA] procedures and remain at loggerheads, ... may [they] resort to self-help in attempting to resolve their dispute.” *Burlington N. R.R. v. Bhd. of Maint. of Way Employees*, 481 U.S. 429, 445, 107 S.Ct. 1841, 95 L.Ed.2d 381 (1987).

Northwest does not seriously dispute that its resort to § 1113 effected a change in the status quo; and, like the majority, I do not endorse the district court's conclusion that the change simply created an “altered baseline,” *Northwest Airlines Corp. v. Ass'n of Flight Attendants-CWA (In re Northwest*

Airlines Corp.), 349 B.R. 338, 379 (S.D.N.Y.2006). The question is whether that change was one that violated Northwest's duty to maintain the status quo. See *Air Line Pilots Ass'n, Int'l v. United Air Lines, Inc.*, 802 F.2d 886, 896-97 (7th Cir.1986) (“[I]t is a difficult question to determine when, if ever, an otherwise legitimate self-help measure begins to impede upon a statutory protection.”). The majority evades this question. But that is the question the AFA puts to us, and, as I have explained, we cannot avoid answering it.

The Supreme Court has consistently characterized the duty to maintain the RLA status quo as a duty to avoid changing it “unilaterally.” See *Consol. Rail Corp. v. Ry. Labor Executives' Ass'n*, 491 U.S. 299, 306, 109 S.Ct. 2477, 105 L.Ed.2d 250 (1989); *Burlington N. R.R.*, 481 U.S. at 449, 107 S.Ct. 1841; *179 *Shore Line*, 396 U.S. at 146-47, 90 S.Ct. 294; *Jacksonville Terminal*, 394 U.S. at 378, 89 S.Ct. 1109. We have preserved that distinction. See *Aircraft Mechanics Fraternal Ass'n v. Atlantic Coast Airlines* (“*Atlantic Coast II*”), 125 F.3d 41, 41-42 (2d Cir.1997); *Pan Am. World Airways, Inc. v. Int'l Bhd. of Teamsters*, 894 F.2d 36, 38-39 (2d Cir.1990). And our sister circuits have done the same.¹ Avoidance of *unilateral* changes in the status quo is an aspect of the duty to eschew “self-help.” See *Shore Line*, 396 U.S. at 154, 90 S.Ct. 294. Unilateral alteration of the status quo is so subversive of the RLA process that it supports injunctive relief without a further showing of irreparable harm. See *Consol. Rail Corp.*, 491 U.S. at 303, 109 S.Ct. 2477.

Northwest did not effect a change in the status quo that is unilateral. A unilateral act is one “in which there is only one party whose will operates.” *Black's Law Dictionary* 26 (8th ed.1999). In the context of an RLA status quo, it is an act “without negotiations, without bargaining.” *Bhd. of Locomotive Eng'rs v. Atchison, Topeka & Santa Fe Ry. Co.*, 768 F.2d 914, 920 (7th Cir.1985). The characterization of the status quo duty as a duty to avoid changing it unilaterally prevents self-help, promotes negotiation, and enlists and serves the interest of the public, as set out in *Shore Line*:

The Act's status quo requirement is central to its design. Its immediate effect is to prevent the union from striking and management from doing anything that would justify a strike. In the long run, delaying the time when the parties can resort to self-help provides time for tempers to cool, helps create an atmosphere in which rational bargaining

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can occur, and permits the forces of public opinion to be mobilized in favor of a settlement without a strike or lockout.

396 U.S. at 150, 90 S.Ct. 294.

A debtor-carrier's conduct pursuant to 11 U.S.C. § 1113 cannot fairly be described as unilateral, or as unmoored from negotiations. The procedure is essentially collective bargaining on wheels. Before terminating or altering a labor agreement, a debtor must “make a proposal to the authorized representative of the employees covered by such agreement,” which proposal [i] must be “based on the most complete and reliable information available at the time of such proposal,” [ii] must “provide[] for those necessary modifications in the employee[s] benefits and protections that are necessary to permit the reorganization of the debtor,” and [iii] must “assure[] that all creditors, the debtor and all of the affected parties are treated fairly and equitably.” 11 U.S.C. § 1113(b)(1)(A). The debtor must then “confer in good faith” with the employees' representative and attempt to “reach mutually satisfactory modifications of such agreement.” *Id.* § 1113(b)(2).

Section 1113 thus sets in motion an “expedited form of collective bargaining with several safeguards designed to insure that employers [do] not use Chapter 11 as medicine to rid themselves of corporate indigestion.” *Century Brass Prods., Inc. v. United Auto., Aero. & Agric. Implement Workers of Am. (In re Century Brass *180 Prods., Inc.)*, 795 F.2d 265, 272 (2d Cir.1986). Because the bankruptcy court can ultimately order relief, the modifications are constrained in three important ways: they must be necessary to the reorganization, *id.* § 1113(b)(1)(A); the union must have rejected them without good cause, *id.* § 1113(c)(2); and the balance of the equities must favor them, *id.* § 1113(c)(3). Courts enforce these requirements. *See, e.g., Wheeling-Pittsburgh Steel Corp. v. United Steelworkers of Am.*, 791 F.2d 1074, 1094 (3d Cir.1986). In this case, Judge Gropper took exceptional care to assure, notwithstanding the AFA's rejection of Northwest's proposals without good cause, that relief would be limited to those modifications to which the union leadership had once agreed.

An order pursuant to § 1113 is thus implicitly the product of negotiations (successful or unsuccessful). The process

ensure[s] that well-informed and good faith negotiations occur in the market place, not as part of the judicial process. Reorganization procedures are designed to encourage such a negotiated voluntary modification. Knowing that it cannot turn down an employer's proposal without good cause gives the union an incentive to compromise on modifications of the collective bargaining agreement, so as to prevent its complete rejection. Because the employer has the burden of proving its proposals are necessary, the union is protected from an employer whose proposals may be offered in bad faith.

N.Y. Typographical Union No. 6 v. Maxwell Newspapers, Inc. (In re Maxwell Newspapers, Inc.), 981 F.2d 85, 90 (2d Cir.1992) (citations omitted). I therefore read § 1113 as replacing one-sided modification of a labor agreement with court-approved modification after accelerated negotiation:

No provision of this title shall be construed to permit a trustee to *unilaterally* terminate or alter any provisions of a collective bargaining agreement prior to compliance with the provisions of this section.

11 U.S.C. § 1113(f) (emphasis added); *accord United Steelworkers of Am. v. Unimet Corp. (In re Unimet Corp.)*, 842 F.2d 879, 884 (6th Cir.1988) (“[S]ection 1113 unequivocally prohibits the employer from *unilaterally* modifying *any provision* of the collective bargaining agreement.”) (emphasis in original). Any other interpretation of § 1113 “would largely, if not completely, undermine whatever benefit the debtor-in-possession otherwise obtains by its authority to request rejection of the agreement.” *NLRB v. Bildisco & Bildisco*, 465 U.S. 513, 529, 104 S.Ct. 1188, 79 L.Ed.2d 482 (1984). I do not see how the majority can disagree, given its conclusion that a contrary approach would yield “results inconsistent with Congress's intent in passing § 1113.” Majority Op. at 172.

Moreover, a debtor-carrier's use of § 1113 is in every sense multilateral: its proposals must “assure[] that all creditors, the debtor and all of the affected parties are treated fairly and equitably.” 11 U.S.C. § 1113(b)(1)(A). Creditors have important interests to protect in a Chapter 11 proceeding, as emphasized by *amicus curiae* the Official Committee of Unsecured Creditors. The bankruptcy court must keep in view all “affected parties,” which in this context includes thousands of other employees, the traveling public, and any

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commercial entity that uses air carriers to engage in interstate commerce—not to mention whole cities and communities that rely on a single carrier (or few) for transportation by air.

At oral argument, the AFA pointed out that the § 1113 order merely authorized Northwest to act, and that the decision to *181 act on that authorization was taken by Northwest alone, *i.e.*, unilaterally. This argument cannot be squared with the findings of the bankruptcy court that the modifications were necessary, and no greater than necessary: Northwest's choice was to do what the order allowed, or risk dissolution there and then. As a debtor-in-possession, Northwest might well have violated its fiduciary duty to creditors and the estate had it *not* exercised its right to implement the authorized changes. *See* 11 U.S.C. § 1107(a); *see also In re Ionosphere Clubs, Inc.*, 113 B.R. 164, 169 (Bankr.S.D.N.Y.1990) (The “debtor-in-possession's fiduciary obligation to its creditors includes refraining from acting in a manner which could ... hinder a successful reorganization of the business.”). An act under compulsion does not violate the status quo obligation. *See, e.g., CSX Transp., Inc. v. United Transp. Union*, 86 F.3d 346, 349 (4th Cir.1996) (enjoining strike threatened in response to changes mandated by compulsory arbitration and found necessary by the Interstate Commerce Commission); *Laffey v. Northwest Airlines, Inc.*, 740 F.2d 1071, 1100 (D.C.Cir.1984) (the status quo obligation “does not stop an employer from immediately equalizing wages upward in accordance with a judicial determination that an existing wage disparity violates the Equal Pay Act.”).

The majority opinion rejects this approach because the change in the status quo effected by § 1113 is available only to carriers; so if a change pursuant to § 1113 is non-unilateral, the “equal” nature of the status quo obligation would be disturbed. Majority Op. at 172. The status quo obligation's reciprocity certainly leaves the parties “equally restrained,” *Shore Line*, 396 U.S. at 155, 90 S.Ct. 294, but the burden it imposes is not equal, and won't be unless Congress sees fit to create a pathway for non-unilateral action by unions akin to § 1113. “[I]t is for the Congress, and not the Courts, to strike the balance between the uncontrolled power of management and labor to further their respective interests” in RLA bargaining. *Jacksonville Terminal*, 394 U.S. at 392, 89 S.Ct. 1109 (internal quotation marks omitted).

I would therefore hold that a debtor-carrier's resort to § 1113 does not work a unilateral alteration of the RLA's status quo

and therefore does not violate the debtor-carrier's status quo obligation. Because Northwest did not violate that obligation, the AFA never accrued a right to strike, and a strike would therefore be inconsistent with its § 2 (First) duty to exert all reasonable efforts in pursuit of agreement.

II

The majority “might well agree” that § 1113 “permits a carrier ‘unilaterally’ to alter its employees' terms and conditions of employment ... [and] breach the RLA's status quo provisions,” Majority Op. at 171, yet nevertheless rejects the AFA's position that this breach justifies a reciprocal action in the form of a strike. The majority avoids reconciling these positions by holding that once Northwest turned to § 1113, [i] the CBA “ceased to exist,” and [ii] the status quo was accordingly “terminated” (and thereby incapable of sustaining a reciprocal right to strike). *Id.* at 170. In my view, the very purpose of the RLA status quo is to perpetuate “rates of pay, rules, or working conditions” *regardless of whether the CBA is terminated.*

The majority would limit the force of the status quo on the basis of 45 U.S.C. § 152 (Seventh), which refers to terms of employment “embodied in agreements.” Majority Op. at 173. Yet the Supreme Court has already rejected the argument “that *182 the ‘as embodied in agreements’ restriction [of § 152 (Seventh)] should be read into the status quo provisions of §§ 5, 6, and 10.” *Shore Line*, 396 U.S. at 155-56, 90 S.Ct. 294.² Those sections demonstrate that the protections offered by the reciprocity of the status quo obligation are not coextensive with the underlying agreement: § 5 refers to the status quo as the “rates of pay, rules, or working conditions or established practices *in effect prior to the time to the dispute arose*,” 45 U.S.C. § 155 (First) (emphasis added); § 6 to any “intended change in agreements *affecting* rates of pay, rules, or working conditions,” regardless of whether those terms of employment are to be embodied in an agreement, 45 U.S.C. § 156 (emphasis added); and § 10 to “the conditions out of which the dispute arose,” 45 U.S.C. § 160.

The majority opinion is the first to hold that the status quo obligation perishes with the underlying agreement. True, the Supreme Court has said that the status quo provisions are inapplicable where no collective bargaining agreement had ever existed between the parties. *See Williams v. Jacksonville Terminal Co.*, 315 U.S. 386, 400-03, 62 S.Ct. 659, 86 L.Ed.

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914 (1942). But the Court subsequently limited even this exception; it operates only where (in contrast to our case) “there was absolutely no prior history of any collective bargaining or agreement between the parties on any matter.” *Shore Line*, 396 U.S. at 157-58, 90 S.Ct. 294; see also *Virgin Atlantic Airways, Ltd. v. Nat'l Mediation Bd.*, 956 F.2d 1245, 1253 (2d Cir.1992).

Thus, in *Aircraft Mechanics Fraternal Ass'n v. Atlantic Coast Airlines, Inc.* (“*Atlantic Coast I*”), we concluded that a “newly certified union that has no collective bargaining agreement with the carrier is not entitled to a status quo freeze under the [RLA].” 55 F.3d 90, 94 (2d Cir.1995). The holding of *Atlantic Coast I* rested on the fact that no agreement had ever existed between the parties, and, for that reason, the status quo provisions had never applied. There is therefore no basis for the majority's view that an existing status quo can “terminate,” and the authorities cited by the majority furnish no support for this idea.³

I would not thus discard the status quo provisions in cases involving an abrogated CBA. The status quo obligation is not subject to the horsetrading of collective bargaining; it is superimposed by statute on every labor agreement subject to the RLA, and was thus designed to survive such agreements rather than die with them. See *Manning v. American Airlines, Inc.*, 329 F.2d 32, 34 (2d Cir.1964) (“the very *183 purpose of § 6 is to stabilize relations by artificially extending the lives of agreements for a limited period regardless of the parties' intentions”). Further, § 6 speaks of “an intended change in agreements,” see *Shore Line*, 396 U.S. at 158, 90 S.Ct. 294 (citing 45 U.S.C. § 156), which means to me that abrogation of an agreement does *not* void the status quo provisions.

If two parties are reciprocally committed to the terms of an agreement while they bargain over its renewal, can we prevent one from responding to the other's violation solely on the premise that the violation cancelled the agreement itself? The “permanency and continuity” of collective bargaining are what merit the protection of a status quo, see *Williams*, 315 U.S. at 403, 62 S.Ct. 659, and the indicium of an enforceable status quo is whether its terms have been in place “for a sufficient period of time with the knowledge and acquiescence of the employees,” *Shore Line*, 396 U.S. at 154, 90 S.Ct. 294. Borrowing the majority's parlance, then, it is the fact that terms of employment are or were “embodied” in an

agreement, and not the continuing vitality of that agreement, that triggers the status quo provisions.

The majority focuses on the district court's conclusion that § 1113 established a “new” status quo, and attributes that conclusion to me as well. Majority Op. at 169 n. 2. The scope and terms of the RLA status quo going forward after a debtor-carrier's resort to § 1113 present difficult questions, but not the ones that the parties have asked us to answer. The issue is whether an abrogation of the status quo that was not unilateral-*i.e.*, an abrogation blessed under § 1113-triggered in the union, by reciprocity, the right to strike it sought to exercise.

The majority dilates on whether the CBA was abrogated, breached, modified, partially assumed and partially rejected, or rejected altogether. This misses the point: the CBA between Northwest and its flight attendants is not a private bilateral contract and is therefore not susceptible to such analysis; “[m]ore is involved than the settlement of a private controversy without appreciable consequences to the public.” *Virginian Ry. Co. v. Sys. Fed'n No. 40*, 300 U.S. 515, 552, 57 S.Ct. 592, 81 L.Ed. 789 (1937). The primary purpose of the RLA is “to avoid any interruption to commerce or to the operation of any carrier engaged therein,” 45 U.S.C. § 151a, and its provisions “must be read in [that] light,” *Air Cargo Inc. v. Local Union 851, Int'l Bhd. of Teamsters*, 733 F.2d 241, 245 (2d Cir.1984). Labor agreements in the RLA framework are therefore multilateral insofar as they account for the public interest:

In our complex society, metropolitan areas in particular might suffer a calamity if rail service for freight or for passengers were stopped. Food and other critical supplies might be dangerously curtailed; vital services might be impaired; whole metropolitan communities might be paralyzed.

Bhd. of Ry. & S.S. Clerks v. Fla. E. Coast Ry. Co., 384 U.S. 238, 245, 86 S.Ct. 1420, 16 L.Ed.2d 501 (1966).

Accordingly, § 1113 effects non-unilateral abrogation of RLA agreements notwithstanding (or perhaps because of) the union's obstinance. And it does so out of deference to the interests protected by § 1113 and (by incorporation) the RLA: creditors, the carrier's other employees, the flying public, and interstate commerce. The majority rejects my approach as an impermissible “harmonization” of the statutes. Majority Op.

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at 169 n. 2. No one can accuse the majority of attempting to harmonize the statutes at issue, or of succeeding.

*184 III

I say the question is whether Northwest abrogated the status quo unilaterally, and would hold that it did not. For the majority, the question is instead whether Northwest abrogated the status quo at all, and the majority says that it did. Under the majority's view, then, it must be that Northwest has "failed to comply with [an] obligation imposed by law which is involved in the labor dispute in question." 29 U.S.C. § 108. This failure to comply is certainly not a good thing; in fact, it means that Northwest would lack "clean hands," and that in turn means that under the Norris-LaGuardia Act, 29 U.S.C. § 101 *et seq.*, the district court could not enter an anti-strike injunction.

For its part, the majority holds that Northwest has clean hands because it acted "under authority of a § 1113 court order." Majority Op. at 176-77. This sounds right; but the determinative question is whether Northwest has "failed to comply with [an] obligation imposed by law which is involved in [this] labor dispute." If (as I argue) Northwest's

obligation was to avoid a *unilateral* change in the status quo, the Norris-LaGuardia Act would not inhibit an injunction. It is hard to see how the majority can conclude that a carrier that unilaterally abrogated the CBA, caused it to go up in smoke, and breached the status quo nevertheless complied with all of the legal obligations involved in this labor dispute. And the fact that a carrier has the "authority" to take an act does not itself vest the carrier with the power to enjoin a strike threatened in response to that act. *See Bhd. of R.R. Trainmen Enter. Lodge, No. 27 v. Toledo, Peoria & W. R.R.*, 321 U.S. 50, 64-65, 64 S.Ct. 413, 88 L.Ed. 534 (1944) (although a carrier has statutory authority to refuse arbitration under 45 U.S.C. § 157 (First), "if it refuses, it loses the legal right to have an injunction issued by a federal court"). The majority's analysis would therefore seem to preclude an anti-strike injunction. Under my analysis, the injunction was properly granted.

Parallel Citations

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Footnotes

- 1 These are the "explicit status quo provisions."
- 2 The district court-and Chief Judge Jacobs in his concurrence-strive to "harmonize" the Bankruptcy Code and the RLA. *See In re Nw. Airlines Corp.*, 349 B.R. at 373-83; *id.* at 345 (discussing the duty to "view the terms, policies, purposes and structures of the applicable laws as a whole and to read any clashing provisions in a manner that endeavors to accommodate them as much as possible"); *post* at 183-84 (arguing that "[l]abor agreements in the RLA framework" should be treated differently than other agreements by bankruptcy courts because they are "multilateral insofar as they account for the public interest"). Their effort on this score is not only unnecessary-because the statutory schemes are not in conflict, *cf. United States v. Oakland Cannabis Buyers' Coop.*, 532 U.S. 483, 494, 121 S.Ct. 1711, 149 L.Ed.2d 722 (2001) ("[T]he canon of constitutional avoidance has no application in the absence of statutory ambiguity."); *Radzanower v. Touche Ross & Co.*, 426 U.S. 148, 154-55, 96 S.Ct. 1989, 48 L.Ed.2d 540 (1976)-but also risks upsetting long-settled rules of bankruptcy law, *cf. California v. FERC*, 495 U.S. 490, 499, 110 S.Ct. 2024, 109 L.Ed.2d 474 (1990) (noting that courts "must accord [deference] to longstanding and well-entrenched decisions, especially those interpreting statutes that underlie complex regulatory regimes"); *Patterson v. McLean Credit Union*, 491 U.S. 164, 172-173, 109 S.Ct. 2363, 105 L.Ed.2d 132 (1989) (same). Indeed, as we explain *infra*, the district court's holding that Northwest and the AFA remain bound to preserve the RLA's status quo, adopted on appeal by Chief Judge Jacobs, is at odds with numerous decisions suggesting that the status quo ceases when an employer rejects a CBA with the approval of a bankruptcy court. *See Truck Drivers Local 807 v. Carey Transp. Inc.*, 816 F.2d 82, 93 (2d Cir.1987) (urging the bankruptcy court to consider "the possibility and likely effect of any employee claims for breach of contract if rejection is approved"); *Truck Drivers Local Union No. 807 v. Bohack Corp.*, 541 F.2d 312, 317-318 (2d Cir.1976); *Bhd. of Ry., Airline & Steamship Clerks, Freight Handlers, Express & Station Employees v. REA Express, Inc.*, 523 F.2d 164, 170 (2d Cir.1975); *In re Maxwell Newspapers, Inc.*, 146 B.R. 920, 922 (Bankr.S.D.N.Y.1992), *aff'd in part, rev'd in part*, 981 F.2d 85 (2d Cir.1992); *In re Royal Composing Room, Inc.*, 62 B.R. 403, 405 (Bankr.S.D.N.Y.1986), *aff'd*, 848 F.2d 345 (2d Cir.1988); *Comair, Inc. v. Air Line Pilots Ass'n, Int'l (In re Delta Air Lines, Inc.)*, 359 B.R. 491, 505-06, 2007 WL 414520, at *12 (Bankr.S.D.N.Y.2007); *see also Air Line Pilots Ass'n, Int'l v. Cont'l Airlines, Inc. (In re Cont'l Airlines*

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Corp.), 901 F.2d 1259, 1261 (5th Cir.1990); *Briggs Transp. Co. v. Int'l Bhd. of Teamsters, Chauffeurs, Warehousemen and Helpers of Am.*, 739 F.2d 341, 343 (8th Cir.1984) (While bankruptcy law “may have authorized Briggs to cut its employees' wages ..., it does not prohibit the employees from complaining.”) (internal quotation marks omitted) (alteration in original); *In re Garofalo's Finer Foods, Inc.*, 117 B.R. 363, 374 (Bankr.N.D.Ill.1990) (“[U]pon rejection, if the parties have not come to terms, the union employees' right to strike and other rights under applicable law can be fully exercised if they so choose.”); *In re Tex. Sheet Metals, Inc.*, 90 B.R. 260, 273 (Bankr.S.D.Tex.1988). *But see Mesaba Aviation, Inc. v. Aircraft Mechs. Fraternal Ass'n (In re Mesaba Aviation, Inc.)*, 350 B.R. 112, 130 (Bankr.D.Minn.2006); *In re Blue Diamond Coal Co.*, 147 B.R. 720, 729-30 (Bankr.E.D.Tenn.1992); *In re Armstrong Store Fixtures Corp.*, 139 B.R. 347, 350 (Bankr.W.D.Pa.1992).

3 Chief Judge Jacobs suggests that we need not decide this question; rather, he contends that “[t]he question is whether the [imposition of the March 1 Agreement] violated Northwest's duty to maintain the status quo.” *Post* at 178, 183. However, we must look to bankruptcy law to determine the *effect* of contract rejection before assessing the *rights* and *remedies* of each party subsequent to that rejection. *See, e.g., Carey*, 816 F.2d at 93; *Bohack*, 541 F.2d at 317-18. Indeed, as we explained in *In re Lavigne*, “[t]he Bankruptcy Code [generally] treats rejection as a breach so that the non-debtor party will have a viable claim against the debtor.” 114 F.3d at 387 (emphasis added). For reasons explained herein, we conclude that § 1113 is an exception to this general principle; a debtor who rejects a contract pursuant to that statutory authority abrogates rather than breaches the CBA at issue.

Chief Judge Jacobs also suggests that we “miss[] the point,” because a collective-bargaining agreement is not a “private bilateral contract” and therefore “not susceptible to ... analysis” under bankruptcy law. *See post* at 183. It is he who misses the point. He cannot, simply by invoking “multilateralism,” exorcise bankruptcy law from this case; indeed, both *Carey* and *Bohack* involved purveyors of services in which the public had an interest, and we gave no hint that they were outside the normal bankruptcy rules because the contracts in those cases were “multilateral.” *Compare post* at 183-84 (noting that the CBA in this case is “multilateral”) with *Carey*, 816 F.2d at 85 (noting that the debtor “has been engaged in the business of providing commuter bus service between New York City and Kennedy and LaGuardia Airports”), and *Truck Drivers Local 807 v. Bohack Corp., No. 75-C-905, 1975 WL 1213, at *1 (E.D.N.Y.1975), rev'd by Bohack, 541 F.2d 312* (noting that “Bohack operates a chain of retail supermarkets throughout Brooklyn, Queens, Nassau, and Suffolk Counties”).

4 Section 365 of Title 11 provides that, subject to certain exceptions, “the trustee, subject to the court's approval, may assume or reject any executory contract or unexpired lease of the debtor.” 11 U.S.C. § 365(a).

5 Neither party appealed the bankruptcy court's implicit holding that it had the authority under § 1113 to impose new terms upon both carrier and union, *see In re Nw. Airlines Corp.*, 346 B.R. at 331 (“The rejected proposal is the key proposal for purposes of § 1113, and this is the proposal that presumably should be put in effect if the union has rejected it without good cause.”), and we therefore assume without deciding that a bankruptcy court has such authority. We note simply that the text of § 1113 is not explicit on this score, *cf. 11 U.S.C. § 1113(e)* (explicitly permitting the bankruptcy court to impose “interim changes”), and that the bankruptcy court must look elsewhere in the Bankruptcy Code to find such authority, *cf. In re Garofalo's Finer Foods, Inc.*, 117 B.R. at 370.

6 Chief Judge Jacobs argues that the RLA's status quo obligations do not “perish[] with the underlying agreement.” *See post* at 182. To buttress his argument, he invokes the Supreme Court's holding in *Shore Line* that the “ ‘as embodied in agreements' restriction” does not apply to sections of the RLA other than 45 U.S.C. § 152 (Seventh). *Shore Line*, 396 U.S. at 155-56, 90 S.Ct. 294; *post* at 181-82. However, *Shore Line* rested on principles of implied contract, *see id.* at 154-55, 90 S.Ct. 294 (noting that “[i]t would be virtually impossible to include all working conditions in a collective-bargaining agreement” and holding that “[w]here a condition is satisfactorily tolerable to both sides,” it is protected by the RLA's status quo). We cannot read *Shore Line* to permit one party to impose a new set of fundamental terms upon the other under the aegis of the RLA's status quo; indeed, our reading is quite the reverse.

7 Chief Judge Jacobs argues that our holding necessarily means that Northwest has “ ‘failed to comply with [an] obligation imposed by law’ ” and cannot, therefore, obtain an anti-strike injunction. *Post* at 183-84 (quoting 29 U.S.C. § 108). Not so. Since Northwest's abrogation of its CBA, authorized by the bankruptcy court, ended the RLA's status quo, Northwest cannot have breached the RLA's status quo provisions. As we have already explained, *see supra* at 170 n. 3, the effect of contract rejection under bankruptcy law is a question antecedent to analysis of the rights and remedies of each party subsequent to that rejection.

8 We do not and need not decide whether the district court may enjoin the parties to return to the NMB. At least one circuit court has seen fit to do so under analogous circumstances. *See Chicago & Nw. Ry. Co. v. United Transp. Union*, 471 F.2d 366, 368-69 (7th Cir.1972) (Clark, J.). However, it is for the district court to tailor the preliminary injunction in further proceedings.

9 Section 5 (First) vests the NMB with jurisdiction over disputes “concerning changes in rates of pay, rules, or working conditions not adjusted by the parties in conference.” 45 U.S.C. § 155 (First). The text of Section 2 (Sixth), which directs the parties to hold

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conferences in the event of a dispute arising “out of grievances or out of the interpretation or application of agreements,” 45 U.S.C. § 152 (Sixth), suggests that the NMB has jurisdiction of a dispute even if it does not concern a written agreement.

10 While the Supreme Court has instructed that we be circumspect in analogizing the RLA to the NLRA, *Burlington*, 481 U.S. at 448-49, 107 S.Ct. 1841, we note that under the NLRA, employers have several other obligations that fall within the ambit of their duty to bargain in good faith, including, for instance, the duty to disclose relevant data to unions with which they are negotiating, see, e.g., *NLRB v. Pratt & Whitney Air Craft Div., United Techs. Corp.*, 789 F.2d 121, 130-31 (2d Cir.1986). There is no need here to determine the outer limits of a carrier's duty to bargain in good faith under the RLA.

1 See, e.g., *Machinist & Aero. Workers*, 243 F.3d at 362; *Atlas Air, Inc. v. Air Line Pilots Ass'n*, 232 F.3d 218, 223 (D.C.Cir.2000); *Int'l Ass'n of Machinists & Aerospace Workers v. Transportes Aereos Mercantiles Pan Americanos, S.A.*, 1005, 1007 (11th Cir.1991); *United Transp. Union v. Black Lick R.R. Co.*, 894 F.2d 623, 628-629 (3d Cir.1990) *Labor Execs. Ass'n v. Chesapeake W. Ry.*, 915 F.2d 116 (4th Cir.1990); *Div. No. 1, Bhd. of Locomotive Eng'rs v. Consol. Rail Corp.*, 844 F.2d 1218, 1220 n. 1 (6th Cir.1988); *Trans World Airlines, Inc. v. Indep. Fed'n of Flight Attendants*, 809 F.2d 483, 488 (8th Cir.1987); *Int'l Bhd. of Teamsters v. Texas Int'l Airlines, Inc.*, 717 F.2d 157, 159 (5th Cir.1983).

2 As the Court put it, § 152 (Seventh) “simply states one *category* of cases in which [major dispute] procedures must be invoked.” *Shore Line*, 396 U.S. at 156, 90 S.Ct. 294 (emphasis added). The dispute between Northwest and the AFA fell into this category once Northwest signaled its intention to change the CBA, long before it had entered Chapter 11 or implemented § 1113 relief.

3 The majority says that we have “suggest[ed] that the status quo ceases when an employer rejects a CBA with the approval of a bankruptcy court.” Majority Op. at 169 n. 2 (emphasis added). I cannot see how we could have suggested as much, given that nearly all of the cases cited by the majority had nothing whatsoever to do with the Railway Labor Act or its status quo provisions. The only conceivable exception is *Bhd. of Ry., Airline & S.S. Clerks v. REA Express, Inc.*, which held that a debtor-carrier is “a new juridical entity” and therefore is “not a party to and [is] not bound by the terms of [a] collective bargaining agreement.” 523 F.2d 164, 170 (2d Cir.1975). But this holding was repudiated by the Supreme Court, see *Bildisco*, 465 U.S. at 528, 104 S.Ct. 1188, and laid to rest by the enactment of § 1113, see *Air Line Pilots Ass'n, et al. v. Continental Airlines, Inc. (In re Continental Airlines)*, 901 F.2d 1259, 1266 n. 6 (5th Cir.1990).

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CONSTITUTION AND BYLAWS



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Ratified and Approved by
Allied Pilots Association Membership
November 26, 1963

Amendment #82
Effective: December 26, 2014

PREAMBLE

This Constitution and Bylaws of the Allied Pilots Association is hereinafter set forth to provide the mechanism whereby the collective and individual rights of the pilots in the APA are safeguarded through a formula for sound leadership and, at the same time, retention of control of the APA by the membership.

AMENDMENT DATES

September 23, 1964	February 25, 1999
March 16, 1966	October 31, 1999
April 22, 1970	January 22, 2000
May 1, 1972	May 4, 2000
October 18, 1974	July 21, 2000
October 31, 1975	September 29, 2000
April 20, 1979	February 16, 2001
October 3, 1979	May 20, 2001
March 20, 1981	July 13, 2001*
April 28, 1981	March 19, 2002
September 13, 1982	May 18, 2002
March 22, 1983	November 8, 2002
March 19, 1987	April 16, 2003
September 18, 1987	May 18, 2003
December 4, 1987	November 20, 2003
March 17, 1989	February 7, 2004
April 5, 1989	June 12, 2004
September 20, 1989	November 18, 2004
March 20, 1990	February 12, 2005
February 27, 1991	May 6, 2005
March 26, 1991	July 26, 2005
July 3, 1991	November 2, 2005
September 24, 1991	June 7, 2006
January 23, 1992	May 11, 2007
April 24, 1992	November 9, 2007
July 1, 1992	February 28, 2008
July 24, 1992	February 12, 2009
December 29, 1992	May 28, 2009
February 7, 1993	January 1, 2010
June 16, 1993	January 3, 2010
October 26, 1993	December 25, 2010
March 27, 1994	June 26, 2011
June 9, 1994	March 7, 2012
January 26, 1995	June 16, 2012
June 29, 1995	March 8, 2013
October 22, 1995	April 27, 2013
January 24, 1996	June 27, 2013
January 31, 1998	October 11, 2013
May 17, 1998	November 20, 2013
June 1, 1998	April 24, 2014
August 7, 1998	August 2, 2014
October 14, 1998	December 26, 2014

*Rewrite – effective immediately

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ARTICLE I GENERAL

Section 1. Name

The name of the organization shall be the ALLIED PILOTS ASSOCIATION. Whenever the term "APA" is used, it shall refer to and mean the ALLIED PILOTS ASSOCIATION.

Section 2. Home Office Location

The general office and headquarters of the APA shall be at 14600 Trinity Boulevard, Suite 500, Ft. Worth, Texas 76155-2512. *(10/14/98)* The headquarters may be changed by action of the Board of Directors in accordance with the applicable provisions of this Constitution and Bylaws. *(On 4/22/70 location changed from New York, New York to Arlington, Texas; on 9/22/87 moved from Arlington, Texas to Grand Prairie, Texas; on November 9, 1998 moved from Grand Prairie, Texas to Fort Worth, Texas.)*

Section 3. Duration

- A. The duration of the APA shall be perpetual, or until it is dissolved as provided for in the Constitution and Bylaws. In the event of dissolution of the APA, the officers of the Association shall act as agents for the membership and dispose of all of the physical assets of the APA by suitable means. All of the liquid assets shall then be prorated to the active members on record in good standing of the APA at the time of such dissolution in proportion to the monies then being paid by such members, less any indebtedness; provided that any amounts that may be paid to the APA for insurance or other benefits shall be dealt with separately and prorated only to those members who contributed to such funds, and in proportion to their individual contributions.
- B. APA may also be dissolved through an affiliation or merger pursuant to a representation vote conducted by the National Mediation Board under the Railway Labor Act or pursuant to Article XII, Section D. Until such time as the NMB requires an election or the Board of Directors decides affirmatively through a two-thirds (2/3) vote to pursue an affiliation or merger, APA money or property may not be used to encourage or facilitate such affiliation or merger. *(02/07/2004)*

Section 4. Government

- A. This Constitution and Bylaws shall be the supreme law of APA. This Constitution and Bylaws establishes APA as a two-tiered labor organization consisting of domiciles and a national union. As set forth in, and only insofar as consistent with, this Constitution and Bylaws, the National Officers direct the day-to-day affairs of APA subject to review and direction by the Board of Directors, which has the authority to alter, amend and add to this Constitution and Bylaws. As such, the Board of Directors has the legal authority of a constitutional convention as a result of the authority set forth in Article XIII. *(09/15/2010)*
- B. The Board of Directors shall approve a Policy Manual for the Allied Pilots Association which will provide the mechanism whereby the collective and individual rights of the pilots in the APA are safeguarded through a formula for sound leadership and, at the same time, retention of control of the APA by the membership. All Association officers, committee members, agents, and employees are obligated to be aware of, understand, and conduct themselves consistent with the policies contained therein. The policies contained therein apply to the Board of Directors, even when the Board is in

session. The Board of Directors does have the authority to alter the Policy Manual at any time or to deviate from the Policy Manual according to the following standards:

1. The Board may vote, by simple majority, to take an action (or actions) that either explicitly or implicitly deviate(s) from the Policy Manual. (6/07/2006)
2. The Board may vote, by a two-thirds (2/3) majority, to make a permanent change to the Policy Manual. (06/07/2006)

At any time the Board takes either of the above actions, the membership will be informed within 24 hours using the APA Information Hotline. Such notice will describe the nature of the change or the deviation. Further, the specific substance of the change or deviation will be made electronically available within seven (7) days. (09/29/2000)

Section 5. Governing Bodies

The governmental powers of the APA shall be vested in the Board of Directors and the National Officers in accordance with the laws provided herein. The final control of the APA shall be vested in the membership.

Section 6. Parliamentary Law and Rules of Order

All questions on parliamentary law and rules of order which are not provided for in the Constitution and Bylaws or Policy Manual shall be decided according to the principles set forth in the current *Robert's Rules of Order*. (06/12/2004)

Section 7. Fiscal Year

The fiscal year of the Association shall be from July 1 to the following June 30.

Section 8. Authorization of Monetary Obligations

All bills payable, notes, checks or other negotiable instruments of APA shall be made in the name of the APA and shall be signed by one of the following four persons: APA President, APA Vice President, APA Secretary-Treasurer, or APA Director of Finance. Other than regularly occurring payroll checks, all bills payable, notes, checks or other negotiable instruments of APA in excess of \$5,000 shall require two of these signatures to lawfully authorize the payment. The Secretary-Treasurer should be the second signatory on all checks over \$5,000. Under normal circumstances, the President may delegate his check signing responsibilities to the Director of Finance. The President shall be provided each month a summary of non-recurring checks issued in amounts greater than \$5,000. The President, Secretary-Treasurer, or APA Director of Finance may each, from time to time, transfer such sums of money to administrative accounts, including payroll accounts, petty cash accounts, and such other accounts as may be necessary to meet administrative and current obligations of the Association, and the President and Secretary-Treasurer may each designate a surrogate, who shall be bonded in an amount consistent with the amount of funds over which he may have control, to sign checks for and draw upon such administrative accounts. No officer, agent, or employee of the APA acting singly or jointly with others shall have the power to make any bills payable, notes, checks, drafts, warrants, or negotiable instruments of any description or nature or endorse the same in the name of the APA or contract or cause to be contracted any debt or liability in the name of or on behalf of the APA except as expressly prescribed and provided in this Constitution and Bylaws. (06/12/2004)

Section 9. Seal

The official Seal of the Allied Pilots Association shall be: (02/06/98)



The official Logo of the Allied Pilots Association shall be: (02/06/98)



Section 10. Seniority Defense Fund

The Trust Agreement of the Allied Pilots Association Seniority Defense Fund shall not be under the legal control of the Allied Pilots Association as of the Irrevocability Date that is set forth and defined in the Trust Agreement. If the Fund is still in existence on the Irrevocability Date, the Directors of that Fund shall have exclusive authority over those funds pursuant to the terms of the Trust Agreement. (02/28/2008)

ARTICLE II OBJECTIVES AND RIGHTS OF APA

- A. To operate a non-profit employee-representing association, a labor union. (03/29/2002)
- B. To protect the individual and collective rights of the members of the APA and to promote their professional interests, including timely prosecution of individual and collective grievances.
- C. To establish and to exercise the right of collective bargaining for the purpose of making and maintaining employment agreements covering rates of pay, rules, and working conditions for the members of the APA and to settle promptly disputes and grievances which may arise between such members and their employer. APA maintains the right to resolve institutional

and individual grievances in its sole discretion as the collective bargaining representative of the pilots. *(11/20/2003)*

- D. To determine and negotiate and to continue to improve the rates of compensation, benefits, pensions, hours of employment and working conditions, and to maintain uniform principles of seniority and the perpetuation thereof.
- E. To achieve full retroactivity and full pensionability for all improvements in pay from the amendable date of the previous agreement through the date of signing of a new agreement.
- F. To sponsor and support the passage of legislation and appropriate regulations affecting membership and the industry which may be beneficial to the profession or to the industry.
- G. To safeguard with ceaseless vigilance, the safety of scheduled air transportation in recognition of the high degree of public trust, confidence and responsibility placed on the members. *(10/31/99)*
- H. To further scheduling with safety in any practical manner. *(10/31/99)*
- I. To disseminate information in any manner to enhance the professional status of the membership and to ensure a fully informed membership. A fundamental principle of APA's ability to effectively represent the interests of its membership is protecting APA's right to communicate with the membership without restriction or outside approvals. Therefore, no APA officer, committee member or staff employee shall agree to or participate in a communications "blackout" or other restriction of the flow of information from APA to the membership including proposals presented by APA or management during negotiations.
- J. To levy dues and assessments upon the membership with which to provide the funds necessary to carry on the business and objectives of the Association.
- K. To purchase, hold, acquire, lease, mortgage, and convey real estate and personal property of every kind, nature, and description, in any state, the District of Columbia, and any territory or possession of the United States, for the convenient conduct and execution of the Association's business, including the purchasing, leasing, and maintaining of equipment, buildings, and improvements which may be necessary, directly or indirectly, in connection with any of the business and objects of the Association.
- L. To maintain Mutual Aid Plans. *(01/04/87)*
- M. To exchange views and information with other U.S. and international pilot organizations and to cooperate on issues where a mutual benefit is possible, such as safety, collective bargaining, legislative and regulatory matters. *(09/29/2000)*
- N. To do any and all other acts consistent with and in furtherance of the objectives and purposes set forth in this Constitution and Bylaws, including the establishment of such legal entities as necessary to carry out the legitimate objectives and purposes of the Association. *(10/14/98)*

ARTICLE III MEMBERSHIP

Section 1. Qualifications

- A. Any person of lawful age and of good moral character who is qualified as a flight deck operating crew member with American Airlines, Inc., who is accruing seniority, furloughed, or on a leave of absence, except for pilots who are employed by American Airlines in a management position for which total compensation is not defined by the collective bargaining agreement; shall be eligible for membership in the APA as hereinafter provided. *(02/28/2008)*
- B. No one except honorary members shall be permitted a membership who is not a holder of a certificate or license required for a flight deck operating crew member's position on an American Airlines' operation. *(06/07/2006)*
- C. No one shall be admitted for membership who has willfully acted as a strikebreaker pilot, or scab pilot, or who has secured or attempted to secure employment rights as a scab pilot during any duly authorized pilot strike. *(09/24/91)*

Section 2. Classes of Membership

- A. Apprentice membership shall be assigned to a probationary flight deck operating crew member upon application and approval by his Domicile Chairman. Apprentice membership shall terminate upon completion of such member's probationary period. *(02/25/99)*
- B. Active membership shall be assigned to flight deck operating crew members (including Check Airmen) who have completed the probationary period and meet the qualifications set forth in Article III, Section 1A, upon application and approval. *(02/25/99)*
- C. Inactive Membership shall be assigned to flight deck operating crew members (including Check Airmen) who have completed the probationary period and meet the qualifications set forth in Article III, Section 1A, upon application and approval. Pilots in the following employment statuses shall be eligible for inactive membership: *(06/07/2006)*
 - 1. Furlough
 - 2. Medical or Personal Leave of Absence
 - 3. Military Leave of Absence
 - 4. Pilots not on active flying status with AA concurrently owing back dues. *(02/28/2008)*

Inactive Member. A member in good standing shall automatically be transferred to inactive membership status upon: *(02/25/99)*

- 1. Being furloughed by the Company.
- 2. Being on leave of absence from the Company twelve (12) months after the expiration of paid sick leave, or *(02/07/2004)*
- 3. Being in the United States military forces on continuous active duty in excess of sixty (60) months. *(02/28/2008)*
- 4. When that pilot is not on active flying status with AA and that pilot owes back dues, that pilot will remain on inactive membership status until he/she returns to work at AA. At that time,

he/she will resume payment of back dues and will be returned to active membership.
(02/28/2008)

- E. Honorary membership may be conferred upon any individual by action of the Board of Directors.

Section 3. Application and Approval for Membership

- A. All applications for membership shall be on a standard form provided by the Secretary-Treasurer.
(11/20/2013)
- B. Applicants for membership shall be investigated by the Membership Committee. (06/07/2006)
- C. Following investigation, each application for membership shall be sent to the respective Chairman and Vice Chairman of the Domicile, which has jurisdiction over the application. The application for membership shall be approved by the members of the Domicile which has jurisdiction over the application. Such approval shall either take place by membership vote at the next regularly convened Domicile meeting or, at the discretion of the Domicile Chair, via email from the respective Domicile Chair. In the event the next Domicile meeting is more than 45 days from the date of application or if a vote was not conducted within 45 days of the date of application, the approval shall take place via email from the respective Domicile Chair. When approval is conducted via email, the email shall be sent to the email address on file at APA for Domicile members eligible to vote and shall present the application(s) and solicit objections. Upon receipt of the email, Domicile members eligible to vote will have 14 days to respond to the Domicile Chair objecting to an application. An objection, which is sent to the Secretary-Treasurer, Domicile Chair, and Domicile Vice-Chair must state the reason(s) the member feels a particular applicant should be denied membership. Upon receipt of an objection, the Domicile Chair or Vice-Chair shall confirm that the email was sent by a Domicile member who is eligible to vote. Applications which do not receive any objections during the 14 days will be considered approved by the membership. Applications which receive an objection during the 14 days will be presented and voted on at a regularly scheduled domicile meeting. An applicant for membership must receive an approval of the majority of those present at the meeting in order to be admitted into membership. (11/20/2013)
- D. If an application is not approved by a majority of the membership, the applicant must wait for a period of six (6) months before reapplying for membership.
- E. All former members of APA, regardless of whether they voluntarily resigned their membership or were expelled from membership, shall not be accepted into active or inactive membership unless they follow all the procedures outlined in this Section. (06/07/2006)

Section 4. Membership Credentials

Every active member of the APA in good standing shall receive a membership card. The card shall contain thereon the name of the member, and such additional information as may be deemed appropriate and shall be signed by the Secretary-Treasurer of the APA and shall bear the APA seal. Honorary members, apprentice members, retired members, and inactive members shall receive special membership cards which shall contain thereon the name of the member, and such additional information as may be appropriate and shall be signed by the Secretary-Treasurer and bear the APA seal.

Section 5. Membership Status

- A. A member who accepts a management position for American Airlines for which total compensation is not defined by the collective bargaining agreement will become a nonmember upon assuming that management position. All current Executive Members, as of the 100 day abeyance period of this Constitution and Bylaws amendment (06/07/2008), shall become non members. (02/28/2008)
- B. Except as provided in A above, a member in good standing shall remain a member in good standing as long as such member has paid current dues, assessments or other financial obligations due to the Association. The Secretary-Treasurer shall transfer a member from good to bad standing if such member shall be delinquent in either dues, assessments or other financial obligations due to the Association. A member will be placed in inactive membership status by the APA Secretary-Treasurer when that member owes back dues and is not on active flying status. (03/18/2011)
- C. Only members in good standing shall have the right to vote on matters brought before the membership. The number of members in good standing of a domicile shall be determined at the time of the commencement of the meeting. (02/25/99)
- D. A member shall be returned to good standing upon the payment of all back dues, assessments, and penalties owing. Any reinstated member may be required to satisfy medical underwriting standards and pay costs associated with reinstatement to any APA benefits program. (03/27/94)
- E. When a member is in bad standing for six (6) consecutive months the Secretary-Treasurer shall notify such member that unless he pays or makes arrangements to pay all back dues, assessments, and penalties within thirty (30) days he shall be automatically expelled.
- F. The Secretary-Treasurer shall keep an account for all members in good standing, members in bad standing, non-members, retired members, inactive members, etc. When an inactive member returns to active line flying his account will be reactivated and all new dues and assessments will be charged from the day of his return to line flying. (02/28/2008)
- G. Any pilot desiring to terminate his or her membership with the Association must provide notification of such intent in writing by certified mail to the Secretary-Treasurer of the Association. (05/18/2002)

Section 6. Dues

- A. A member's obligation for dues and assessments shall commence as of the date of the member's eligibility for active membership. Active members shall be required to pay dues by employer dues check-off. Members shall pay dues at the rate of one percent (1%) on current monthly income. Dues at the rate in effect at the time any such payments are received by the member shall be collected on all contractual pay, including Variable Compensation, cash bonuses, and cash profit sharing. An exception to this will be all non-cash compensation. (10/23/97)
- B. It shall be the duty of the Board of Directors to conduct an annual review of the dues structure of the Association, to determine if the dues structure should be revised. The meeting at which this annual review occurs, or any Board meeting at which a dues revision occurs, shall be considered an APA convention. (02/28/2008)

- C. Dues and assessments not paid on the established due date shall be subject to a ten percent (10%) penalty. Any member who does not pay dues, assessments, and penalties shall be placed in bad standing. (06/09/94)
- D. Initiation fees and dues will be collected by the Secretary-Treasurer and a record of each member's dues payment history will be maintained.
1. Initiation fees and dues for pilots hired by the Company:
 - a. A probationary pilot who applies for membership will not begin paying dues until he or she becomes an active member; however:
 - (1) A probationary pilot who applies for membership during the first ninety (90) days after his or her date of employment will not pay an initiation fee;
 - (2) A probationary pilot who applies for membership after the first ninety (90) days after his or her date of employment will pay a \$25.00 initiation fee.
 - b. A pilot who applies for membership after completing a probationary period shall pay a \$25.00 initiation fee and begin paying dues as soon as his or her membership application is approved. He or she shall also be required to pay back dues to the date that he or she became eligible to be an active member plus a ten percent (10%) penalty.
 2. Initiation fees and dues for pilots who become an employee of the Company as a result of an acquisition and Eagle Flow Through pilots:
 - a. A pilot who applies for membership within ninety (90) days of the date that APA becomes his or her collective bargaining representative will not pay an initiation fee. Dues commence upon approval of the membership application.
 - b. A pilot who applies for membership more than ninety (90) days after the date that APA becomes his or her collective bargaining representative shall pay a \$25.00 initiation fee; however, an Eagle Flow Through pilot who had been an APA member in the past is not required to pay an initiation fee. Back dues will be collected from the date APA becomes his or her collective bargaining representative plus a ten percent (10%) penalty.
 3. In any other circumstance in which a pilot becomes employed by the Company other than those listed in E.1 and E.2 above, APA's Board of Directors shall determine whether the initiation fee should be charged and when the dues obligations shall commence.
 4. Dues are an obligation of the members of the Association. The Board of Directors must approve any waiver of initiation fees, penalties and or back dues and this will be reported in the official minutes of the Board of Director's meeting. (02/28/2008) (Paragraphs E.1 & E.2 replaced and E.3 & E.4 added 01/22/2000)
- E. Starting the earlier of six (6) months prior to the date set forth as an Early Reopener or, in the absence of an Early Reopener, (02/07/2004) the Amendable date of a current Basic Collective Bargaining

Agreement, all APA members covered by that agreement shall pay an additional one-half percent (1/2%) dues for expenses directly related to obtaining such agreement. These additional dues shall be accounted for separately, shall be used for expenses incurred after the effective date of additional one-half percent (1/2%) dues, and shall be used only for expenses specifically related to negotiations for that specific Basic Agreement that are above and beyond the normal level of recurring expenses. The APA Board of Directors shall be provided a detailed accounting of receipts and expenditures of the additional dues at each Board meeting, and the Board shall have final authority to decide whether such expenditures should be paid from the additional dues or from the Association's regular dues.

- F. The collection of one-half percent (1/2%) additional dues from the respective members shall cease after a new Basic Collective Bargaining Agreement is ratified and all related arbitrations and other litigation resulting from negotiating the new Basic Collective Bargaining Agreement have been concluded and all such expenses have been paid, or sooner if approved by the Board of Directors. All remaining funds from the additional dues shall be refunded and/or rebated to the respective members as soon as practicable, according to a formula approved by the Board of Directors. *(10/26/93)*
- G. In the event of a bankruptcy by the Company or its parent, and in the event that the one-half percent (1/2%) dues provided for in Section 6 G. is not being charged at the time of the bankruptcy, all APA members shall pay an additional one-half percent (1/2%) dues for the expenses related to the bankruptcy proceeding and any related negotiations beginning with the first day of the next pay period following the date of the bankruptcy filing. The APA Board of Directors shall have final authority to decide which expenses are attributable to the bankruptcy and related negotiations and which expenses shall be paid from the Association's regular dues. Moreover, the Board of Directors shall decide when the collection of this one-half percent (1/2%) shall cease and, in the event that more than sufficient funds have been collected to cover the expenses related to a bankruptcy proceeding and the related negotiations, the Board of Directors shall have the discretion to decide the timing and manner in which these funds shall be refunded or rebated to the respective members. *(05/18/2003)*
- H. Assessments may be levied on all members to provide for extraordinary expenses, contingencies, and reserves, provided such assessments are first approved by a two-thirds (2/3) vote of the Board of Directors and ratified by a majority vote of the members voting in a membership vote on the question.

Section 7. Membership Rights and Obligations

- A. A member in good standing is entitled to participate actively in all APA activities and is entitled to all of the rights, privileges, and benefits of membership in the APA.
- B. Apprentice and inactive members shall enjoy all the benefits of active membership except the privileges of voting, holding elected office, and participation in Association sponsored programs where specific requirements prohibit such participation. *(10/18/74)*
- C. A member in bad standing shall not have the right to vote, hold office, nor participate in any of the privileges or benefits of active membership, provided, however, that a member's continued participation in an Association-sponsored benefit program shall not be terminated as a result of bad standing membership. *(11/09/2007)*

- D. Voting on matters presented at a domicile meeting shall be restricted to active members in good standing currently occupying a bid status at that domicile. *(02/07/93)*
- E. Members of the Association shall accept and agree to abide by the Constitution and Bylaws of the APA as they are in force or as they may be amended, changed, or modified in accordance with the provisions of this Constitution and Bylaws.
- F. In the event that the Association has discretion to distribute a lump sum payment (“Lump Sum Payment”), which shall be defined by the Board in the Lump Sum Dispute Resolution Procedure, any pilot or group of pilots who wishes to challenge the distribution shall be required to exhaust the Lump Sum Dispute Resolution Procedure. No pilot or group of pilots may take legal action against the Association with respect to any matter that could be addressed in the Lump Sum Dispute Resolution Procedure unless this particular Procedure has been invoked and exhausted by the pilot or group of pilots. *(11/28/12)*

ARTICLE IV NATIONAL OFFICERS

Section 1. Officers Defined

The National Officers shall be the President, Vice President, and Secretary-Treasurer.

Section 2. Eligibility

Only active members in good standing shall be eligible for nomination and election to National office. A National Officer who retires during a term of office shall vacate that office automatically upon retirement. Any National Officer who is ordered to Active Duty service in the United States military in excess of 90 consecutive days or more than 120 days in any twelve month period will be required to resign his/her office and the vacancy filled in accordance with Article IV, Section 7. *(06/12/2004)*

Section 3. Salary

The salary of the President, Vice President, and Secretary-Treasurer shall be as determined by the Board of Directors.

Section 4. Nominations for National Office

- A. Any active member in good standing shall be eligible to hold any national office. *(09/24/91)*
- B. No more than six (6) months prior to the date of the National Officer Election, the Secretary-Treasurer shall establish a schedule for the upcoming election. The notice of nomination and election, which shall include an election schedule and nomination ballot, shall be posted on the Association website, mailed to the address of record and e-mailed to the e-mail address of record of each member in good standing. *(10/11/2013)*
- C. Any active member in good standing may nominate him or herself or any other active member in good standing for the office of President, Vice President, or Secretary-Treasurer. To be eligible for nomination, the person to be considered shall execute a statement, in a form provided by the Secretary-Treasurer, that he or she will serve if elected. The person shall also execute the Conflict of

Interest Disclosure Form C&B (Appendix B1). These acceptance forms shall be posted on the Association website, mailed to the address of record and e-mailed to the e-mail address of record of each member in good standing with the notice of nomination and election. The name of the nominee and the acceptance forms shall be returned to the Secretary-Treasurer by facsimile; certified mail, return receipt requested; e-mail or hand delivery as indicated in the acceptance forms. A member may also withdraw his or her nomination at any time prior to the date voting commences by notifying the Secretary-Treasurer by facsimile; certified mail, return receipt requested; or e-mail as indicated in the acceptance forms. *(10/11/2013)*

- D. The Secretary-Treasurer shall cause to be distributed to each active member in good standing a list of persons willing to be considered for nomination. Each member may vote for one (1) person for each office from the list of names provided by the Secretary-Treasurer. An independent disinterested third party shall be responsible for the counting of the nomination ballots. *(02/16/2001)*
- E. The three (3) persons who receive the most votes at each domicile for each office shall be considered nominated, and the Secretary-Treasurer shall include their names on the official ballot in alphabetical order. In the event of a tie for the third place, the tied candidates shall be included on the ballot. *(01/23/92)*

Section 5. National Office Election Procedures

- A. Subject to the supervision of the Secretary-Treasurer, the independent disinterested third party designated pursuant to Section 4.D. shall also be responsible for the distribution, collection, and counting of the election ballots. The official ballot shall be distributed to all members no less than twenty-one (21) days prior to the date of the vote count. *(05/03/2005)*
- B. The most current Status 1 List shall be used to determine the eligibility of a member to vote in the election. *(06/16/93)*
- C. Each ballot and each vote on the ballot cast by an active member in good standing shall be counted provided that the independent third party is able to determine the intention of the voter with sufficient accuracy. Blank ballots and write-in votes shall not be counted. Decisions on whether or how to count a particular ballot or ballots shall be resolved conclusively by the independent third party. *(01/23/92)*
- D. Each candidate is permitted to have an observer at each phase of the election process, subject to the independent third party's policies. The candidate and any active member in good standing designated by the candidate shall be eligible to act as an observer. *(02/16/2001)*
- E. The candidate who receives the majority of votes cast for each office shall be deemed elected to that office. The determination of a majority shall be made with respect to each office following the vote count. *(01/23/92)*
- F. In the event that no candidate receives a majority of votes cast for a particular office, the Secretary-Treasurer shall cause a runoff election to be concluded within sixty (60) days of the prior vote count. The ballot in the runoff election shall be limited to the two (2) candidates who received the greatest number of votes. In the event of a tie in a runoff election, one (1) candidate shall be eliminated by the drawing of lots. *(01/23/92)*

Section 6. Election Appeals

The Article VII Appeal Board shall also serve as the Association's internal election appeal body. The Appeal Board shall consider all complaints, protests, or appeal concerning APA elections received via certified mail, return receipt requested, in writing from any member in good standing provided they have been received by the Appeal Board, in care of the APA Legal Department, postmarked within ten (10) business days after the later of the completion of the election or the run-off election. Receipt at the APA Legal Department constitutes receipt by the Appeal Board. Complaints may not be filed prior to the conclusion of an election. The Appeal Board shall issue its written decision as soon as practicable within sixty (60) days from receipt of a written complaint and the election complaint, the Appeal Board decision, and any subsequent decision by the Department of Labor shall be matters of public record available to members of the Association. The Appeal Board shall issue its written finding or decision as soon as practicable within sixty (60) days of receipt of a written protest, complaint, or appeal. *(02/26/2005)*

Section 7. Terms of National Office and Vacancies

- A. Effective with the election of the National Officers for the term beginning July 2001, the term of office for the President, Vice President, and Secretary-Treasurer shall be three (3) years and shall commence on the first day of July, and continue for three (3) years or until he or she is re-elected or a successor has been elected and assumes office in accordance with this Constitution and Bylaws. *(09/29/2000)*
- B. If the results of a runoff election are announced after the first day of July in an election year, the person elected shall assume office immediately. No person may serve more than two (2) consecutive terms (not including partial terms) in the same National Officer position (i.e., President, Vice President, Secretary-Treasurer) after July 1, 1994. Terms served before July 1, 1994 shall not be considered part of the two (2) consecutive term limit. *(02/07/2004)*
- C. In the event of a vacancy in the office of the President, and if the unexpired term is twelve (12) months or less, the Board of Directors, by majority on a one director, one vote basis, shall elect a President. If the unexpired term is more than twelve (12) months, the Board of Directors, by majority on a one director, one vote basis, shall elect a President pro tem to serve until an election can be held to fill the vacancy. *(02/12/2009)*
- D. In the event of a vacancy in the office of Vice President, and if the unexpired term is twelve (12) months or less, the Board of Directors, by majority on a one director, one vote basis, shall elect a Vice President. If the unexpired term is more than twelve (12) months the Board of Directors, by majority on a one director, one vote basis, shall elect a Vice President pro tem to serve until an election can be held to fill the vacancy. *(02/12/2009)*
- E. In the event of a vacancy in the office of Secretary-Treasurer and if the unexpired term is twelve (12) months or less, the Board of Directors, by majority on a one director, one vote basis, shall elect a Secretary Treasurer. If the unexpired term is more than twelve (12) months, the Board of Directors shall, by majority on a one director, one vote basis, elect a Secretary-Treasurer pro tem to serve until an election can be held to fill the vacancy. *(02/12/2009)*

Section 8. Duties of National Officers

A. President

The President shall conduct the affairs of APA consistent with this Constitution and Bylaws and with the policy and directives set by the Board of Directors. While the President's actions are subject to review by the Board of Directors, the President's actions shall be presumed valid unless the Board of Directors elects to review and disapprove a particular action taken by the President. Such review and disapproval, however, may be taken at any time, and the President shall have the responsibility of keeping the Board of Directors informed about actions taken by him pursuant to this Article IV, Section 8. *(09/15/2010)*

1. The President shall notify the national and domicile officers of all regular and special meetings of the Board. The President shall appoint and remove, employ and discharge, and fix the compensation of all employees and agents of the APA other than its officers. The President shall have the authority to direct the day-to-day affairs of APA. The employees and agents of APA, and Committee members other than those serving on the Financial Audit Committee and Appeal Board, shall report to the President. *(09/15/2010)*
2. The President shall sign all notes, checks, drafts or other orders for the payment of money duly drawn by the Secretary-Treasurer consistent with his fiduciary duty under federal law to approve only appropriate and authorized expenditures. The President shall sign any agreement entered into between APA and a third party and, in general, carry out all other duties necessary to the conduct of APA. The President shall issue an annual report to the membership. *(09/15/2010)*
3. The President shall enforce the APA Constitution and Bylaws, and he may issue, as necessary, written interpretations of the Constitutional and Bylaws. *(09/15/2010)*

B. Vice President

The Vice President shall assist the President in the discharge of all duties. He shall also preside when called upon by the President and at times when the President may be temporarily unable to discharge his duties. In case of removal, resignation, or death of the President, the Vice President shall perform the duties of the President until such time that the APA Board of Directors can meet to fulfill the vacancy procedures as outlined in Section 7 of this Article. *(02/12/2009)*

C. Secretary-Treasurer

1. The Secretary-Treasurer shall take charge of all books and effects of the Association. He shall keep a record of all proceedings at all regular and special meetings of the Board of Directors. He shall keep a record of all officers and special appointees and maintain all Conflict of Interest Disclosure Statements (C&B Appendix B1) and Agenda Disclosure Statements (C&B Appendix B2). He shall assist the President in preparing an Annual Report to the members of the Association. He shall be custodian of the Association Seal and affix the seal when required. He shall affix his signature to all membership cards. He shall cause to be kept the Association membership records so as to show at all times the number of members under each classification, their names alphabetically arranged, their respective places of residence, their post office addresses, and the time at which each person became a member of the Association or changed his membership status. A member may inspect his records or account any time at his request during normal business hours. *(02/16/2001)*

2. The books and records of the Secretary-Treasurer shall be accessible to any member or group of members in good standing in accordance with Federal law. He shall be responsible for all funds of the Association, receiving all dues, fees, and special assessments assessed the Association as a group. He shall keep an accurate record of all expenditures and receipts of the Association. He shall keep an individual record of all dues and assessment of each member. He shall prepare and submit under his signature all reports required under law. He shall present his books at the end of each fiscal year for audit by a certified auditor. He or his successor will present this audit, together with a current accounting of APA funds, at the next following Board of Directors meeting. *(06/12/2004)*

(8.D. deleted 11/09/2007)

Section 9. Recall of Officers

- A. The President, Vice President, or Secretary-Treasurer may be recalled and removed from office by action of the membership as follows:
 1. A two-thirds (2/3) majority of the Board of Directors, on a one Director one vote basis (secret ballot), may cause a recall ballot to be sent to the membership on a National Officer. If a simple majority (50% plus one) of the members voting in a recall ballot (not including apprentice members) vote for a recall, that National Officer shall be recalled and removed from office. *(02/28/2008)*
 2. Thirty percent (30%) of the active membership in good standing (not including apprentice members) may petition the Secretary-Treasurer and cause a recall ballot be taken on any National Officer. If a majority of the members voting on a recall ballot vote in favor of a recall, that National Officer shall be recalled and removed. *(04/24/2014)*

ARTICLE V BOARD OF DIRECTORS

Section 1. Authority of the Board

- A. The Board of Directors is the supreme policy making authority within APA, and it has the authority to review and disapprove actions taken by the National Officers; however, absent a specific vote disapproving an action taken by a National Officer, the action shall be presumed valid. *(09/15/2010)*
- B. Members of the Board of Directors are both officers of their domiciles and members of the Board of Directors with the authority set forth in Article XIII to alter, amend or add to this Constitution and Bylaws. *(09/15/2010)*

Section 2. Representation

- A. The Board of Directors shall consist of the Chairman and Vice Chairman from each domicile, where a majority of pilots' bid status are awarded solely on the basis of seniority alone and are open to all pilots on the AA seniority list, except that domiciles having one hundred (100) or less members shall have one (1) representative (Chairman). *(07/21/2000)*

- B. Domiciles not meeting the criteria of A.1. above, shall be represented by the geographically closest APA domicile, in existence as of June 1, 2000. *(07/21/2000)*
- C. Pilots assigned to a Home Base, as defined in the 2012 AA/APA CBA Section 18, shall be represented by the geographically closest APA domicile in existence at the time of opening of the Home Base. *(06/27/2013)*
- D. Members of a base represented by geographically closest APA domicile have the right to run for elective office in the base that represents them. *(07/21/2000)*

Section 3. Meetings

The Board of Directors shall convene for the transaction of business at least twice a year on a date and at a location determined by the President. Special meetings of the Board of Directors may be called by the President or will be called within fourteen (14) days upon the written request of thirty percent (30%) of the Board of Directors.

In addition, a majority of the BOD may call and determine the inclusive dates, location and agenda of a special BOD meeting by making notice of such in writing to the national office. There shall be no restrictions as to lead time if requested by the BOD. There is no requirement for a National Officer to be in attendance at a special BOD meeting if that attendance is not desired by the BOD. This by no means precludes attendance under normal circumstances. *(01/17/2013)*

There shall be no restrictions on business conducted at any meeting of the Board of Directors, provided, however, that no business shall be acted upon without:

- A. Ten (10) days notice of the agenda in writing to all members of the Board prior to such meeting; or
- B. Approval of seventy-five percent (75%) of the Board of Directors.

Section 4. Voting

- A. All issues shall be decided by a majority vote of the Board of Directors except as may otherwise be provided in this Constitution and Bylaws.
- B. Each member of the Board shall be entitled to vote fifty percent (50%) of the active members in good standing at his domicile provided that the representative from a domicile having one hundred (100) or less members shall be entitled to one (1) vote for each active member in good standing at his domicile. Fractional votes will be counted.
- C. At a meeting of the Board of Directors, in the absence of a Domicile Chairman or Vice Chairman, a duly designated (not proxy) representative (DDR) from such domicile possessing authorization from the absent Chairman or Vice Chairman shall have and exercise all rights and privileges as a member of the Board of Directors at such meeting. An exception to this paragraph can occur when a newly elected Officer who has not yet taken Office is serving as DDR while the incumbent Officer remains in attendance. *(02/16/2001)*

- D. Proxy voting will be allowed at all duly-convened Board meetings within the APA provided that: *(03/26/91)*
1. Proxies are in writing.
 2. Proxies may not be given when the duly elected officer or duly designated representative is personally present. *(10/03/79)*
 3. Proxies may not be used in any vote by secret ballot.

Section 5. Quorum

The quorum of the Board of Directors at all meetings, whether Special or Regular, shall be a majority of the Domicile Chairmen and Vice Chairmen or their Duly Designated Representatives (DDR), not proxy, from such domicile possessing authorization from the absent Chairman or Vice Chairman. *(09/29/2000)*

ARTICLE VI DOMICILES

Section 1. Officers Defined

The Domicile Officers shall be Chairman and Vice Chairman.

Section 2. Eligibility

Only active members in good standing shall be eligible for nomination and election to Domicile office. A Domicile Officer who retires during a term of office shall vacate that office automatically upon retirement. A Domicile Officer may hold office only at his/her domicile. Any Domicile Officer who is ordered to Active Duty service in the United States military in excess of 90 consecutive days or more than 120 days in any twelve month period will be required to resign his/her office and the vacancy filled in accordance with Article VI, Section 4. *(06/12/2004)*

Section 3. Domicile Nominations and Elections

- A. At least seventy-five (75) days prior to the dates established in Section 4.A. of this Article VI, the Secretary-Treasurer shall post on the Association website, mail to the address of record and e-mail to the e-mail address of record of each member in good standing of the domicile a notice of nomination and election, which shall include an election schedule and nomination ballot. *(10/11/2013)*
- B. Any active member in good standing at the domicile shall be eligible to hold any domicile office. Any active member in good standing at the domicile may nominate himself or herself or any other active member in good standing at the domicile for the office of Domicile Chairman or Domicile Vice Chairman. To be eligible for nomination, the person to be considered shall execute a statement, in a form provided by the Secretary-Treasurer, that he or she will serve if elected. The person shall also execute the Conflict of Interest Disclosure Form (C&B Appendix B1). These acceptance forms shall be posted on the Association website, mailed to the address of record and e-mailed to the e-mail address of record of each member in good standing with the notice of nomination and election. The name of the nominee and the acceptance forms shall be returned to the Secretary-Treasurer by facsimile, certified mail, return receipt requested, e-mail or hand delivery as indicated in the

acceptance forms. A member may also withdraw his or her nomination at any time prior to the date voting commences by notifying the Secretary-Treasurer by facsimile, certified mail, return receipt requested, or e-mail as indicated in the acceptance forms. *(10/11/2013)*

- C. The Secretary-Treasurer shall cause to be distributed to each active member in good standing at the domicile a list of persons willing to be considered for nomination. Each member may vote for one (1) person for each office from the list of names provided by the Secretary-Treasurer. The most current Status 1 List shall be used to determine the eligibility of a member to vote in the election. *(06/16/93)*
- D. Subject to the supervision of the Secretary-Treasurer, the independent disinterested third party designated pursuant to Article IV, Section 4.D. shall also be responsible for the administration of nominations and elections. The official ballot shall be made available to all members no less than twenty-one (21) days prior to the respective dates of the vote count. *(02/28/2008)*
- E. The three (3) persons who receive the most votes for each office shall be considered nominated, and the independent third party shall forward their names to the Secretary-Treasurer. Subject to the Secretary-Treasurer's supervision, the ballots will then be made available by the independent third party for election of candidates. In the event of a tie for the third place, the tied candidates shall be included on the ballot. *(02/16/2001)*
- F. The candidate who receives the majority of the votes cast for each office shall be deemed elected to that office. The determination of a majority shall be made with respect to each office following the vote count. *(02/07/93)*
- G. In the event that no candidate receives a majority of votes cast for a particular office, the Secretary-Treasurer shall cause a run-off election to be concluded within sixty (60) days of the prior vote count. The ballot in the run-off election shall be limited to the two (2) candidates who received the greatest number of votes. In the event of a tie in a run-off election, one (1) candidate shall be eliminated by the drawing of lots. *(02/07/93)*
- H. In the event of a tie for a particular office, the Secretary-Treasurer shall cause a run-off election to be concluded within sixty (60) days of the prior vote count. The ballot in the run-off election shall be limited to the candidates who tied for a particular office. In the event of a tie in a run-off election, a candidate(s) shall be eliminated by the drawing of lots. *(07/24/92)*
- I. Each candidate is permitted to have an observer at every phase of the election process, subject to the independent third party's policies. The candidate and any active member in good standing of the domicile designated by the candidate shall be eligible to act as observer. *(02/16/2001)*
- J. Each ballot and each vote on the ballot cast by an active member in good standing of the domicile shall be counted, provided the independent third party is able to determine the intention of the voter with reasonable accuracy. Blank ballots and write-in votes shall not be counted. Decisions on whether or how to count a particular ballot or ballots shall be resolved conclusively by the independent third party. *(02/16/2001)*
- K. Challenges to the conduct of the election and complaints about how ballots were counted shall be resolved pursuant to the procedure set forth in Section 6. *(07/24/92)*

Section 4. Schedule of Domicile Elections, Terms of Office, and Vacancies

- A. The term of office of the Domicile Chairman and Vice Chairman shall be for a period of twenty-four (24) months. Domiciles shall be divided into four (4) categories, and the division shall be published in the APA Policy Manual. Terms of office will begin according to the following dates and shall continue until the last day of the twenty-fourth month thereafter. *(04/16/2003)*
1. Category A: The first day of November in even-numbered years.
 2. Category B: The first day of May in odd-numbered years.
 3. Category C: The first day of May in even-numbered years.
 4. Category D: The first day of November in odd-numbered years. *(05/18/2002)*
- B. No person may serve more than four (4) consecutive terms (not including partial terms) as a member of APA's Board of Directors after November 1, 1992. Terms served before November 1, 1992 shall not be considered part of the four- (4) year consecutive term limit. In order to ensure the Board of Directors always remains fully constituted, a Duly Designated Representative will be appointed to temporarily fill a vacant seat on the Board of Directors until such time as the appropriate election process is concluded. If the vacancy is created as a result of a resigning or retiring Domicile Officer, the resigning or retiring Domicile Officer will appoint the Duly Designated Representative prior to resigning or retiring. If the vacancy is created by other means, or if the resigning or retiring Domicile Officer fails to appoint a Duly Designated Representative, the remaining Domicile Officer will appoint the Duly Designated Representative. If there is no other Domicile Officer to make the appointment, the President will appoint a pilot from the domicile to be the Duly Designated Representative. *(02/25/99)*
- C. In the event of a vacancy in the office of Domicile Chairman or Vice Chairman, if the unexpired term is more than six (6) months, an election shall be held to fill the vacancy utilizing the procedures specified in Section 4 of this Article VI. If the unexpired term is six (6) months or less, an election shall be held at a domicile meeting provided that a notice is mailed to each domicile member at least twenty (20) days prior to the election informing the member of the date, time, and place of the election and a listing of the office or offices to be filled. *(04/24/92)*
- D. When a Domicile loses eligibility for a Vice Chairman because the number of active members in good standing at the Domicile fall below the number required by Article V, Section 1.A. of the Constitution and Bylaws, the following will apply: *(05/11/2007)*

Effective with the date that the status falls below that required, the Secretary-Treasurer shall notify the Chairman and Vice Chairman of the affected Domicile that the Domicile has become ineligible for a Vice Chairman representative until such time as the active members in good standing increases to the required number. If the active membership increases to the required number, the Vice Chairman will be reinstated for the remainder of the elected term. If the elected term is expired, there will be an election according to Article VI, Section 4. *(06/12/2004)*

Section 5. Election Appeals

The Article VII Appeal Board shall also serve as the Association's internal election appeal body. The Appeal Board shall consider all complaints, protests, or appeal concerning APA elections received via certified mail, return receipt requested, in writing from any member in good standing provided they have been received by the Appeal Board, in care of the APA Legal Department, postmarked

within ten (10) business days after the later of the completion of the election or the run-off election. Receipt at the APA Legal Department constitutes receipt by the Appeal Board. Complaints may not be filed prior to the conclusion of an election. The Appeal Board shall issue its written decision as soon as practicable within sixty (60) days from receipt of a written complaint and the election complaint, the Appeal Board decision, and any subsequent decision by the Department of Labor shall be matters of public record available to members of the Association. The Appeal Board shall issue its written finding or decision as soon as practicable within sixty (60) days of receipt of a written protest, complaint, or appeal. (02/26/2005)

Section 6. Duties of Domicile Officers

- A. *Chairman.* It shall be the duty of the Chairman to call and preside at all meetings of the domicile, to preserve order during its deliberations; to appoint all committees not otherwise ordered by the domicile; to authorize expenditure of the domicile's governing funds; to enforce the Constitution and Bylaws; to supervise the activities of the domicile; to supply the Board of Directors with any information it may desire and to carry out all directives from the Board of Directors.
- B. *Vice Chairman.* The Vice Chairman shall perform the duties of the Chairman in the absence of that officer and in case of the removal, resignation, or death of that officer until an election is held in accordance with Article VI, Section 4. He shall also preside when called upon by the Chairman and at times when the Chairman may be temporarily unable to discharge his duties. The Vice Chairman shall assist the Chairman at all times in the discharge of all duties.

Section 7. Recall of Domicile Officers

Thirty percent (30%) of the active membership in good standing of the domicile (not including apprentice members) may petition the Secretary-Treasurer and cause a recall ballot to be taken on a Domicile Officer of the domicile. If a majority of the members of the domicile voting on a recall ballot vote in favor of a recall, that Domicile Officer shall be recalled and removed. (04/24/2014)

ARTICLE VII HEARING AND DISCIPLINARY PROCEDURES

- A. Any member is subject to disciplinary action, including but not limited to fines, placing a member in bad standing, suspension, or expulsion for any of the acts listed below. Charges filed under this Article for the purpose of resolving or pursuing intra-union political disputes shall not be actionable under this Article. (09/23/2009)
 - 1. Willfully acting as a strike-breaker (scab) pilot during any duly authorized pilot strike, as determined by the striking authority;
 - 2. Willful violation of this Constitution and Bylaws;
 - 3. Willful neglect in paying dues, assessments, or fines levied by the Association;
 - 4. Misappropriating money or property of the Association;
 - 5. Willful violation of a pilot's working agreement;

6. Initiating and/or prosecuting charges under this article in bad faith (for example, malicious or frivolous charges) against another APA member;
7. Any act contrary to the best interests of the APA as an institution or its membership as a whole.
8. Any act motivated by malice or political animus that exposes another member to company discipline, up to and including termination. *(09/23/2009)*

L. Charges

All charges shall be preferred in writing by submitting the charges to the APA Secretary-Treasurer by certified mail, return receipt requested. The charges shall be specific as to the alleged acts that constitute the basis for the charges with citations to the particular provision of the Constitution and Bylaws that have been violated. The accused member shall be supplied with a copy of the charges, by certified mail, return receipt requested, at his or her last known address. The Secretary-Treasurer is charged with distribution of the charges to the Domicile Officers and the Appeal Board.

1. Charges may be brought under this Article by any member in good standing against any other member. *(09/23/2009)*
2. Except for charges filed in accordance with Section A.1 and A.8. of this Article, charges must be filed within one (1) year after the alleged offense. Charges under Section A.1 may be applied retroactively to conduct which occurred prior to becoming an APA member. Absent extreme mitigating circumstances, expulsion is mandatory for a violation of Section A.1. Charges filed in accordance with Section A.8. of this Article must be filed within one (1) year, or one (1) year from the issuance of the Arbitrator's award in the related grievance, if applicable. The Appeal Board shall delay the hearing of charges filed under A.8. of this Section until the issuance of the Arbitrator's award in the related grievance, if applicable. *(09/23/2009)*
3. Article VII proceedings shall be scheduled and conducted so as to minimize the cost to the Association and its membership. All mailed notices and written submissions, including decisions and appeals shall be sent by certified mail, return receipt requested, to the Secretary-Treasurer, who is charged with expeditious distribution of the submissions to the relevant parties and to the Appeal Board in the event they have not been served with the documents pursuant to the provisions of this Article VII. In the event that a party refuses to accept a certified mailing, he or she shall be deemed on notice of the contents of the document.

C. Domicile Hearing

1. Unless otherwise provided for in this Article VII, the charges shall be considered by the accused member's Domicile Officers in the first instance. The Domicile Officers are first charged with determining whether the charges as submitted set forth a claim cognizable under this Article VII. If the Domicile Officers determine that the charges state a cognizable claim, the Domicile Officers shall hold a hearing, if either the accused or the accuser requests one, or at their discretion, if neither party requests a hearing. No hearing shall be convened unless the accused and the accuser have been given written notice at least twenty (20) days before

the hearing. In the event that one of the Domicile Officers recuses him or herself, the remaining Domicile Officer shall act alone. *(09/23/2009)*

2. In the event of a hearing, both the accused member and the accuser shall have the right to be represented by a member in good standing. If the accuser or the accused fails to appear at a scheduled hearing, he or she shall be deemed to have waived his or her right to an appeal from the decision of the Domicile Officers, unless the Appeal Board finds that good cause is shown for the failure to appear at the hearing.
3. At the Domicile Hearing, a court reporter will be present and will record a transcript of the hearing and swear the witnesses. This cost will be borne by the Association. Both the accused and the accuser shall be provided with a copy of the transcript at the Association's expense. *(09/23/2009)*
4. A decision on the charges will be published within the later of thirty (30) days after the hearing or thirty (30) days after receipt of the transcript. The decision shall be in writing and sent by certified mail, return receipt requested, to the Secretary-Treasurer. *(09/23/2009)*

D. Appeal Board

1. An Appeal Board shall be established to hear or review cases referred to it in accordance with this Constitution and Bylaws. This Appeal Board shall comprise three (3) regular and two (2) alternate members in good standing, appointed by the Board of Directors.
2. The term of office for such members shall be for two (2) years or until their successors have been selected.
3. Either the accused or the accuser may appeal the decision of the Domicile Officer(s) to the Appeal Board. An appeal of the decision by the Domicile Officer(s) must be made within thirty (30) days after receipt by the accused or the accuser of the decision of the Domicile Officer(s).
4. Should the accused or the accuser be a Domicile Officer, then such charges shall be considered by the Appeal Board in the first instance. When accused members from more than one domicile are charged with substantially the same offense, such charges shall be considered by the Appeal Board in the first instance. Such charges should be filed in writing with the Secretary Treasurer. *(09/23/2009)*
5. The President shall have the authority, in consultation with General Counsel, to enforce the Terms and Conditions of the Acceptable Use Policy ("AUP") established for the APA Web site and its subparts ("System") on behalf of the Association by removing postings, and/or suspending or revoking a member's access in whole or in part to the System for a period no longer than fourteen (14) business days. A member's right of access to the System or any subpart(s) shall not be revoked or suspended unless the President, in consultation with General Counsel, determines that such action is necessary for APA to comply with its legal or contractual obligations or to protect the integrity of the System. The President shall promptly provide the member, by e-mail or otherwise, with specific reasons for such actions. In the event that the President removes a member's posting, the member may contest such action by

filing an appeal with the Appeal Board, subject to the procedures specified in VII.D. In the event that the President restricts a member's access to the System, this restriction shall be subject to mandatory review by the Appeal Board via the procedures specified in VII.D. for Article VII proceedings. This review shall be conducted and a decision rendered by the Appeal Board within the fourteen (14) business days specified above. In the event that the Appeal Board determines that a member's access has been restricted for cause, the Appeal Board shall determine the ultimate duration and the extent of the restriction. The Appeal Board's decision may be appealed to the Neutral Arbitrator in accordance with the procedures set forth in VII.E. (09/23/2009)

6. When the Appeal Board holds a formal hearing, both the accused and accuser shall have the right to be represented by a member in good standing.
7. The Appeal Board may decide that the charges as set forth by the accuser fail to state a cognizable claim. The Appeal Board will then dismiss the claim, via a written opinion. If the Appeal Board determines that the charges state a cognizable claim, the Appeal Board shall hold a hearing, if either the accused or the accuser requests one, or at its discretion, if neither party requests a hearing. (09/23/2009)
8. Unless otherwise provided, the Appeal Board shall give thirty (30) days notice of all hearings. A court reporter shall record, transcribe the hearing and swear the witnesses.
9. The Appeal Board shall issue its decision no later than sixty (60) days from the date that the Appeal Board obtains jurisdiction over the case, either by appeal or by assuming or obtaining original jurisdiction. In the event of a hearing, the sixty (60) days shall run from the date of receipt of the transcript. The decision shall be in writing and sent by certified mail, return receipt requested, to the parties and to the Secretary-Treasurer.
10. The fees and expenses of the Appeal Board shall be the responsibility of APA, unless the Appeal Board determines that a party to the proceeding has repeatedly acted in bad faith in the prosecution or the defense of the charges, in which case the Appeal Board shall have the authority to impose some or all of the costs and fees associated with the Article VII proceeding on the offending party.

E. Neutral Arbitrator

1. Appeals of decisions made by the Appeal Board may be submitted to a Neutral Arbitrator by filing a written appeal to the Secretary-Treasurer within thirty (30) days of receipt of the decision by the Appeal Board. In the event of an appeal all sanctions, penalties, or fines imposed by the Appeal Board shall be stayed, pending the Arbitrator's award. (09/23/2009)
2. The Neutral Arbitrator shall be rotated among a list of approved neutrals. The list of neutrals shall consist of a pool of three to five arbitrators familiar with, and experienced in, matters involving union affairs. The Appeal Board, in consultation with APA Legal, shall compile this list every five (5) years. The list of neutrals must be approved via majority vote of the Board of Directors. (09/23/2009; amended 6/21/2011)
3. The Arbitrator shall hold a hearing as soon as practicable. A court reporter shall be present at the hearing in order to swear witnesses and record a transcript. Both the accused and the

accuser have the right to be represented at this hearing by a member in good standing. The Association shall provide the Arbitrator will all materials from prior hearings, as well as an electronic copy of past Article VII filings, transcripts, and awards. (09/23/2009)

4. The fees and expenses associated with the arbitration shall be the responsibility of the Association, unless the Arbitrator determines that a party to the proceeding has acted in bad faith in the prosecution or defense of these charges, in which case the Arbitrator shall have the authority to impose some or all of the costs and fees associated with the Article VII proceedings on the offending party. (09/23/2009)

ARTICLE VIII EXPENSES

Normal expenses incurred by any officer, representative, or member while on APA business shall be reimbursed by the APA, provided, however, that authorization from the President or his designated representative is first obtained. Allowable expenses shall include transportation, lodging, verified flight pay lost, meal expenses, and incidentals, conforming with the expense policy of the APA as set forth by the Board of Directors.

ARTICLE IX BONDING AND INDEMNIFICATION

Section 1. Bonding

All officers of the Association shall be bonded in amounts not less than those provided for and required by appropriate Federal statute.

Section 2. Indemnification

The Allied Pilots Association shall indemnify and hold harmless, to the extent permitted by law, the members of the Board of Directors, National Officers, committees, and staff as well as other members authorized by the Association to act on its behalf, against all liabilities, costs and expenses, including attorneys fees actually and reasonably incurred by him or her, in connection with any threatened, pending, or completed legal action or judicial or administrative proceeding to which he or she may be a party, or may be threatened to be made a party, by reason of his or her actions or omissions within the scope of his or her authorized duties on behalf of the Association, except with regard to any matters as to which he or she shall be adjudged in such action or proceeding to be liable for gross negligence, willful misconduct, or criminal conduct in connection therewith. It is the expressed intent of the Association that the indemnity provided for in this Section is an indemnity extended by the Association, as indemnitor, to indemnify and protect those being indemnified from the consequences of their own negligence. The Association may provide such indemnification through the purchase of insurance, or any other means, as the Association deems appropriate. The Association reserves the right to select counsel in connection with any action, actual or threatened, for any person who is provided indemnification pursuant to this provision. With respect to the benefit programs maintained by the Association, the Association shall maintain adequate bonding and liability insurance coverage for the Association and those authorized to act on its behalf in amounts either required by law or deemed appropriate by the Association. (09/12/2000)

ARTICLE X CONFLICTS OF INTEREST

- A. Summary: The purpose of this statement is to assist the Allied Pilots Association and all of its related operations in identifying, disclosing, and resolving real and potential conflicts of interest.
- B. Scope: The following statement applies to all members of the Association and its elected National and Domicile Officers, National Committee Members, and Staff, all of whom shall hereafter be referred to as “the National Officers, Board of Directors (BOD), National Committee Members, and Staff.”
- C. Fiduciary Responsibility: The National Officers, BOD and Staff who serve the Allied Pilots Association have a clear obligation to conduct all affairs of the Association in a forthright and honest manner. Each person should make necessary decisions using good judgment and ethical and moral considerations consistent with the Code of Ethics stated in the APA Constitution and Bylaws (C&B), Appendix A. All decisions of the National Officers, BOD, National Committee Members and Staff are to be made solely on the basis of a desire to promote the best interests of the Association and membership.
- D. Statement: The National Officers, BOD, National Committee Members and Staff agree in their dealings with the Association to place the welfare of the Association and membership above personal interests, business interests, interests of family members, or others who may be personally involved in substantial affairs affecting the Association’s basic functions.
- E. Specific Disclosure: The National Officers, BOD, National Committee Members and Staff shall disclose by submitting a Conflict of Interest Disclosure Form set forth in C&B Appendix B (1) which fully discloses the precise nature of their interest or involvement when participating in any transactions for the Association which another party to the transaction includes:
 - 1. Himself or herself; or
 - 2. A member of the family (spouse, parents, brothers, sisters, children, and any other immediate relatives); or
 - 3. An organization with which the member of the National Officers, BOD, National Committee Members and Staff or his family, is affiliated.

Disclosure of said interest shall be made within five (5) business days of the first knowledge of the potential transaction.

- F. General Disclosure: The National Officers, BOD, National Committee Members and Staff shall disclose by submitting a Conflict of Interest Disclosure Form set forth in C&B Appendix B (1) disclosing all relationships and business affiliations which may now, or in the future, potentially conflict with the interest of the Association or bring personal gain to them, their family, or their business. While it is not practical to list all situations that might lead to a conflict of interest, disclosure of said relationship or affiliation must be made if any member of the National Officers, BOD, National Committee Members and Staff or members of their family:
 - 1. Is an officer, director, partner, employee, or agent of an organization with which the Association has business dealings; or

2. Is either the actual or beneficial owner of more than one percent of the voting stock or controlling interest of an organization with which the Association has business dealings; or
 3. Is a consultant for such an organization; or
 4. Has any other direct or indirect dealings with an individual or organization from which he or she materially benefited (e.g., through the receipt directly or indirectly of cash, gifts, or other property).
 5. Accepts commissions, a share of profits or other payments, loans (other than with established banking or financial institutions at prevailing market rates), services, preferential treatment, entertainment or travel, or gifts from any individual or organization doing or seeking to do business with APA valued at greater than \$100 retail.
 6. Buys, sells or leases, whether directly or indirectly, through another company, firm or individual, any kind of property, facilities, or equipment from or to APA.
- G. Reporting of Disclosures: All disclosures by Staff will be handled by the Association Secretary-Treasurer and will be held in confidence, except when the Association's best interests would be served by bringing the information to the attention of the National Officers and BOD. All disclosures of the National Officers, BOD and National Committee Members shall be handled by the Secretary-Treasurer and maintained in a file, which can be inspected by any member of the Association.
- H. Restraint of Participation: The National Officers, BOD, National Committee Members and Staff who have a conflict of interest, real or potential, in any manner shall refrain from participating in the execution of any agreement, contract or verbal binding of the Association and shall refrain from voting on such matters. National Officers shall execute an Agenda Disclosure Statement found in C&B Appendix B2 prior to any agenda item that represents a real or potential conflict of interest.
- I. Determination of Possible Conflict of Interest: Any individual who is uncertain about a conflict of interest in any manner shall disclose such possible conflict to the appropriate reporting individual, as noted above, using the Conflict of Interest Disclosure Form found in C&B Appendix B1, noting the potential conflict and any other information which the individual feels would assist APA Legal in determining if a conflict of interest exists. The Secretary-Treasurer shall notify APA Legal immediately of all disclosures. After the Disclosure Form has been executed, the individual shall be entitled to act as though no conflict of interest exists unless APA Legal notifies him or her otherwise in writing.
- J. When to Disclose Conflicts of Interest: Each member shall execute a Conflict of Interest Disclosure Form as set forth in C&B Appendix B1 in order to qualify as a candidate for National Officer, Domicile Officer or when nominated for any national committee and before assuming any duties of that office or committee. Staff members shall execute a Conflict of Interest Disclosure Form as set forth in C&B Appendix B1 when applying for employment. The form shall be maintained by the Secretary-Treasurer for the entire term of office/employment and will be destroyed upon completion of term in office or termination of employment with the Association. If a potential conflict of interest arises subsequent to the submission of the original form, the National Officers, BOD, National Committee Member or Staff member shall complete a Conflict of Interest Form as set forth in C&B Appendix B1 within five (5) business days of becoming aware of the conflict.

- K. Failure to Disclose: Each National Officer, BOD, National Committee Member and Staff member who executes a Disclosure Form recognizes that such filing is a requirement for continued affiliation or employment with the Association, and further, that a knowing failure to disclose a potential conflict of interest could result in Article VII proceedings or discipline / termination of the employee and become subject to appropriate legal action to recover/return any item obtained in conflict with this policy.

ARTICLE XI COMMITTEES

- A. The President, subject to the advice and consent of the Board of Directors, shall appoint members to the standing committees established by the Board of Directors, except for standing committees that the Board of Directors has reserved the right to elect. The committee member appointed by the President shall be made from a list of members in good standing, submitted by current members of the Board of Directors. *(05/23/2005)*
- B. Each committee member appointed by the President shall submit a Conflict of Interest Disclosure Form (C&B Appendix B1) to the Secretary-Treasurer and be subject to a vote of approval by the Board of Directors at the next regular Board meeting following the appointment. A simple majority vote shall be required for approval or rejection. The President may appoint ad hoc committees as necessary to handle special projects. These ad hoc committees shall not be standing committees, shall remain in effect for not longer than one (1) year, shall be appointed from a list of members in good standing, submitted by current members of the Board, shall submit a Conflict of Interest Disclosure Form (C&B Appendix B1) to the Secretary-Treasurer and shall be subject to Board approval and recall. *(05/23/2005)*
- C. The term in office for standing and ad hoc committee members, except those standing committees that the Board of Directors has reserved the right to elect, will expire with each election of the Association's President. *(05/23/2005)*
- D. The President, as appointing authority, has the power to remove or replace any committee member, except for the committees that the Board of Directors has reserved the right to elect. *(05/23/2005)*
- E. Any member appointed or elected to any committee shall submit a Conflict of Interest Disclosure Form (C&B Appendix B1) to the Secretary-Treasurer prior to Board approval. Any member appointed or elected to any committee shall be subject to recall with or without cause by the Board of Directors. A simple majority vote of the Board of Directors shall constitute a recall. *(05/23/2005)*

ARTICLE XII NEGOTIATIONS AND AGREEMENTS

- A. During negotiations having the purpose, intent, or effect of amending, modifying, or extending the Collective Bargaining Agreement, at least two (2) elected members of the APA Negotiating Committee shall be present at all meetings with any member of the Company's Negotiating Committee. This policy shall be adhered to without exception by the National Officers and Negotiating Committee at all times. At the first joint session of any negotiation or mediation or super-mediation, the President of the APA or the Chairman of the APA Negotiating Committee shall notify management's negotiating committee and the National Mediation Board representative, if applicable of this policy, and that there can be no exceptions to it for any reason. *(09/29/2000)*

- B. No National Officer, Board member or Committee member shall conduct conferences or negotiations having the purpose, intent or effect of amending, modifying or extending the collective bargaining agreement, with any party, without full disclosure of the existence of such conferences or negotiations to the Board of Directors and membership. If conferences or negotiations are to be held and the subject matter is of a confidential competitive nature, then the Board of Directors and membership shall be so notified. *(09/29/2000)*
- C. Conferences or negotiations shall not be initiated or carried on or concluded in the name of the Association by any member or any group of members thereof to make or establish basic collective bargaining agreement or other agreements without the prior approval of the President or the Board of Directors. *(01/23/92)*
- D. Basic collective bargaining agreements and agreements of affiliation or merger with other labor organizations shall be submitted to the Board of Directors for review. After reviewing the agreement, the Board of Directors shall vote to approve or reject the agreement. Only agreements approved by the Board of Directors by a majority vote, both one-man, one-vote and roll call vote shall be forwarded to the affected membership for a ratification vote. *(06/04/98)*
- E. The Board of Directors shall determine the date the ratification ballots will be distributed to all active affected members in good standing. Active members in good standing may vote for or against ratification of the agreement and shall return their ballots postmarked not later than fourteen (14) days following the date of ballot distribution. In order to bind the Association, the agreement shall be ratified by a majority vote of the participating members. The membership shall be notified immediately of the results. *(01/23/92)*
- F. In order to bind the Association, amendments to the basic collective bargaining agreements relative to pay, benefits or work rules, scope, successorship, and any agreements involving seniority list integration shall be ratified by the Board of Directors. *(02/16/2001)*
- G. No agreement shall become effective until it bears the signature of the President of the Association or other Association Officers authorized to sign by the Board of Directors. *(01/23/92)*
- H. Nothing in this Article XII shall prohibit APA from accepting a proffer of binding arbitration under the provisions of the Railway Labor Act. Acceptance of a proffer of binding arbitration must be approved in advance by the Board of Directors by a majority vote, both one-man, one-vote and roll call vote. *(3/7/2012)*

ARTICLE XIII AMENDMENTS

- A. The Constitution and Bylaws may be altered, amended, or added to by an affirmative two-thirds (2/3) vote of the Board of Directors.
- B. Any alteration, amendment, or addition to the Constitution and Bylaws shall not become effective after the two-thirds (2/3) affirmation referred to above, for one hundred (100) days after the completed vote has transpired.

If, during such one hundred (100) day abeyance period, thirty percent (30%) of the active membership petitions the Secretary-Treasurer requesting a referendum of the subject alteration, amendment, or addition, the Secretary-Treasurer shall circulate such a referendum ballot to the active membership. The ballot shall contain the proposal to be voted on and shall state a reasonable deadline for the return of the ballots. *(09/23/64)*

- C. Amendments to Election or Recall Procedures for National and Domicile Officers passed by an affirmative vote of a two thirds (2/3) majority of the Board of Directors will be subject to approval by the membership by way of a referendum ballot.
- D. The Board of Directors may also, at their discretion, direct other amendments to the Constitution and Bylaws be sent to members in good standing for approval by referendum by a two thirds (2/3) vote of the Board. *(04/24/2014)*
 - 1. The Secretary-Treasurer shall, within thirty (30) days, circulate such ballots to the active membership. The ballot shall contain the proposition to be voted on and shall state a reasonable deadline for the return of the ballots. *(04/24/2014)*
 - 2. An affirmative vote of a majority of the active members casting ballots shall be required for passage of the referendum. Upon approval, the 100 day abeyance period from Article XIII B. shall be waived and the amendment will become effective immediately or on the date stated in the amendment in question. *(04/24/2014)*
- E. The Constitution and Bylaws may also be altered, amended, or added to in the following manner:
 - 1. Thirty percent (30%) of the active members in good standing may petition the Secretary-Treasurer requesting a referendum ballot for altering, amending, or adding to the Constitution and Bylaws. All such petitions must bear a signature date no earlier than one hundred and twenty (120) days prior to submission to the Secretary-Treasurer. The Secretary-Treasurer shall, within thirty (30) days, circulate such ballots to the active membership. The ballot shall contain the proposition to be voted on and shall state a reasonable deadline for the return of the ballots. *(10/31/75)*
 - 2. Any referendum petitions submitted to the Secretary-Treasurer by virtue of this Section 4 shall contain the petitioner's name printed in block letters, his signature, seniority number, domicile, and date of that signature. *(10/31/75)*
 - 3. An affirmative vote of two-thirds of the active members casting ballots shall be required for passage of the referendum ballot. *(04/23/14)*

There are many rights guaranteed by the United States Government through the Labor Department and other government agencies. The Labor Management Reporting and Disclosure Act of 1989, As Amended provides a wealth of information regarding your fundamental rights as a union member. To obtain a copy of this Act, you may write to:

U.S. Department of Labor
Office of Labor-Management Standards
Washington, DC 20210

or you can request it by telephone. Offices are located in many major cities throughout the United States and are listed under United States Government, Labor Department, and Office of Labor-Management Standards.
(09/20/89)

APPENDIX (B1)
Conflict of Interest Disclosure Form
(11/20/2003)

Conflict of Interest Disclosure Form

TO: Allied Pilots Association Secretary-Treasurer

I have received and read the Conflict of Interest statement as set forth in Article I, Section 4 of the Constitution and Bylaws and to the best of my knowledge and information, I am in compliance with the provision except as specifically set forth below. If my status should ever change, I will advise the Secretary-Treasurer and complete an additional Disclosure Form within five (5) business days. (Check one)

- I have no conflict of interest as set forth in Article X, G. of the Constitution and Bylaws.*

- I am involved in a potential or actual conflict of interest as defined in Article X, G. of the Constitution and Bylaws as set forth below:*

Signature _____ Employee Number _____
Printed Name _____ Date _____

APPENDIX (B2)
Agenda Disclosure Statement
(11/20/2003)

Agenda Disclosure Statement

LAST NAME, FIRST NAME, MIDDLE INITIAL	DOMICILE OR OFFICE
AGENDA ITEM NUMBER	DATE

This form is for any National Officer, Domicile Officer, Duly Designated Representative (DDR), or Proxy (Officer) who has a real or potential conflict of interest with an agenda item.

Each Officer **MUST ABSTAIN** from voting on a measure that inures to his special private gain. (C&B Article XI, E.1.)

Each Officer is also prohibited from knowingly voting on a measure that inures to the special gain of a member of the family (spouse, parents, brothers, sisters, children, and any other immediate relatives). (C&B Article XI, E.2.)

Each Officer is also prohibited from knowingly voting on a measure that inures to the special gain of an organization of which he is affiliated. (C&B Article XI, E3)

In any of the above cases, you should disclose the conflict prior to the announcement of the agenda item. The conflict of interest must be disclosed by completing this form and submitting it to the Secretary-Treasurer for inclusion in the meeting minutes. (C&B Article XI, G.)

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POLICY MANUAL



HOME OFFICE
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512
817-302-2272

Revision #159, October 24, 2014

PREFACE

The Board of Directors shall approve a Policy Manual for the Allied Pilots Association which will provide the mechanism whereby the collective and individual rights of the pilots in the APA are safeguarded through a formula for sound leadership and, at the same time, retention of control of the APA by the membership. All Association officers, committee members, agents, and employees are obligated to be aware of, understand, and conduct themselves consistent with the policies contained therein. The policies contained therein shall at all times apply to the Board of Directors. The Board of Directors shall have the authority to alter the Policy Manual at any time or to deviate from the Policy Manual according to the following standards:

1. The Board may vote, by simple majority, to take an action (or actions) that either explicitly or implicitly deviate(s) from the Policy Manual. *(09/15/2006)*
2. The Board may vote, by a two-thirds (2/3) majority, to make a permanent change to the Policy Manual. *(09/15/2006)*

At any time the Board takes either of the above actions, the membership will be informed within 24 hours using the APA Information Hotline. Such notice will describe the nature of the change or the deviation and the reasons for it. Further, the specific substance of the change or deviation will be made electronically available within seven (7) days. *(09/29/2000)*

(APA Constitution and Bylaws, Article I, Section 4. B) (02/07/2004)

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STRATEGIC PLAN

Prepared September 26, 2013
Adopted by the Board of Directors November 19, 2013

Core purpose

To advance the interests of the pilots of American Airlines

Core values:

- Leadership
- Integrity
- Fairness

Mission Statement

APA is a union of pilots dedicated to promoting and advancing the profession through aggressive representation, prudent financial stewardship, and member involvement.

Envisioned Future

American Airlines pilots are highly valued leaders with commensurate pay and benefits who enjoy stable employment at a thriving company. APA members benefit from a collaborative labor/management relationship that is recognized in the industry as the model to emulate. APA members have confidence in their leaders who demonstrate integrity, outstanding leadership and fairness. The APA staff team provides outstanding member service while experiencing a quality work environment. American Airlines customers appreciate flying on the world's safest airline. APA member families enjoy a stable and secure lifestyle because being an American Airlines pilot is a great career.

These excerpts from the Strategic Plan are included in the Policy Manual by order of the Board of Directors. The remainder of the Plan as adopted is available from Domicile Chairmen and Vice-Chairmen or on the APA website.

1. BOARD OF DIRECTORS

1.01 Right of Members to Address the Board

Any member in good standing of APA with the consent of the body may have the right to address the Board of Directors while in session.

1.02 Required Agenda Items – Regular Board of Directors Meetings

1.02a.I. (09/22/2006)	Domicile Issues Discussion (each regular)
1.02a.K. (11/17/2011)	BOD Steering Committee (each Fall and Spring)
1.03.C. (02/07/2004)	APA Safety Award for Excellence Presentation (Fall)
1.06	Action Taken on Previous Resolutions (each regular)
1.19 (02/07/2004)	Administration of the Voluntary Pledge (each regular)
2.05	List of Grievances Above Step 2 (each regular)
4.01	National Committee List (each regular)
4.01.B.	Committee Assignments Reviewed by the President (Annually)
4.08.F.	Benefits Review and Appeals Board Election (BRAB) (three-year term staggered) (Fall) (10/23/2008)
4.12.A. (09/16/2010)	Communications Committee Chairman Election (Fall)
4.14.B. (09/16/2010)	Family Awareness Committee Chairman Election (Fall)
4.15 (10/27/2009)	Financial Audit Committee Election (2 year term-staggered, semi-annual reporting)
4.15.D. (10/27/2009)	Financial Review & Audit (at the next following)
4.16.D. (09/16/2010)	Government Affairs Committee Chairman (Fall)
4.19 (10/27/2009)	Negotiating Committee Election (Fall)
4.24 (10/27/2009)	Scope Committee Election (Fall)
4.26.C (01/17/2013)	Seniority Integration Committee (Fall)
4.27.D. (02/08/2013)	Strategic Planning Committee Chairman (update at each regular)
4.28.F. (09/16/2010)	Strike Preparedness Committee Chairman Election (Fall)
4.29 (10/27/2009)	TASC Election (Fall)
5.01.A.	Budget Update (Spring)

5.01.D.	Budgeted vs. actual amounts (each regular)
5.02	CPA Firm - Examination of Association Records (Annually)
5.03.F.	Annual Review of General Reserve Fund (Fall)
8.04	National Officers' Compensation (Fall)
10.03 (05/21/2009)	APA Safety Award for Excellence Recommendations (Spring)
Art. I.10.	Seniority Defense Fund Directors Election (Annually, Winter) (02/28/2008)
Art. VII.D.	Hearing and Disciplinary Procedures Appeal Board Election (2 year term, Fall)
Art. XI.B.	National Committees, Approval of Newly Appointed Members (each regular)

1.02a Submission of Agenda Items – Regular Board of Directors Meetings

- A. At least forty-five (45) calendar days prior to the first day of a regular Board of Directors meeting, the Board Secretary shall e-mail notice of the meeting and agenda to all Board members, National Officers and national committee chairmen. (03/17/2009)
- B. At least thirty (30) calendar days prior to the first day of such Board of Directors meeting, and no later than the close of business, Board members shall e-mail the Board Secretary with copies of their proposed agenda items. Resolutions, however, may be submitted until 12:00 Noon Central Time on the day the final agenda is to be published. (03/03/2006)
- C. All committee reports must be submitted by e-mail to the Board Secretary by 12 Noon Central Time on the 21st calendar day prior to the first day of the Board of Directors meeting. Any committee not submitting a preliminary report will not be entitled to make a presentation to the Board. (03/03/2006)
- D. At least twenty-one (21) calendar days prior to the first day of a Board of Directors meeting the Board Secretary, shall forward, by e-mail, to each Board member advance copies of all committee reports, submitted resolutions, and other information pertinent to the agenda. All open and pending resolutions will be made available on the APA Web site. (05/07/2008)
- E. At least ten (10) calendar days prior to the first day of the Board of Directors meeting, the Board Secretary shall publish a list of all agenda items pursuant to Article V, Section 2.A. of the Constitution and Bylaws. The agenda shall be planned to span from no earlier than 9:00 a.m. until 5:00 p.m. each day. (03/03/2006)
- F. Proposed agenda items or time frames not conforming to the above require the approval of seventy-five percent (75%) of the Board of Directors prior to being placed on the agenda, or continuing beyond 5:00 p.m., pursuant to Article V, Section 2.A. (02/07/2004) of the Constitution and Bylaws.
- G. All Board Meeting Agendas, whether regular or special, be designed to accommodate the provisions of Policy Manual Sections 1.02a D. and 1.02a E., as revised herein, within however many days required to accommodate all appropriate agenda items. If the number of days

scheduled or actual exceeds six (6), a minimum 48-hour rest at the home domicile for Board member use, shall be planned into the agenda after each such six-day period of sessions. *(11/08/2002)*

- H. When notice required by these rules falls on a weekend or APA holiday, the notice is due on the first work day after the weekend or holiday. *(03/03/2006)*
- I. Domicile Issues Discussion – Each regularly scheduled Board of Directors meeting shall include at least two hours of scheduled closed session for comparisons of trends between bases, including but not limited to discussions of discipline, flight department relationship, etc. *(11/08/2001)*
- J. All resolutions changing any current section of the APA Constitution & Bylaws or APA Policy Manual will have the current language included in the resolution. Changed or deleted wording will contain a strike-through. New wording will be underlined and bolded. Any resolution not conforming to this practice will not be considered until it conforms to this standard. *(10/23/2004)*
- K. BOD Steering Committee – At each fall and spring scheduled Board of Directors Meeting, a BOD Steering Committee consisting of three (3) Board members shall be chosen in a random drawing. No two (2) members of the BOD Steering Committee shall be from the same domicile. The members of the BOD Steering Committee shall elect a chairman. *(11/17/2011)*

The BOD Steering Committee will be responsible for recommending agenda changes and consideration of resolutions in such a way that permits a productive and efficient flow of business. The BOD Steering Committee will assist the maker, as requested, in editing any resolutions or amendments put before the body for consideration. *(11/17/2011)*

Between meetings, the BOD Steering Committee will be responsible for tracking compliance with BOD directives, motions and resolutions, and other tasks as assigned by the BOD. *(11/17/2011)*

The BOD Steering Committee shall meet as necessary, at the discretion of the Committee chairman, to complete the duties of the committee, without use of additional flight pay loss. During any BOD meeting the committee shall be prepared to make recommendations concerning the agenda, including the order of the resolutions, prior to the start of daily business. *(11/17/2011)*

There shall be a minimum of one-hundred twenty minutes (120) each day of any Board Meeting scheduled for consideration of resolutions. No resolutions will be scheduled on the last scheduled meeting day. *(03/17/2009)*

No Board Member may serve on the BOD Steering Committee for any two (2) consecutive terms. *(11/17/2011)*

1.02b Consent Calendars

Consent calendars, in accordance with Roberts Rules of Order Tenth Edition, Section 41, will be utilized to the extent possible. Consent calendars are optional and will not be scheduled any earlier than 1300 on Day Two of any regular or special meeting of the APA Board of Directors.

(05/19/2010)

1.03 Fall Board Meeting Awards Banquet Dinner

(Adopted 02/16/2001, effective Fall Board meeting, 2002)

Location (Domicile Rotation), Committee Chairman and Member Participation, “APA Safety Award for Excellence presentation” and *Flightline* Photographs (03/39/2002)

- A. The regularly scheduled Fall Board of Directors meeting shall include an awards dinner banquet to assure the Association leadership expresses their appreciation to the many current and former Association volunteers and their spouses for their efforts on our collective behalf.
- B. The Association leadership shall make every reasonable effort to assure that all current committee chairmen and members are in attendance at the regularly scheduled Fall Board of Directors award banquet dinner, including trip removal if necessary.
- C. If there is an “APA Safety Award for Excellence” award to be conferred to a pilot, the award shall be conferred at the Fall Board Meeting Awards Banquet Dinner. (03/29/2002)
- D. The regularly scheduled Spring Board of Directors meeting shall be rotated so that each even numbered year it is conducted in a different domicile, not repeating any domicile location until each other domicile has hosted one. Subsequent rotations shall ensure that no single domicile hosts the meeting until every other domicile has also hosted one. (08/18/2009)
- E. Pictures of the National Officers, Board of Directors members, all current committees and former officers and committee personnel and any “APA Safety Award for Excellence” award recipients who attend the meeting will be included in the next regularly scheduled *Flightline* following the conclusion of the regularly scheduled Fall Board of Directors meeting. The individuals’ names, current and/or former positions within APA, at the minimum, shall accompany the photographs. (03/29/2002)

1.04 Voting Policy

- A. On any matter brought to the Board for action, the vote will be taken only with the Board sitting as a body in a properly convened session or on a properly convened conference call in accordance with Section 1.07. (04/25/2003). This procedure neither limits the authority nor absolves the responsibility of the National Officers and the Board of Directors to respond to emergencies in a timely way.
- B. The minutes from the Secretary-Treasurer on the meeting of the Board of Directors shall be distributed to all members. The minutes shall contain, at a minimum, the names and bases of all members of the Board of Directors present; every resolution acted upon; the disposition of each question; and the manner in which each member voted. (05/20/2009)

1.05 Roll Call Voting

- A. “Division of the House Vote” is hereby defined as a recorded roll-call vote in which each member of the Board shall be entitled to vote fifty percent (50%) of the active members in good standing at his domicile provided that the representative from a domicile having one

hundred (100) or less members shall be entitled to one (1) vote for each active member in good standing at his domicile. *(03/29/2002)*

- B. The most current membership list shall be used for a Division of the House Vote where roll-call voting is addressed by Article V, Section 3.B. *(02/07/2004)* of the Constitution and Bylaws. The size of the minority required to order a Division of the House Vote is one member of the Board.

1.06 Actions Taken on Previous Resolutions

At each regular Board of Directors meeting, Headquarters will provide a summary report of the actions taken on previous resolutions. All resolutions acted on by the Board of Directors and all remaining open and pending resolutions will be made available to members on the APA Web site. *(05/07/2008)*

At the end of each day in which the Board is in session, each Board member shall be provided a written synopsis of the business of the day, to include the final version of, and result of recorded votes on, approved resolutions and motions to direct. This synopsis shall be provided in hard-copy and electronic format for Board of Directors meetings and in electronic format for Board of Directors conference calls. *(03/18/2009)*

1.07 Telephone Conference Calls

- A. A telephone conference call shall be held whenever the President or thirty percent (30%) of the Board of Director's members deem it necessary. A group of Board members representing 30% or more of the Board shall individually notify the President in writing of their request for a conference call. The President shall schedule the call to occur within seven (7) days of receipt of the request. In their requests, the Board members requesting the call shall include specific agenda items and specific non-Officer and non-Board persons to be included in the call. The President shall set the date and time for the call after considering maximum opportunity for Board participation, least cost to APA, and existing commitments. The President may add agenda items and participants. At least 72 hours before a conference call, or as soon as practical, the President shall send the Board a notice via overnight courier, fax or e-mail containing the date, time, agenda, participants and password for the call. *(04/25/2003)*
- B. A majority of the Board of Directors may request in writing an emergency conference call that must be convened within 24 hours of said request. *(04/25/2003)*
- C. If union leave is requested by any Board member or other APA participant in a conference call, every practical effort shall be made by the President to obtain management's approval of the leave. *(04/25/2003)*
- D. Leave for conference calls shall not be subtracted from the Domicile Officers' annual allotment. *(04/25/2003)*
- E. "When the President or another Officer of APA is using a Conference Call to disseminate information or determine a consensus of the APA Board of Directors concerning existing policy (when the Board is not convened and sitting as a Board), the President shall wait for a period not less than 24 hours before acting on the majority consensus determined from said conference call. If a vote has been taken in accordance with the procedures in paragraph G. of

this section, no waiting period is required. (04/25/2003)

F. Protocol for all Conference Calls (04/25/2003)

1. The President or his designated representative shall act as Chairman of the conference call and shall provide the participants a brief on the subject matter.
2. The Chairman shall conduct a roll call of all participants and identify non-Board, DDR's, proxies, and invitees during the initial brief.
3. Questions and comments will be asked and made by call participants as follows: Participants shall be ordered in the same sequence as a vote is normally taken during seated Board Room meetings, i.e. in odd years the sequence will be clockwise around the Board table and in even years the sequence will be counter clockwise. Each participant will be allotted the same amount of time, one, two, or three minutes as determined by the Chairman. Participants with no comment at that time may pass to the next participant. All participants will be afforded the opportunity to speak at least once.
4. Once the brief is complete, the Chairman shall answer questions "on point" in the prescribed order. After all clarifying questions have been addressed, then ordered comments and discussion may begin. The order of comments may be interrupted to accommodate a "point of order" or "question of clarification".
5. If a majority of the Board members (not just those on the call) deem the conference call is ill advised then the Chairman shall discontinue the process and a special Board of Directors meeting may be called.

G. Additional Procedures for Conference Calls Requiring Board Action (04/25/2003)

1. The National Officers will make a reasonable attempt to notify all Board members of the conference call that shall include, but not be limited to, personal phone calls, FAX, and e-mail.
2. Normally a 72-hour prior notification will be given for any conference call that will require Board action. This notification will include a list of the agenda items to be considered.
3. If a Board member cannot participate in a conference call vote, said Board member may designate a proxy or duly designated representative (DDR).
 - a. The President or his representative, prior to the start of the conference call in question, must receive DDR or Proxy designation.
 - b. If any voting Board member must leave a Conference Call, they may verbally designate their proxy to another member of the Board of Directors prior to hanging up.
4. Normally only matters that cannot be deferred to the next regular Board meeting will be considered on a conference call requiring Board action.
5. All votes shall be taken in the same manner in which votes are taken at a regular Board of Directors meeting.
6. Any time policy is set via a decision rendered on a voting conference call that alters the

intent of the APA bargaining agreement (Green Book) and that policy change cannot be deferred to the next Board meeting, the following procedures must be adhered to:

- a. The question voted on must be phrased so as to require only an “affirmative or negative” response.
 - b. If a majority of the Board members (not just those on the call) feel the conference call vote is ill advised, then the Chairman shall discontinue the process and a Special Board meeting may be called.
 - c. The results of the call shall be relayed to all Board members and National Officers upon completion via e-mail and fax.
7. The APA Secretary-Treasurer or his staff designee shall keep “minutes” of all conference calls conducted by the APA President or his duly designated representative, including a complete list of those participating on the call.
8. Prior to the conclusion of each conference call, the Board will specify and record if these “minutes” shall be treated in the same manner as minutes of regular and special Board meetings or alternatively to be posted to the APA Web site, and subsequently mailed with the next regular Board meeting minutes. *(11/04/2006)*

1.08 Policy Manual Distribution

This Policy Manual shall be distributed to and maintained by members of the Board of Directors, National Committees, and Domicile Administrative Assistants. To promote the knowledge and professionalism of our membership, any member in good standing who makes a written request to the Secretary-Treasurer of APA shall be furnished a current copy by mail at no expense to the member. The Policy Manual will also be available to any member in good standing on the APA Web site. *(10/23/97)*

1.09 Personal Computers and Recording Devices

Recording devices shall not be operated at the Board table while the Board is in session, except by the Recording Secretary.

Personal computers may be operated at the Board table for the purposes of retrieving or reviewing documents, APA C&B, APA Policy Manual, APA Green Book Working Agreement, or any other information deemed necessary to make an informed decision while conducting APA business. Committee members shall be permitted to use computers to perform APA support work in the rear of the meeting room at the discretion of the Board. *(01/22/2000)*

1.10 Conduct by APA Officials

It is against the policy of the Allied Pilots Association for any Union officer or official acting in that capacity to take action threatening or jeopardizing any member’s employment. *(07/24/92)*

1.11 Membership Surveys and/or Questionnaires

- A. All surveys and/or questionnaires of the membership shall be reviewed and approved by the Board of Directors before being distributed to the membership. The Board of Directors may by motion delegate review and approval authority to a subcommittee of the Board.

(01/17/2008) Electronic surveys and/or questionnaires should be used whenever practical. Telephone polling may be conducted separately or in conjunction with electronic polling with the approval of the Board of Directors. Electronic canvassing of individual domicile memberships by that domicile's representatives is allowed without the Board of Directors approval. (05/18/2003)

- B. Each National Officer and Domicile Officer shall maintain the right to review, unencumbered and at will, any APA survey, APA questionnaires and/or APA polls, taken of the APA membership. (11/20/2003)

1.12 Administrative Support at Regular Board Meetings

- A. A typist shall be available during normal business hours (8 AM to 5 PM) each day while the Board is in session. Additionally, a personal computer with a printer, a photocopy machine, and a FAX machine shall also be made available. (02/07/93)
- B. A network connection to the APA Headquarters will be maintained during Board meetings to facilitate document and information retrieval. (10/23/97)

1.13 Board Meeting Minutes

- A. Minutes of the Board of Directors meetings shall be distributed to all members within thirty (30) days following the Board of Directors' review. Draft minutes shall be provided to the Board of Directors via electronic and/or hard copy delivery within thirty (30) days of the adjournment of the meeting. Members of the Board of Directors shall have fifteen (15) days to review the draft minutes and submit corrections to the recording secretary. If there are conflicting corrections submitted by individual Board members, the APA Secretary-Treasurer shall make a best effort to produce and distribute the corrected draft minutes to the membership. If at the next Board of Directors meeting subsequent to distribution, the Board concludes that an error was published and distributed to the membership, they may pass a correction notice for publication in subsequent meeting minutes. Additionally, these minutes shall include the current list of APA non-members and shall include their last name, first name, middle initial, base, employee number, seniority number, aircraft, seat and division, and APA status. (07/13/2001)
- B. Minutes of previous Board meetings will be presented and approved at the next regularly scheduled Board of Directors meeting. Unless otherwise directed by a court of jurisdiction or legal process, the Secretary-Treasurer will destroy the recordings of those meetings after the meeting minutes have been accepted and approved by the Board. (10/31/99)

1.14 Board of Directors Closed Session Meetings

Any closed session of the Board of Directors must be preceded by a recorded vote (not consensus). (09/29/2000)

1.15 Correspondence to Board Members

- A. The APA President will be responsible for the publishing and delivery of weekly informational debriefs, aka "Board Packets." The "Board Packets" will contain, at a minimum, complete and accurate debriefs of the current week's significant activities for the following committees or departments: (05/19/2010)

- Strategic Planning
- Communications
- Negotiating
- Strike Preparedness
- Government Affairs
- Safety
- Information Technology
- Benefits
- Legal

B. Any correspondence - written, electronic or verbal - between AA/AMR management and the APA National Officers will be included in the Board Packets. The Board Packets will be delivered to all APA BOD members each Friday afternoon electronically via zipped .pdf file, or via USPS Priority Mail, at the individual BOD member's request. The only exception(s) to this section will be during weeks that the BOD is in official session at APA Fort Worth, TX headquarters. *(05/19/2010)*

1.16 Correspondence from Board Members

- A. All correspondence from Board members sent to APA Headquarters that has a request to courtesy copy the APA Board of Directors shall be included in the next weekly Board packet, which is sent to all the APA Board of Directors. No one may censor any information placed in the Board-only packets. *(03/29/2002)*
- B. The final draft of the Board Meeting Minutes shall be distributed to the Board of Directors for review ten (10) days prior to printing. *(10/23/97)*

1.17 New Board Member Briefings

- A. A thorough briefing to new Board members will be conducted by, but not be limited to, the National Officers, APA Department heads, the APA General Counsel, APA National Committees including (but not limited to) Safety, Security, Aeromedical, Committee for the Armed Defense of the Cockpit, and Negotiating and at least one member of the current Board of Directors as appointed by that Board. Newly elected domicile officers shall schedule media training with the Communications Committee Chairman as soon as practical. Newly elected domicile officers shall be asked about suitable dates for their briefing concurrent with notification of their election. This briefing shall be conducted as soon after the election as possible, preferably prior to taking office, but not more than one (1) month after such election. Briefings conducted by APA National Committees may (at the discretion of the National Committee Chairman) be conducted in writing, by videotape, or by other appropriate means. *(07/24/2008)*
- B. It is the obligation of an outgoing domicile officer to conduct an in brief and transfer of information to an officer newly elected to that position.

1.18 Sergeant-At-Arms

At the discretion of the President, a Sergeant-At-Arms will be used for security at all Board meetings to assure safety of all equipment and control access to the meeting. (05/18/2003)

1.19 Voluntary Pledge to the Membership for National Officers, Domicile Officers and Members of National Committees

Special trust and responsibility for protecting the membership is placed in all who serve in official positions within the Allied Pilots Association including National Officers, Domicile Officers, and members of National Committees (standing and ad hoc). In recognition of that special trust and responsibility and to preserve the membership's confidence that all who serve in APA positions are pursuing their duties solely to protect the membership's best interest, those listed in this paragraph shall be asked to sign the following voluntary pledge of their word of honor to their fellow pilots: (04/22/99)

"I recognize the special degree of trust and special responsibility to protect the membership placed in me as an APA National Officer or Domicile Officer or National Committee member. I also recognize the membership's right to have complete confidence in those who have accepted APA positions of trust and who have accepted responsibility for protecting the membership's interests." (04/22/99)

"Therefore I, _____ [name] _____ pledge my word of honor to the membership of APA that for a period of twenty-four months after my official APA responsibilities end for any reason including, but not limited to resignation, retirement, termination, or recall, I will not accept any position with AMR Corporation or its subsidiaries, counsel, advisors, or consultants for which total compensation is not defined in the American Airlines Pilot Contract (which establishes total compensation for line pilots, check airmen and maintenance test pilots). I am making this voluntary personal pledge to APA's membership, knowing that it is not a legally enforceable restriction or prohibition on any current or future employment opportunities that may arise, and knowing it is not a condition of my APA service or employment." (04/22/99)

1.20 Administration of the Voluntary Pledge

- A. The Secretary-Treasurer shall provide a copy of the APA Voluntary Pledge's set out in 1.19 and related language in the original pledge resolution to all nominees for APA positions covered by this pledge and to all persons serving in covered positions, with a postage-paid return envelope. (01/22/2000)
- B. The Secretary-Treasurer or his designee shall maintain a list of persons who have been provided with a pledge form, a list of persons who have signed a pledge, and shall maintain a permanent secure file containing all signed pledges. (04/22/99)
- C. This information shall be provided to the National Officers and Board of Directors at all regular Board of Directors meetings, and shall be provided to the National Officers and members of the Board of Directors at other times upon request. (04/22/99)

1.21 Definitions

Distribute – in each instance where the word distribute is used, to the extent practical this shall include distribution by electronic means. (11/08/2001)

1.22 Reinstatement of Pilot's Seniority Number for Those on MDSB Greater Than Five Years

- A. As soon as practicable, the President shall inform the APA Board of Directors, in writing, of the circumstance underlying the request of the pilot who petitioned APA for support of reinstatement of their original relative AA seniority number of a pilot wishing to return to the seniority list after greater than five years on MDSB. The President shall state whether the petitioning pilot was/is an APA member in good standing. The Board members shall then have seven days to consider each case and must advise the President of any noted objections, in writing, within the seven day period of their objection(s). Absent any written objection(s) from an individual Board member, the President shall then have the authority to sign a letter authorizing reinstatement of said pilot's seniority number.
- B. If the President chooses not to agree to reinstate a pilot's seniority number for any reason, or there is a Board member objection, the said pilot shall have the opportunity to directly petition the APA Board of Directors for seniority number reinstatement. The BOD shall retain final decision authority in each seniority number restoration case by majority vote. *(03/20/2014)*

2. ADMINISTRATION

2.01 APA Pins

The APA pin for National Officers shall have a red ruby stone at the point of the V; the APA pin for Board members shall have a red ruby stone at the bottom of the point of the pin.

2.02 Communications

- A. National Officers shall immediately notify the members of the Board of Directors of a crisis. On other matters of importance, timely notification is required.
- B. Professional Titles in Correspondence

Pilots performing APA work will utilize their rank as an American Airlines pilot, as determined by their current four-part bid status, (i.e., Captain S.P. Smith, First Officer A.B. Jones) on all external correspondence and on all documents that may be disseminated outside of APA. *(02/07/2004)*

2.03 Communications/Newsletter

- A. Headquarters will publish a periodical newsletter or magazine for the membership. The purpose of this document will be to inform, educate, and inspire; and to secure membership support for the initiatives taken by the Association on its behalf. *(07/01/92)*
- B. A regular Association newsletter or magazine shall be published no less often than every other month when APA is not negotiating a new contract. When APA is negotiating a new contract the newsletter or magazine shall be published no less often than once each month. *(07/01/92)*

- C. These publications shall contain substantive information pertaining to matters of interest to APA's membership, as well as a "Letters to the Editor" section, articles of professional interest, and may contain articles submitted by any APA National Officer or Domicile Officer who is not a nominee or candidate for office on the date the article is to be published. All articles must be submitted before the announced deadline for each issue. Written notice of that deadline will be provided to all APA Officers at least two weeks prior to the cutoff date (deadline) for each issue. All items submitted for publication are subject to the approval of the Editorial Board of the appropriate publication. The Editorial Board shall consist of the National Officers, all members of the Communications Committee, and the Communications Director. *(03/27/94)*
- D. A National Officer may not edit a specific communication approved by the Board of Directors, nor may they delay publication and distribution of that communication. *(09/29/2000)*
- E. No National Officer may use the APA communications apparatus to include the print shop, electronic communication and the hotline to publish opinion divergent from Board of Directors policy. *(09/29/2000)*
- F. Prior to publication, any article submitted by a Board member or Committee Chairman will not be edited without approval of that person. A final draft will be sent to that Board member or Committee Chairman prior to its publication. *(06/16/93)*
- G. All newsletters, magazines, or reports published by the Association will be made available in electronic form on the APA Web site concurrent with their distribution to the membership. *(10/23/97)*
- H. Each Domicile Vice Chairman shall have unrestricted ability to communicate with his domicile via domicile Web site, comments in meeting minutes, and letters distributed to APA's print shop. *(11/10/2000)*

2.04 Communications/Electronic

- A. APA Headquarters will maintain networking hardware, software, and connectivity to permit and promote the electronic conduct of Association business by officers, staff, and the membership, herein called Internet Services. *(10/23/97)*
- B. APA will maintain and support a website and an electronic forum system to be called Challenge & Response that will continue to support the free and democratic discussion of issues between members of the Association. Also, APA will maintain and support an electronic forum system called the "APA Forum" that will provide a Web-based forum for the members to post their comments, observations and letters. The "APA Forum" will allow each member to post only two (2) times each calendar day and all members will be allowed to subscribe to this forum. Each post on the "APA Forum" will have an individual title, unlimited text, posting member's name, bid status, employee number, seniority number and, if the member has made public his contact info, the member's phone number and/or e-mail address so that other members can easily contact the member who made the post. The APA Board of Directors will approve an Acceptable Use Policy (AUP) applicable to those who wish to have access to the APA website. *(10/27/2009)*

C. The following email distribution lists shall be maintained to allow communication amongst the respective APA leadership groups. Communications distributed to one or more of these email distribution lists may not be distributed beyond those distribution lists. (09/16/2010) Domicile Officers serving under the provisions of Constitution and Bylaws Article VI.4.B shall be considered a “current Board member” for the purposes of this paragraph. (12/28/2012)

D.

1. *BOD-ONLY@alliedpilots.org* shall include current and elect Board members, and will allow members of the list to both post to and read messages submitted to the list;
2. *NO-BOD@alliedpilots.org* access list shall include current and elect National Officers, current and elect Board members, and will allow members of the list to both post to and read messages submitted to the members of the list. In addition, the Chairmen of the APA Safety, Communications, Security, and Negotiating Committees shall be allowed to post-only to the list; (05/21/2013)
3. *HQ-BOD@alliedpilots.org* shall include current and elect National Officers, Board members, the Executive Administrator, and the active chairs of the following committees: Communications, Negotiations, Safety and Safety Subcommittee-Flight Time/Duty Time (02/08/2013), Security, TASC, Scope, and Strike Preparedness, and will allow members of the list to both post to and read messages submitted to the list.

The National Officers or Board of Directors may allow such additional staff and committee members to post messages to HQ-BOD as they see fit. However, granting read access to other individuals not specified above will require approval of the majority of the Board of Directors. (03/29/2002)

2.05 Grievance Distribution

A listing of all grievances above the second step, legal proceedings involving the association, and scheduled arbitrations, (09/15/2010) will be distributed to the Board of Directors by the Legal Department of APA at each regular Board of Directors meeting. Any settlement offers on individual grievances, whether disciplinary or contractual in nature, made either by management or intended to be made by the union, will be immediately distributed by direct contact to the domicile representatives of the affected pilot(s) for consultation and by e-mail to the entire Board of Directors before being acted upon, except for settlements offered in the Pre-Arbitration Conference (PAC) or during formal arbitrations. (09/15/2010) Following the settlement of a grievance, the decision will be forwarded to the Board of Directors. (07/01/92)

2.06 APA Database

(Replaced in its entirety on 10/22/2008)

(2.07 – Membership Lookup removed and 2.08 through 2.27 re-numbered on 10/22/2008)

The maintenance of current individual personal contact information in APA database systems is a critically important function of the Association. The databases and reports containing this information are often vital to meet APA’s contractual and legal obligations as a labor union. Access to the data must be carefully controlled. APA has a vested interest in ensuring that its contact database is only used for authorized purposes. Specific authorized purposes are described below. Additional purposes may be authorized as provided in 2.06.C. below, but the standard approving any additional services shall be that any data or reports generated shall include only that

information that is demonstrably necessary to accomplish specific official functions. Unless authorized pursuant to the provisions in this section, personal contact information from APA's databases may not be provided to anyone for any purpose.

A. Categories of Personal Contact Information

1. APA shall maintain its databases in a manner that allows individuals to review and self-identify their preferences for authorized use of specific types of contact information in the following categories:
 - a. General Use Authorized (GEN): Data may be accessed using print or online reports and lists for use by any member exclusively for union-related non-commercial purposes.
 - b. Official Use Only (OUO): Data may only be accessed and used by union officials for official union business.
 - c. Emergency Use Only (EUO): Data may only be accessed and used by union officials for emergencies with the prior written permission of at least two National Officers.
 - d. Social Security Number (SSN): The Social Security Number of any individual must be maintained in a separate database system and must only be maintained and used for those specific purposes authorized by the individual or required by law.

The default shall always be to treat an individual's data as OUO until such time that an individual modifies their preferences. Additionally, any existing GEN preferences for anyone changing from a Member status to a Non-Member status will be automatically changed to OUO effective with the change in membership status.

2. Concurrent with the annual distribution of membership cards, the Secretary-Treasurer shall provide each member with an individual report showing the current database information for the member including employee number, seniority number, name, bid status, membership status, mailing address, phone number(s) and e-mail address(es). The report will also indicate which, if any, information is labeled as OUO or EUO and will provide the member with instructions on how to update their information or preferences.

B. Membership Directories and Lookup Services:

1. Domicile Officer Database: Each member of the Board of Directors shall have access to a current database of all pilots assigned to their Domicile. The Database shall include individual records for each pilot including the employee number, seniority number, name, bid status, membership status, mailing address, phone number(s) and e-mail address(es), and will also indicate which, if any, information is labeled as OUO or EUO. Information from this Database may only be used to contact individuals in the course of official Domicile Officer business and may not be transferred to anyone else.
2. Membership Directories: Membership Directories, whether print or online, will contain lists only of members and will contain only that information the member has identified as General Use Authorized (GEN). Information gleaned from such Directories may only be used for such purposes.
 - a. Directories:
 1. Domicile Directories will be available on the APA Web site and any member in good standing may request a hard copy be mailed to their home. (05/09/2011)
 2. The Directory shall include a cover letter from the Secretary-Treasurer noting the restriction on use of the information and providing members with instructions about how to update their record.

3. The Directory may also include a reasonable amount of material submitted for inclusion by the Domicile Chair.
 4. The Directory shall include a listing for all members showing the employee number, seniority number, name, bid status and membership status. Additionally, subject to the preferences of the member, the list will contain the mailing address, phone number(s) and e-mail address(es) for the member.
- b. Member Phone Lists:
1. Each member shall have access – via the password-protected Member Services area of the APA Web site – to Member Phone Lists for each Domicile. Additional Phone Lists shall be available that list Retired Members and Furloughed Members.
 2. Anyone seeking to access any Domicile, Retired or Furloughed Member Phone List must go through a page that emphasizes the restrictions on use of the information in the Phone List as being governed by this section of the Policy Manual, must provide a link to the Web-page-formatted version of this entire section of the Policy Manual, and shall require the member to acknowledge their understanding of these Policies in order to be able to access any Member Phone List.
 3. Each Member Phone List shall be accessible in PDF and HTML/Plain Text form and shall reflect the date the List was compiled and will include a list of each member showing their employee number, seniority number, name, bid status and membership status. Additionally, subject to the preferences of the member, the list will contain up to two phone numbers for the member.
- c. Individual Member Lookup:
1. Each member shall have access – via the password-protected Member Services area of the APA Web site – to a service allowing members to search the APA database by name, employee number or e-mail address and view personal contact information for members matching the search criteria.
 2. Rank-and-file members will only be able to view contact information for a member whose information has been identified as General Use Authorized (GEN). If information is in the database but not displayed based on member preference, the reason for its non-disclosure will be indicated (e.g. “OUO” or “EUO”).
 3. If a member has identified contact information as being for Official Use Only and a member requesting the lookup is on the National Committee List and the lookup is necessary to perform their official duties, the requester will be provided with a second link or button they may use to certify the lookup is for official purposes and then view the additional OUO information, which will be specifically annotated as such. EUO information will not be available via the Member Lookup.
 4. The Member Lookup function shall display the employee number, seniority number, name, bid status and membership status of the individual. Additionally, subject to the preferences of the member, the display will also contain the mailing address, phone number(s) and e-mail address(es) for the member. If the requester is on the National Committee List, the display will also include the date and time of last APA Web site hit.
 5. All lookups will be individually logged, including the date and time of the request, the identity of the requester, the specific information displayed, whether the requester certified that the lookup was made in the performance of official duties, and what OUO information was then displayed. This log shall be accessible to members as a “Reverse Lookup” function to allow members to see who has looked them up, when and what information was displayed.
 6. Member Lookup Count Limits:
 - i. Rank-and-file members will be permitted to perform no more than one hundred

(100) member lookups in any twenty-four (24) hour period. If a member performing official APA business needs to exceed this limit, either of their Domicile Officers will evaluate a substantiated request to exceed the normal limit on a case-by-case basis and may authorize additional lookups for official APA business, not to exceed 400 lookups in a 24-hour period, and will immediately notify the IT Director, National Officers and Board of Directors of the authorization granted and the reasons for it.

- ii. Higher limits for lookups by members of APA National Committees may be established by the National Officers or Board of Directors based on substantiated need.
 - iii. National and Domicile Officers will have no limit to their number of lookups. Any information obtained from any lookups numbering more than 100 in a 24-hour period may be used for official union business only. (12/09/2008)
7. Any suspected abuse of the lookup policies should be reported to the Secretary-Treasurer.
- d. When using an application that provides access to flight information in SABRE and the application can provide contact (telephone) information through a link to the APA database, pilots may access the telephone number of pilots listed in the flight information that is designated as General Use Authorized (GEN). Telephone information obtained in this way is not counted toward the look-up limits of this section. (10/11/2013)

C. Additional Requests for Database Information:

National Committee Chairs with official need for information that may not be supported with the preceding services may request additional services using a form provided by the Secretary-Treasurer. Requests for additional services may be one-time requests for compiled data or they may be standing requests for recurring or instant access to compiled data. In any case, the request must be substantiated to include at least the following:

1. Description of the intended use of the information being requested, including identification of who will be receiving the information.
2. Description of the type of information requested, including the fields from the database to be included.
3. Explanation as to why existing services are not adequate to meet the need.
4. Estimate of the number of member records expected to be included in the compiled lists being requested.
5. Upon receipt of such a request, the Secretary-Treasurer shall evaluate it and make a recommendation to the President regarding its disposition. In the absence of a recommendation by the Secretary-Treasurer, the President may evaluate the request himself. If the President approves the request, he will notify the requester, the IT Department and the Board of Directors. Otherwise, the President will inform the requester that the request has been denied and state the reason(s) for denial. Approved requests shall be made available to the membership on the APA Web site.

D. Release and Reporting Requirements:

1. Except as required by law, the release of names, phone numbers, addresses, e-mail addresses and related individual contact information for APA's entire membership shall require prior written permission of all three National Officers and prior notification to APA's Board of Directors.
2. No person other than the Director of Information Technology or the Director's staff designee shall have access to the entire database. This policy may not be waived by the

National Officers.

3. Electronic logs shall be maintained by the Director of Information Technology to monitor all requests made to the database. The National Officers and Board of Directors shall be immediately notified of unusual or high volume of access.

2.07 Candidate Mailings – APA National Office

When requested by the candidate, the Association shall provide the following services for the nominees for APA National Office:

- A. The mailing of a one page resume of a candidate for National Office will be provided at no cost to the candidates. The resumes for all candidates shall conform to a format provided by the Secretary-Treasurer. *(11/20/2003)*
- B. Subsequent campaign literature mailings will be provided with the requirement that the candidate pay all associated costs. *(11/20/2003)*
- C. Those candidates who have been nominated pursuant to the APA Constitution and Bylaws Article IV, Section 4.E. *(02/07/2004)* will be afforded the opportunity to send out four full email blasts to their respective membership.
- D. Each email blast shall be limited to the equivalent of two pages of 10 point text. *(11/20/2003)*
- E. In the event of a runoff election each National nominee may submit two additional email blasts for distribution. Two additional blasts may be submitted for distribution in each subsequent runoff election. *(11/20/2003)*
- F. All National Officer candidate resumes and e-mail blasts sent by the candidates shall be posted on the APA Web site in a dedicated section for membership viewing during any National Officer election. These resumes and e-mail blasts shall be posted in alphabetical order by candidate last name. *(10/27/2009)*

As candidates are eliminated or withdraw, their resumes and e-mail blasts shall be removed, with only active candidates' information remaining. *(10/27/2009)*

These resumes and e-mail blasts shall remain viewable for the duration of the election cycle and shall be removed after an election winner has been certified. *(10/27/2009)*

APA shall not edit or amend these documents in any way, and notice shall prominently be displayed on the Web site that the views expressed are solely those of the candidate, that APA is not responsible for their content, and that they do not necessarily reflect APA policy. *(10/27/2009)*

2.08 Wallet-sized Cards of Telephone Numbers

Headquarters will publish a wallet-sized telephone list, which includes but is not limited to the telephone numbers of the Home Office, the Domicile Officers, the National Officers and Staff, and the Safety Committee. This document will include procedural guidance in the case of serious incident or accident. This document will be reissued as necessary to maintain reasonable accuracy.

2.09 Transportation

- A. Enroute - The preferred means of transportation to Board of Directors meetings in distant cities will be via American Airlines. Prior authorization by a National Officer must be obtained for travel by another carrier or by another method. This authorization shall include a reimbursement understanding.
- B. Local - The need for rental cars at Board of Directors meetings will be determined by the location of the meeting facility used and the availability of local transportation. Such determination will be made by the President. Allocation of rental cars, should they be required, will be one (1) for each National Officer and each Domicile Chairman. Additional rental cars may be approved as necessary.

2.10 Confidentiality Clause

All contracts or letters of retainer between APA and any independent contractors, consultants, or attorneys, who have access to privileged or confidential Association information, shall contain a confidentiality clause. *(01/22/2000)*

2.11 Accidental Death – Association Representatives

The Association shall provide an accidental death benefit travel policy with 24-hour coverage for Board members, national committeemen, or any APA member on Association leave of absence during the period of service to the Association.

2.12 Participation and Recognition for Service to the Association

(Adopted 02/16/01; effective beginning Fall Board of Directors meeting 2002)

- A. Service to the Association should be appropriately recognized. Suitable awards may be authorized by the Board of Directors for presentation to individuals or groups who have performed in a meritorious way.
- B. APA Headquarters will provide a letter and appropriate plaque to recognize the service of each member of the Board of Directors or of a National Committee who completes a regular term of service.
- C. Ex-officio members shall not be included in a motion, which proposes an award to a committee; however, ex-officio members and other deserving parties may be granted awards by separate resolution.
- D. The Board of Directors shall not award vacations to members as a reward for service to the Association. *(10/24/94)*
- E. *Deleted (09/30/2005)*

2.13 Off-Hours Contact

- A. The President will insure that members of the Board of Directors can contact a National Officer at all times. The President will fill a rotating schedule of on-call National Officers and will notify the Board of Directors of the on-call name and contact phone number. *(02/16/2001)*
- B. The Chairman of the Safety, Security, Communications, and Contract Compliance Committees will insure that a member of the committee is available at all times. The APA Web site committee list will highlight the preferred contact number of the member on call. *(03/29/2000)*

2.14 Electronic Phone List

APA will make available one (1) electronic phone list system for each crew domicile.

2.15 Remote Access Recorders

Each Board member will maintain a remote access recorder and a separate APA phone line where possible.

2.16 Optional Equipment

- A. The following officers and members of the national committees shall be authorized a dedicated telephone line and cellular phone to conduct official APA business: *(08/28/2014)*
 - 1. National Officers
 - 2. Domicile Officers
 - 3. Chairman of National Committees
 - 4. Members of Negotiating Committee
 - 5. Members of the National Safety and Training Committee
 - 6. Other Members of National Committees (Standing and Ad-hoc), on the basis of demonstrated need subject to the prior approval of the Secretary-Treasurer.
- B. APA may choose to provide the individuals in Paragraph A with other property, for example, laptop computers and other items to assist with the carrying out of work on behalf of the Association. The person who has been so entrusted with this equipment shall return it within sixty (60) days of the expiration of his or her term, whether by operation of the Constitution, resignation, retirement or removal from the position, unless APA waives this requirement through a written communication to the person who has been entrusted with the Association's property.

2.17 Board Liability Policy

The Allied Pilots Association shall provide Directors Liability Insurance covering all members of APA's Board of Directors and National Officers for general liability arising from the proper performance of their responsibilities. This policy shall provide a level of coverage that is customary for Boards of Directors at other large U.S. organizations and shall provide continuing coverage for acts that have already occurred prior to separation from the Board of Directors as is customary to that found in Directors Liability policies at other large U.S. organizations. *(03/27/91)*

2.18 R&B Committee Indemnification

The Allied Pilots Association shall indemnify and hold harmless the members of the former Pension Committee and the members of the Retirement and Benefits Committee and its sub-committees (the Pilot Defined Contribution Plan Advisory Sub-Committee, the A-Plan Sub-Committee, and the Benefits Sub-Committee), as well as other officers, employees, or members of the Association who are designated by the Association to carry out any duties of the Association in connection with the American Airlines, Inc. Pilot Retirement Benefit Program, against all liabilities, costs, and expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with any threatened, pending, or completed legal action or judicial or administrative proceeding to which he or she may be a party, or may be threatened to be made a party, by reason of such membership or other designation, except with regard to any matters as to which he or she shall be adjudged in such action or proceeding to be liable for gross negligence or willful misconduct in connection therewith. The Association reserves the right to select counsel to satisfy the foregoing. *(10/22/2014)*

2.19 Domicile Meeting Minutes

Domicile Meeting Minutes shall be distributed to the domicile membership within 30 days after submission to APA Headquarters. *(11/08/2001)*

2.20 Pension Fund Oversight

The responsibility for managing pension funds for participating American Airlines pilots shall continue to reside with American Airlines, Inc., in accordance with the documents governing the pilot retirement benefit program ("A-Plan"). The A-Plan Sub-Committee, (formerly the APA Pension Committee) continues to act in the advisory capacity described in the documents governing that pension plan. The Association shall decline any offer from AAG or its subsidiaries to assume responsibility for managing pension funds. This policy shall not be changed without participating American Airlines pilot membership approval by referendum ballot. *(10/24/2014)*

2.21 APA Logo

The APA Logo may not be used by any person or organization without prior written permission of the President.

2.22 APA Participation in the Coalition of Airline Pilots Association (CAPA)

- A. Representatives of the Allied Pilots Association are authorized to participate in meetings of the Coalition of Airline Pilots Association (CAPA) whenever the President or the Board of Directors determines that participation is consistent with the best interests of the Association and its membership. *(10/23/97)*
- B. APA's participation is authorized as long as the Coalition is totally voluntary. Statements and press releases by the Coalition are not binding on APA unless they have been approved by APA's President (or Vice President if designated by the President to attend a CAPA meeting and act on his behalf). Independent actions taken by and independent statements made by other Coalition members are not binding on APA. Decisions on bylaws, major policy issues and other substantial actions approved by the Coalition's Executive Committee are not

binding on APA unless they have been approved by APA's Board of Directors. When authorized by a National Officer, APA shall provide union leave for its representative(s) to attend CAPA meetings, and shall pay reasonable costs and expenses associated with APA's participation in CAPA meetings. (03/29/2002)

- C. The Board of Directors shall receive a written report from APA's representatives following all coalition meetings within a reasonable time. (10/23/97)
- D. The Board of Directors reserves the right to terminate APA's participation in the coalition at any time. (10/23/97)

2.23 Solicitation and Distribution Grievance Appeals

- A. The following policy is established exclusively pursuant to the appeal processes described in paragraph 10 of the Memorandum of Understanding between American Airlines and the Association, Ground Rules For Pilot Solicitation and Distribution of Literature in Company Operations Areas, June 24, 1998:
 - 1. If the affected pilot(s) elect(s) to appeal either a decision of the AA Vice President of Flight for an agreement under Paragraph 10 (B) of the Memorandum, the pilot(s) may pursue such an appeal at the pilot(s)'s own expense and the pilot(s) will be responsible for the Appellant(s)'s share of the fees and expenses for such an arbitration specified in Paragraph 10 (C) of the Agreement;
 - 2. If the pilot(s) elect(s) to present the appeal first to the pilot holding the position of Appeal Board Chairman, and the Chairman determines that such an appeal is in the best interests of the Association, then the Association will pay all the Appellant's share of the fees and expenses specified in Paragraph 10 (C) of the Agreement;
 - 3. If, in the sole judgment of the Appeal Board Chairman, the result of any expedited arbitration under Paragraph 10 (C) of the Memorandum is in favor of the pilot(s) making the appeal, then the Association will reimburse the pilot(s) making the appeal, then the Association will reimburse the pilot(s) for any portion of the fees and expenses specified in Paragraph 10 (C) for which the pilot(s) were responsible under paragraphs 1 or 2 above and which the pilot(s) have paid;
 - 4. The Association will bear the costs of any fees and expenses associated with a full hearing before a three member Board under paragraph 10 of the Memorandum. (08/07/98)
- B. Benefits Review and Appeals Board Liability

The Allied Pilots Association shall indemnify and hold harmless the members of the APA Benefits Review and Appeals Board designated by the Association, as well as other officers, employees, or members of the Association to carry out duties of the Association in connection with any APA-sponsored benefit program for APA members, against all liabilities, costs and expenses, including attorney's fees, actually and reasonably incurred by him or her in connection with any threatened, pending, or completed legal action or judicial or administrative proceeding to which he or she may be a party, or may be threatened to be made a party, by reason of such membership or other designation, except with regard to any matters as to which he or she shall be adjudged in such action or proceeding to be liable for

gross negligence or willful misconduct in connection therewith. The Association reserves the right to select counsel to satisfy the foregoing. (10/14/98)

2.24 The APA Holding Corporation

APA shall own and manage its Headquarters through a wholly owned, independent, not-for-profit Corporation known as the APA Holding Corporation. Governance of the APA Holding Corporation is subject to its Articles of Incorporation and Bylaws. (10/14/98)

2.25 Services to Non-Members

Unless approved in advance by the APA Board of Directors, the Association will not provide services, beyond those required by law, to individuals eligible for membership but not in a membership status as defined in Article III, Section 2, Classes of Membership, of the APA Constitution and Bylaws. (09/29/2000)

2.26 Confidential Information Policy

National and Domicile APA Officers, Representatives and/or Committee Members shall not make any unauthorized disclosure, either directly or indirectly, of confidential Association information for any intent or result detrimental to APA or its membership or in a manner which does not comply with the HIPAA Privacy Notice for the applicable APA-sponsored benefit plans. Confidential information is defined as sensitive non-public information, the unauthorized disclosure of which would damage or diminish the welfare, effectiveness, privacy or longevity of the Association and/or jeopardize the welfare of its membership, and includes, without limitation, attorney-client privileged/attorney work product communications, negotiating strategy and Protected Health Information as defined under the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”). This obligation to safeguard Association information and Protected Health Information does not end when an individual leaves his or her position of service. Violation of this policy will subject the offender to disciplinary action in accordance with Article VII of the APA Constitution and Bylaws. (02/07/2004)

3. DOMICILE REPRESENTATION

3.01 Domicile Categories

Domicile Categories as prescribed by Article VI, Section 4.A. (02/07/2004) of the Constitution and Bylaws shall be arranged as follows:

1. Category A	Charlotte, New York, Miami (09/17/2014)
2. Category B	Los Angeles, Chicago, Boston (01/24/96)
3. Category C	Dallas-Ft. Worth, Washington, St. Louis (03/29/2002)
4. Category D	Phoenix, Philadelphia (09/17/2014)

3.02 Candidate Mailings

- A. A mailing of a one-page resume of a candidate for Domicile Chairman and Vice Chairman will be provided at no cost to the candidates. The resumes for all candidates shall conform to a format provided by the Secretary-Treasurer. *(11/20/2003)*
- B. Subsequent campaign literature mailings will be provided with the requirement that the candidate pay all associated costs. *(03/17/89)*
- C. Those candidates who have been nominated pursuant to the APA Constitution and Bylaws Article VI, Section 3.E. *(02/07/2004)* will be afforded the opportunity to send out four full email blasts to their respective membership.
- D. Each email blast shall be limited to the equivalent of two pages of 10-point text. *(11/20/2003)*
- E. In the event of a runoff election each nominee may submit two additional email blasts for distribution. Two additional blasts may be submitted for distribution in each subsequent runoff election. *(11/20/2003)*
- F. All Domicile Officer candidate resumes and e-mail blasts sent by the candidates shall be posted on the APA Web site in a dedicated section for membership viewing during any domicile election. These resumes and e-mail blasts shall be posted in alphabetical order by candidate last name. *(10/27/2009)*

As candidates are eliminated or withdraw, their resumes and e-mail blasts shall be removed, with only active candidates' information remaining. *(10/27/2009)*

These resumes and e-mail blasts shall remain viewable for the duration of the election cycle and shall be removed after an election winner has been certified. *(10/27/2009)*

APA shall not edit or amend these documents in any way, and notice shall prominently be displayed on the Web site that the views expressed are solely those of the candidate, that APA is not responsible for their content, and that they do not necessarily reflect APA policy. *(10/27/2009)*

3.03 Domicile Officer Election Ballots

- A. Use of an electronic voting system is authorized for Domicile Officer Elections. Paper-ballot voting is authorized for an election only if specifically directed by the APA Board of Directors. APA shall use a reputable vendor chosen by the APA Secretary-Treasurer, in consultation with General Counsel and APA's Election Administrator, and approved by the APA Board of Directors. *(10/07/2013)*

3.04 Voting at Domicile Meetings

- A. Voting on matters presented at a domicile meeting shall be restricted to active members in good standing currently occupying a bid status at that domicile. *(02/07/93)*
- B. Any member in good standing may speak at any domicile meeting, after being recognized by the Chair. *(02/07/2004)*
- C. A quorum shall consist of those members present at a domicile meeting. *(01/24/96)*

3.05 Domicile Meeting Structure

- A. All domicile meetings shall be conducted as a local assembly of an organized society.
(02/07/93)
- B. A quorum shall consist of those members present at a domicile meeting. *(01/24/96)*

3.06 Internet Services

The Chairman at each domicile shall have full and complete authority to manage the services offered via the APA Internet Services for that domicile. Each Domicile Vice Chairman shall have unrestricted ability to communicate with his domicile via the APA domicile Web site.
(11/10/2000)

4. COMMITTEES

4.01 National Committees

- A. The following National Committees are established. All National Committees, in conformance with Board directives and policy, will assist the President in administering the business of the Association. All National Committees shall have a Chairman, and may have one or more Deputy Chairman. *(09/16/2010)* Appointments to committees shall be made by the President from a list submitted by the Board of Directors in accordance with Article XI, Section A of the Constitution and Bylaws. This list will be composed only from names submitted by an incumbent Chairman or Vice Chairman. Each Chairman and Vice Chairman shall submit the names of members from his Domicile only. The incumbent Chairmen and Vice Chairmen shall review and approve the names of all members from their Domicile on the list at each regularly scheduled Board of Directors meeting. A current list will be furnished to each member of the Board prior to each regular Board of Directors meeting for review and approval. *(01/23/92)*
- B. All committee assignments will be reviewed annually by the President. National Committee membership will be restricted to active Association members in good standing and inactive members as defined in the Constitution and Bylaws Article III, Section 2.C. who were active members in good standing when they became inactive members. *(05/18/2002)*

1. AEROMEDICAL <i>(01/23/1992)</i>	Four Members	1. Chairman 2. Member 3. Member 4. Member
2. AEROMEDICAL SUB-COMMITTEE FLIGHTASSIST <i>(12/10/1999)</i>	Three Members <i>(12/10/1999)</i>	1. Deputy Chairman 2. Member 3. Member
3. AEROMEDICAL SUB-COMMITTEE RADIATION AND ENVIRONMENTAL ISSUES <i>(11/08/2001)</i>	Two Members	1. Deputy Chairman 2. Member
4. AEROMEDICAL SUB-COMMITTEE HIMS/EAP <i>(11/28/2006)</i>	Nine Members	1. Deputy Chairman 2. Member 3. Member 4. Member 5. Member 6. Member 7. Member 8. Member 9. Member

<p>5. APA CONTINGENCY COMMITTEE (ACC) (05/18/2011)</p>	<p>Five Members (05/18/2011)</p>	<ol style="list-style-type: none"> 1. Member from the Strategic Planning Committee 2. Member from the Negotiating Committee 3. Member from the Scope Committee 4. Member 5. Member <p>Chairman will be selected from the members appointed (05/18/2011)</p>
<p>6. APA EMERGENCY RELIEF FUND BOARD OF GOVERNORS (08/18/2009)</p>	<p>Three Members (08/18/2009)</p>	<ol style="list-style-type: none"> 1. APA Secretary-Treasurer 2. Chairman – Membership/Furlough Committee 3. Member
<p>7. APA SAFETY AWARD FOR EXCELLENCE COMMITTEE (03/29/2002)</p>	<p>Three Members (03/29/2002)</p>	<ol style="list-style-type: none"> 1. President 2. Board Member 3. Chairman of APA Safety Committee
<p>8. APA SCHOLARSHIP FUND (02/06/1998)</p>	<p>Three Members</p>	<ol style="list-style-type: none"> 1. APA Secretary-Treasurer 2. Chairman-Membership/Furlough Committee 3. Member
<p>9. APPEAL BOARD (02/16/2001)</p>	<p>Three Members</p>	<ol style="list-style-type: none"> 1. Chairman 2. Member 3. Member 4. Alternate Member (06/21/2011) 5. Alternate Member (06/21/2011)
<p>10. BENEFITS REVIEW AND APPEALS BOARD (12/11/2007)</p>	<p>Three Members (08/07/1998)</p>	<ol style="list-style-type: none"> 1. Chairman (12/11/2007) 2. Member 3. Member
<p>11. (CADC) COMMITTEE FOR ARMED DEFENSE OF THE COCKPIT (11/08/2001)</p>	<p>Six Members (09/30/2005)</p>	<ol style="list-style-type: none"> 1. Chairman 2. Deputy Chairman 3. Member 4. Member 5. Member 6. Member

12. CAPTAIN'S AUTHORITY (02/16/2001)	Four Members	1. Chairman 2. Member 3. Member 4. Member
13. CHECK AIRMAN (06/01/1998)	Five Members (05/20/2001)	1. Chairman 2. Member 3. Member 4. Member 5. Member
14. COMMUNICATIONS (09/16/2010)	Minimum of Two Members	1. Chairman 2. Member
15. CONTRACT COMPLIANCE (11/08/2007)	No fewer than Four Members	1. Chairman 2. Member 3. Member 4. Member
16. FAMILY AWARENESS (09/16/2010)	Minimum of Two Members	1. Chairman 2. Member
17. FINANCIAL AUDIT (10/23/1994)	Three Members	1. Chairman 2. Member 3. Member
18. GOVERNMENT AFFAIRS (09/16/2010)	Minimum of Two Members	1. Chairman 2. Member
19. HOTEL (06/16/1993)	Not more than Eight Members (02/28/2008)	1. Chairman 2. Deputy Chairman 3. Member 4. Member 5. Member 6. Member 7. Member 8. Member
20. INFORMATION TECHNOLOGY STEERING COMMITTEE (05/21/1999)	Five Members	1. Secretary-Treasurer 2. Member of the BOD 3. TASC Member 4. Member of Communications Committee 5. Member
21. INTERNATIONAL ALLIANCE (11/08/2001)	Four Members	1. Chairman 2. Member 3. Member 4. Member
22. JUMPSEAT/NON-REV (10/23/1997)	Three Members	1. Chairman 2. Member 3. Member
23. MEMBERSHIP/FURLOUGH (10/23/1994)	Minimum of Four Members (11/08/2001)	1. Chairman 2. Member 3. Member 4. Member

24. NEGOTIATING (10/21/1994)	No Less Than Four Members (05/30/2012)	1. Chairman 2. Member 3. Member 4. Member
25. PROFESSIONAL STANDARDS (05/30/1997)	Seven Members	1. Chairman 2. Member 3. Member 4. Member 5. Member 6. Member 7. Member
26. PROFESSIONAL STANDARDS SUBCOMMITTEE FATIGUE RISK MANAGEMENT (3/21/2013)	Three Members	1. Deputy Chairman 2. Member 3. Member
27. RETIREMENT AND BENEFITS COMMITTEE	Up to Eleven (11) Members comprised of the Members of the sub-committees (xy, xz, and yx below), and up to Three (3) Associate Members	1. Chair 2. Deputy Chair 3. Member 4. Member 5. Member 6. Member 7. Member 8. Member 9. Member 10. Member 11. Member 12. Associate Member 13. Associate Member 14. Associate Member
28. RETIREMENT AND BENEFITS SUBCOMMITTEE – PILOT DEFINED CONTRIBUTION PLAN ADVISORY SUB- COMMITTEE	Up to Five Members; staggered 5 year terms; Board elected	1. Chair 2. Deputy Chair 3. Member 4. Member 5. Member
29. RETIREMENT AND BENEFITS SUBCOMMITTEE – A-PLAN SUB- COMMITTEE	Up to Three Members; staggered 5 year terms; Board elected	1. Chair 2. Deputy Chair 3. Member
30. RETIREMENT AND BENEFITS SUBCOMMITTEE – BENEFITS SUB- COMMITTEE	Up to Three Members; staggered 5 year terms; Board elected	1. Chair 2. Deputy Chair 3. Member

31. SAFETY (03/29/2002)	Twenty-one Members (02/08/2013)	<ol style="list-style-type: none"> 1. Chairman 2. Deputy Chairman 3. Deputy Chairman 4. Deputy Chairman 5. Deputy Chairman 6. Deputy Chairman 7. Member 8. Member 9. Member 10. Member 11. Member 12. Member 13. Member 14. Member 15. Member 16. Member 17. Member 18. Member 19. Member 20. Member 21. Member (02/08/2013)
32. SAFETY SUB-COMMITTEE FLIGHT TIME/DUTY TIME (02/08/2013)	Five Members (02/08/2013)	<ol style="list-style-type: none"> 1. Deputy Chairman 2. TASC Member 3. Member 4. Member 5. Member (02/08/2013)
33. SCOPE (10/14/98)	Not more than Five Members (11/17/2004)	<ol style="list-style-type: none"> 1. Chairman 2. Member 3. Member 4. Member 5. Negotiating Committee Member
34. SECURITY (03/29/2002)	Four Members (03/29/2002)	<ol style="list-style-type: none"> 1. Chairman 2. Member 3. Member 4. Member
35. SENIORITY INTEGRATION COMMITTEE (01/17/2013)	Minimum of Five (5) Members Elected by BOD (Odd number only)	<ol style="list-style-type: none"> 1. Chairman 2. Member 3. Member 4. Member 5. Member
36. STRATEGIC PLANNING COMMITTEE (09/16/2010)	Minimum of Three Members (02/08/2013)	<ol style="list-style-type: none"> 1. Chairman (Member at Large) 2. Member 3. Member (02/08/2013)
37. STRIKE PREPAREDNESS COMMITTEE (09/16/2010)	Minimum of Two Members	<ol style="list-style-type: none"> 1. Chairman 2. Member

38. SYSTEM BOARD OF ADJUSTMENT	Two Members	1. Member (may be Chairman of full Board) 2. Member
39. TECHNICAL ANALYSIS & SCHEDULING (10/23/97)	Twelve Members	1. Chairman 2. Deputy Ch-Sched 3. Deputy Ch-Tech 4. Member 5. Member 6. Member 7. Member 8. Member 9. Member 10. Member 11. Member 12. Member
40. TRAINING (08/21/2013)	Thirteen Members (08/21/2013)	1. Chairman 2. Member 3. Member 4. Member 5. Member 6. Member 7. Member 8. A319-21 CKA Liaison 9. S80 CKA Liaison 10. 737 CKA Liaison 11. 757/767 CKA Liaison 12. 777 CKA Liaison 13. 787 CKA Liaison
41. TUL/TECH LIAISON (06/21/2000)	Two Members	1. Chairman 2. Deputy

- C. The President may appoint temporary ad hoc committees for specific purposes as needed. Such ad hoc committees will be dissolved when they complete their task or when their services are no longer required. The above Standing Committee list is subordinate to the text contained in the respective committee description paragraphs. (09/16/2010)
- D. All standing committees shall have a written manual. (10/23/97)
- E. When a committee member (local or national) becomes aware that a non-APA entity is seeking an agreement, letter or similar document with APA or becomes aware that such a document may become a part of a committee project, the member shall immediately notify the Committee chairman, who shall notify the President or his delegate via memorandum. Negotiations or other discussions about agreements, letters, understandings or similar documents between APA and any AMR subsidiary shall involve APA's Negotiating committee with other committees acting in an advisory role. (12/11/2007)

- F. Members of National or Local committees (regular or ad hoc) shall not make statements (verbal or written) to management or other outside parties, providing APA's position on any issue unless that position has been established by the President or Board of Directors. Those serving on APA committees shall carefully avoid offering personal opinions to management or other outside parties that could be misconstrued as official APA positions by virtue of the member's committee affiliation. When an official position has not been established or when a committee member is not aware of APA's position, such requests shall be reported via memo to the President, and guidance obtained before a response is made. Additionally, any joint AA/APA communication product involving APA Committee members shall require the advance, written approval of at least two APA National Officers. After receiving such advance, written approval, the joint communication may be issued and communicated no later than seven days after the date of written approval. *(03/29/2002)*
- G. When a committee (other than the Negotiating Committee) is requested by management to participate in a meeting or activity, the benefit to the membership shall be the determining factor in requesting Special Assignment (SA) for APA's participant(s). When the benefits of the committee's participation accrues mostly to management, APA's participation shall be contingent on management providing Special Assignment (SA) for the committee member(s). When a committee is requested to participate by management and there is a clear benefit to management because APA attends/participates, the Committee Chairman shall notify the manager requesting APA's participation that Special Assignment (SA) will be required for APA to attend. If management refuses to provide Special Assignment (SA), the President shall weigh the relative benefit to APA's membership and/or to AMR and shall decide whether paid union leave will be authorized in lieu of Special Assignment. *(02/06/98)*
- H. Representatives to Rulemaking and Advisory Committees. Members and Staff representing APA at rulemaking and advisory committee meetings shall ensure that statements made and positions taken are consistent with the Association's policies and objectives, are coordinated with the appropriate APA National Committees and Staff, and are approved by the President. *(02/07/2004)*
- I. Members of National Committees work at the direction of and are responsible to the Board of Directors and National Officers. A key element of this working relationship is the right of the Board of Directors and the National Officers to be kept fully informed of all APA National Committee activities. It is further recognized that the Board of Directors and the National Officers have the right to inquire and expect to be informed of all activities within any National Committee at any time. *(05/07/2008)*
- J. Members of National Committees will maintain aircraft qualification and landing currency. The specific Committee Chairman/Coordinator shall monitor committee members' currency and notify the President no later than 15 days prior of a committee member's loss of currency or inability to maintain currency, including the member's committee duties, and the committee member's availability to fly or complete required currency training. *(12/04/2009)*

The President may grant any committee member a one-time 90-day exemption to the currency policy during any rolling twelve-month period. The President will notify the Board of Directors via e-mail that an exemption has been authorized or denied and the details reported by the respective Committee Chairman/Coordinator. If the President determines that a waiver of this policy is warranted, the waiver will be included as an agenda item at the next Board meeting or voting Board conference call. *(12/04/99)*

4.02 Aeromedical Committee

The FlightAssist Committee will be responsible for ensuring, in conjunction with the AA Flight Department, a coordinated response toward crewmembers and their families in times of need - regardless of the situation. The areas of responsibility of FlightAssist shall be as follows:

- A. FlightCare
- B. Critical Incident Stress Management
- C. Wingman Program
- D. Crewmember Education

The type of assistance rendered will vary depending on whether there is a cockpit crewmember death or critical injury; or a serious incident involving a cockpit crewmember. The Committee Coordinator will be responsible for coordinating the above activities with other appropriate APA National Committees and APA Staff. *(10/14/96)*

FlightAssist will be responsible for providing Peer Support Volunteers (PSV) ensuring, upon activation by American Airlines, a coordinated response supporting pilots after critical incidents. This assistance will be rendered under the guidance and control of American Airlines and tailored depending on the severity of the accident or incident. The Deputy Chairman for FlightAssist will coordinate those activities with the National Officers, National Safety and Training Committee and APA staff. Additionally, the Committee will oversee the adequacy of initial and recurrent training provided by American Airlines to the PSVs and the level of support to pilots. *(12/10/99)*

The HIMS/EAP Committee will be responsible for ensuring crucial support of crewmembers and their families with HIMS/EAP needs. The areas of responsibility of HIMS/EAP shall include:

- A. Chemical Dependency – all aspects from intervention, treatment, rehabilitation and recertification.
- B. HIMS monitoring peer support – all aspects of support and monitoring required for Special Issuance Medical recertification under FAA guidelines.
- C. Employee Assistance Program issues – evaluation and coordination of support and counseling for all life stress events that effect pilots and their families.

HIMS/EAP committee will be responsible for providing a coordinated supporting response to pilots and their families. This assistance will be rendered in coordination with American Airlines Employee Assistance Professionals and tailored to the unique circumstances of each situation involved. The type of assistance rendered will vary depending on whether a cockpit crewmember or family member require assistance. The Committee Coordinator will be responsible for coordinating the above activities with other appropriate APA National Committees and APA Staff.

The Deputy Chairman for HIMS/EAP will coordinate those activities with the National Officers, and APA staff. Additionally, the Deputy Chairman for HIMS/EAP will oversee the adequacy of initial and recurrent training provided to committee members and will ensure an adequate skill level of support is available within the committee for pilots and their families needing HIMS/EAP services. *(11/28/2006)*

4.03 APA Contingency Committee (ACC)

- A. The ACC will research and report the facts on various contingencies to include:
 - 1. Airline Merger Mechanics
 - 2. Airline Acquisition Mechanics
 - 3. Reorganization Mechanics
 - 4. Liquidation Mechanics
- B. The ACC will review and develop scenarios along with probable outcomes based on information currently available, and update those scenarios as needed with information that may become available.
- C. The ACC will provide the APA Board of Directors an overview of the scenarios, how the membership may be affected by them, and what defense strategies can be evoked. These strategies may include legal strategies, contract language suggestions/changes, lobbying efforts, and internal and external communication recommendations. *(05/18/2011)*

4.04 APA Emergency Relief Fund Board of Governor

The APA Emergency Relief Fund Board of Governors shall be responsible for administering the APA Emergency Relief Fund in accordance with fund bylaws.

4.05 APA Safety Award for Excellence Committee

This committee shall consist of the President, one Board member and the Chairman of APA Safety. The Board member for this committee shall be selected by the APA Board of Directors, and the duration of that appointment shall be for one year, or until the next regularly scheduled Fall Board of Directors meeting, whichever occurs first. A Board member so appointed shall continue to serve on the committee through the end of the term of appointment, even if they leave the APA Board of Directors. The purpose of this committee is to review member submissions of candidates they believe to be eligible for the “APA Safety Award for Excellence” award. This committee shall make their recommendation of any candidate they determine to have demonstrated flying skills and/or actions taken that meet the criteria established for eligibility for the “APA Safety Award for Excellence” award. *(03/29/2002)*

4.06 APA Scholarship Fund Committee

The APA Scholarship Fund Committee will be responsible for administering the APA Scholarship Fund and making periodic scheduled reports to the APA Board of Directors on committee business. *(02/06/98)*

4.07 Appeal Board Committee

- A. An Appeal Board shall be established to hear or review cases referred to it in accordance with the Constitution and Bylaws.
- B. After the Appeal Board renders a decision IAW APA C&B VII.D., “Appeal Board” – and if an appeal has been pursued IAW APA C&B Article VII.E., “Neutral Arbitration”

(06/23/2011), after the arbitrator's decision has been rendered – the case shall be deemed complete. Complete Appeal Board decisions shall be posted to the member side of the APA Website. The posting shall include: (06/12/2004)

1. The original Domicile decision and all available briefs, supporting documentation and transcripts presented by the parties to the Domicile case; and
2. The Appeal Board decision and all available briefs, supporting documentation and transcripts presented by the parties to the Appeal Board case; and
3. If a Neutral Determination is pursued, the decision of the neutral arbitrator and all available briefs, supporting documentation and transcripts presented by the parties to the neutral arbitrator.

4.08 Benefits Review and Appeals Board

A. Objectives of the APA Benefits Review and Appeals Board (12/11/2007)

1. Monitoring all APA-sponsored benefits programs for members; (12/11/2007)
2. Monitoring the performance and investment objectives of the trust funds that finance all APA-sponsored benefits plans for members; (12/11/2007)
3. Fulfilling the ERISA requirement to have a formal claims review process. The APA Benefits Review and Appeals Board will make the final decision on any participant's denied claim under a benefits program sponsored by APA. (12/11/2007)
4. Making reports and recommendations to the APA Board of Directors and National Officers concerning all matters pertaining to APA-sponsored benefits plans for members, including but not limited to: changes to the benefits provided or contributions/premiums charged to plan participants; changes to advisors, consultants, or auditors to the plans; recommendations for refunds of contributions/premiums or dividends to plan participants; recommendations to revise or distribute the plan documents or other documents or literature relating to any APA-sponsored benefits plans for members. (12/11/2007)
5. The APA Benefits Review and Appeals Board may act on delegation from the APA Board of Directors to implement any resolution amending an APA-sponsored benefit plan by preparing plan documents (e.g., plan amendments, plan restatements, summaries of material modifications, etc.) and plan-related documents (e.g., explanations, announcements, information, correspondence, etc.) consistent with such resolution and by taking such other actions as are reasonable and necessary to implement such resolution. The APA Benefits Review and Appeals Board may also act on delegation from the APA President or his delegate to implement any action by the President or his delegate amending an APA-sponsored benefit plan as required by law and not requiring Board of Director's approval by preparing plan documents (e.g., plan amendments, plan restatements, summaries of material modifications, etc.) and plan-related documents (e.g., explanations, announcements, information, correspondence, etc.) consistent with such action and by taking such other actions as are reasonable and necessary to implement such action. (12/11/2007)

6. An individual's plan's accounts in the Master Trust cannot be used by any other plans in the Master Trust and must be used solely to pay such individual plan's benefits and expenses. (10/24/2008)

B. Authority of the APA Board of Directors and APA President (02/17/2008)

The APA Board of Directors retains the authority to approve or disapprove of: the creation of APA-sponsored benefits plans; and modifications of any kind to APA-sponsored benefits plans or any document or literature pertaining to any APA-sponsored benefits plans, modifications to the composition of all committee members, advisors, consultants, actuaries, auditors, or attorneys working with any APA-sponsored benefits plans. Except for amendments required by law, no APA official may institute material changes or modifications to any APA-sponsored plan document and/or document related to the plan without the express prior approval of or delegation of authority by the APA Board of Directors. (02/17/2008) The APA Board of Directors may delegate to the APA President or APA Benefits Review and Appeals Board the authority to implement any resolution amending an APA-sponsored benefit plan by preparing plan documents (e.g., plan amendments, plan restatements, summaries of material modifications, etc.) and plan-related documents (e.g., explanations, announcements, information, correspondence, etc.) consistent with such resolution and by taking such other actions as are reasonable and necessary to implement such resolution. The APA President or his delegate may delegate to the APA Benefits Review and Appeals Board the authority to implement any action by the President or his delegate amending an APA-sponsored benefit plan as required by law and not requiring Board of Directors' approval by preparing plan documents (e.g., plan amendments, plan restatements, summaries of material modifications, etc.) and plan-related documents (e.g., explanations, announcements, information, correspondence, etc.) consistent with such action and by taking such other actions as are reasonable and necessary to implement such action. (02/17/2008)

C. Voting Members

The APA Benefits Review and Appeals Board will consist of the following voting members: (12/11/2007)

1. A member of the APA Board of Directors, elected by the APA Board of Directors;
2. A member elected by the APA Board of Directors;
3. A member elected by the APA Board of Directors.

D. Non-Voting Advisory Members

The following personnel will be non-voting advisory members of the APA Benefits Review and Appeals Board (12/11/2007)

1. The APA President or a National Officer designated by him;
2. APA outside benefits counsel; and
3. APA Director of Benefits.

To serve in these positions, these members must hold the APA position specifically described for each member. Their purpose is to advise and assist the Chairman of the APA Benefits Review and Appeals Board (12/11/2007)

E. Responsibilities and Procedures

1. Contracts with Outside Vendors. The BRAB Chairman and committee shall inform the National Officers and Board of Directors before committing to any contracts on behalf of the Association. (09/29/2000)
2. Annual Review & Report. The APA Benefits Review and Appeals Board will review all APA-sponsored benefits plans during the first calendar quarter of each year. This review will include, but not be limited to: actual and projected claims experience; adequacy of reserves; level of benefits; level of premiums; dividends or refunds of premiums if any; changes or enhancements to the plans; performance of outside advisors and administrators for the plans; performance of the money management firms investing the trust funds, etc. Before the regular Spring APA Board of Directors meeting, the APA Benefits Review and Appeals Board will issue a written report containing its findings and recommendations for consideration or action as appropriate by the APA Board of Directors. Special reports will be issued as required by events. (02/17/2008)
 - a. The Benefits Review and Appeals Board and Director of Benefits shall make an annual report of all auditors' reviews, commission disclosure forms (Form 5500), and other items relevant to this oversight role. (02/17/2008)
3. Meetings. Reviews, appeals, and other business of the APA Benefits Review and Appeals Board may be conducted by telephone conference or meeting as recommended by the Chairman and approved by a majority of the voting members. (02/17/2008)
4. Appeals. The APA Benefits Review and Appeals Board will follow the claims appeal process specified in the appropriate plan document and as required by ERISA and has the discretionary authority to interpret the terms of the APA-sponsored benefit plans and to determine eligibility for and entitlement to plan benefits in accordance with the terms of the plans.. A majority of the voting members of the APA Benefits Review and Appeals Board will make the final determination on any denied claim of an APA plan participant, which has been appealed. (02/17/2008)
5. Appeal Decisions. All decisions by the APA Benefits Review and Appeals Board will be made based on the information provided under the rules of the plans by the plan participants, the claims processor, and the independent medical review organization, if applicable. In addition, the Benefits Review and Appeals Board will consider the advice received from non-voting members, and it may consult with any additional expert resource it desires. (02/17/2008)
 - a. Decisions will be made solely on the facts presented to it and will not be made on a preferential or discriminatory basis.
 - b. All decisions will be made by a majority vote of the voting members of the APA Benefits Review and Appeals Board (02/17/2008)

- c. All decisions of the APA Benefits Review and Appeals Board will be in writing, will provide the specific reasons for the decision, and will refer to the pertinent plan provisions upon which the decision was based. (02/17/2008)
- d. All decisions will be written in plain English and furnished in writing to the plan participant.
- e. All decisions by the APA Benefits Review and Appeals Board will be final. (02/17/2008)

(E.6. deleted 02/17/2008)

F. Election of Voting Members of APA Benefits Review and Appeals Board (BRAB)
(10/23/2008)

Voting members will be elected in staggered terms for a term of three years or until a successor is elected. (10/23/2008) The procedure used to elect members to the APA Benefits Review and Appeals Board (02/17/2008) shall be the same as the procedure used to elect members of the Financial Audit Committee (see APA Policy Manual 4.15 F.). (02/07/2004) This election will be conducted at the regular Fall Board of Directors meeting each year wherein an election is required. (10/23/2008)

G. Chairman of APA Benefits Review and Appeals Board (02/17/2008)

A voting member of the APA Benefits Review and Appeals Board shall be elected Chairman by the Board of Directors following the procedure outlined in F. above. (02/17/2008)

4.09 CADC Committee

The National CADC Committee shall consist of a Chairman, Deputy Chairman and four (4) members appointed by the President. The committee will have the following functions: (09/30/2005)

- A. Establish methods of communicating with APA members who are FFDOs.
- B. Provide a structure needed to coordinate with Captains Authority and Professional Standards.
- C. Assist in recruiting mentors for the FFDO classes at the training centers, as well as coordinating with company representatives in HI6 and other communications with FFDOs on our property.
- D. Perform any other activities that support the FFDO program.

4.10 Captain's Authority

The purpose of the Captain's Authority Committee is: to protect and preserve the rights, protocol, practices and privileges granted Captain's by historical and current laws/treaties/practices (domestic and international) in accordance with the responsibilities of command.

4.11 Check Airman Committee

- A. Purpose: This committee shall provide APA liaison and assistance on Check Airman specific issues.
- B. Members: The committee shall consist of five (5) members with one serving as chairman. *(05/20/2001)*

4.12 Communications Committee and Department

- A. The Chairman shall be elected by the Board of Directors at the Fall Board of Directors Meeting for a 12-month term utilizing the procedures outlined in Section 4.19 of the APA Policy Manual. The election and procedures for the Communications Chairman election shall mirror the procedures delineated in APA Policy Manual Section 4.19, Negotiating Committee, except that one (1) nomination round shall occur. To be eligible for election, a prospective Communications Committee Chairman must be on the National Committee Recommendation List. If the Communications Chairman position becomes vacant prior to the Fall Board of Directors Meeting, the Board of Directors will fill the vacancy, for the remainder of the current term, using the procedure in Paragraph A. above. *(09/16/2010)*
- B. The Communications Committee shall be responsible for the following: *(11/17/2004)*
 - 1. Implement APA Communications strategy as defined by the Board of Directors in coordination with the President and APA Director of Communications. *(09/16/2010)*
 - 2. The Communications Committee shall liaise with the APA President and Board of Directors to ensure a steady flow of information, and act in a quality-control capacity to help ensure technical accuracy and policy compliance for the following:
 - a. APA News Digest
 - b. Flightline
 - c. APA Pilot Perspective
 - d. APA Information Hotline
 - e. APA Web site communications content
 - f. Communications Network
 - g. APA studio productions communications content
 - h. Support for Government Affairs initiatives *(01/17/2008)*
 - 3. The Communications Chairman will help ensure APA is prepared to respond to news media inquiries. The Communications Chairman, or his designee, and the APA Director of Communications shall serve as primary official spokespersons for the Association in news media interviews and shall be responsible for providing media training for all official APA spokespersons. *(09/16/2010)*
 - 4. The Communications Chairman shall authorize all persons who speak to the news media on APA's behalf, except that National Officers and members of the Board of Directors are authorized to speak on behalf of the Association at their discretion. While speaking on behalf of the Association before the public or news media, APA officials shall wear the pilot uniform (hat optional) whenever possible. *(09/16/2010)*
 - 5. The Communications Chairman shall be kept apprised of the production schedule for communications projects including but not limited to APA News Digest, Flightline, APA Information Hotline, APA Pilot Perspective, press releases, video productions, and scheduling of the print shop. The APA Director of Communications shall oversee the production of these projects in coordination with the Communications Chairman.

(09/16/2010)

6. In high-demand situations, the committee shall activate and manage Phonewatch with the approval of the APA Board of Directors. *(03/19/2009)*
7. The committee shall maintain an APA Communications Committee manual and a Communications Network manual. Not limited by, but as a minimum, this manual will have the procedures to establish and maintain the necessary national and domicile teams for: *(09/16/2010)*
 - a. Media spokespersons
 - b. APA publications
 - c. Phonewatch and Phonetree capabilities
 - d. Each Domicile Chairman shall appoint a Domicile Communication Coordinator to supervise Domicile Communications Committee functions and act as interface with the National Communications Committee.
 - e. The National Communications Committee will maintain a current list of volunteers at both the national and domicile level. Periodic training will be conducted.

4.13 Contract Compliance Committee *(02/08/2013)*

- A. The purpose of the Contract Compliance Committee will be to:
 1. Ensure, in conjunction with APA Legal and APA Contract Administrators, that management complies with the Collective Bargaining Agreement.
 2. Educate the membership on the contract.
 3. Develop and maintain, in conjunction with the APA IT department, a database for tracking problems with contractual violations and interpretations. This database will be accessible to the National Officers, APA Board of Directors, Negotiating Committee, Contract Compliance Committee, APA Legal and others as deemed appropriate by the APA National Officers and/or Board of Directors.
- B. To assist in the continuing education of the Contract Compliance Committee, the Chairman of the Contract Compliance Committee will coordinate with the Chairman of the Negotiating Committee to develop a schedule, which will allow Contract Compliance Committee members to work with the Negotiating Committee and the Contract Administrators on a rotating basis.
- C. The Contract Compliance Committee will consist of no fewer than four members, Chairman and three members.
- D. The Chairman of the Contract Compliance Committee and the committee members will assist each Domicile Chairman in recruiting, training and maintaining a Domicile Contract Compliance representative. Any domicile contract compliance representative will serve only with the approval of their Domicile Chairman.

4.14 Family Awareness Committee

- A. The Objectives of the Family Awareness Committee are as follows:
 1. To educate and inform
 2. To inspire, motivate, and encourage
 3. To create group unity and promote family involvement
 4. General preparedness
 5. To establish and maintain two-way communications

- 6. To control rumors
 - 7. To support families
 - 8. To promote friendships and social activities
 - 9. To supply people power
- B. The Family Awareness Chairman shall be elected by the Board of Directors at the Fall Board of Directors Meeting for a 12-month term utilizing the procedures outlined in Section 4.19 of the APA Policy Manual. The election and procedures for the Family Awareness Chairman election shall mirror the procedures delineated in APA Policy Manual Section 4.19, Negotiating Committee, except that one (1) nomination round shall occur. To be eligible for election, a prospective Family Awareness Chairman must be on the National Committee Recommendation List. If the Family Awareness Chairman position becomes vacant prior to the Fall Board of Directors Meeting, the Board of Directors will fill the vacancy, for the remainder of the current term, using the procedure in Paragraph B. above.

4.15 Financial Audit Committee

- A. Purpose: APA's Board of Directors shall elect a Financial Audit Committee (FAC) to provide additional oversight and review of the Association. The FAC is authorized to review all expenditures of the Association and to make recommendations to the Board. *(10/23/94)*
- B. Meetings of the FAC: The FAC shall meet a minimum of twice per year to review APA financial matters as directed by Board policy. Union leave, flight pay loss, and expenses shall be authorized for these meetings. *(10/26/93)*
- C. Oversight Authority: The FAC shall review all Union leave pay, vacation, benefits, and expenses provided by the Association to National Officers, members of the Board of Directors other than themselves, to National and Ad Hoc Committee members, and to other APA members. The FAC is authorized to review all contracts, retainers, and fee arrangements between APA and its suppliers, vendors, consultants, and any other party providing goods or services to the Association. *(07/03/91)*
- D. Required Reports: The FAC shall furnish all written reports to the National Officers and Board of Directors, with a courtesy copy to APA's Director of Accounting. Each report made by the FAC, and approved by the Board of Directors, shall be made available to individual members upon request. Each semi-annual report made by the FAC shall be made available to the membership in electronic format on the APA Web site. *(05/21/2010)*
- E. The Board of Directors shall elect three members to the Financial Audit Committee, to serve staggered terms. The members will be current or former Board members or former National Officers only. *(02/12/2005)* At least two FAC members shall be a member of the Board of Directors at the time of election; however, he/she may continue to serve the remainder of a term after leaving the Board and may be re-elected thereafter. *(02/09/2007)* A former National Officer elected as a FAC member may also be re-elected thereafter. *(02/09/2007)* The term of office shall be two years or until a successor is elected. The election shall take place at the last regular Board meeting prior to the expiration of the term. Vacancies on the committee shall be filled at the next Board of Directors meeting, to serve for the unexpired term. At any time a member is added to the Financial Audit Committee, there shall be an election of the chairman of the committee as outlined in G., below. *(10/21/95)*

- F. Each member of the Board of Directors may make one nomination for the committee and may not nominate himself/herself. A ballot vote shall be taken, and the count announced after each ballot. A majority vote shall elect. If no nominee receives a majority, the nominee with the fewest votes shall be removed from consideration and balloting shall continue. When only two nominees remain, and neither receives a majority due to the voting of blanks, there shall be no election, and a new round of nominations and elections shall be held. If there is more than one member to be replaced, separate elections shall be conducted. (10/21/95)
- G. A member of the Financial Audit Committee shall be elected chairman by the Board of Directors following the procedure outlined in F. above. By unanimous consent, the Board may allow the committee to elect its own chairman from among its members. (10/21/95)
- H. FAC Pay, Vacation, Benefits, and Expenses: The Union leave, pay, vacation, benefits, and expenses of FAC members shall be submitted to the Board of Directors for review as a part of each FAC semi-annual report. Any dispute over Union leave, pay, vacation, benefits, and expenses involving the FAC shall be resolved by the Board of Directors at the next Board meeting in accordance with 6.05. (10/23/94)
- I. Clerical Assistance during Audits: The Financial Audit Committee is authorized to make reasonable use of outside technical and clerical assistance on a temporary basis to assist in reviewing of Association's records. Firms which provide temporary help for bookkeeping and record keeping functions may be used to review designated files for compliance with APA Policy as directed by the Financial Audit Committee. This will ensure that the Committee has temporary clerical assistance available at the minimum cost to the Association to assist with records reviews while allowing Financial Audit Committee members to focus their efforts on possible exception to policy identified by its temporary assistants. The company furnishing these assistants must be independent of the APA and shall not have been previously employed by the Association except as Financial Audit Committee assistants. (01/23/92)

4.16 Government Affairs

- A. The Government Affairs Committee will be responsible for the coordination of all legislative and regulatory activities that are conducted on APA's behalf. The Chairman will coordinate with the President to ensure that APA is represented at regulatory and legislative meetings or events that have a direct bearing on the future of APA pilots.
- B. The Government Affairs Chairman, in coordination with APA staff, will maintain an annual membership awareness program in which pilot Political Action Fund contributors will be recognized for their generous donations. A minimum donation of \$60.00 per fiscal year is required to be recognized by the program.
- C. Once each fiscal year a list of all contributors to the APA Political Action Fund will be published in *Flightline* magazine. This list is to serve as an expression of thanks for their generous contributions. The following rules will be abided by when publishing this list:
 - a. The list will only show by domicile the full names of the contributors.
 - b. The list for each domicile will be arranged in alphabetical order.
 - c. There will be no mention of the size of the individual contributions.

d. Requests for anonymity will be honored.

D. The Government Affairs Chairman shall be elected by the Board of Directors at the Fall Board of Directors Meeting for a 12-month term utilizing the procedures outlined in Section 4.19 of the APA Policy Manual. The election and procedures for the Government Affairs Chairman election shall mirror the procedures delineated in APA Policy Manual Section 4.19, Negotiating Committee, except that one (1) nomination round shall occur. To be eligible for election, a prospective Government Affairs Chairman must be on the National Committee Recommendation List. If the Government Affairs Chairman position becomes vacant prior to the Fall Board of Directors Meeting, the Board of Directors will fill the vacancy, for the remainder of the current term, using this procedure.

4.17 Hotel Committee

The Hotel Committee will consist of a Chairman, Deputy Chairman and up to eight members.

The Hotel Chairman and/or his/her representative are responsible for supervising and delegating flight crew member hotel inspection assignments. The Chairman can assign other projects that are relevant to the education and safety of our layover facilities and transportation. The Chairman will report directly to the Board of Directors and the President when requested. The Hotel Chairman will report at least once a year to the Board of Directors

The Hotel Committee will meet at least once a year, funding for which shall be included in the Hotel Committee's annual budget.

The Chairman or his/her appointed representative will be responsible for maintaining a record of the Hotel Committee business. (02/28/2008)

4.18 Information Technology

Duties and Responsibilities:

President: The APA President will be responsible for the day-to-day operation of the programs within the IT department. The President is responsible for keeping these IT projects/programs within established budgetary constraints. The President will notify the Board of Directors when any project/program under IT exceeds its budget.

The APA President shall immediately notify the APA Board of Directors any time a request is made to review the text of email messages, or the text of email messages are reviewed, by individuals other than the author or originally intended recipients of the email message, which are sent by a member or members of the Allied Pilots Association, through APA's server. (10/27/2009)

All requests to view emails of members of the Allied Pilots Association shall be forwarded only to the Director of the APA IT Department via email or in writing. The Director of IT is the only individual authorized to access such information. All requests made to access email messages sent by members of the APA through the APA server will be immediately forwarded to the APA Board of Directors and the APA President. (10/27/2009)

The message notifying the Board of Directors of this review, will include, at a minimum, the individual requesting access to the email message, the original sender, original recipients and the reason for accessing the message. (10/27/2009)

Board of Directors: As in the normal course of business, the Board of Directors will approve all contracts and budgets associated with IT. The Board of Directors will be responsible for establishing goals, policy and projects within the IT department.

These goals, in relation to the budget and need, can be divided into two ways:

1. Level of need – what must APA have, what does APA need, and what would we like to have.
2. Project development – mandatory projects, one-time projects, projects that must be sustained, and projects that grow over time.

These goals must then be prioritized and a dollar value (cost of project versus value to the Association) must be affixed to these goals.

IT Steering Committee:

1. Fulfill contractual meeting and direction requirements with the IT Department.
2. Help ensure budget proposals associated with IT initiatives are within the existing budget
3. Assist committees, staff and the domiciles with specifying their IT requirements.
4. Make recommendations to the Board of Directors on priorities and spending for IT functions and initiatives.
5. Report to the President on:
 - a. IT Department contracts, function, and budget compliance.
 - b. Review and approval of IT Department invoices and staff expenditures.
 - c. Adherence to established IT Department priorities.
6. Continually evaluate whether IT projects/programs are providing the projected benefits to APA and its members. These evaluations will be provided to members of the Board upon request.
7. Create an evaluation method (cost of project versus value to the Association) to quantify IT projects/programs which includes:
 - a. Total cost of individual IT project/program.
 - b. The benefit to APA in terms of future dollars saved by the Association due to these individual IT projects/programs.

The Board of Directors and the National Officers will be presented with this information. (05/21/99)

4.19 Negotiating Committee

- A. The Negotiating Committee shall participate in collective bargaining as prescribed by the Railway Labor Act, and shall consist of no less than four (4) members. *(09/30/2005)* A designated member shall act as Chairman. Members of the Negotiating Committee agree, as a condition of their participation on the Committee, to turn over their original negotiating minutes, notes, and all other related documents, including company and Association proposals and understandings, to APA for the purpose of contract compliance. APA will, at the Negotiating Committee member's request, provide the member with a copy of these documents. *(02/25/99)*
- B. The appointment list (as prescribed by Article XII, Section A of the Constitution and Bylaws) for the members of the Negotiating Committee and its Chairman shall be created by the Board of Directors, sitting as a body, through the means of an election. Should the Board of Directors decline to designate a Negotiating Committee Chairman, it may petition the President to appoint a Chairman from the list of new committee members or they may request or require the committee to select its own Chairman. *(07/01/92)* If a pilot member accepts a position on the Negotiating Committee, he/she will not concurrently serve in the dual capacity of a Board member, whether elected by the membership or appointed as a duly designated representative. *(05/21/99)*
- C. The following election procedures specified herein shall take place annually at the Fall Board of Directors meeting; or whenever the Negotiating Committee is recalled by the Board of Directors; or whenever a vacancy occurs on the Negotiating Committee. Attempts to circumvent the election by reaffirming the current committee shall be ruled out of order. *(07/13/90)*
- D. Order of Business for the Fall Board of Directors Meeting: *(11/17/2004)*
1. The President will, on the morning of the first day of business, announce that the Negotiating Committee will be dissolved at the conclusion of the Negotiating Committee report for the purpose of electing a new committee.
 2. Preliminary nominations for the new Negotiating Committee will be an agenda item scheduled the day before the Negotiating Committee election.
 3. The final nomination round and the election of the Negotiating Committee will follow the Negotiating Committee report as a scheduled agenda item.
- E. Order of Business to Fill Vacancies at All Other Times: *(11/17/2004)*
1. When a vacancy or vacancies occur due to the recall of the Negotiating Committee, or for other reason(s) except as provided for above, the following Nomination and Election Procedures shall be used without the requirement to conduct the first and second round of nominations on two (2) separate days.
- F. Nomination Procedure: *(11/17/2004)*
1. At the preliminary nomination, the President will poll the Board members twice. At the final nomination the President will poll the Board members only once. The poll will begin at the right of the podium on even numbered years and at the left of the podium on odd numbered years.

2. Each member of the Board shall be authorized to verbally nominate one (1) candidate for the election. The name of each nominee will be recorded on a chalkboard. Each member may pass on any or all polls.
3. There will be one (1) slate of candidates nominated for all four (4) positions. *(11/09/2005)*

G. Election Procedure: *(11/17/2004)*

1. Prior to the vote, the President will appoint at least two (2) tellers to collect the ballots and tally the vote.
2. Before tallying the vote, the tellers will ascertain that the correct number of ballots has been collected.
3. To enhance freedom of choice, all votes will be made by secret ballot.
4. When the Board of Directors sits as an electing committee, each member shall have one (1) vote. Roll call voting is prohibited.
5. When the voting commences, sufficient voting rounds will be conducted to fill the required number of positions.
6. In each round, Board members may vote for as many candidates as there are unfilled positions. For example, in the first round of voting for the four (4) committee members, each Board member may vote for four (4) individual names or any combination of names and “blanks” equal to four (4). *(11/09/2005)*
7. To preclude unnecessary delay, if a ballot contains less than the required votes, the remaining votes will be recorded as blank (i.e., if a ballot requiring three (3) votes has only one (1) name, the remaining two (2) votes will be recorded as blank; if a ballot requiring four (4) votes has no names, all four (4) votes will be recorded as blank).
8. If a ballot has more than the required number of votes, the entire round will be declared invalid one (1) time. A second over voted ballot will be discarded and the remaining ballots in that round will be tallied. The over voter loses his vote.
9. A candidate will be declared elected when he/she has received a majority vote. After all votes are counted, if more candidates receive a majority vote than there are open positions to be filled, the candidates with the highest number of votes shall be elected. In a multi-vacancy vote, if the vote results in a tie between two or more nominees for the last vacancy, a run off vote shall be conducted to fill the remaining vacancy.
10. If, at the end of any voting round, no candidate has received a majority vote, or “blank” wins, the candidate with the lowest number of votes (except “blank”) will be removed from consideration until at least one (1) candidate is elected. When, following such name removal, one (1) or more candidate(s) has been elected, the low vote name(s) will be replaced into consideration.
11. Any time “blank” wins the vote and there are no remaining names in consideration, a stalemate will be declared and the following steps will be followed:
 - a. The floor will be reopened for new nominations. Nominations will be conducted in one (1) nominating session as provided in the nominating process above with the President polling the Board only twice. The elections will then continue.
 - b. If the four (4) committee members have been elected and “blank” again wins with no names remaining in consideration, the Board will vote whether or not to stop the election. *(11/09/2005)*
 - c. If the Board votes to continue or if four (4) committee members have not been elected, the President will provide sufficient time for the Board to caucus prior to another re-nomination. *(11/09/2005)*
 - d. After caucus, nominations will again be reopened using the procedure above. The elections will then continue.

- e. If “blank” again wins and there are no names remaining in consideration, the election will end if at least four (4) (11/09/2005) committee members have been elected.
- 12. During negotiations pertaining to the Supervisory Pilot Agreement, one supervisory pilot will be added as an ad hoc member to the Negotiating Committee. This pilot must be a full dues paying member of the Association.
- H. The Professional Negotiator shall be an equal member and participant of the Negotiating Committee, assisting the Chairman in the goals and objectives set forth by the Board of Directors. He shall not assume the duties and position of the Chairman, but assist him in his duties, and shall report directly to the Board of Directors.

The Professional Negotiator shall be responsible for maintaining a negotiating history, archives, facilitate preparations for mediation, arbitration, grievances, and possible lawsuits during the life of the contract. He shall also be responsible for training and continuing education for the committee. (11/08/2002)

4.20 Political Action Committee

- A. The following provisions have been adopted by the Allied Pilots Association Board of Directors as the Bylaws of the APA PAC. These provisions may be amended by the Board whenever they are properly brought before the Board at any regular or special meeting.
- B. At least once a year the Financial Audit Committee shall audit the APA PAC and report its findings to the APA National Officers and Board of Directors.
- C. The APA Secretary-Treasurer shall be the Treasurer of the PAC, and the APA Director of Finance shall be the Assistant Treasurer of the PAC. Checks written against APA PAC funds shall be signed by any two of the following: The APA President, the Treasurer of the PAC, or the Assistant Treasurer of the PAC.
- D. The APA PAC shall have a Steering Committee consisting of the APA President, the Chairman of the APA Government Affairs Committee (01/17/2008), and a member at large. The member at large shall be elected by the APA Board of Directors. The member at large, at the time of his/her election, shall be a member of the APA Board of Directors. The member at large may continue to serve or be reelected to a consecutive term when no longer a member of the Board. The term of office for the member at large shall be two years, or until a successor is elected. The Steering Committee shall meet as often as necessary to oversee the operation of the PAC. The President of the APA may call a meeting on his own initiative or on the suggestion of another member of the Steering Committee. Telephone consultation shall be adequate for the purpose of authorizing contribution.
- E. All PAC contributions above the amount of \$1,000.00 shall require the unanimous approval of the Steering Committee. Lesser contributions may be approved by two out of three members of the Steering Committee. No more than one contribution to any candidate during any election cycle may be made without the unanimous approval of the Steering Committee. The PAC shall not make any contributions other than to candidates for federal office or incumbents in federal office who intend to stand for reelection except by approval of the Board of Directors after unanimous recommendation of the Steering Committee.

- F. The President, or his designee who must be a member of the Steering Committee, shall certify in writing to the Treasurer of the PAC that a contribution has been approved. If the approval is based upon less than unanimous approval, that fact must be stated in the certification.
- G. The Assistant Treasurer of the PAC shall prepare checks only on the basis of the certification in paragraph F. A fax verified by telephone conversation is adequate for this purpose. If, at any time, it appears to the Assistant Treasurer of the PAC that a contribution does not comply with the FEC regulations or these bylaws, he shall decline to prepare the check and promptly notify the Treasurer of the PAC in writing. If the Treasurer of the PAC objects to a check prepared for his signature, he shall decline to sign it and promptly communicate his objection to the President of APA in writing.
- H. Treasurer of the PAC may direct preparation of a check objected to by the Assistant Treasurer of the PAC after any consultation with the Steering Committee, APA counsel, or the FEC sufficient to satisfy him that the contribution does not violate these bylaws or the FEC regulations.
- I. The APA shall fund the ordinary operating expenses of the PAC, exclusive of contributions, to the extent permitted by FEC regulations.

4.21 Professional Standards Policy

APA's Professional Standards Manual dated April 1999 is official APA Policy. Amendments to this manual must be approved in advance by APA's Board of Directors. (04/22/99)

4.22 Retirement and Benefits ("R&B") Committee and its sub-committees

- A. The R&B Committee shall monitor all American Airlines Inc., ("Company") benefit plans and all US Airways, Inc. ("US Airways") non-retirement plans in which the pilots participate and, through its subcommittees, shall make recommendations and discuss such plans with the Company and/or US Airways. (10/22/2014)
- B. Any report or recommendation made by the R&B Committee or any of its sub-committees to the APA Board of Directors shall be submitted to the National Officers for their prior review. (10/22/2014)
- C. Neither the R&B Committee nor any of its sub-committees shall seek or act in a position of fiduciary responsibility regarding a benefit plan and shall not accept any responsibilities that would make it a fiduciary of such a plan. (10/22/2014)
- D. The R&B Committee shall have up to eleven (11) Members (including a Chair and Deputy Chair), each of which will be a member of at least one of the three (3) R&B Committee's sub-committees (the Pilot Defined Contribution Plan Advisory Sub-Committee, the A-Plan Sub-Committee, and the Benefits Sub-Committee). Members of the R&B Committee's sub-committees shall be elected in staggered terms for a term of five years or until a successor is elected. The procedure used for such election shall be the same as the procedure used to elect members of the Financial Audit Committee (see APA Policy Manual 4.15(F)). Such elections, when needed, will be conducted at the regular Fall Board of Directors meeting. The Board

shall elect the Chair and Deputy Chair of the R&B Committee and of each of its sub-committees. (10/22/2014)

- E. The Board of Directors may also appoint to the R&B Committee up to three (3) Associate Members. Associate Members will be educated and trained regarding the R&B sub-committees' functions and responsibilities, with the goal of cultivating qualified and experienced candidates ready to replace sub-committee members as needed. (10/22/2014)
- F. In addition to any stated requirements for sub-committee members, it is desirable, but not required, that all R&B Committee Members hold one or more professional, financial, or employee benefit licenses and certifications. All R&B Committee members to whom professional standards and requirement apply must comply with all such standards and requirements and must attest to being in good standing with any licensing or certification board by which the Member is licensed or certified. All R&B Committee members must immediately notify the President and the R&B Committee Chair of any change to a certification or license or of the institution of any disciplinary proceedings against the Member. (10/22/2014)
- G. Pilot Defined Contribution Plan Advisory Sub-Committee ("DC Sub-Committee") (10/22/2014)
 - 1. The DC Sub-Committee shall be a sub-committee of the R&B Committee and shall make recommendations and discuss with the Company and service providers the design, plan documents, implementation, investment selection, and administration of any Company defined contribution retirement plan in which APA members participate, other than any plans sponsored by US Airways, Inc. (which include the US Airways, Inc. 401(k) Savings Plan for Pilots, the Retirement Savings Plan for Pilots of US Airways, Inc., and the Future Care 401(k) Plan (collectively, "the US Airways Retirement Plans")).
 - 2. The DC Sub-Committee will have up to five (5) Members, each of whom must meet the following requirements:
 - a. Be a participant in a Company defined contribution retirement plan in which Company pilots participate or a participant in one of the US Airways Retirement Plans.
 - b. Hold a current certification as an Accredited Investment Fiduciary ("AIF") or obtain such designation within one year of appointment to the Committee.
 - c. Through education, skill or relevant industry experience, have a thorough knowledge of investment practices, policies and procedures.
- H. The A-Plan Sub-Committee shall be a sub-committee of the R&B Committee, shall review, make recommendations, and discuss with the Company and service providers the Fixed Income Plan under the American Airlines, Inc. Pilot Retirement Benefit Program. The A-Plan Sub-Committee will have up to three (3) Members. (10/22/2014)
- I. The Benefits Sub-Committee shall be a sub-committee of the R&B Committee and shall make recommendations and discuss with the Company, US Airways, and service providers the non-retirement benefit plans and programs in which pilots participate. The Benefits Sub-Committee will have up to three (3) Members. (10/22/2014)

4.23 Safety Committee

- A. The Safety Committee will be responsible for the coordination of APA's efforts to improve aviation safety. The Committee Chairman will be responsible for coordinating the

Committee members' efforts in the areas of Safety, Accident Investigation and any program designed to enhance these areas, such as ASAP. The President shall appoint as many Deputy Chairmen as is required to assist the Chairman to discharge these duties. (03/29/2002)

- B. The Safety Committee will immediately notify FlightAssist, through the Aeromedical Committee, of all accidents involving American Airlines cockpit crewmembers. (03/29/2002)
- C. The Safety Committee's duties will include, but are not limited to: immediate notification of all accidents and incidents to the National Officers, Domicile Officers and all Domicile Safety Committee members; timely updates of accident investigations to National and Domicile Officers; continuing safety prevention and education of the membership of all safety related subjects.

4.24 Scope Committee

- A. Purpose: The Scope Committee is established to monitor the quantifiable aspects of data relating to AMR's compliance with Section One. It will also be responsible for studying and analyzing any potential relationship, as deemed necessary, between AMR and other airlines, or other entities, to determine possible effects that such relationships may have on the pilots of American Airlines. (10/14/98)
- B. Members: The Scope Committee shall consist of not more than (11/17/2004) five (5) members; one of which will be a member of the Negotiating Committee. (06/04/2000) In addition to the Chairman, a Deputy Chairman may be designated as a liaison with AMR for Section 1 monitoring. The Board of Directors shall elect the members of the Scope Committee. This election shall occur at the Fall Board of Directors' meeting immediately following the election of the Negotiating Committee. (02/11/2005) The election and procedures for election shall mirror the procedures delineated in APA Policy Manual Section 4.19 (10/27/2009), Negotiating Committee, except that one (1) nomination round shall occur. (05/20/2001)
- C. Members of the Scope Committee agree, as a condition of their participation on the Committee, to turn over their original negotiating minutes, notes, and all other related documents, including company and Association proposals and understandings, to APA for the purpose of contract compliance. APA will, at the Scope Committee member's request, provide the member with a copy of these documents. (02/25/99)
- D. The Scope Committee is authorized to make reasonable use of outside technical assistance on a temporary basis to assist in analysis related to its mission. (10/14/98)

Additional members may be assigned to the committee by the President on an ad hoc basis as deemed necessary. (10/14/98)

4.25 Security Committee

- A. The Security Committee will be responsible for APA's efforts to improve aviation security including all facets of a multi-layered security program such as ground security, airborne security and intelligence as well as general APA organizational security matters. The Committee Chairman will be responsible for coordinating the Committee members' efforts.

The President shall appoint as many Deputy Chairmen as required to assist the Chairman to discharge these duties. *(09/30/2005)*

4.26 Seniority Integration Committee *(01/17/2013)*

- A. The Seniority Integration Committee shall be responsible for conducting the seniority integration negotiation and arbitration process in the event of a merger with another air carrier.
- B. The Seniority Integration Committee shall have an odd number of members, and a minimum of five (5) members.
- C. The Seniority Integration Committee shall be constituted according to the following:
 - 1. The Seniority Integration Committee shall be elected by the Board of Directors at the Fall Board of Directors Meeting for a 12-month term utilizing the procedures outlined in Section 4.19 of the APA Policy Manual.
 - 2. The election and procedures for the Seniority Integration Committee shall mirror the procedures delineated in APA Policy Manual Section 4.19, Negotiating Committee, except that the preliminary and final nomination rounds shall occur on the same day.
 - 3. If a Seniority Integration Committee position becomes vacant prior to the Fall Board of Directors Meeting, the Board of Directors will fill the vacancy, for the remainder of the current term, using this procedure.
 - 4. The Chairman of the Seniority Integration Committee shall be elected by the APA Board of Directors.

4.27 Strategic Planning Committee

- A. The Strategic Planning Committee shall advise the National Officers and Board of Directors on the planning of APA's long-term strategic direction. *(02/08/2013)*
- B. The Strategic Planning Committee will update the National Officers and Board of Directors on strategic issues facing APA on a 1 year, 3 year, and 5 year time horizon at each regularly scheduled Board meeting. *(02/08/2013)*
- C. The Strategic Planning Committee shall have access to all resources available to the APA including, but not limited to, all internal APA resources and committees, APA General Counsel and APA consultants. *(10/17/2011)*

4.28 Strike Preparedness Committee

- A. The Strike Preparedness committee shall maintain the strike preparedness structure. It will maintain liaison with counterparts at other airlines, recording experience and sharing information. Will maintain a current list of volunteers at both the national and local level. Periodic training will be conducted.
- B. Each Domicile Chairman shall appoint a local Strike Coordinator to act as an interface with the National Strike Preparedness.

- C. The local Strike Coordinator shall submit a report to the National Strike Preparedness Chairman prior to each meeting of the Board.
- D. The Strike Preparedness Committee shall be provided the full support of the National Officers and the Home Office Staff, and shall be provided full use of all facilities. A secure office shall be provided for National Strike Preparedness at APA headquarters. In turn, local Strike Coordinators shall be fully informed, utilized, and supported by the National Strike Preparedness Chairman.
- E. Specific tasks assigned to this committee shall include but be limited to:
 - 1. Recommend to the National Officers and Board of Directors contingency plans consistent with the latest methods and technology available.
 - 2. Report to the National Officers and Board of Directors the estimated costs and the time required to establish the recommended plans and methods.
 - 3. Produce and maintain manuals detailing out the appropriate plans, methods, and procedures for self-help operations.
- F. The Strike Preparedness Chairman shall be elected by the Board of Directors at the Fall Board of Directors Meeting for a 12-month term utilizing the procedures outlined in Section 4.19 of the APA Policy Manual. The election and procedures for the Strike Preparedness Chairman election shall mirror the procedures delineated in APA Policy Manual Section 4.19, Negotiating Committee, except that one (1) nomination round shall occur. To be eligible for election, a prospective Strike Preparedness Chairman must be on the National Committee Recommendation List. If the Strike Preparedness Chairman position becomes vacant prior to the Fall Board of Directors Meeting, the Board of Directors will fill the vacancy, for the remainder of the current term, using the procedure in Paragraph F. above.

4.29 Technical Analysis and Scheduling Committee

- A. All members of the Technical Analysis and Scheduling Committee (TASC) shall be elected by the Board of Directors. Members of the Technical Analysis and Scheduling Committee shall be elected annually at the regularly scheduled Fall Board of Directors meeting. *(06/12/2004)*
- B. Purpose: The APA Technical Analysis and Scheduling Committee was created to analyze complex issues of importance to the Association's membership, including those requiring computer analysis of data from all available sources. These issues include any and all items related to flight crew scheduling, work rule modeling, analysis of contractually required information, analysis to investigate and report on the application of existing agreement(s), and analysis in support of APA's Negotiating, Communications, and Contract Compliance efforts. The committee will consist of personnel with appropriate expertise in disciplines including complex computer programming languages and data structures, scheduling methods used by American Airlines, contract comparisons, and spread sheet analysis and graphing. *(10/23/97)*
- C. APA Scheduling: The APA Scheduling portion of the Technical Analysis and Scheduling Committee was *(02/07/2004)* established as required by the 1997 collective bargaining agreement for the purpose of: *(10/23/97)*

1. Representing the Association on the Joint Scheduling Committee.
 2. Improving the understanding of flight crew scheduling issues.
 3. Investigating, identifying, and promptly recommending solutions to flight crew scheduling problems.
 4. Making recommendations to improve the allocation, pairing, and scheduling of flying.
 5. Providing support for APA's negotiating, communications, and contract compliance efforts.
 6. Joint Scheduling Committee: APA representatives on the Joint Scheduling Committee shall consist of at least three (3) members, with the TASC Deputy Chairman-Scheduling serving as chairman. One member shall be a current member of the Negotiating Committee and one shall be a member of the Flight Time/Duty Time Subcommittee. (02/08/2013)
- D. Programming Support: The Technical Analysis and Scheduling Committee shall be budgeted for, and provided with, a computer programmer with appropriate skills to effectively provide consistent access to their processes and data. The Chairman shall justify this level of staff support in regular reports to the National Officers and Board of Directors. (10/23/97)
- E. Deputy Chairmen Positions: The Technical Analysis and Scheduling Committee shall have two Deputy Chairmen: Technical Analysis and Scheduling. These two Deputy Chairmen shall represent their respective areas of responsibility when issues relevant to their specific discipline are to be discussed at Board of Directors meetings. A dedicated telephone line and fax machine is authorized for each Deputy Chairman. (10/23/97)
- F. Protocols: (10/30/2000)
1. No member of the TASC shall engage in any material discussion with any representative of the Company without at least one additional TASC member present.
 2. Subsequent to any such interactions, each member shall document the substance of the discussions in a record file, and shall brief the National Officers and Negotiating Committee as appropriate.
 3. TASC members shall closely coordinate with the Negotiating Committee and make recommendations regarding potential contractual implications of scheduling issues under consideration.

4.30 Training Committee

The Training Committee will be responsible for APA's efforts to monitor, improve, and coordinate with the airline to provide the best possible training programs and environment for APA pilots. The Committee shall, when necessary, represent APA Pilots in any type of training discussions with management. The Committee will use all available APA assets, including the Checkmate program as necessary, in order to have a successful training outcome. The Committee will also coordinate with base Chief Pilots, Domicile Officers, and help them represent pilots in discussions with management. The Training Committee Chairman will be responsible for

coordinating all Committee member and CKA liaison efforts. *(08/21/2013)*

4.31 TUL/Tech Liaison Committee

- A. This committee shall provide on-going guidance to the APA Board of Directors on matters relevant to aircraft operational test, evaluation and maintenance programs and procedures at American Airlines. *(07/21/2000)*

- B. The Chairman will be selected by the Board of Directors; the Deputy will be selected by the Chairman and confirmed by the Board of Directors. *(07/21/2000)*

5. FINANCIAL

5.01 Budget

- A. The President shall submit an annual Association budget, consisting of both an operating budget and a capital budget to the Board of Directors for approval at the regularly scheduled Board of Directors meeting immediately preceding the beginning of the fiscal year. *(11/09/2007)*
- B. The proposed operating budget shall be constructed to reflect the projected business plan for the coming fiscal year and exhibit all expected operating revenues and expenditures. Additionally, it shall be constructed so that expected expenses do not exceed expected revenues exclusive of items that the Board of Directors has previously identified as institutional in nature. *(05/03/2006)* The proposed capital budget shall be constructed to reflect the projected business plan for the coming fiscal year, and if appropriate, succeeding fiscal years. The capital budget shall include all assets with costs in excess of \$2,000. *(11/09/2007)*
- C. Any appreciable changes in the business plan shall be reflected in a revision to the budget and be disclosed to the Board of Directors at the next Board of Directors meeting. *(06/29/95)* An “appreciable change” shall be defined as a change of 5% or more in either Total Revenue or Total Expenditures, or any line-item in the original budget which increases an expense item or decreases a revenue item by more than 25% of its original value, or any line item which is added to or deleted from the original Association budget. Any appreciable change which exceeds \$75,000 shall require prior approval of the APA Board of Directors, by means of a majority vote. *(11/29/2006)*
- D. The Board of Directors shall be briefed at each regularly scheduled Board of Directors meeting on the budgeted vs. actual amounts and be provided an analysis of the variances to budget. *(06/29/95)*
- E. Prior to each fiscal year, the Association’s Executive Administrator shall provide written recommendations regarding compensation levels of all employees, below the Director level, to the President. These recommendations shall be based on input from the employee’s Directors, Managers, and Supervisors, DFW area compensation surveys, contractual requirements, and outside consultants if necessary. The President shall review the recommendations with the other National Officers. He shall then submit a proposed compensation plan for all APA employees to the Board of Directors for approval prior to implementation. *(10/23/2004)*

5.02 Financial Audit

The Association President shall obtain an independent, nationally recognized Certified Public Account firm to perform an annual examination of the Association records and such report shall be placed in the Annual Report to the membership.

5.03 Financial Reserves

- A. Components of General Reserve Fund shall include the following major categories:
(10/23/97)

1. Normal Operating Costs – Sufficient funds to maintain the basic support costs of APA. This category includes, but is not limited to: staff salaries and benefits, National Officer compensation and benefits, facility costs, outside legal and consulting costs, all costs related to Committee, Domiciles, and Board of Directors meetings, etc.
2. Contract Negotiations – All costs necessary to negotiate a contract except normal operating costs, as listed in paragraph 1. This would include additional Negotiating Committee costs, SPC costs, Communications, legal and consulting costs and other additional committee and Board of Directors meeting costs, etc.
3. Market Downturn Contingency Reserve – Because the most significant component of the General Reserve Fund is APA’s investment portfolio, a portion of the Reserve shall be set aside to cover a downturn in the market.

B. Calculation of the General Reserve Fund: *(10/23/97)*

1. Normal Operating Costs – The maximum for this component shall be the average yearly operating costs for the last five years, (five-year moving average) shall become the maximum level for this component. The minimum for this component shall be one-half of the maximum.
2. Contract Negotiation – The maximum level shall be the total costs for APA’s 1994 through 1997 contract effort (\$15,551,859). The minimum shall be the total costs for the last six months of that effort (\$5,364,715).
3. Market Downturn Contingency Reserve – The maximum for this component shall be twenty percent (20%) of the investment portfolio balance as of June 30th of each year (approximately \$4.8 million). The minimum shall be ten percent (10%) of the investment portfolio balance as of June 30th of each year (as of June 30, 1997, this amount was \$2,953,067).

C. Monitoring the General Reserve Fund: *(10/23/97)*

The minimum and maximum levels shall be monitored on a monthly basis and shall be part of the monthly APA Financial Statements. The Board of Directors shall be updated on the General Reserve Fund balance and the current maximum and minimum at each regular Board Meeting. Each major category of the General Reserve Fund shall be monitored using the following criteria:

1. Normal Operating Costs – A five-year moving average shall be maintained and adjusted monthly by removing the oldest month and adding the current month.
2. Contract Negotiations – This component shall remain unchanged except as directed by the Board.
3. Market Downturn Contingency – APA shall use the monthly reports from the money manager(s) investing the General Reserve Fund, including a list of all securities in the investment portfolio and their current market values. The portfolio value, minus cash, equivalents and treasury bills, shall be used to calculate, on a monthly basis, the Market Downturn Contingency.

- D. Should the unrestricted net assets fall below the minimum required level of the General Reserve Fund, the Board of Directors shall be notified and take action. *(10/14/98)*
- E. Should the unrestricted net asset exceed the maximum required level of the General Reserve Fund, the Board of Directors shall select one or more of the following options: *(10/14/98)*
 - 1. Funds in excess of the maximum shall be designated to a special negotiations fund and specific limits for this special negotiations fund shall be established by the Board of Directors. *(10/14/98)*
 - 2. Designate an amount of excess reserve funds to be used for specific purposes addressed in the operating budget. This could include projects such as facility relocation, capital improvements, special projects, etc. *(10/14/98)*
 - 3. Designate funds for any other reasonable and prudent options the Board deems appropriate. *(10/14/98)*
- F. Annual Review of General Reserve Fund: *(10/14/98)*

The Board of Directors shall review the investment objectives, policies and guidelines for the General Reserve Fund at each regular Fall Board of Directors meeting. Also, at the Fall Board meeting, the Board of Directors shall designate the use of the excess reserve funds per Policy Manual 5.03.E. *(10/14/98)*

- A. The Nicholas J. O'Connell building shall be designated as a restricted asset. *(10/14/98)*

5.04 APA Welfare Benefits Master Trust

Each year at the regular Fall Board meeting, the Board of Directors shall review the status of the APA Welfare Benefits Master Trust. At that time, the Board shall consider any changes to the investment policy (originally adopted in 1995) or to the Money Management firm as may be recommended by the President, the Secretary-Treasurer, Director of Benefits, or APA's investment advisors who manage these funds. The Board may act at other times as necessary to modify the investment policy as dictated by changes in the financial markets or other circumstances. Unless and until the Board acts to change the investment policies in effect since 1995, they shall remain in effect as originally written. The Secretary-Treasurer, Director of Benefits, and APA's investment advisors shall maintain a file containing the original written policy and all subsequent changes approved by the Board. *(06/12/2004)*

5.05 Record of Payments

The Secretary-Treasurer shall maintain a separate record of payments made by the Association to each National Officer, Board of Directors member, Committee member, and employee.

5.06 Reserve Funds

All funds held in reserve in the APA group life insurance program and the APA supplemental medical insurance program shall be used only for the benefit of certificate holders by paying for or improving benefits or by maintaining liquidity to protect the financial integrity of the program.

5.07 Expressions of Sympathy

A floral display or an expression of sympathy of a commensurate cost may be sent to the appropriate person or in the name of the appropriate person to a suitable charity in the event of the death of a member or of the spouse, child, or parent of a member. The expenses incurred will be borne directly by APA Headquarters.

5.08 Local Committee Expenses

A statement of expenses incurred by local Committee members will be submitted to the domicile Chairman for initial review and approval. Upon approval by the Domicile Chairman, these expense statements will be submitted to the Secretary-Treasurer for final approval and payment. Domicile Chairmen, Vice Chairmen, or local committee chairmen may be reimbursed for local Committee members' meal expenses incurred during the conduct of that committee's official APA business. This policy shall apply only for members listed on the published domicile committee list. The amount of meal reimbursement per individual will not exceed the amounts shown in the Policy Manual Section 6.02A. (07/01/92)

5.09 Extraordinary Expense Fund and Family Awareness Fund

- A. The Association shall allocate Three Dollars (\$3.00) per pilot at each domicile to the local domicile once each fiscal year for local Association business purposes that directly benefit the local membership. Expense documentation will be submitted to the APA Finance Department as requested by the APA Finance Department. The minimum annual amount allocated will be Five Hundred Dollars (\$500). The maximum allocated to the account shall be that required to fill the fund up to an equivalent of Three Dollars (\$3.00) per pilot at the domicile. Each domicile shall maintain their Extraordinary Expense Fund in an account under the name of Association, utilizing the Association's Federal Tax ID number. The allocation will be directly deposited into the specified account. Funding will be contingent upon the signatures of both the Chairman and Vice Chairman on the appropriate Labor-Management Reporting and Disclosure Act (LMRDA) reports prepared by the APA Finance Department. (08/28/2014)
- B. The Association shall budget and distribute Ten Dollars (\$10.00) per pilot at each domicile to the local domicile once each fiscal year for local Family Awareness activities that directly benefit the local membership. Expense documentation will be submitted to the APA Finance Department as requested by the APA Finance Department. The minimum annual amount allocated will be Five Hundred Dollars (\$500). The maximum allocated to the account shall be that required to fill the fund up to an equivalent of Ten Dollars (\$10.00) per pilot at the domicile. Each domicile shall maintain their Family Awareness Fund in an account under the name of the Association, utilizing the Association's Federal Tax ID number. The allocation will be directly deposited into the specified account. Funding will be contingent upon the signatures of both the Chairman and Vice Chairman on the appropriate Labor-Management Reporting and Disclosure Act (LMRDA) reports prepared by the APA Finance Department. (10/22/2010)

- C. No transfers may be made between the Domicile Extraordinary Expense Fund and the Family Awareness Fund without prior approval of the APA Secretary-Treasurer and a separate checking account at an APA approved financial institution must be maintained for the family awareness account

An appeal of any denial can be made to the Board of Directors. *(05/18/2002)*

5.10 Domicile Retirement Parties

- A. After assessing that APA's institutional interests are maintained, the APA Board of Directors through the President may authorize a contribution up to Two Thousand Dollars (\$2,000) annually to each domicile where retirements occur and a retirement party is held. Each retiree shall have the option of choosing the domicile retirement party at which he shall be honored. *(10/21/95)*
- B. Additionally, Two Hundred Dollars (\$200) is authorized to be contributed to the domicile for each retiring APA member in good standing honored at its retirement party. *(10/26/93)*
- C. These contributions will be made as directed by the Domicile Chairman who will provide the contribution to help defray the cost of retirement parties to the appropriate person or group. Written verification or receipt for the transfer and use of these funds shall be furnished to the Secretary-Treasurer within thirty (30) days of the distribution of retirement party funds by the national office. *(05/18/2002)*

5.11 Contributions to Grey Eagles Conventions

After accessing that APA's institutional interests are maintained, the APA Board of Directors through the President may authorize an annual contribution of up to Five Thousand Dollars (\$5,000) to the Grey Eagles organization to help defray the cost of their annual meeting. *(06/12/2004)*

5.12 Authorization of Expenditures

Controlling expenditures is vital to the success of the Allied Pilot's Association; therefore, sound business practices require appropriate controls for requesting, approving and tracking expenditures. To accomplish these goals, the following Authorization for Expenditure (AFE) procedures will be followed: *(10/14/98)*

- A. AFE origination begins with the person or party requesting that funds be spent on specific projects, services or products. Once requested, by proper documentation, an AFE must be approved by proper authority. An AFE of more than \$2,000 up to and including \$5,000 shall require the approval of one (1) National Officer. AFE's requesting more than \$5,000 shall require the approval of two (2) National Officers. The APA Board of Directors may initiate and approve AFE's of any amount, by majority vote. Approval of an AFE will be noted by the National Officer's signature. If the AFE is initiated and approved by Board of Directors vote, the specific resolution will be sighted as the initiator and approval authority. *(10/14/98)*
- B. For expenditures of an ongoing nature that do not significantly or substantially change in cost, a "Standing AFE" will suffice. A "Standing AFE" may cover a period of time up to 12

consecutive months. At the end of this twelve-month (12) period, a new AFE must be initiated. All “Standing AFEs” will require the signature of two (2) National Officers. Examples of “Standing AFEs” include custodial service, preventative and routine building maintenance, vendor service for routine supplies, etc. Specifically excluded from “Standing AFEs” is the use of consultants whose service could be expanded from the initial request. (10/14/98)

- C. All AFEs including “Standing AFEs” will be reviewed by the APA Financial Staff periodically and shall report their findings to the National Officers and Financial Audit Committee. This review is intended to insure that the actual expenditure remains within the approved dollar amounts. To track AFE compliance, reports of AFE activity must be made periodically. These reports will be sent to the National Officers and the Financial Audit Committee. At a minimum, the AFE Reports must include the following: 1) Date of request, 2) Requesting person or office, 3) Approving authority, 4) Amount of request, 5) Purpose of request, 6) Amount spent to date, 7) Current status of expenditure, (i.e., continuing or complete). Further, if the actual expenditure exceeds the amount requested by 20% or more, a “Revised AFE” will be required. This “Revised AFE” will be initiated by the original requesting official or office, and go through the appropriate approval process. “Revised AFEs” will be incorporated into the periodic AFE Report. (10/14/98)
- D. To actively monitor expenditures of less than \$2,000, the APA Financial Audit Committee shall conduct at least one audit per year focused on small expenditures. This audit shall be concentrated on expenditures of less than \$2,000. The findings shall be reported to the National Officers and the Board of Directors. (03/03/2006)

5.13 Accounting Principles

Any suggested changes in the Association’s accounting methods and practices will be reviewed by the FAC and be presented to and approved by the Board of Directors prior to the implementation of these changes. (02/25/99)

6. EXPENSES

6.01 National Officers’ Expenses

In the event that a National Officer’s home residence is not within a reasonable driving distance from the Home Office, a National Officer will have the option of: (09/25/91)

- A. A paid move to a location within driving distance of the Home Office. Such paid move will be made within the guidelines established by the Secretary-Treasurer for “Paid National Officer Moves.” If a National Officer accepts a paid move to the location of the Home Office, he shall be eligible for a paid move at the end of his term. Such officer is not eligible for non-resident expenses. (09/25/91)
- B. Eligibility for non-resident expenses. Non-resident expenses will include the following: (09/25/91)
 - 1. Daily expenses for each day while engaged in Association business in accordance with APA daily expense allowance. (09/25/91)

2. An automobile may be leased, purchased, or rented by the Association for local use. A leased automobile may not be purchased at the end of the lease term, nor may an APA owned vehicle be purchased at any time by a member. *(03/03/2006)*
3. A maximum housing allowance of One Thousand Two Hundred Fifty Dollars (\$1,250.00) monthly will be paid for the National Officer's housing, including rental furniture, utilities, etc. *(05/02/2005)*

6.02 Domicile Chairman – Vice Chairman

A. Flight Pay Loss Policy:

1. A Domicile Chairman and Vice Chairman may be placed on paid union leave for the purpose of conducting Domicile meetings and other APA business, up to a maximum of eighteen (18) days per fiscal term year. *(10/23/97)*
 - a. Domiciles with more than 500 pilots will be allocated one additional APA Leave Day for every 100 pilots above 500. *(10/22/2010)*
 - b. This calculation will always be rounded up (i.e., 901 pilots equals 1,000), and performed on an annual basis corresponding to the Board member's term of office as defined in this Policy Manual. *(03/01/2003)*
 - c. These additional Domicile Days will be divided equally between the Domicile Chairman and Vice Chairman, and should there be an odd number of days, it shall be reserved for the Domicile Chairman. *(06/04/2000)*
 - d. Any unused Domicile Days from the first year of a Domicile Chairman's or Vice-Chairman's term may be carried over into, and used in the second year of that Domicile Chairman's or Vice-Chairman's term. *(05/11/2007)*
 - e. If a Domicile Chairman or Vice-Chairman is elected to a successive term as either Domicile Chairman or Vice-Chairman, up to six unused Domicile Days from that Domicile Chairman's or Vice Chairman's first term may be carried over into, and used in that Domicile Chairman's or Vice Chairman's succeeding term. *(05/11/2007)*
 2. During contract negotiations, subsequent to the activation of the Strike Preparedness Committee, Domicile Chairmen and Vice Chairmen may be placed on paid union leave for the purpose of conducting Domicile meetings and other APA business. Paid union leave beyond the normal eighteen day (18) per year will be paid for by the additional ½% dues Negotiation Budget specified in the C&B Article III, Section 6.G. *(05/30/97)*
 3. Domicile Chairmen and Vice Chairmen may allocate any portion of their paid union leave to designated administrative assistants or domicile committee members for the purpose of conducting union business at the domicile. *(05/11/2007)*
- B. Domicile Chairman/Vice Chairman Local Expenses – Reasonable expenses attributable to Association business shall be reimbursed to the Chairman and Vice Chairman and may include such items as home office telephone charges, meals, automobile mileage and toll charges, parking fees, office supplies, postage, cellular phone charges, and the fees for unlimited Internet access from an approved Internet Service Provider for all approved applicable devices. *(08/28/2014)***

- C. Domicile Office Equipment – For the purposes of Section 5.01 each Domicile Chairman shall provide the National Office a budget for the purpose of purchasing appropriate office equipment for use at their local domicile. (01/24/96)

6.03 Committee Expenses

- A. Subject to the approval of the applicable National Committee Chairman for (National Committee members) or the Domicile Chairman (for Local committee members), and unless otherwise specifically addressed in this Section, reasonable expenses attributable to Association business shall be reimbursed to members of the National and Local committees and may include such items as meals, automobile mileage and toll charges, parking fees, office supplies, postage, cellular phone charges, and the fees for unlimited Internet access from an approved Internet Service Provider for all approved applicable devices. (08/28/2014)
- B. All reasonable expenses incurred by APA representatives representing a member involved in an accident/incident or violation shall be reimbursed. (07/21/2000)

6.04 Daily Expenses

- A. Effective September 15, 1985, the Association’s meal expenses will be as follows:
 - 1. Away From Home Overnight - \$1.50 per hour for all hours away from home (i.e., equivalent to Section 21 F. time). In addition, an expense allowance for the same hours (21 F. time) in the amount of .85 cents (0.85¢) per hour. This amount is additional compensation and filed as such by the Association with the IRS on the member’s W-2. Reasonable dry cleaning expenses for members performing APA service will also be paid in addition to the per-diem allowances. (05/05/2005)
 - 2. Expenses at Home - The Association’s meal expenses while on Association business and not away from home domicile will be up to the following amounts: (04/25/95)

Breakfast	\$11.00
Lunch	\$13.00
Dinner	\$19.00
Snack	\$6.00
Plus Gratuity of 15%	

- B. These expenses must be verified by appropriate receipts. Meal expenses at home base will only be honored if, in fact, Association business is conducted and discussed at such meal, in accordance with IRS directives. (06/29/95)
- C. Auto Expense Reimbursement - A pilot who incurs automobile expenses while using his personal vehicle on authorized APA business shall be entitled to reimbursement of the following automobile related expenses: (12/11/2008)
 - 1. Mileage at the IRS approved rate
 - 2. Parking
 - 3. Tolls

Exceptions: (12/11/2008)

1. Commuting expenses between a pilot's local residence and APA Headquarters are not reimbursable.
 2. No pilot may claim APA automobile expenses on local commuting-type travel, which would otherwise be required in the performance of his job with the Company.
- D. Monthly Stipend – a pilot who resides locally and serves on an APA National Committee shall be eligible for a monthly stipend of up to \$300.00 per month. *(05/21/2009)*
1. For every day a local APA National Committee member performs work at APA Headquarters, they will be credited a \$20.00 daily rate toward the monthly stipend.
 2. The pilot shall receive the lesser of the \$300.00 monthly stipend or the credited daily rate multiplied by the number of days at APA Headquarters performing union work.
 3. A pilot must fill out a separate monthly expense report to receive the monthly stipend.
 4. The monthly stipend will be taxable and the pilot will receive a W-2 from APA at the end of the calendar year.

6.05 Flight Pay Loss for APA Business

- A. The prime directive behind the payment of flight pay loss and expenses for Association work is that those who serve the Association should neither lose nor gain income. Stipends and allowances have been established for the National Officers and the APA Board of Directors because of the unique nature of their work. *(05/01/2005)*
- B. Except as provided for the Financial Audit Committee (4.15) and the Vice President and Secretary-Treasurer (6.05), leaves in conjunction with Association business (Union leave, paid Union leave, flight pay loss, etc.) shall be subject to the prior approval of the President. *(12/04/2009)*
1. The APA staff shall review such leave requests in a timely manner, ensure they are within the committee's approved budget, and shall submit them directly to American Airlines. If the leave request is not within the committee's approved annual budget, a National Officer approval shall be required before submission to American Airlines. *(09/29/2000)*
 2. If it is not possible to obtain the prior approval of the President, leave in conjunction with urgent Union business may be authorized on a one-time basis by the prior approval of one (1) National Officer. *(07/03/91)*
- C. The Vice President and the Secretary-Treasurer shall be provided the paid Union leave necessary to perform their duties. Because they have the contractual option to remain in a full-time Union leave status, they shall be authorized Union leave upon request for the purpose of completing their duties. *(07/03/91)* Due to the critical nature of Negotiating Committee activities and the unpredictable requirements for them to meet, all leaves in conjunction with Association business (Union leave, paid Union leave, flight pay loss, etc.) for members of the APA Negotiating Committee shall be subject to the prior approval of the Chairman of the Negotiating Committee. *(09/29/2000)*
- D. No APA member shall receive pay, vacation, benefits, pension contributions, or any other compensation of any kind from APA unless specifically authorized by the Constitution and Bylaws, this Policy Manual, or by a Board of Directors resolution. *(07/03/91)*

- E. Full Month - Except as provided in 8.02, flight pay loss for individuals working a full month on APA business shall be computed as follows: The individual is paid for the trip he would have flown had he not been in the service of the Association filled out to a full month on a half day-half night basis. This policy includes reserve selections. *(01/23/92)*
- F. 90 hour maximum flight pay loss pay protection: All members of the APA Board of Directors, notwithstanding any other provision of this manual, if they so elect, shall be compensated by the Association so that their pay is no less than their individual monthly line value or a maximum of 90 hours, whichever is greater. This flight pay loss fill-up provision shall use the individual's monthly bid line value as the starting baseline and an individual may then elect to fill up to a maximum of 90 hours. This compensation will not include international override, and be less any net pay adjustment for dropped trips/reserve days through SEP, TTOT and/or military duty. *(10/11/2013)*
- G. Sixteen Days or More of Union Work: An APA member who performs official union work for 16 days or more in a contractual month (not including deferred vacation) with prior approval of a National Officer, is eligible, if they so elect, to receive the following compensation and pay protection from the Association: *(10/11/2013)*
 - 1. Compensation to bring the pilot's pay, if they so elect, up to their applicable individual monthly line value or a maximum of 90 hours, whichever is greater. This flight pay loss fill-up provision shall use the individual's monthly bid line value as the starting baseline and an individual may then elect to fill up to a maximum of 90 hours. This compensation will not include international override, and be less any net pay adjustment for dropped trips/reserve days through SEP, TTOT, and/or military duty. *(10/11/2013)*
 - 2. A pilot (National Officer, member of the Board, Committee member) who is not able to perform training makeup flying because he/she is performing union work may be paid for training makeup not more than twice a year with the prior approval of a National Officer. *(06/04/2000)*
 - 3. A pilot (National Officer, member of the Board, Committee member) who loses CPA or fly through time due to performing work for the Association may have the time restored, be reimbursed by the Association as defined in 6.05 G.1. above, or may convert the lost time to Association deferred vacation with the approval of the Secretary-Treasurer or Board of Directors. *(11/20/2003)*
 - 4. The current tracking system will be used to document prior approval. *(05/21/99)*
- H. Committee Exceptions: Committees authorized elsewhere in this Policy Manual to approve their own leave requests (Negotiating, Financial Audit, etc.) do not require prior approval from a National Officer to exercise the provisions of paragraphs F and G above. *(02/12/2005)*
- I. Paid Union Leave (PU) can be applied to a pilot's schedule to remove a pilot from airline duty, or can be applied for union work performed during duty free periods (24, 48, 72, 96, etc.) or on days off (DOs). *(05/21/99)*
- J. A report listing all APA members who have been compensated under paragraphs F and G *(02/12/2005)* above shall be provided to the Board of Directors at each regularly scheduled

Board of Directors Meeting. (05/21/99)

- K. Fly Through Time While on Association Leave – The Association shall account for all fly through time for such pilots that are on Association leave from one month to the next. Pilots that qualify for a full month paycheck based on Paragraphs F and G (02/12/2005) of the section shall not receive reimbursement for CPA trip removal or for CPA fill-up for CPA time that has been accumulated while on Association leave.
- L. Trips Missed – Flight pay loss shall be paid for any trips missed (including make-up trips, etc.) up to the applicable monthly maximum for any month in accordance with the Basic Working Agreement. Payment for make-up trips shall be subject to prior approval by the President. If it is not possible to obtain the prior approval of the President, payment for a make-up trip during leave in conjunction with urgent union business may be authorized on a one-time basis by the prior approval of one National Officer. (10/13/92)
- M. Reserve – Reserve pilots will be paid on the basis of 1/30th of the half day-half night rate or for the trips they could have flown, whichever is greater, but in no case in excess of the 90 hour maximum, as defined in Paragraphs F and G.1. (10/11/2013)
- N. Vacation – A pilot will not normally be scheduled to perform Association duties while on vacation. If the President determines that the requirements of the Association must cause a pilot to serve while on vacation, the vacation deferral shall be pre-approved by the President or his designee. In extraordinary circumstances, deferred vacation may be retroactively approved by the Board of Directors. Such pilot shall have the option to accept payment for his vacation or defer his vacation based on the following procedures: (09/30/2005)
 - 1. Payment – A regularly scheduled pilot shall be paid for trips or prorated bid trip guarantee, whichever is greater, during such service with the Association. A reserve pilot will be paid a daily rate equal to the daily rate he received from the Company for such period of service.
 - 2. Submission for payment will be made no later than December 31 of the year in which the loss of vacation occurred or the deferred vacation was approved, if later. Payment will be made at the rate applicable at the time the member's vacation was originally scheduled. (02/28/2008)
 - 3. Deferred Vacation
 - a. A deferred vacation should normally be taken within the calendar year of deferral. Upon the pilot's request, the Association will make every effort to secure a leave of absence from the company for a period of time off equal to the number of days of deferred vacation requested. (02/28/2008)
 - b. Unused Deferred Vacation
 - 1. All unused deferred vacation will be paid at the expiration of the calendar year in which it was accrued unless it was accrued in the month of December in which case it will be paid in January of the immediately following calendar year. If the deferred vacation was retroactively approved it will be paid by the end of the calendar year in which the deferred vacation was approved. (02/28/2008)

2. The Secretary/Treasurer will maintain a record of each pilot who has deferred vacation; monitor the use of this deferred vacation and report to the Board the amounts of all Deferred Vacation payments or vacation used since the last report. This record will be presented to the Board of Directors at the regularly scheduled Spring Board of Directors meeting. *(02/28/2008)*
- O. Deferred Vacation Payment – If, under Section 6.05.O.3. of the APA Policy Manual, a pilot's deferred vacation is unable to be used; payment for such vacation shall be made in accordance with Section O.3.b. of the APA Policy Manual. In all cases, the pilot will make a reasonable effort to utilize his/her deferred vacation prior to requesting payment. Payment for such vacation will be made on a pro-rata basis; equal to the daily rate such pilot received from the Company for such period of service. *(02/28/2008)*
 - Q. Variable Compensation/Profit Sharing – Pilots shall be paid by APA for any lost variable compensation/profit sharing provided under their applicable collective bargaining agreement(s), by virtue of their work for the Allied Pilots Association. Reimbursement shall be calculated in the same manner as in the applicable collective bargaining agreement on amounts paid to the pilot under paragraphs F, G and L, *(02/12/2005)* of this Section.
 - R. Payment of Flight Pay Loss – Flight pay loss requests must be submitted within 120 days of their occurrence to be eligible for reimbursement. If a member is denied flight pay loss as provided in this Policy Manual, such member may appeal this denial to the Board of Directors and be granted a hearing before the body. *(06/29/95)*
 - S. The Secretary-Treasurer will maintain a record of each request for paid union leave, which is denied by American Airlines management. This information will include, but will not be limited to: name and title of member submitting request for leave; date, name, and title of person requesting leave from the corporation; name and title of person denying the leave and reason the request was denied. This information will be presented to the Board of Directors at the Fall Board of Directors meeting. *(10/23/97)*

6.06 Denial of Expenses

Effective July 1, 2003 *(05/18/2003)*:

- A. Expenses must be submitted within 120 days of their occurrence to be eligible for reimbursement. *(10/24/94)*
- B. The Secretary-Treasurer may approve, on a case-by-case basis, expense claims if they are over 120 days old, but not past 180 days. No claims will be considered if filed beyond 180 days. *(05/18/2003)*
- C. If a member is denied an expense as provided in this Policy Manual, such member may appeal to the Board of Directors and will be granted a hearing before the body. *(05/18/2003)*

7. DUES AND ASSESSMENTS

7.01 Dues Owed Upon Retirement

To retire in good standing, members shall be required to have paid dues on all applicable monies earned prior to retirement.

7.02 Dues Owed On APA Compensation

Any APA Member receiving compensation from the Association under Section 6.04 of the APA Policy Manual shall have applicable dues deducted from that compensation. (04/25/95)

7.03 Payment of Back Dues

- A. A non-member may attain member status or a member in bad standing may return to good standing by signing a promissory note to pay all back dues owed plus penalties. The Secretary-Treasurer shall establish a schedule of payments. In cases of financial hardship, the Secretary-Treasurer may amend the schedule of payments. (02/09/2007) Upon execution of this agreement, this individual shall be eligible for the status of member in good standing.
- B. Back payments will not be less than \$50/month for Captains and not less than \$25/month for First Officers, and the term for complete repayment will not extend beyond the individual's retirement date. (11/08/2007)

8. OFFICER AND STAFF COMPENSATION

8.01 President

The salary of the President of APA shall be established at full pay rate on the basis the highest system-wide line holder monthly maximum on the highest paying equipment in the system. Additionally, the President will receive a monthly stipend of two thousand (\$2,000.00) dollars. (12/28/2012)

8.02 Vice President and Secretary-Treasurer

The Vice President and Secretary-Treasurer shall be compensated by the Association so that their pay is no less than their applicable line holders MMAX, plus a monthly stipend of one thousand five hundred dollars (\$1,500.00). (12/28/2012)

8.03 Employee Benefit Plans (02/17/2008)

The APA President and/or the APA Benefits Review and Appeals Board may act on delegation from the APA Board of Directors to implement any resolution amending any of the Association's benefits plans for employees or retirees by preparing plan documents (*e.g.*, plan amendments, plan restatements, summaries of material modifications, etc.) and plan-related documents (*e.g.*, explanations, announcements, information, correspondence, etc.) consistent with such resolution and by taking such other actions as are reasonable and necessary to implement such resolution. The APA Benefits Review and Appeals Board may also act on

delegation from the APA President or his delegate to implement any action by the President or his delegate amending any Association benefit plan for employees or retirees as required by law and not requiring Board of Director's approval by preparing plan documents (e.g., plan amendments, plan restatements, summaries of material modifications, etc.) and plan-related documents (e.g., explanations, announcements, information, correspondence, etc.) consistent with such action and by taking such other actions as are reasonable and necessary to implement such action. The National Officers are authorized and empowered to interpret the plan document and summary plan description of any Association benefit plan for employees or retirees. (02/17/2008)

8.04 National Officers' Compensation

The Board of Directors shall review the National Officers' compensation at the regular Fall Board meeting.

9. NEGOTIATIONS

(9.01 FEIA Negotiation Costs deleted 05/18/2003)

9.01 Contract Comparisons and Pre-Opener Membership Preference Survey

- A. A current comparison of significant contract features (including but not limited to: pay rates, per diem, profit sharing, stock plans, pensions, benefits, work rules, scope provisions, furlough provisions, flow through agreements, etc.) of appropriate U.S. passenger airlines and air cargo carriers shall be maintained at APA's Home Office by the APA Negotiating Committee. This comparison shall be revised annually and whenever a new pilot contract is ratified at American Airlines or any other appropriate U.S. passenger airline or air cargo carrier. (11/30/2006)
- B. The President shall identify and retain an outside consulting firm to assist the APA Negotiating Committee in developing and conducting a membership survey to determine the goals and objectives of the pilots of APA for the purposes of formulating Section Six contract openers. (06/04/2000)
 - 1. The Negotiating Committee and Negotiating Committee Support Group shall prepare a pre-opener survey of the membership's preferences and priorities for the next contract. This survey shall be submitted to the Board of Directors for review and approval not later than 180 days prior to the exchange of Section Six Openers. (06/04/2000)
- C. Following Board approval, the Membership Preference Survey and a current contract comparison shall be posted on APA's Web site and shall be mailed to all members in good standing 150 days prior to the exchange of Section Six Notices (Openers). (06/04/2000)
- D. A current contract comparison shall be mailed to the membership and posted on APA's Web site at least 14 days before any membership ratification ballot is mailed pertaining to a new Basic Working Agreement or Contract Extension Agreement. (06/04/2000)
- E. A copy of the most current contract comparison shall be maintained on the APA Web site at all times and a printed copy shall be provided to APA members in good standing at any time upon request. (06/04/2000)

F. Additional surveys shall be conducted at least every 18 months during negotiations and following any membership rejection of contract ratification. *(06/04/2000)*

9.02 Prohibition on Communications “Blackouts” and Management Approval of APA Communications

A key element of unity is a fully informed membership. A fundamental principle of APA’s ability to effectively represent the interests of its membership is protecting APA’s right to communicate with the membership without restriction or outside approvals. Therefore, no APA Officer, Committee member or staff employee shall agree to or participate in a communications “blackout” or other restriction of the flow of information from APA to the membership. An example of such prohibited action would be verbal or written agreements to restrict, withhold, cease or censor APA’s communications to the membership or Board of Directors about matters that are the subject of negotiations. *(01/22/2000)*

9.03 Economic Reports to the Membership

The Association shall maintain web pages on the Allied Pilots Association website that will include graphs, tables and charts created under the direction of the APA Director of Industry Analysis taken from SEC filed economic data as it pertains to American Airlines and its industry competition. *(10/21/2011)*

The Association shall also provide links to, and/or displays of commercially available analysts reports produced by banks, brokerages or other industry analysts. *(10/21/2011)*

All such information will be updated as frequently as possible with the goal of providing a multitude of professional opinions and actual financial data updated quarterly on the same schedule that airlines are required to report by the Securities Exchange Commission (SEC). *(10/21/2011)*

9.04 Section Six Notice (“Opener”)

A. When it is practical to do so, the following APA Staff members shall be included in all negotiations, mediation, and super-mediation as advisors to APA’s National Officers and Negotiating Committee:

1. Director of Contract Negotiations and Administration
2. Contract Administrator
3. Attorney

- a. An attorney from APA General Counsel’s office may be used in conjunction with the Staff Attorney as required or as a substitute for a staff attorney when no staff attorney is available to attend a bargaining session. If the Staff Director of Contract Negotiations and Administration is an attorney, he may serve in lieu of the attorney in item 3.

- b. An attorney from APA General Counsel's office shall be in attendance during bargaining sessions involving Section 1, Recognition and Scope. *(12/10/99)*
- 4. These staff members shall assist the National Officers and Negotiating Committee in the drafting of proposed contract language, related letters and other agreements. *(10/23/97)*
- B. The Negotiating Committee shall prepare a Section Six Notice ("Opener") referenced by section of the Basic Working Agreement for review and approval by the Board of Directors. Following approval by the Board of Directors, the entire Opener shall be mailed to the membership. The Board of Directors must approve in advance any substantial departure from the approved negotiating objectives. *(09/19/2006)*
- C. Priority policy objectives required to be stated in all APA Section Six Notices shall be:
 - 1. Full retroactivity and full pensionability for all improvements in pay, for the period of time from the amendable date of the previous agreement through the date of signing of the new agreement. *(10/23/97)*
 - 2. The Association's negotiating objectives and the agreements that result from negotiations shall not be influenced by, or limited by, or tied to any provision in any agreement between the Company and any other employee group. *(10/23/97)*
 - 3. The Association shall ensure that the amendable date of the Basic Working Agreement is not within six (6) months of the beginning date of the normal term for APA's National Officers. *(02/16/2001)*

9.05 Procedures During Negotiations

- A. When meetings with the Company are being conducted during Section Six negotiations, a confidential weekly report shall be provided each week by the Chairman of the Negotiating Committee directly to the National Officers and Board of Directors containing a synopsis of that week's negotiating sessions. The subject matter of this report shall not be restricted. To expedite the flow of information, this report must be sent by e-mail or faxed to each National Officer and Board member with a hard copy to be provided in the next weekly board package. *(03/01/2003)*
 - 1. When meetings with the company are being conducted outside of Section Six negotiations, the report described in 9.05.A. shall be provided at least monthly. *(03/18/98)*
- B. The membership shall be informed about significant developments, and progress or lack thereof during negotiations by means of an 800-line information tape. This tape will be updated as frequently as necessary but no less often than once a week. *(09/25/91)*
- C. Negotiating Committee Briefing or other written communication shall be mailed to the membership each month during negotiations. *(09/25/91)*
- D. The National Officers, Board of Directors, and Negotiating Committee shall not allow the negotiations/mediation/super-mediation process to be conducted in haste. The Association will not alter its negotiating procedures because of pressure or the imposition of deadlines set by management or the National Mediation Board (NMB) or other sources. These commonly

used tactics must not be allowed to influence the conduct of APA's bargaining because hastily constructed agreements and unwritten or incomplete agreements frequently contain deficiencies or errors or provisions that later prove to be contrary to the best interests of the union members involved. (10/23/97)

- E. The actual contract language intended for presentation to the Board of Directors for consideration shall be written as negotiations/mediation/super-mediation process. The Negotiating Committee, its advisors and staff assistants shall conduct bargaining in the following sequence whenever a meeting of the minds (Agreement in Principle) is achieved on a particular issue: (10/23/97)
1. Negotiate verbal understandings supported by detailed written notes on all proposed changes to a section or related sections of the proposed agreement and all related letters and other related agreements. (10/23/97)
 2. Draft or review management's draft of the proposed language need to effect these changes in all related sections, letters and other related agreements. (10/23/97)
 3. Fully discuss the written language and reach an understanding with management (and the NMB representative if applicable) on the meaning, application, intent and administration of the proposed language. (10/23/97)
 4. Ensure that the Chairman of APA's and management's Negotiating Committees (and NMB representative if applicable) place their initials on the proposed language for each section and all related sections, letters or agreements intended for presentation to APA's Board for consideration. (10/23/97)
 5. Ensure that the procedures set out in items one through four (1-4) of this section are complete before APA's Negotiating Committee begins negotiations on any other unrelated section of the contract, letter or agreement. (10/23/97)

9.06 Tentative Agreement Procedures

- A. Upon conclusion of a Tentative Agreement and prior to its presentation to the Board of Directors, the following requirements shall be completed by the Negotiating Committee: (09/25/91)
1. The Tentative Agreement, all related letters, and the implementation schedule shall be reduced to contractual language. (09/25/91)
 2. The Tentative Agreement, all related letters, and the implementation schedule, in contractual language, with all changes clearly identified, shall be furnished to the Board of Directors at least seven (7) days prior to any meeting convened to consider the Tentative Agreement. (09/25/91)
 3. Whenever it is decided that an offer or proposal will be presented for review and possible action to the Board of Directors, APA's National Officers, Committee members, staff, advisors and consultants shall limit their public comments, statements, and press releases to simple non-committal acknowledgements that an offer or proposal exists, that it will be presented to the Board of Directors for their review and possible action, and that no

comments will be made concerning the merit of the offer or proposal until after the Board of Directors has acted. (10/23/97)

4. A written explanation of the Tentative Agreement for the Board and for the affected portion of the membership shall be prepared. The explanation and any accompanying written material shall be presented to the Board of Directors for approval prior to distribution and prior to conducting membership briefing. (09/25/91) In this written explanation, the Board and membership shall be advised of all known or reasonably foreseeable advantages and disadvantages, benefits and lost benefits, current and future gains or losses, and the problems or potential problems with any proposed agreement with management. (10/23/97)
5. Whenever outside paid consultants are used as contributors in any printed or oral explanation or presentation to the membership, their comments shall not include recommendations on how the membership should vote. (09/29/2000)
6. The approved explanation of the Tentative Agreement, as well as the complete text of the Tentative Agreement, Supplements, published letters, the proposed implementation schedule, and a comment letter from each member of the Board of Directors who wishes to send one shall be mailed to the membership before any "Road Show" presentation begins. The membership at each domicile shall have at least fourteen (14) days to study the written text of any Tentative Agreement, Supplements, published letters, the proposed implementation schedule, and a comment letter from each member of the Board of Directors who wishes to send one prior to the presentation of a "Road Show" at that domicile. All Domiciles shall receive a "Road Show" presentation. (10/23/97) The commentary from the Board of Directors referred to in Section 9.06.A.4 shall be in the form of a letter of no more than four (4) pages per Board member, which will be made available to be mailed no later than three (3) days after the Tentative Agreement is approved by the Board of Directors. (03/13/98)

9.07 Publication of New Contracts

- A. The implementation schedule furnished with the Tentative Agreement shall contain the agreed-to distribution date of the new Basic Working Agreement. (09/25/91)
- B. The Association will make electronic versions of the contract available for use via Internet Services and for download and local use. (10/23/97)

9.08 Contractual Interpretations

- A. No Domicile Officer, Administrative Assistant or any Committee Member is authorized to make written contractual interpretations without submitting such interpretations to the Negotiating Committee for its approval and/or distribution. (03/07/93)
- B. Any statements or documents regarding contractual interpretations without the above authorization will not be binding upon the Association or the membership. (03/07/93)

9.09 Self-Help Work Stoppages

- A. Prior to the initiation of self-help work stoppages, the APA Board of Directors, by a majority vote, shall direct the APA Secretary/Treasurer to select a third-party administrator to mail out a paper strike ballot to all members in good standing. This membership strike vote shall be by secret ballot. The members will have twenty-one (21) days to cast their strike ballot and return it to APA in the enclosed pre-paid envelope. The strike ballots shall be tallied by the third-party administrator and validated by the APA Secretary/Treasurer. Any Board member may observe all portions of the tallying and validating process of the strike ballots. Only those members who are eligible to vote (the APA Status 15 list will be controlling) on the day the strike ballot is scheduled to be tallied shall be eligible to have their vote count. A simple majority of the valid ballots shall govern. By simple majority, the APA Board of Directors will determine if and when the results of the ballot will be released to membership. *(03/19/2009)*

- B. If a strike vote is in the affirmative and if the APA Board of Directors, by majority vote, determines that it is necessary to initiate self-help actions, the Board will consider all legal work stoppages up to and including a general strike, for an indefinite period of time and will vote to determine when self-help will be initiated and for how long self-help will continue. *(03/19/2009)*

- C. If it becomes necessary to terminate self-help, the APA Board of Directors, by majority vote, will vote to determine when the work stoppage(s) shall be terminated. *(03/19/2009)*

10. SAFETY

10.01 Accident Investigation and Go-Team Activation

In the event of an accident that requires the activation of the Go-Team, the APA Party Coordinator is in charge of all aspects of the on-site investigation. The domicile closest to the accident site will make its members and resources available to the on-site Party Coordinator as needed to support APA efforts. The APA Party Coordinator will make every effort to keep the Board of Directors and National Officers informed of the progress of the investigation. Any communication with the membership or the press regarding the accident will be approved by the Party Coordinator prior to the release to prevent jeopardizing our party status with the NTSB or an equivalent agency. *(11/17/2004)*

10.02 Assistance at Hearings

The Association shall make a trained accident investigator or Safety Committee representative available to accompany members required to attend any hearing concerned with an operational incident, violation, or accident. This representative will provide counsel and responsible advocacy.

10.03 “APA Safety Award for Excellence” Award

The APA Safety Award for Excellence is an award to be conferred by the APA upon only those American Airlines pilots/crew members who demonstrate extraordinary airmanship skills and/or courage in the face of extreme adversity. They shall be selected from candidates submitted by the membership at large. These submissions will be screened by the APA Safety Award for Excellence Committee, who will in turn forward their recommendation for any candidate to

receive the APA Safety Award for Excellence to the APA Board of Directors for further review and consideration. The final decision for conferment of the APA Safety Award for Excellence shall be by a vote of the APA Board of Directors. *(03/29/2002)*

11. COCKPIT JUMPSEAT POLICY

11.01 Cockpit Jumpseat Authority

The APA shall not enter into any agreement or understanding of any kind that restricts the number or type of airlines that may enter into reciprocal cockpit jumpseat agreements with subsidiaries of AMR Corporation as long as those carriers are willing to grant jumpseat authority and privileges to APA's pilots. Exceptions are Strikebreakers and Scabs who are never welcome in our cockpits. It is the policy of the APA to encourage the exchange of cockpit jumpseat privileges with other airline pilots around the world. *(02/27/91)*

12. NATIONAL OFFICER ELECTIONS

12.01 Official Correspondence Placed Before the Membership During National Officer Elections

- A. APA's Elections Administrator shall approve and sign all official APA correspondence pertaining to National Officer Elections. *(03/27/91)*
- B. The Association's Elections Administrator shall follow the procedures required in Article IV, Section 5 *(02/07/2004)* of APA's Constitution and Bylaws. He shall also follow any policies established by APA's Board of Directors to ensure an open and democratic process.

12.02 Campaign Literature

Campaign related literature promoting the fitness or candidacy of any member or detracting from the fitness or candidacy of any member shall not be posted on any APA bulletin board. Election announcements signed by APA's Elections Administrator shall be the only items related in any way to APA elections posted on APA bulletin boards. *(04/24/92)*

12.03 National Officer Correspondence

The National Officers shall be permitted to continue the distribution of routine official correspondence incidental to the conduct of Association business during election, so long as it contains no comment or reference, either positive or negative, about any nominee or candidate for office. *(04/24/92)*

12.04 Ballot Enclosures

- A. There shall be no enclosures in any APA mailing containing an election ballot except: *(03/27/91)*
 - 1. A ballot
 - 2. Instructions for use of the ballot

3. A privacy envelope for the ballot
 4. A return envelope for the ballot
- B. No candidate's name shall appear on any of the above-listed items except for the election ballot.

12.05 National Officer Election Ballots

- A. Use of an electronic voting system is authorized for National Officer Elections. Paper-ballot voting is authorized for an election only if specifically directed by the APA Board of Directors. APA shall use a reputable vendor chosen by the APA Secretary-Treasurer, in consultation with General Counsel and APA's Election Administrator, and approved by the APA Board of Directors. *(10/07/2013)*
- B. For an electronic voting system, voting shall commence on or after May 1 of the election year. For paper-ballot voting, ballots shall be mailed to the membership by the vendor on or after May 1 of the election year. *(10/07/2013)*

12.06 Withdrawals

If a candidate decides to withdraw his name, the candidate shall notify the Elections Administrator and the Secretary-Treasurer in writing of his request to withdraw. As long as the written request is received at APA's national office before the election ballots are printed, the candidate's name shall not appear on the ballot. *(03/27/91)*

12.07 National Officer Transition

A National Officer elect will be authorized paid union leave to effect a smooth transition. If the transition is not completed by the date the new National Officer is to take office, the outgoing National Officer shall be authorized paid union leave to effect a smooth transition. The transition union leave should not exceed four (4) weeks for the outgoing National Officer. *(03/27/91)*

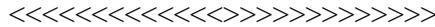
12.08 Filling Vacancies in National Officer Positions

When a vacancy occurs in a National Office and the vacancy is to be filled by the Board of Directors, the nomination and election procedures in 4.19 D. *(10/27/2009)* "Order of Business to Fill Vacancies at All Other Times" shall be followed. *(10/14/98)*

13. DOMICILE ADMINISTRATION GUIDES

13.01 Domicile Administration Guides

APA Domiciles may create and maintain an Administrative Guide provided that, in the event of a conflict between the Administrative Guide and the APA Constitution and Bylaws and/or Policy Manual, the Constitution and Bylaws and Policy Manual control. This includes but is not limited to, structure, regulations, restrictions, and policies. All domicile manuals must be reviewed by the APA Legal Department prior to implementation. *(11/08/2002)*



APA'S NATIONAL OFFICERS, DOMICILE OFFICERS, STAFF, CONSULTANTS
AND NATIONAL COMMITTEES

CODE OF ETHICS

I will faithfully discharge the duty I owe the Association, which makes possible my way of life.

I will respect other officers, committee members, and employees of the Association remembering that respect does not entail subservience.

I will do all within my powers to discharge my duties efficiently and in a manner that will not cause unnecessary delays or expense.

I will faithfully adhere to the policies, directives, and resolutions of the Board of Directors.

I will realize that as a representative of the Association, I will at all times keep my personal appearance and conduct above reproach.

I will direct any criticism or proposed changes to the proper authorities within the Association.

I will hold the Association's business secrets in confidence, and will take care that they are not improperly revealed.

In dealing with others I will expect efficient performance, yet I will overlook small discrepancies and refrain from unnecessary and destructive criticism.

I will conduct my affairs with the Association in such a manner as to bring credit to the Association and to myself.

I will conduct my affairs with the Association and its members in accordance with the rules laid down in the Constitution and Bylaws of the Association and the interpretations promulgated there from.

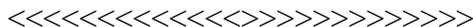
I shall refrain from taking advantage of the confidence reposed in me by my fellow members. If I am called upon to represent the Association in any dispute, I will do so to the best of my ability, fairly and fearlessly, relying on the influence and power of the Association to protect me.

I will regard myself as a debtor to the Association and will dedicate myself to its advancement.

I will not publish articles, give interviews, or permit my name to be used in any manner likely to bring discredit to the Association.

I will continue to keep abreast of labor developments so that my skill and judgment, which heavily depend on such knowledge, may be of the highest order.

I will endeavor to my utmost to faithfully fulfill the obligations of the Allied Pilots Association Code of Ethics. Ethics are not learned by teaching; they are inculcated by example and by experience. To a man of honor, ethics come as naturally as good table manners.



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FORM LM-2 LABOR ORGANIZATION ANNUAL REPORT

U.S. Department of Labor
Office of Labor-Management Standards
Washington, DC 20210

MUST BE USED BY LABOR ORGANIZATIONS WITH \$250,000 OR MORE IN TOTAL ANNUAL RECEIPTS AND LABOR ORGANIZATIONS IN TRUSTEESHIP

Form Approved
Office of Management and Budget
No. 1245-0003
Expires: 08-31-2016

This report is mandatory under P.L. 86-257, as amended. Failure to comply may result in criminal prosecution, fines, or civil penalties as provided by 29 U.S.C. 439 or 440.

READ THE INSTRUCTIONS CAREFULLY BEFORE PREPARING THIS REPORT.			
For Official Use Only	1. FILE NUMBER 059-849	2. PERIOD COVERED From 07/01/2013 Through 06/30/2014	3. (a) AMENDED - Is this an amended report: No (b) HARDSHIP - Filed under the hardship procedures: No (c) TERMINAL - This is a terminal report: No
	4. AFFILIATION OR ORGANIZATION NAME ALLIED PILOTS ASSOCIATION		8. MAILING ADDRESS (Type or print in capital letters)
5. DESIGNATION (Local, Lodge, etc.) NATIONAL HEADQUARTERS		6. DESIGNATION NBR	First Name SALLY
7. UNIT NAME (if any)			Last Name COX
			P.O Box - Building and Room Number SUITE 500
			Number and Street 14600 TRINITY BLVD
9. Are your organization's records kept at its mailing address? Yes			City FORT WORTH
			State TX
			ZIP Code + 4 761552512

Each of the undersigned, duly authorized officers of the above labor organization, declares, under penalty of perjury and other applicable penalties of law, that all of the information submitted in this report (including information contained in any accompanying documents) has been examined by the signatory and is, to the best of the undersigned individual's knowledge and belief, true, correct and complete (See Section V on penalties in the instructions.)

70. SIGNED: Keith Wilson PRESIDENT 71. SIGNED: Pam Torell TREASURER
Date: Sep 15, 2014 Telephone Number: 817-302-2115 Date: Sep 15, 2014 Telephone Number: 817-302-2115

ITEMS 10 THROUGH 21

10. During the reporting period did the labor organization create or participate in the administration of a trust or a fund or organization, as defined in the instructions, which provides benefits for members or beneficiaries? Yes

11(a). During the reporting period did the labor organization have a political action committee (PAC) fund? Yes

11(b). During the reporting period did the labor organization have a subsidiary organization as defined in Section X of these Instructions? Yes

12. During the reporting period did the labor organization have an audit or review of its books and records by an outside accountant or by a parent body auditor/representative? Yes

13. During the reporting period did the labor organization discover any loss or shortage of funds or other assets? (Answer "Yes" even if there has been repayment or recovery.) No

14. What is the maximum amount recoverable under the labor organization's fidelity bond for a loss caused by any officer, employee or agent of the labor organization who handled union funds? \$500,000

15. During the reporting period did the labor organization acquire or dispose of any assets in a manner other than purchase or sale? Yes

16. Were any of the labor organization's assets pledged as security or encumbered in any way at the end of the reporting period? No

17. Did the labor organization have any contingent liabilities at the end of the reporting period? No

18. During the reporting period did the labor organization have any changes in its constitution or bylaws, other than rates of dues and fees, or in practices/procedures listed in the instructions? Yes

19. What is the date of the labor organization's next regular election of officers? 05/2016

Form LM-2 (Revised 2010)

20. How many members did the labor organization have at the end of the reporting period? 9,869

21. What are the labor organization's rates of dues and fees?

Rates of Dues and Fees					
Dues/Fees	Amount	Unit	Minimum	Maximum	
(a) Regular Dues/Fees	1% Salary	per Month	0	0	
(b) Working Dues/Fees	0	per N/A	0	0	
(c) Initiation Fees	\$25	per N/A	\$25	\$25	
(d) Transfer Fees	0	per N/A	0	0	
(e) Work Permits	0	per N/A	0	0	

ASSETS

ASSETS	Schedule Number	Start of Reporting Period (A)	End of Reporting Period (B)
22. Cash		\$6,271,773	\$17,007,121
23. Accounts Receivable	1	\$227,579	\$206,006
24. Loans Receivable	2	\$1,295,876	\$954,765
25. U.S. Treasury Securities		\$0	\$0
26. Investments	5	\$27,552,909	\$27,329,777
27. Fixed Assets	6	\$3,579,721	\$4,140,024
28. Other Assets	7	\$1,242,977	\$747,843
29. TOTAL ASSETS		\$40,170,835	\$50,385,536

LIABILITIES

LIABILITIES	Schedule Number	Start of Reporting Period (A)	End of Reporting Period (B)
30. Accounts Payable	8	\$833,659	\$663,722
31. Loans Payable	9	\$0	\$0
32. Mortgages Payable		\$0	\$0
33. Other Liabilities	10	\$4,503,536	\$2,581,813
34. TOTAL LIABILITIES		\$5,337,195	\$3,245,535

35. NET ASSETS		\$34,833,640	\$47,140,001
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STATEMENT B - RECEIPTS AND DISBURSEMENTS

FILE NUMBER: 059-849

CASH RECEIPTS			CASH DISBURSEMENTS		
	SCH	AMOUNT		SCH	AMOUNT
36. Dues and Agency Fees		\$16,252,983	50. Representational Activities	15	\$16,167,864
37. Per Capita Tax		\$0	51. Political Activities and Lobbying	16	\$1,073,522
38. Fees, Fines, Assessments, Work Permits		\$0	52. Contributions, Gifts, and Grants	17	\$13,450
39. Sale of Supplies		\$0	53. General Overhead	18	\$4,407,109
40. Interest		\$735,320	54. Union Administration	19	\$4,675,670
41. Dividends		\$0	55. Benefits	20	\$2,325,644
42. Rents		\$372,473	56. Per Capita Tax		\$0
43. Sale of Investments and Fixed Assets	3	\$17,814,402	57. Strike Benefits		\$0
44. Loans Obtained	9	\$0	58. Fees, Fines, Assessments, etc.		\$0
45. Repayments of Loans Made	2	\$1,010,351	59. Supplies for Resale		\$0
46. On Behalf of Affiliates for Transmittal to Them		\$0	60. Purchase of Investments and Fixed Assets	4	\$12,259,925
47. From Members for Disbursement on Their Behalf		\$11,349	61. Loans Made	2	\$679,240
48. Other Receipts	14	\$18,021,227	62. Repayment of Loans Obtained	9	\$0
49. TOTAL RECEIPTS		\$54,218,105	63. To Affiliates of Funds Collected on Their Behalf		\$50,000
			64. On Behalf of Individual Members		\$1,272,782
			65. Direct Taxes		\$557,551
			66. Subtotal		\$43,482,757
			67. Withholding Taxes and Payroll Deductions		
			67a. Total Withheld		\$357,923
			67b. Less Total Disbursed		\$357,923
			67c. Total Withheld But Not Disbursed		
			68. TOTAL DISBURSEMENTS		\$43,482,757

Form LM-2 (Revised 2010)

Entity or Individual Name (A)	Total Account Receivable (B)	90-180 Days Past Due (C)	180+ Days Past Due (D)	Liquidated Account Receivable (E)
Total of all itemized accounts receivable	\$0	\$0	\$0	\$0
Totals from all other accounts receivable	\$206,006	\$2,426	\$20,260	\$0
Totals (Total of Column (B) will be automatically entered in Item 23, Column(B))	\$206,006	\$2,426	\$20,260	\$0

Form LM-2 (Revised 2010)

SCHEDULE 2 - LOANS RECEIVABLE

FILE NUMBER: 059-849

List below loans to officers, employees, or members which at any time during the reporting period exceeded \$250 and list all loans to business enterprises regardless of amount. (A)	Loans Outstanding at Start of Period (B)	Loans Made During Period (C)	Repayments Received During Period		Loans Outstanding at End of Period (E)
			Cash (D)(1)	Other Than Cash (D)(2)	
Name: Furlough Pilot Loan Fund Purpose: See Item 69 Security: See Item 69 Terms of Repayment: See Item 69	\$1,256,445	\$679,240	\$992,576	\$10,000	\$933,109
Name: Emergency Relief Fund Purpose: See Item 69 Security: See Item 69 Terms of Repayment: See Item 69	\$39,431	\$0	\$17,775	\$0	\$21,656
Total of loans not listed above					
Total of all lines above	\$1,295,876	\$679,240	\$1,010,351	\$10,000	\$954,765
Totals will be automatically entered in...	Item 24 Column (A)	Item 61	Item 45	Item 69 with Explanation	Item 24 Column (B)

Form LM-2 (Revised 2010)

SCHEDULE 3 - SALE OF INVESTMENTS AND FIXED ASSETS

FILE NUMBER: 059-849

Description (if land or buildings give location) (A)	Cost (B)	Book Value (C)	Gross Sales Price (D)	Amount Received (E)
Marketable Securities	\$12,973,451	\$16,647,105	\$17,814,402	\$17,814,402
Automobile	\$38,451	\$0	\$8,000	\$8,000
Total of all lines above	\$13,011,902	\$16,647,105	\$17,822,402	\$17,822,402
			Less Reinvestments	\$8,000
(The total from Net Sales Line will be automatically entered in Item 43)			Net Sales	\$17,814,402

Form LM-2 (Revised 2010)

SCHEDULE 4 - PURCHASE OF INVESTMENTS AND FIXED ASSETS

FILE NUMBER: 059-849

Description (if land or buildings, give location) (A)	Cost (B)	Book Value (C)	Cash Paid (D)
Marketable Securities	\$11,384,709	\$11,384,709	\$11,384,709
Fixed Assets	\$919,718	\$919,718	\$875,216
Total of all lines above	\$12,304,427	\$12,304,427	\$12,259,925
		Less Reinvestments	\$0
(The total from Net Purchases Line will be automatically entered in Item 60.)		Net Purchases	\$12,259,925

Form LM-2 (Revised 2010)

Description (A)	Amount (B)
Marketable Securities	
A. Total Cost	\$23,677,812
B. Total Book Value	\$27,329,777
C. List each marketable security which has a book value over \$5,000 and exceeds 5% of Line B.	
N/A	\$0
Other Investments	
D. Total Cost	\$0
E. Total Book Value	\$0
F. List each other investment which has a book value over \$5,000 and exceeds 5% of Line E. Also, list each subsidiary for which separate reports are attached.	
N/A	\$0
G. Total of Lines B and E (Total will be automatically entered in Item 26, Column(B))	\$27,329,777

Description (A)	Cost or Other Basis (B)	Total Depreciation or Amount Expensed (C)	Book Value (D)	Value (E)
A. Land (give location)				
Land 1 : Land 14600 Trinity Blvd. #500; Ft. Worth, TX 76155	\$870,200		\$870,200	\$1,035,370
B. Buildings (give location)				
Building 1 : Bldg 14600 Trinity Blvd. #500; Ft. Worth, TX 76155	\$7,563,190	\$5,176,365	\$2,386,825	\$3,564,630
C. Automobiles and Other Vehicles	\$73,855	\$60,344	\$13,511	\$13,511
D. Office Furniture and Equipment	\$5,977,681	\$5,108,193	\$869,488	\$592,706
E. Other Fixed Assets	\$0	\$0	\$0	\$0
F. Totals of Lines A through E (Column(D) Total will be automatically entered in Item 27, Column(B))	\$14,484,926	\$10,344,902	\$4,140,024	\$5,206,217

Form LM-2 (Revised 2003)

Description (A)	Book Value (B)
Dues Receivable	\$1,118,972
Flight Pay Loss Receivable	\$167,657
Interest Receivable	\$146,063
Holding Company A/R/Prepays/Deposits	\$119,549
Prepaid Insurance	\$104,429
Security Deposits	\$3,500
Travel Advances	\$885
Allowance for Emergency Relief Fund	-\$23,259
Allowance for Furlough Pilot Loan Fund	-\$889,953
Total (Total will be automatically entered in Item 28, Column(B))	\$747,843

Form LM-2 (Revised 2010)

SCHEDULE 8 - ACCOUNTS PAYABLE AGING SCHEDULE

FILE NUMBER: 059-849

Entity or Individual Name (A)	Total Account Payable (B)	90-180 Days Past Due (C)	180+ Days Past Due (D)	Liquidated Account Payable (E)
Total for all itemized accounts payable	\$0	\$0	\$0	\$0
Total from all other accounts payable	\$663,722	\$0	\$0	\$0
Totals (Total for Column(B) will be automatically entered in Item 30, Column(D))	\$663,722	\$0	\$0	\$0

Form LM-2 (Revised 2010)

Source of Loans Payable at Any Time During the Reporting Period (A)	Loans Owed at Start of Period (B)	Loans Obtained During Period (C)	Repayment During Period Cash (D)(1)	Repayment During Period Other Than Cash (D)(2)	Loans Owed at End of Period (E)
Total Loans Payable	\$0	\$0	\$0	\$0	\$0
Totals will be automatically entered in...	Item 31 Column (C)	Item 44	Item 62	Item 69 with Explanation	Item 31 Column (D)
Form LM-2 (Revised 2010)					

SCHEDULE 10 - OTHER LIABILITIES

FILE NUMBER: 059-849

Description (A)	Amount at End of Period (B)
Other Accrued Liabilities	\$947,947
Furlough Pilot Loan Fund	\$672,891
Accrued Vacation	\$499,679
Postretirement Benefits Payable	\$157,005
Holding Company Payables	\$139,138
Retirement Plan Payable	\$78,981
Dues Refund Payable	\$58,394
Medical Insurance Payable	\$18,578
Deferred Revenue Exhibitors	\$9,200
Total Other Liabilities (Total will be automatically entered in Item 33, Column(D))	\$2,581,813

Form LM-2 (Revised 2010)

	(A) Name	(B) Title	(C) Status	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A B C	Wilson, Keith President			\$140,964	\$22,000	\$22,290	\$0	\$185,254		
I	Schedule 15 Representational Activities	48 %	Schedule 16 Political Activities and Lobbying	33 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	5 %	Schedule 19 Administration	14 %
A B C	Westbrook, Thomas Chairman-DFW			\$12,845	\$0	\$1,213	\$0	\$14,058		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A B C	Gary, William Chairman-DCA			\$71,525	\$0	\$3,435	\$0	\$74,960		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	4 %	Schedule 19 Administration	96 %
A B C	Roach, Steve Chairman-LAX			\$110,745	\$0	\$11,985	\$0	\$122,730		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A B C	Jackson, Carl Vice Chairman-DCA			\$64,482	\$0	\$7,565	\$0	\$72,047		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	9 %	Schedule 19 Administration	91 %
A B C	McDaniels, Arthur Chairman-DFW			\$56,554	\$0	\$4,001	\$0	\$60,555		
I	Schedule 15 Representational Activities	6 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	8 %	Schedule 19 Administration	86 %
A B C	Wales, John Vice Chairman-DFW			\$12,412	\$0	\$1,700	\$0	\$14,112		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A B C	Mayer, Samuel Chairman-LGA			\$100,784	\$0	\$10,109	\$0	\$110,893		
I	Schedule 15 Representational Activities	3 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	97 %
A B C	Bacon, Stephen Chairman-BOS			\$86,918	\$0	\$11,483	\$0	\$98,401		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	8 %	Schedule 19 Administration	92 %
A B C	Abbott, Scott Chairman-ORD			\$63,083	\$0	\$9,281	\$0	\$72,364		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A B C	Boyd, William Vice Chairman-LAX			\$95,886	\$0	\$12,262	\$0	\$108,148		
I	Schedule 15 Representational Activities	6 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	3 %	Schedule 19 Administration	91 %

	(A) Name	(B) Title	(C) Status	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	Rivera, Jose									
B	Chairman-MIA			\$99,416	\$0	\$11,146	\$0	\$110,562		
C										
I	Schedule 15 Representational Activities	1 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	2 %	Schedule 19 Administration	97 %
A	Torell, Pam									
B	Secretary Treasurer			\$44,967	\$13,500	\$22,769	\$0	\$81,236		
C										
I	Schedule 15 Representational Activities	14 %	Schedule 16 Political Activities and Lobbying	9 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	2 %	Schedule 19 Administration	75 %
A	Dillard, James									
B	Vice Chairman-BOS			\$73,212	\$0	\$12,534	\$0	\$85,746		
C										
I	Schedule 15 Representational Activities	2 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	98 %
A	Copeland, Thomas									
B	Vice Chairman-MIA			\$74,396	\$0	\$10,191	\$0	\$84,587		
C										
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	12 %	Schedule 19 Administration	88 %
A	Roghair, Neil									
B	Vice President			\$55,638	\$13,500	\$8,161	\$0	\$77,299		
C										
I	Schedule 15 Representational Activities	40 %	Schedule 16 Political Activities and Lobbying	24 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	11 %	Schedule 19 Administration	25 %
A	Moore, Russell									
B	Vice Chairman-DFW			\$50,146	\$0	\$787	\$0	\$50,933		
C										
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	4 %	Schedule 19 Administration	96 %
A	Hooper, Todd									
B	Vice Chairman-ORD			\$28,211	\$0	\$6,682	\$0	\$34,893		
C										
I	Schedule 15 Representational Activities	4 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	96 %
A	Cummings, Michael									
B	Vice Chairman-LGA			\$58,435	\$0	\$8,231	\$0	\$66,666		
C										
I	Schedule 15 Representational Activities	1 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	99 %
A	Bounds, Keith									
B	Chairman-STL			\$87,791	\$0	\$7,851	\$0	\$95,642		
C										
I	Schedule 15 Representational Activities	6 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	1 %	Schedule 19 Administration	93 %
A	Spiegel, Marcus									
B	Vice Chairman-STL			\$80,589	\$0	\$8,024	\$0	\$88,613		
C										
I	Schedule 15 Representational Activities	13 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	87 %
Total Officer Disbursements				\$1,468,999	\$49,000	\$191,700	\$0	\$1,709,699		
Less Deductions								\$0		
Net Disbursements								\$1,709,699		

SCHEDULE 12 - DISBURSEMENTS TO EMPLOYEES

FILE NUMBER: 059-849

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	O'Grady, Mark			\$39,226	\$0	\$1,134	\$0	\$40,360		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Hair, Richard			\$10,267	\$0	\$1,020	\$0	\$11,287		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Trommer, Scott			\$10,988	\$0	\$2,561	\$0	\$13,549		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	2 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	98 %
A	Fogel, Robert			\$33,280	\$0	\$5,655	\$0	\$38,935		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A	Sanders, Richard			\$24,965	\$0	\$850	\$0	\$25,815		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	78 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	22 %
A	Barker, Terry			\$14,124	\$0	\$98	\$0	\$14,222		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A	Bates, David			\$43,324	\$13,750	\$0	\$0	\$57,074		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	50 %	Schedule 16 Political Activities and Lobbying	35 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	15 %
A	Kunert, Keith			\$12,384	\$0	\$2,294	\$0	\$14,678		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	99 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	1 %
A	Pinion, Douglas			\$95,503	\$0	\$3,965	\$0	\$99,468		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	86 %	Schedule 16 Political Activities and Lobbying	4 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	10 %
A	Duma, Robert			\$12,279	\$0	\$0	\$0	\$12,279		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Putek, Henry			\$59,420	\$0	\$3,267	\$0	\$62,687		
B	Member									
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	Thurber, James									
B	Member			\$32,451	\$0	\$3,505	\$0	\$35,956		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A	Coffman, Robert									
B	Member			\$164,721	\$0	\$15,362	\$0	\$180,083		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	83 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	11 %	Schedule 19 Administration	6 %
A	Tighe, Brian									
B	Member			\$41,689	\$0	\$7,092	\$0	\$48,781		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A	Brown, David									
B	Member			\$144,610	\$0	\$7,815	\$0	\$152,425		
C	APA									
I	Schedule 15 Representational Activities	95 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	5 %	Schedule 19 Administration	0 %
A	Miller, Norman									
B	Member			\$168,971	\$0	\$6,912	\$0	\$175,883		
C	APA									
I	Schedule 15 Representational Activities	98 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	2 %	Schedule 19 Administration	0 %
A	Stephens, Mark									
B	Member			\$147,625	\$0	\$16,175	\$0	\$163,800		
C	APA									
I	Schedule 15 Representational Activities	95 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	5 %	Schedule 19 Administration	0 %
A	MacMurdy, Michael									
B	Member			\$62,099	\$0	\$9,651	\$0	\$71,750		
C	APA									
I	Schedule 15 Representational Activities	65 %	Schedule 16 Political Activities and Lobbying	13 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	5 %	Schedule 19 Administration	17 %
A	Conlon, Steven									
B	Member			\$54,622	\$0	\$7,717	\$0	\$62,339		
C	APA									
I	Schedule 15 Representational Activities	58 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	3 %	Schedule 19 Administration	39 %
A	Finley, Edward									
B	Member			\$16,882	\$0	\$621	\$0	\$17,503		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A	Thurstin, Jeff									
B	Member			\$135,919	\$0	\$6,741	\$0	\$142,660		
C	APA									
I	Schedule 15 Representational Activities	98 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	2 %	Schedule 19 Administration	0 %
A	Kawai, Takaaki									
B	Member			\$19,156	\$0	\$10,120	\$0	\$29,276		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	100 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Beaman, Budd									
B	Member			\$29,884	\$0	\$288	\$0	\$30,172		
C	APA									

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Crooks, William Member APA			\$32,196	\$0	\$11,009	\$0	\$43,205		
I	Schedule 15 Representational Activities	67 %	Schedule 16 Political Activities and Lobbying	32 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	1 %
A B C	Clark, Patrick Member APA			\$94,901	\$0	\$6,124	\$0	\$101,025		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Engelke, Andrew Member APA			\$95,846	\$0	\$3,777	\$0	\$99,623		
I	Schedule 15 Representational Activities	94 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	6 %
A B C	Iverson, Steven Member APA			\$20,128	\$0	\$440	\$0	\$20,568		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Mellerski, Michael Member APA			\$64,622	\$0	\$5,397	\$0	\$70,019		
I	Schedule 15 Representational Activities	96 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	4 %	Schedule 19 Administration	0 %
A B C	Rosselot, Lawrence Member APA			\$70,843	\$0	\$8,474	\$0	\$79,317		
I	Schedule 15 Representational Activities	94 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	6 %
A B C	Talley, William Member APA			\$8,762	\$0	\$3,863	\$0	\$12,625		
I	Schedule 15 Representational Activities	74 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	1 %	Schedule 19 Administration	0 %
A B C	Hoban, Thomas Member APA			\$57,074	\$0	\$6,678	\$0	\$63,752		
I	Schedule 15 Representational Activities	50 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	50 %
A B C	Hamel, Timothy Member APA			\$89,973	\$0	\$12,011	\$0	\$101,984		
I	Schedule 15 Representational Activities	71 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	29 %
A B C	Case, Bruce Member APA			\$45,783	\$0	\$2,777	\$0	\$48,560		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Rappa, Michael Member APA			\$10,011	\$0	\$518	\$0	\$10,529		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	Chapman, Anthony									
B	Member			\$68,890	\$3,000	\$6,533	\$0	\$78,423		
C	APA									
I	Schedule 15 Representational Activities	21 %	Schedule 16 Political Activities and Lobbying	46 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	3 %	Schedule 19 Administration	30 %
A	Shankland, Scott									
B	Member			\$27,332	\$3,000	\$2,001	\$0	\$32,333		
C	APA									
I	Schedule 15 Representational Activities	11 %	Schedule 16 Political Activities and Lobbying	7 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	25 %	Schedule 19 Administration	57 %
A	Tajer, Dennis									
B	Member			\$57,726	\$0	\$5,706	\$0	\$63,432		
C	APA									
I	Schedule 15 Representational Activities	79 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	21 %
A	Duncan, Thomas									
B	Member			\$52,337	\$0	\$2,435	\$0	\$54,772		
C	APA									
I	Schedule 15 Representational Activities	96 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	4 %
A	Knutson, Thomas									
B	Member			\$11,732	\$0	\$5,896	\$0	\$17,628		
C	APA									
I	Schedule 15 Representational Activities	55 %	Schedule 16 Political Activities and Lobbying	37 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	8 %
A	Walsh, William									
B	Member			\$66,879	\$0	\$8,889	\$0	\$75,768		
C	APA									
I	Schedule 15 Representational Activities	69 %	Schedule 16 Political Activities and Lobbying	23 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	8 %	Schedule 19 Administration	0 %
A	Evans, William									
B	Member			\$11,807	\$0	\$2,052	\$0	\$13,859		
C	APA									
I	Schedule 15 Representational Activities	88 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	12 %
A	Lovfald, Per									
B	Member			\$91,193	\$0	\$6,816	\$0	\$98,009		
C	APA									
I	Schedule 15 Representational Activities	94 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	4 %	Schedule 19 Administration	2 %
A	Prichard, Lev									
B	Member			\$30,391	\$0	\$10,508	\$0	\$40,899		
C	APA									
I	Schedule 15 Representational Activities	75 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Karn, Mike									
B	Member			\$67,258	\$0	\$10,390	\$0	\$77,648		
C	APA									
I	Schedule 15 Representational Activities	35 %	Schedule 16 Political Activities and Lobbying	49 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	9 %	Schedule 19 Administration	7 %
A	Goins, Kenneth									
B	Member			\$38,137	\$0	\$6,558	\$0	\$44,695		
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Raaz, Neil									
B	Member			\$13,344	\$0	\$10,464	\$0	\$23,808		
C	APA									

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
I	Schedule 15 Representational Activities	75 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Daudelin, Timothy Member APA			\$44,559	\$0	\$7,924	\$0	\$52,483		
I	Schedule 15 Representational Activities	66 %	Schedule 16 Political Activities and Lobbying	28 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	6 %
A B C	Quinlan, David Member APA			\$91,213	\$0	\$7,386	\$0	\$98,599		
I	Schedule 15 Representational Activities	99 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	1 %	Schedule 19 Administration	0 %
A B C	Daniel, Christine Member APA			\$17,702	\$0	\$2,275	\$0	\$19,977		
I	Schedule 15 Representational Activities	74 %	Schedule 16 Political Activities and Lobbying	1 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	25 %
A B C	Giles, Carrie Member APA			\$28,000	\$0	\$6,519	\$0	\$34,519		
I	Schedule 15 Representational Activities	67 %	Schedule 16 Political Activities and Lobbying	13 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	20 %
A B C	Gray, Shawn Member APA			\$71,480	\$0	\$12,607	\$0	\$84,087		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	97 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	3 %
A B C	Jeppson, Eric Member APA			\$31,364	\$0	\$6,496	\$0	\$37,860		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	87 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	13 %
A B C	Ewald, Jennifer Member APA			\$12,374	\$0	\$0	\$0	\$12,374		
I	Schedule 15 Representational Activities	62 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	38 %
A B C	Tade, Gavin Member APA			\$22,537	\$0	\$4,925	\$0	\$27,462		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	95 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	5 %
A B C	Benton, Johnathan Member APA			\$38,117	\$0	\$4,587	\$0	\$42,704		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	94 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	6 %
A B C	Smith, Brian Member APA			\$20,345	\$0	\$2,745	\$0	\$23,090		
I	Schedule 15 Representational Activities	65 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	19 %	Schedule 19 Administration	16 %
A B C	Lee, Kenneth Member APA			\$15,279	\$0	\$19,321	\$0	\$34,600		
I	Schedule 15 Representational Activities	71 %	Schedule 16 Political Activities and Lobbying	28 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	1 %

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	Durham, David									
B	Member			\$43,128	\$0	\$3,067	\$0	\$46,195		
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Bouchard, Cary									
B	Member			\$13,169	\$0	\$751	\$0	\$13,920		
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Gabel, Douglas									
B	Member			\$24,411	\$0	\$3,427	\$0	\$27,838		
C	APA									
I	Schedule 15 Representational Activities	98 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	2 %
A	Schwartz, Scott									
B	Member			\$44,441	\$0	\$6,244	\$0	\$50,685		
C	APA									
I	Schedule 15 Representational Activities	52 %	Schedule 16 Political Activities and Lobbying	11 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	11 %	Schedule 19 Administration	26 %
A	Williams, David									
B	Member			\$22,854	\$0	\$679	\$0	\$23,533		
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Bogges, J.									
B	Employee			\$210,895	\$0	\$7,159	\$0	\$218,054		
C	APA									
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A	Rushing, Bruce									
B	Employee			\$77,270	\$0	\$1,136	\$0	\$78,406		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Duke, Ray									
B	Employee			\$175,277	\$0	\$9,492	\$0	\$184,769		
C	APA									
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	75 %	Schedule 19 Administration	0 %
A	Pendergrass, Don									
B	Employee			\$43,598	\$0	\$0	\$0	\$43,598		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Lawrence, John									
B	Employee			\$104,693	\$0	\$0	\$0	\$104,693		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Pyle, Sue									
B	Employee			\$84,561	\$0	\$0	\$0	\$84,561		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Barshes, Barbara									
B	Employee			\$86,923	\$0	\$0	\$0	\$86,923		
C	APA									

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Knoerr, Mike Employee APA			\$161,799	\$0	\$8,893	\$0	\$170,692		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	10 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	90 %	Schedule 19 Administration	0 %
A B C	Overman, Gregg Employee APA			\$164,662	\$0	\$2,571	\$0	\$167,233		
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	50 %	Schedule 19 Administration	0 %
A B C	Gonzalez, Anthony Employee APA			\$50,891	\$0	\$61	\$0	\$50,952		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Little, Jean Employee APA			\$51,531	\$0	\$103	\$0	\$51,634		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Compton, Linda Employee APA			\$86,927	\$0	\$5,360	\$0	\$92,287		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	10 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	90 %	Schedule 19 Administration	0 %
A B C	Schroeder, Kathy Employee APA			\$79,693	\$0	\$0	\$0	\$79,693		
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A B C	Burton, Midge Employee APA			\$54,362	\$0	\$0	\$0	\$54,362		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Duff, Andrea Employee APA			\$121,539	\$0	\$6,581	\$0	\$128,120		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Sophos, Harry Employee APA			\$109,603	\$0	\$0	\$0	\$109,603		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Fluty, Sue Employee APA			\$35,712	\$0	\$0	\$0	\$35,712		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	10 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	90 %	Schedule 19 Administration	0 %
A B C	Roossien, Megan Employee APA			\$43,139	\$0	\$0	\$0	\$43,139		
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	75 %	Schedule 19 Administration	0 %

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	Hardy, Kate									
B	Employee			\$51,732	\$0	\$0	\$0	\$51,732		
C	APA									
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	75 %	Schedule 19 Administration	0 %
A	Dominy, David									
B	Employee			\$53,317	\$0	\$124	\$0	\$53,441		
C	APA									
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	50 %	Schedule 19 Administration	0 %
A	Goldfarb, Joanne									
B	Employee			\$49,012	\$0	\$0	\$0	\$49,012		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	10 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	90 %	Schedule 19 Administration	0 %
A	Kennedy, Tricia									
B	Employee			\$125,634	\$0	\$2,880	\$0	\$128,514		
C	APA									
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A	Barrett, Richard									
B	Employee			\$83,079	\$0	\$0	\$0	\$83,079		
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Hull, Stacey									
B	Employee			\$61,490	\$0	\$212	\$0	\$61,702		
C	APA									
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	50 %	Schedule 19 Administration	0 %
A	Robinson, Neta									
B	Employee			\$74,651	\$0	\$3,779	\$0	\$78,430		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	10 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	90 %	Schedule 19 Administration	0 %
A	Thompson, Russell									
B	Employee			\$112,039	\$0	\$288	\$0	\$112,327		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Cox, Sally									
B	Employee			\$81,628	\$0	\$0	\$0	\$81,628		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Littlejohn, Michelle									
B	Employee			\$43,040	\$0	\$0	\$0	\$43,040		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Lyons, Alison									
B	Employee			\$34,649	\$0	\$0	\$0	\$34,649		
C	APA									
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	50 %	Schedule 19 Administration	0 %
A	Hairston, Charles									
B	Employee			\$133,693	\$0	\$3,637	\$0	\$137,330		
C	APA									

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A B C	Price, Ronald Employee APA			\$105,739	\$0	\$945	\$0	\$106,684		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Ratliff, Weldon Employee APA			\$90,795	\$0	\$943	\$0	\$91,738		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Myers, Mark Employee APA			\$125,151	\$0	\$5,519	\$0	\$130,670		
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A B C	Mabry, Dorinda Employee APA			\$75,790	\$0	\$0	\$0	\$75,790		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Clark, Allison Employee APA			\$158,653	\$0	\$13,321	\$0	\$171,974		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Marzano, Scott Employee APA			\$71,124	\$0	\$0	\$0	\$71,124		
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A B C	Aronhalt, Amie Employee APA			\$71,379	\$0	\$78	\$0	\$71,457		
I	Schedule 15 Representational Activities	1 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	93 %	Schedule 19 Administration	6 %
A B C	LaRussa, Phil Employee APA			\$51,595	\$0	\$7,200	\$0	\$58,795		
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A B C	Boterf, Andrew Employee APA			\$79,867	\$0	\$663	\$0	\$80,530		
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	50 %	Schedule 19 Administration	0 %
A B C	Solomon, Michelle Employee APA			\$48,811	\$0	\$101	\$0	\$48,912		
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A B C	Lewis, Jessica Employee APA			\$54,065	\$0	\$19	\$0	\$54,084		
I	Schedule 15 Representational Activities	25 %	Schedule 16 Political Activities and Lobbying	25 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	50 %	Schedule 19 Administration	0 %

	(A) Name	(B) Title	(C) Other Payer	(D) Gross Salary Disbursements (before any deductions)	(E) Allowances Disbursed	(F) Disbursements for Official Business	(G) Other Disbursements not reported in (D) through (F)	(H) TOTAL		
A	Gloria, Mallory									
B	Employee			\$26,999	\$0	\$0	\$0	\$26,999		
C	APA									
I	Schedule 15 Representational Activities	10 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	40 %	Schedule 19 Administration	50 %
A	Souza, Morgan									
B	Employee			\$75,375	\$0	\$385	\$0	\$75,760		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Solano, Andrew									
B	Employee			\$11,248	\$0	\$0	\$0	\$11,248		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Lopez, Jose									
B	Employee			\$88,345	\$0	\$5,589	\$0	\$93,934		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
A	Eaton, James									
B	Member			\$54,722	\$0	\$15,033	\$0	\$69,755		
C	APA									
I	Schedule 15 Representational Activities	80 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	7 %	Schedule 19 Administration	13 %
A	Swanson, John									
B	Member			\$29,852	\$0	\$763	\$0	\$30,615		
C	APA									
I	Schedule 15 Representational Activities	100 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	0 %
A	Curreri, Charles									
B	Member			\$0	\$0	\$6,223	\$0	\$6,223		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	0 %	Schedule 19 Administration	100 %
A	Thorn, Debbie									
B	Employee			\$7,923	\$0	\$0	\$0	\$7,923		
C	APA									
I	Schedule 15 Representational Activities	0 %	Schedule 16 Political Activities and Lobbying	0 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	100 %	Schedule 19 Administration	0 %
TOTALS RECEIVED BY EMPLOYEES MAKING LESS THAN \$10000				\$279,496	\$0	\$65,945	\$0	\$345,441		
I	Schedule 15 Representational Activities	37 %	Schedule 16 Political Activities and Lobbying	5 %	Schedule 17 Contributions	0 %	Schedule 18 General Overhead	5 %	Schedule 19 Administration	53 %
Total Employee Disbursements				\$7,196,495	\$19,750	\$516,115	\$0	\$7,732,360		
Less Deductions								\$0		
Net Disbursements								\$7,732,360		

Form LM-2 (Revised 2010)

Category of Membership (A)	Number (B)	Voting Eligibility (C)
Apprentice	260	No
Active Membership	8,052	Yes
Executive Membership	0	No
Inactive Membership	1,557	No
Honorary Membership	0	No
Members (Total of all lines above)	9,869	
Agency Fee Payers*	163	
Total Members/Fee Payers	10,032	

*Agency Fee Payers are not considered members of the labor organization.

SCHEDULE 14 OTHER RECEIPTS	
1. Named Payer Itemized Receipts	\$17,999,579
2. Named Payer Non-itemized Receipts	\$1,000
3. All Other Receipts	\$20,648
4. Total Receipts	\$18,021,227

SCHEDULE 17 CONTRIBUTIONS, GIFTS & GRANTS	
1. Named Payee Itemized Disbursements	\$11,000
2. Named Payee Non-itemized Disbursements	\$0
3. To Officers	\$0
4. To Employees	\$0
5. All Other Disbursements	\$2,450
6. Total Disbursements	\$13,450

SCHEDULE 15 REPRESENTATIONAL ACTIVITIES	
1. Named Payee Itemized Disbursements	\$12,423,539
2. Named Payee Non-itemized Disbursements	\$253,840
3. To Officers	\$166,807
4. To Employees	\$3,247,642
5. All Other Disbursements	\$76,036
6. Total Disbursements	\$16,167,864

SCHEDULE 18 GENERAL OVERHEAD	
1. Named Payee Itemized Disbursements	\$1,007,980
2. Named Payee Non-itemized Disbursements	\$532,048
3. To Officers	\$60,187
4. To Employees	\$2,670,806
5. All Other Disbursements	\$136,088
6. Total Disbursements	\$4,407,109

SCHEDULE 16 POLITICAL ACTIVITIES AND LOBBYING	
1. Named Payee Itemized Disbursements	\$143,600
2. Named Payee Non-itemized Disbursements	\$45,500
3. To Officers	\$86,997
4. To Employees	\$733,695
5. All Other Disbursements	\$63,730
6. Total Disbursement	\$1,073,522

SCHEDULE 19 UNION ADMINISTRATION	
1. Named Payee Itemized Disbursements	\$1,595,380
2. Named Payee Non-itemized Disbursements	\$450,420
3. To Officers	\$1,395,709
4. To Employees	\$1,080,220
5. All Other Disbursements	\$153,941
6. Total Disbursements	\$4,675,670

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
American Airlines 4255 Amon Carter Blvd. Fort Worth TX 76155	Distribution Related to Bankruptcy Settlement	12/09/2013	\$17,500,000
	Distribution Related to Bankruptcy Settlement	04/04/2014	\$390,033
	Equity Distribution Recovery	06/09/2014	\$38,119
	Total Itemized Transactions with this Payee/Payer		\$17,928,152
	Total Non-Itemized Transactions with this Payee/Payer		\$0
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$17,928,152
Airline			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
American Financial Advisors 3361 Rouse Rd., #135 Orlando FL 38817	Pension Seminar Exhibitor	01/30/2014	\$5,000
	Total Itemized Transactions with this Payee/Payer		\$5,000
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,000
Type or Classification (B)			
Financial Advisors			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
CAPA/Coalition of Airline Pilots Assn 444 N. Capitol St, NW #532 Washington DC 20001	Expense Reimbursement	02/10/2014	\$9,303
	Total Itemized Transactions with this Payee/Payer		\$9,303
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$9,303
Type or Classification (B)			
Membership Organization			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Cleary Gull, Inc. 100 E Wisconsin Ave., #2400 Milwaukee WI 53202	Pension Seminar Exhibitor	12/31/2013	\$5,000
	Total Itemized Transactions with this Payee/Payer		\$5,000
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,000
Type or Classification (B)			
Investment Consultant			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Currey/Van Zaant 233 N Hamlin Park Ridge IL 60068	Pension Seminar Exhibitor	01/15/2014	\$5,000
	Total Itemized Transactions with this Payee/Payer		\$5,000
	Total Non-Itemized Transactions with this Payee/Payer		\$1,000
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,000
Type or Classification (B)			
Investment Consultant			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Daniel Harrison 9813 Presidential Drive Alisson Park PA 15101	Pension Seminar Exhibitor	01/15/2014	\$5,000
	Total Itemized Transactions with this Payee/Payer		\$5,000
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,000
Type or Classification (B)			
Financial Advisors			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Lincoln Property Company 2000 McKinney Ave. Dallas TX	Expense Reimbursement	01/31/2014	\$21,124
	Total Itemized Transactions with this Payee/Payer		\$21,124
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$21,124

75201			
Type or Classification (B)			
Property Management Company			
Name and Address (A)			
PHH Investments LTD			
13155 Noel Rd., Suite 18			
Dallas			
TX			
75240			
Type or Classification (B)			
Financial Advisors			
Name and Address (A)			
Vincent Grzesiak			
5002-B Locust St.			
Great Falls			
MT			
59405			
Type or Classification (B)			
Pilot			

Purpose (C)	Date (D)	Amount (E)
Pension Seminar Exhibitor	01/30/2014	\$5,000
Total Itemized Transactions with this Payee/Payer		\$5,000
Total Non-Itemized Transactions with this Payee/Payer		\$0
Total of All Transactions with this Payee/Payer for This Schedule		\$5,000

Purpose (C)	Date (D)	Amount (E)
Equity Distribution Recovery	05/19/2014	\$16,000
Total Itemized Transactions with this Payee/Payer		\$16,000
Total Non-Itemized Transactions with this Payee/Payer		\$0
Total of All Transactions with this Payee/Payer for This Schedule		\$16,000

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Alpha Depo, Inc. 13140 Coit Road, Suite 216 Dallas TX 75240	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$18,333
	Total of All Transactions with this Payee/Payer for This Schedule		\$18,333
Type or Classification (B)			
Court Reporting/Litigation Support			
Atrium Hotel and Suites 4600 W Airport Fwy. Irving TX 75061	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$6,498
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,498
Type or Classification (B)			
Hotel/Conference Center			
Broadstone Avion 14500 Sovereign Rd. Fort Worth TX 76155	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$35,132
	Total of All Transactions with this Payee/Payer for This Schedule		\$35,132
Type or Classification (B)			
Apartments			
CQ Roll Call 77 K St. NE, 8th Floor Washington DC 20077-0550	Legislative Lobbying Services	01/01/2014	\$8,478
	Total Itemized Transactions with this Payee/Payer		\$8,478
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$8,478
Type or Classification (B)			
Lobbying Firm			
Dallas Morning News 508 Young Street Dallas TX 75202	Advertisements	09/12/2013	\$5,733
	Total Itemized Transactions with this Payee/Payer		\$5,733
	Total Non-Itemized Transactions with this Payee/Payer		\$30
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,763
Type or Classification (B)			
Newspaper			
Garvett and Associates, LLC 4618 88th Ave SE Mercer Island WA 98040-4422	Industry Consulting - Negotiation Support	05/08/2014	\$30,000
	Total Itemized Transactions with this Payee/Payer		\$30,000
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$30,000
Type or Classification (B)			
Industry Consultants			
Highsaw, Mahoney & Clarke, P.C. 4142 Evergreen Drive Fairfax VA	Legal Services	09/11/2013	\$18,800
	Total Itemized Transactions with this Payee/Payer		\$55,467
	Total Non-Itemized Transactions with this Payee/Payer		\$950
	Total of All Transactions with this Payee/Payer for This Schedule		\$56,417
Type or Classification (B)			

22032			
Type or Classification (B)	Purpose (C)	Date (D)	Amount (E)
Attorneys	Legal Services	07/05/2013	\$36,667
	Total Itemized Transactions with this Payee/Payer		\$55,467
	Total Non-Itemized Transactions with this Payee/Payer		\$950
	Total of All Transactions with this Payee/Payer for This Schedule		\$56,417
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Ira F. Jaffe, Esq. 11705 Roberts Glen Court Potomac MD 20854-2100	Legal Services	09/25/2013	\$7,000
	Legal Services	09/25/2013	\$7,000
	Legal Services	07/01/2013	\$7,500
	Legal Services	07/01/2013	\$7,500
	Total Itemized Transactions with this Payee/Payer		\$29,000
Type or Classification (B)	Total Non-Itemized Transactions with this Payee/Payer		\$0
Attorney	Total of All Transactions with this Payee/Payer for This Schedule		\$29,000
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Jalmer Johnson Consulting, LLC 4405 Jayson Lane Annandale VA 22003	Industry Consulting - Negotiation Support	04/30/2014	\$30,000
	Industry Consulting - Negotiation Support	06/06/2014	\$1,073
	Total Itemized Transactions with this Payee/Payer		\$31,073
	Total Non-Itemized Transactions with this Payee/Payer		\$0
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$31,073
Labor Organization Consultant			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
James & Hoffman 1130 Connecticut Ave, NW Washington DC 20036-3904	Legal Services	07/31/2013	\$17,981
	Legal Services	07/31/2013	\$104,031
	Legal Services	07/31/2013	\$7,990
	Legal Services	10/31/2013	\$20,625
	Legal Services	10/31/2013	\$33,500
	Legal Services	10/31/2013	\$12,188
Type or Classification (B)	Legal Services	01/31/2014	\$39,188
Attorneys	Legal Services	02/28/2014	\$27,875
	Legal Services	02/28/2014	\$27,938
	Legal Services	02/28/2014	\$8,000
	Legal Services	03/31/2014	\$31,063
	Legal Services	05/31/2014	\$25,650
	Legal Services	05/31/2014	\$39,800
	Legal Services	08/31/2013	\$17,600
	Legal Services	04/30/2014	\$32,850
	Legal Services	07/01/2013	\$18,238
	Legal Services	07/01/2013	\$9,750
	Legal Services	07/01/2013	\$29,813
	Legal Services	07/01/2013	\$48,138
	Legal Services	07/31/2013	\$10,013
	Legal Services	07/31/2013	\$6,375
	Legal Services	07/31/2013	\$6,500
	Legal Services	08/31/2013	\$7,616
	Legal Services	08/31/2013	\$153,263
	Legal Services	08/31/2013	\$5,773
	Legal Services	09/30/2013	\$16,975
	Legal Services	09/30/2013	\$13,875
	Legal Services	09/30/2013	\$7,688
	Legal Services	09/30/2013	\$37,250
	Legal Services	11/30/2013	\$11,313
	Legal Services	11/30/2013	\$9,938
	Legal Services	11/30/2013	\$10,438
	Legal Services	12/31/2013	\$12,638
	Legal Services	12/31/2013	\$8,813
	Legal Services	01/31/2014	\$9,250
	Legal Services	01/31/2014	\$5,188
	Legal Services	01/31/2014	\$21,094
	Legal Services	03/31/2014	\$21,156
	Legal Services	03/31/2014	\$9,188
	Legal Services	04/30/2014	\$25,688
	Total Itemized Transactions with this Payee/Payer		\$962,250
	Total Non-Itemized Transactions with this Payee/Payer		\$97,044
	Total of All Transactions with this Payee/Payer for This Schedule		\$1,059,294

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
James G. Sovich			
4121 Indian Bayou No	Industry Consulting	08/16/2013	\$14,000
Destin	Industry Consulting	04/21/2014	\$7,000
FL	Total Itemized Transactions with this Payee/Payer		\$21,000
32541	Total Non-Itemized Transactions with this Payee/Payer		\$2,215
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$23,215
Consultant			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
K&L Gates LLP	Legal Services	07/17/2013	\$122,409
1601 K Street, NW	Legal Services	09/11/2013	\$175,196
Washington	Legal Services	11/07/2013	\$33,965
DC	Legal Services	10/08/2013	\$124,873
20006-1600	Legal Services	12/04/2013	\$5,607
Type or Classification (B)	Legal Services	08/13/2013	\$238,006
Attorneys	Legal Services	08/13/2013	\$6,838
	Total Itemized Transactions with this Payee/Payer		\$706,894
	Total Non-Itemized Transactions with this Payee/Payer		\$7,672
	Total of All Transactions with this Payee/Payer for This Schedule		\$714,566
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Krista M. Fogleman, PC	Legal Services	07/01/2013	\$5,763
1875 Eye Street, NW	Legal Services	07/01/2013	\$30,975
Washington	Legal Services	06/20/2014	\$20,244
DC	Legal Services	04/30/2014	\$5,938
20006	Legal Services	02/28/2014	\$6,625
Type or Classification (B)	Legal Services	12/31/2013	\$12,975
Attorney	Legal Services	12/31/2013	\$15,756
	Legal Services	08/31/2013	\$31,394
	Legal Services	10/31/2013	\$8,125
	Legal Services	10/31/2013	\$6,300
	Legal Services	09/30/2013	\$6,944
	Legal Services	09/30/2013	\$7,744
	Legal Services	09/30/2013	\$8,763
	Legal Services	01/31/2014	\$34,050
	Legal Services	01/31/2014	\$5,856
	Legal Services	11/30/2013	\$15,500
	Legal Services	11/30/2013	\$7,813
	Legal Services	08/31/2013	\$8,938
	Legal Services	08/29/2013	\$5,100
	Legal Services	08/29/2013	\$5,938
	Legal Services	08/29/2013	\$30,525
	Total Itemized Transactions with this Payee/Payer		\$281,266
	Total Non-Itemized Transactions with this Payee/Payer		\$31,520
	Total of All Transactions with this Payee/Payer for This Schedule		\$312,786
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
LAZARD FRERES & CO, LLC	Bankruptcy Consulting	07/01/2013	\$100,000
30 Rockefeller Plaza	Bankruptcy Consulting	10/01/2013	\$100,000
New York	Bankruptcy Consulting	11/01/2013	\$100,000
NY	Bankruptcy Consulting	08/01/2013	\$100,000
10020	Bankruptcy Consulting	08/01/2013	\$5,844
Type or Classification (B)	Bankruptcy Consulting	09/03/2013	\$100,000
Bankruptcy Consultants	Bankruptcy Consulting	12/10/2013	\$7,500,000
	Total Itemized Transactions with this Payee/Payer		\$8,005,844
	Total Non-Itemized Transactions with this Payee/Payer		\$4,281
	Total of All Transactions with this Payee/Payer for This Schedule		\$8,010,125
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Stoptoe & Johnson LLP	Legal Services	10/31/2013	\$6,286
1330 Connecticut Avenue, NW	Legal Services	10/31/2013	\$38,648
Washington	Legal Services	12/02/2013	\$215,574
DC	Legal Services	11/25/2013	\$5,560
20036-1795	Legal Services	10/16/2013	\$11,221
Type or Classification (B)	Legal Services	08/31/2013	\$5,234
Attorneys	Total Itemized Transactions with this Payee/Payer		\$2,235,444
	Total Non-Itemized Transactions with this Payee/Payer		\$45,603
	Total of All Transactions with this Payee/Payer for This Schedule		\$2,281,047

	Purpose (C)	Date (D)	Amount (E)
	Legal Services	02/05/2014	\$8,885
	Legal Services	02/05/2014	\$20,311
	Legal Services	07/01/2013	\$5,196
	Legal Services	07/01/2013	\$63,270
	Legal Services	07/01/2013	\$51,663
	Legal Services	08/30/2013	\$103,201
	Legal Services	08/30/2013	\$8,208
	Legal Services	08/30/2013	\$120,626
	Legal Services	05/14/2014	\$7,808
	Legal Services	04/17/2014	\$15,111
	Legal Services	02/05/2014	\$11,421
	Legal Services	10/24/2013	\$90,810
	Legal Services	10/24/2013	\$21,065
	Legal Services	07/19/2013	\$46,213
	Legal Services	07/19/2013	\$5,836
	Legal Services	07/19/2013	\$100,318
	Legal Services	07/19/2013	\$5,306
	Legal Services	03/04/2014	\$10,684
	Legal Services	12/16/2013	\$9,390
	Legal Services	12/16/2013	\$101,634
	Legal Services	12/16/2013	\$72,787
	Legal Services	12/13/2013	\$9,913
	Legal Services	12/13/2013	\$11,529
	Legal Services	08/31/2013	\$145,825
	Legal Services	09/19/2013	\$7,129
	Legal Services	09/19/2013	\$5,448
	Legal Services	09/19/2013	\$13,754
	Legal Services	03/13/2014	\$27,110
	Legal Services	03/04/2014	\$36,861
	Legal Services	12/13/2013	\$815,609
	Total Itemized Transactions with this Payee/Payer		\$2,235,444
	Total Non-Itemized Transactions with this Payee/Payer		\$45,603
	Total of All Transactions with this Payee/Payer for This Schedule		\$2,281,047
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Towers Watson Pennsylvania, Inc. 8500 Lockbox # 7482 Philadelphia PA 19178-7482	Pension Consulting	12/13/2013	\$9,528
	Pension Consulting	10/25/2013	\$11,905
	Pension Consulting	08/21/2013	\$8,321
	Pension Consulting	07/22/2013	\$13,897
	Pension Consulting	09/20/2013	\$7,439
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$51,090
	Total Non-Itemized Transactions with this Payee/Payer		\$4,562
	Total of All Transactions with this Payee/Payer for This Schedule		\$55,652
Consultant			

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Albertine Enterprises 700 12th Street NW, Suite 7 Washington DC 20005	Lobbyist Services	06/06/2014	\$10,000
	Lobbyist Services	05/19/2014	\$10,000
	Lobbyist Services	04/04/2014	\$10,000
	Lobbyist Services	02/13/2014	\$10,000
	Lobbyist Services	03/07/2014	\$10,000
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$50,000
	Total Non-Itemized Transactions with this Payee/Payer		\$0
Lobbying Firm	Total of All Transactions with this Payee/Payer for This Schedule		\$50,000
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
CAPA/Coalition of Airline Pilots Assn 444 N. Capitol St, NW #532 Washington DC 20001	Membership Dues	07/11/2013	\$23,400
	Membership Dues	10/03/2013	\$23,400
	Membership Dues	01/08/2014	\$23,400
	Membership Dues	04/01/2014	\$23,400
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$93,600
	Total Non-Itemized Transactions with this Payee/Payer		\$0
Membership Organization	Total of All Transactions with this Payee/Payer for This Schedule		\$93,600
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Yarmouth Management, Inc. 309 7th Street, SE Washington DC 20003	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$45,500
	Total of All Transactions with this Payee/Payer for This Schedule		\$45,500
Type or Classification (B)			
Property Management Company			

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Airpower Foundation 8728 Fort Worth TX 76124	Donation	09/23/2013	\$6,000
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$6,000
Charitable Organization	Total Non-Itemized Transactions with this Payee/Payer		\$0
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
The Grey Eagles 1412 Portsmouth NH 03802-1412	Donation	08/31/2013	\$5,000
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$5,000
Charitable Organization	Total Non-Itemized Transactions with this Payee/Payer		\$0
Total of All Transactions with this Payee/Payer for This Schedule			\$6,000
Total of All Transactions with this Payee/Payer for This Schedule			\$5,000

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
ADP 842875 Boston MA 02284-2875	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$33,821
	Total of All Transactions with this Payee/Payer for This Schedule		\$33,821
Type or Classification (B)			
Payroll/Employee Services			
Ana Fuentes 11004 Nicholas Drive Silver Spring MD 20902	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$5,500
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,500
Type or Classification (B)			
Cleaning Services			
Aramark 731676 Dallas TX 75373-1676	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$11,816
	Total of All Transactions with this Payee/Payer for This Schedule		\$11,816
Type or Classification (B)			
Facilities Management Services			
AT&T 105414 Atlanta GA 30348	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$5,994
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,994
Type or Classification (B)			
Telephone Provider			
ATMOS Energy 790311 St. Louis MO 63179-0311	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$6,628
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,628
Type or Classification (B)			
Utility			
Bruce Ruud & Associates LLC 134 Hidden Hills New Braunfels TX 78132	Employee Benefits Consulting	10/14/2013	\$6,000
	Total Itemized Transactions with this Payee/Payer		\$6,000
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,000
Type or Classification (B)			
Consultant			
CDW Computer Centers, Inc. 75723 Chicago IL	Equipment/Maintenance	07/15/2013	\$9,608
	Total Itemized Transactions with this Payee/Payer		\$9,608
	Total Non-Itemized Transactions with this Payee/Payer		\$31,266
	Total of All Transactions with this Payee/Payer for This Schedule		\$40,874

60675-5723			
Type or Classification (B)			
IT Equipment Supplier			
Name and Address (A)			
Corporate Legal Solutions, Inc.			
213 Lakeside Dr Denton TX 76208-5743	Purpose (C)	Date (D)	Amount (E)
	Database Services	10/31/2013	\$6,695
	Total Itemized Transactions with this Payee/Payer		\$6,695
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,695
Type or Classification (B)			
Legal Services			
Name and Address (A)			
Data Base Products, Inc.			
12770 Coit Rd., #1218 Dallas TX 75251	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$11,095
	Total of All Transactions with this Payee/Payer for This Schedule		\$11,095
Type or Classification (B)			
Aviation Data Supplier			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Documation of North Texas 790448	Equipment	07/10/2013	\$6,513
	Equipment	08/09/2013	\$6,785
	Equipment	09/08/2013	\$6,785
St. Louis MO 63179-0448	Equipment	10/09/2013	\$6,785
	Equipment	02/06/2014	\$6,513
	Equipment	01/09/2014	\$6,513
	Equipment	03/09/2014	\$6,513
Type or Classification (B)	Equipment	06/08/2014	\$6,513
Office Equipment Rental/Maintenance	Equipment	05/09/2014	\$6,513
	Equipment	04/08/2014	\$6,513
	Equipment	11/07/2013	\$5,699
	Equipment	12/09/2013	\$7,459
	Total Itemized Transactions with this Payee/Payer		\$79,104
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$79,104
Name and Address (A)			
Documation, Inc.			
231 E Rhapsody Dr. San Antonio TX 78216-3115	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$6,673
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,673
Type or Classification (B)			
Equipment Rental and Maintenance			
Name and Address (A)			
Eaton Corporation 730455			
Dallas TX 75373-0455	Purpose (C)	Date (D)	Amount (E)
	Utilities	05/14/2014	\$5,860
	Total Itemized Transactions with this Payee/Payer		\$5,860
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,860
Type or Classification (B)			
Utility			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Efficient Facilities International, Inc. 16549	Building Maintenance	03/31/2014	\$6,426
	Building Maintenance	04/30/2014	\$6,426
	Building Maintenance	02/28/2014	\$6,426
Fort Worth TX 76162	Building Maintenance	05/31/2014	\$6,426
	Total Itemized Transactions with this Payee/Payer		\$25,704
	Total Non-Itemized Transactions with this Payee/Payer		\$5,162
	Total of All Transactions with this Payee/Payer for This Schedule		\$30,866

Type or Classification (B)				
Facilities Maintenance Service				
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
Gexa Energy 660100	Utilities	10/22/2013	\$5,570	
	Utilities	07/24/2013	\$6,846	
	Utilities	09/24/2013	\$6,838	
	Dallas TX 75266-0100	Utilities	08/22/2013	\$6,719
	Utilities	05/23/2014	\$5,451	
	Utilities	04/24/2014	\$5,016	
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$36,440	
Utility	Total Non-Itemized Transactions with this Payee/Payer		\$27,568	
Total of All Transactions with this Payee/Payer for This Schedule			\$64,008	
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
Global Crossing Telecommunications 741276	Utilities	08/09/2013	\$6,270	
	Utilities	10/09/2013	\$6,167	
	Utilities	07/09/2013	\$6,175	
	Cincinnati OH 45274-1276	Utilities	11/09/2013	\$6,227
	Utilities	10/09/2013	\$6,187	
	Utilities	12/09/2013	\$6,228	
Type or Classification (B)	Utilities		\$6,519	
Utility	Utilities	01/09/2014	\$6,519	
	Utilities	05/09/2014	\$6,325	
	Utilities	04/09/2014	\$6,357	
	Utilities	02/09/2014	\$6,525	
	Utilities	03/09/2014	\$6,426	
	Utilities	06/09/2014	\$6,305	
Total Itemized Transactions with this Payee/Payer			\$75,711	
Total Non-Itemized Transactions with this Payee/Payer			\$0	
Total of All Transactions with this Payee/Payer for This Schedule			\$75,711	
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
GO Recognition Concepts 6481 Southwest Boulevard Benbrook TX 76132	Total Itemized Transactions with this Payee/Payer			
	Total Non-Itemized Transactions with this Payee/Payer			\$11,173
	Total of All Transactions with this Payee/Payer for This Schedule			\$11,173
	Type or Classification (B)	Supplies Vendor		
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
Hilton Miami Airport Lockbox 24092 Seattle WA 98124-0092	Lodging/Catering	06/13/2014	\$5,663	
	Lodging/Catering	06/13/2014	\$6,384	
	Total Itemized Transactions with this Payee/Payer			\$12,047
	Total Non-Itemized Transactions with this Payee/Payer			\$813
	Total of All Transactions with this Payee/Payer for This Schedule			\$12,860
Type or Classification (B)	Hotel			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
Iron Mountain Records Management 915004 Dallas TX 75391-5004	Total Itemized Transactions with this Payee/Payer			
	Total Non-Itemized Transactions with this Payee/Payer			\$10,643
	Total of All Transactions with this Payee/Payer for This Schedule			\$10,643
	Type or Classification (B)	Document Storage		
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
J & J Janitorial Henry Gonzalez Burleson TX 76028	Total Itemized Transactions with this Payee/Payer			
	Total Non-Itemized Transactions with this Payee/Payer			\$23,084
	Total of All Transactions with this Payee/Payer for This Schedule			\$23,084
	Type or Classification (B)			

Type or Classification (B)			
Janitorial Service			
Name and Address (A)			
JMH Printing 530797	Purpose (C)	Date (D)	Amount (E)
Grand Prairie TX 75050	Printing Services	02/19/2014	\$5,335
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$5,335
Printing Company	Total Non-Itemized Transactions with this Payee/Payer		\$1,557
Name and Address (A)	Total of All Transactions with this Payee/Payer for This Schedule		\$6,892
Keybridge Communications LLC			
1722A Wisconsin Ave NW Washington DC 20007	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		
Public Relations Firm	Total Non-Itemized Transactions with this Payee/Payer		\$8,000
Name and Address (A)	Total of All Transactions with this Payee/Payer for This Schedule		\$8,000
Kimberly Gonzalez			
5504 Sierra Ridge Drive Fort Worth TX 76123	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		
Temp. Services	Total Non-Itemized Transactions with this Payee/Payer		\$10,088
Name and Address (A)	Total of All Transactions with this Payee/Payer for This Schedule		\$10,088
KPMG LLP 120754			
Dallas TX 75312-0754	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)	Accounting Services		\$7,500
Accounting Firm	Accounting Services		\$13,633
Name and Address (A)	Accounting Services		\$38,370
Lincoln Property Company			
2000 McKinney Ave. Dallas TX 75201	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		
Property Management Company	Total Non-Itemized Transactions with this Payee/Payer		\$28,292
Name and Address (A)	Total of All Transactions with this Payee/Payer for This Schedule		\$28,292
Microsoft			
Payment Processing Santa Clarita CA 91380-9098	Purpose (C)	Date (D)	Amount (E)
Type or Classification (B)	Software Licenses		\$94,731
IT Software Vendor	Total Itemized Transactions with this Payee/Payer		\$94,731
Name and Address (A)	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$94,731
	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		\$133,882
	Total Non-Itemized Transactions with this Payee/Payer		\$1,165
	Total of All Transactions with this Payee/Payer for This Schedule		\$135,047

Microsoft Licensing, GP			
C/O Bank of America Dallas TX 75207	Purpose (C)	Date (D)	Amount (E)
	Software Licenses	12/03/2013	\$133,882
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$133,882
	Total Non-Itemized Transactions with this Payee/Payer		\$1,165
	Total of All Transactions with this Payee/Payer for This Schedule		\$135,047
IT Software Vendor			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Milliman Consultants and Actuaries	Actuarial/Consulting Services	07/19/2013	\$10,000
	Actuarial/Consulting Services	10/15/2013	\$10,000
10000 N. Central Expy. Dallas TX 75231	Actuarial/Consulting Services	04/16/2014	\$10,000
	Actuarial/Consulting Services	11/20/2013	\$15,000
	Actuarial/Consulting Services	01/07/2014	\$10,000
	Actuarial/Consulting Services	03/26/2014	\$14,000
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$69,000
	Total Non-Itemized Transactions with this Payee/Payer		\$2,500
Actuary/Consulting Firm	Total of All Transactions with this Payee/Payer for This Schedule		\$71,500
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Office Depot 88040 Chicago IL 60680-1040	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$54,197
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$54,197
Office Supply Vendor			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Paetec 9001013 Louisville KY 40290-1013	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$10,958
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$10,958
Utility			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Personalized Communications, Inc. 650002 Dept 8005 Dallas TX 75265-0002	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$5,756
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$5,756
Call Center Service			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Premiere Global Services 404351 Atlanta GA 30384-4351	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$11,859
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$11,859
Web-Conferencing Service			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Ron Wright, Tax Assessor-Collector 961018 Fort Worth TX 76161-0018	Property Tax	10/02/2013	\$17,212
	Total Itemized Transactions with this Payee/Payer		\$17,212
	Total Non-Itemized Transactions with this Payee/Payer		\$318
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$17,530

Tarrant County			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Segal Company 4092 New York NY 10261-4092	Consulting/Actuarial Services	05/30/2014	\$10,213
	Consulting/Actuarial Services	02/28/2014	\$13,238
	Consulting/Actuarial Services	03/26/2014	\$21,909
	Consulting/Actuarial Services	01/23/2014	\$16,528
	Consulting/Actuarial Services	04/22/2014	\$14,556
Type or Classification (B)	Total Itemized Transactions with this Payee/Payer		\$76,444
	Total Non-Itemized Transactions with this Payee/Payer		\$11,547
	Total of All Transactions with this Payee/Payer for This Schedule		\$87,991
Acutary Firm			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Standard & Poor's 2542 Collection Center Dr. Chicago IL 60693	Subscriptions	04/01/2014	\$5,330
	Subscriptions	01/01/2014	\$5,330
	Subscriptions	10/01/2013	\$5,330
	Subscriptions	07/01/2013	\$5,330
	Total Itemized Transactions with this Payee/Payer		\$21,320
Type or Classification (B)	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$21,320
Publications			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Susan Teten 2404 Aquaduct Dr. Bedford TX 76022	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$8,920
	Total of All Transactions with this Payee/Payer for This Schedule		\$8,920
	Type or Classification (B)		
Temp. Services			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Texas Mutual Insurance Co. 841843 Dallas TX 75284-1843	Insurance Premiums	04/22/2014	\$10,315
	Total Itemized Transactions with this Payee/Payer		\$10,315
	Total Non-Itemized Transactions with this Payee/Payer		\$874
	Total of All Transactions with this Payee/Payer for This Schedule		\$11,189
	Type or Classification (B)		
Insurance Company			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
The Crews Group Partners, LLC 11700 Preston Rd #660-254 Dallas TX 75230	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$44,454
	Total of All Transactions with this Payee/Payer for This Schedule		\$44,454
	Type or Classification (B)		
Parliamentarian Services			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
The Hartford 660916 Dallas TX 75266-0916	Insurance Premiums	03/19/2014	\$29,589
	Total Itemized Transactions with this Payee/Payer		\$29,589
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$29,589
Type or Classification (B)			
Insurance Company			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
The Marksman Group, Ltd. 5960 W. Parker, Suite 278-2 Plano TX 75093	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$57,026
	Total of All Transactions with this Payee/Payer for This Schedule		\$57,026

Type or Classification (B)			
Accounting Systems Consultant			
Name and Address (A)			
TMAC Mechanical 29-5758	Purpose (C)	Date (D)	Amount (E)
Lewisville TX 75029	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$6,397
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,397
Type or Classification (B)			
Building Maintenance			
Name and Address (A)			
Tyco Integrated Security, LLC 371967	Purpose (C)	Date (D)	Amount (E)
	Security Services	04/05/2014	\$5,739
	Security Services	10/05/2013	\$5,867
Pittsburgh PA 15250-7967	Security Services	01/04/2014	\$5,974
	Security Services	07/06/2013	\$5,718
	Total Itemized Transactions with this Payee/Payer		\$23,298
	Total Non-Itemized Transactions with this Payee/Payer		\$3,388
	Total of All Transactions with this Payee/Payer for This Schedule		\$26,686
Type or Classification (B)			
Security Service Provider			
Name and Address (A)			
US Postal Service 0505	Purpose (C)	Date (D)	Amount (E)
	Delivery Services	10/04/2013	\$5,000
	Delivery Services	01/14/2014	\$10,000
Carol Stream IL 60132-0505	Delivery Services	03/26/2014	\$5,000
	Total Itemized Transactions with this Payee/Payer		\$20,000
	Total Non-Itemized Transactions with this Payee/Payer		\$4,500
	Total of All Transactions with this Payee/Payer for This Schedule		\$24,500
Type or Classification (B)			
Postal Service			
Name and Address (A)			
US Postmaster	Purpose (C)	Date (D)	Amount (E)
	Delivery Services	10/29/2013	\$10,000
Fort Worth TX 75616-9998	Delivery Services	05/19/2014	\$5,000
	Total Itemized Transactions with this Payee/Payer		\$15,000
	Total Non-Itemized Transactions with this Payee/Payer		\$4,188
	Total of All Transactions with this Payee/Payer for This Schedule		\$19,188
Type or Classification (B)			
Postal Service			
Name and Address (A)			
West Publishing Corporation 6292	Purpose (C)	Date (D)	Amount (E)
Carol Stream IL 60197-6292	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$25,645
	Total of All Transactions with this Payee/Payer for This Schedule		\$25,645
Type or Classification (B)			
Publications Service			
Name and Address (A)			
Western-BRW Paper 847642	Purpose (C)	Date (D)	Amount (E)
Dallas TX 75284-7642	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$18,482
	Total of All Transactions with this Payee/Payer for This Schedule		\$18,482
Type or Classification (B)			
Office Supply Vendor			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		\$14,682
	Total Non-Itemized Transactions with this Payee/Payer		\$4,851
	Total of All Transactions with this Payee/Payer for This Schedule		\$19,533

Westin DFW Airport			
4545 W. John Carpenter Fwy.			
Irving			
TX			
75063			
Type or Classification (B)			
Hotel			
Name and Address (A)			
WEB-TPA Employer Services			
8500 Freeport Pkwy, #400			
Irving			
TX			
75063			
Type or Classification (B)			
Third Party Administrator			

Purpose (C)	Date (D)	Amount (E)
Lodging/Catering	09/12/2013	\$8,412
Lodging/Catering	09/12/2013	\$6,270
Total Itemized Transactions with this Payee/Payer		\$14,682
Total Non-Itemized Transactions with this Payee/Payer		\$4,851
Total of All Transactions with this Payee/Payer for This Schedule		\$19,533

Purpose (C)	Date (D)	Amount (E)
Total Itemized Transactions with this Payee/Payer		
Total Non-Itemized Transactions with this Payee/Payer		\$11,350
Total of All Transactions with this Payee/Payer for This Schedule		\$11,350

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Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
Allison, Slutsky & Kennedy, P. C. 230 West Monroe Street Chicago IL 60606	Legal Services	02/04/2014	\$14,800	
	Legal Services	06/02/2014	\$9,075	
	Legal Services	07/02/2013	\$27,550	
	Legal Services	01/03/2014	\$18,300	
	Legal Services	04/01/2014	\$9,450	
	Legal Services	05/01/2014	\$7,575	
Type or Classification (B)	Legal Services	12/02/2013	\$10,000	
Attorneys	Legal Services	10/02/2013	\$5,850	
	Legal Services	03/02/2014	\$9,500	
Total Itemized Transactions with this Payee/Payer			\$112,100	
Total Non-Itemized Transactions with this Payee/Payer			\$29,311	
Total of All Transactions with this Payee/Payer for This Schedule			\$141,411	
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
American Arbitration Assoc. 120 Broadway, Floor 21 New York NY 10271	Arbitrator Services	07/01/2013	\$5,243	
	Arbitrator Services	07/31/2013	\$37,584	
	Arbitrator Services	11/20/2013	\$33,498	
	Arbitrator Services	09/30/2013	\$38,020	
	Total Itemized Transactions with this Payee/Payer			\$114,345
Type or Classification (B)	Total Non-Itemized Transactions with this Payee/Payer		\$7,147	
Arbitration Service	Total of All Transactions with this Payee/Payer for This Schedule		\$121,492	
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
APA DFW Domicile 14600 Trinity Blvd., #500 Fort Worth TX 76155	Annual Funding - Extraordinary Fund	10/01/2013	\$6,594	
	Annual Funding - Family Awareness	07/08/2013	\$7,550	
	Total Itemized Transactions with this Payee/Payer			\$14,144
	Total Non-Itemized Transactions with this Payee/Payer			\$0
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$14,144	
APA Domicile				
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
APA LAX Domicile 14600 Trinity Blvd #500 Fort Worth TX 76155	Domicile Meeting Expense	04/01/2014	\$9,000	
	Total Itemized Transactions with this Payee/Payer			\$9,000
	Total Non-Itemized Transactions with this Payee/Payer			\$3,230
	Total of All Transactions with this Payee/Payer for This Schedule			\$12,230
Type or Classification (B)	APA Domicile			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
APA LGA Domicile 14600 Trinity Blvd., #500 Fort Worth TX 76155	Total Itemized Transactions with this Payee/Payer			
	Total Non-Itemized Transactions with this Payee/Payer		\$13,284	
	Total of All Transactions with this Payee/Payer for This Schedule		\$13,284	
Type or Classification (B)	APA Domicile			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
APA MIA Domicile 14600 Trinity Blvd., #500 Fort Worth TX 76155	Annual Funding - Extraordinary Fund	10/01/2013	\$5,517	
	Annual Funding - Family Awareness	07/08/2013	\$5,060	
	Total Itemized Transactions with this Payee/Payer			\$10,577
	Total Non-Itemized Transactions with this Payee/Payer			\$0
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$10,577	
APA Domicile				

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
APA ORD Domicile 14600 Trinity Blvd #500 Fort Worth TX 76155	Domicile Meeting Expense	03/19/2014	\$6,400
	Total Itemized Transactions with this Payee/Payer		\$6,400
	Total Non-Itemized Transactions with this Payee/Payer		\$3,450
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$9,850
APA Domicile			
APA STL Domicile 14600 Trinity Blvd., #500 Fort Worth TX 76155	Annual Funding - Family Awareness	07/08/2013	\$7,123
	Total Itemized Transactions with this Payee/Payer		\$7,123
	Total Non-Itemized Transactions with this Payee/Payer		\$0
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$7,123
APA Domicile			
Baab & Denison, L.L.P. 6301 Gaston Avenue Dallas TX 75214	Legal Services	10/31/2013	\$5,806
	Legal Services	01/17/2014	\$9,795
	Legal Services	05/16/2014	\$9,195
	Legal Services	05/16/2014	\$5,880
	Total Itemized Transactions with this Payee/Payer		\$30,676
	Total Non-Itemized Transactions with this Payee/Payer		\$15,494
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$46,170
Attorneys			
Bartley's BBQ 413 E Northwest Hwy Grapevine TX 76051	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$7,002
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$7,002
Caterer			
BDO 642743 Pittsburgh PA 15264-2743	Pension Plan Consulting	09/19/2013	\$154,807
	Pension Plan Consulting	07/15/2013	\$63,891
	Pension Plan Consulting	07/15/2013	\$18,124
	Pension Plan Consulting	07/15/2013	\$5,673
	Total Itemized Transactions with this Payee/Payer		\$242,495
	Total Non-Itemized Transactions with this Payee/Payer		\$1,637
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$244,132
Financial Consulting Firm			
CCComplete, Inc. 309 SW 6th Ave. Portland OR 97204	Electronic Voting Services	03/11/2014	\$10,236
	Electronic Voting Services	04/04/2014	\$10,544
	Electronic Voting Services	02/13/2014	\$10,093
	Total Itemized Transactions with this Payee/Payer		\$30,873
	Total Non-Itemized Transactions with this Payee/Payer		\$4,404
Type or Classification (B)	Total of All Transactions with this Payee/Payer for This Schedule		\$35,277
Balloting Service			
Costco Wholesale Corp. 34331 Seattle WA 98124	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$5,468
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,468

Type or Classification (B)			
Office/Catering Supply Vendor			
Name and Address (A)			
Crowne Plaza - St. Louis Airport			
11228 Lone Eagle Dr. Bridgeton MO 63044	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$15,038
	Total of All Transactions with this Payee/Payer for This Schedule		\$15,038
Type or Classification (B)			
Hotel			
Name and Address (A)			
Dallas Morning News			
508 Young Street Dallas TX 75202	Purpose (C)	Date (D)	Amount (E)
	Advertisements	09/12/2013	\$5,733
	Total Itemized Transactions with this Payee/Payer		\$5,733
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,733
Type or Classification (B)			
Newspaper			
Name and Address (A)			
Epicor Software Corp. 841547			
Los Angeles CA 90084-1547	Purpose (C)	Date (D)	Amount (E)
	Software License	07/15/2013	\$16,501
	Total Itemized Transactions with this Payee/Payer		\$16,501
	Total Non-Itemized Transactions with this Payee/Payer		\$0
	Total of All Transactions with this Payee/Payer for This Schedule		\$16,501
Type or Classification (B)			
Accounting Software Vendor			
Name and Address (A)			
Federal Express 660481			
Dallas TX 75266-0481	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$5,587
	Total of All Transactions with this Payee/Payer for This Schedule		\$5,587
Type or Classification (B)			
Shipping Service			
Name and Address (A)			
Galligaskins Subs			
5817 Camp Bowie Blvd. Fort Worth TX 76107	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$33,192
	Total of All Transactions with this Payee/Payer for This Schedule		\$33,192
Type or Classification (B)			
Caterer			
Name and Address (A)			
George W. Gage			
G2 Aviation Jenks OK 74037	Purpose (C)	Date (D)	Amount (E)
	Witness Services	08/22/2013	\$5,950
	Total Itemized Transactions with this Payee/Payer		\$5,950
	Total Non-Itemized Transactions with this Payee/Payer		\$167
	Total of All Transactions with this Payee/Payer for This Schedule		\$6,117
Type or Classification (B)			
Aviation Industry Consultant			
Name and Address (A)			
	Purpose (C)	Date (D)	Amount (E)
	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$11,845
	Total of All Transactions with this Payee/Payer for This Schedule		\$11,845

Grapevine Convention Center				
1209 South Main St Grapevine TX 76051				
Type or Classification (B)				
Convention Center				
Name and Address (A)				
Hilton Arlington				
2401 East Lamar Blvd Arlington TX 76006				
Type or Classification (B)				
Hotel				
Name and Address (A)				
Holiday Inn DFW Airport South				
14320 Centre Station Drive Fort Worth TX 76155				
Type or Classification (B)				
Hotel				
Name and Address (A)				
Hyatt Regency Irvine				
844125				
Dallas TX 75284				
Type or Classification (B)				
Hotel				
Name and Address (A)				
Hyatt Regency O'Hare				
9300 Bryn Mawr Ave. Rosemont IL 60018				
Type or Classification (B)				
Hotel				
Name and Address (A)				
James & Hoffman				
1130 Connecticut Ave., NW Washington DC 20036-3904				
Type or Classification (B)				
Attorneys				
Name and Address (A)				
La Hacienda Ranch				
5250 Hwy 121 Colleyville TX 75024				
Type or Classification (B)				
Caterer				

Purpose (C)	Date (D)	Amount (E)
Lodging/Catering	10/16/2013	\$10,319
Total Itemized Transactions with this Payee/Payer		\$10,319
Total Non-Itemized Transactions with this Payee/Payer		\$179,039
Total of All Transactions with this Payee/Payer for This Schedule		\$189,358

Purpose (C)	Date (D)	Amount (E)
Total Itemized Transactions with this Payee/Payer		
Total Non-Itemized Transactions with this Payee/Payer		\$6,575
Total of All Transactions with this Payee/Payer for This Schedule		\$6,575

Purpose (C)	Date (D)	Amount (E)
Lodging/Catering	09/04/2013	\$7,323
Total Itemized Transactions with this Payee/Payer		\$7,323
Total Non-Itemized Transactions with this Payee/Payer		\$4,102
Total of All Transactions with this Payee/Payer for This Schedule		\$11,425

Purpose (C)	Date (D)	Amount (E)
Lodging/Catering	12/04/2013	\$13,928
Lodging/Catering	12/04/2013	\$7,509
Total Itemized Transactions with this Payee/Payer		\$21,437
Total Non-Itemized Transactions with this Payee/Payer		\$1,202
Total of All Transactions with this Payee/Payer for This Schedule		\$22,639

Purpose (C)	Date (D)	Amount (E)
Legal Services	05/31/2014	\$21,938
Total Itemized Transactions with this Payee/Payer		\$21,938
Total Non-Itemized Transactions with this Payee/Payer		\$5,427
Total of All Transactions with this Payee/Payer for This Schedule		\$27,365

Purpose (C)	Date (D)	Amount (E)
Total Itemized Transactions with this Payee/Payer		
Total Non-Itemized Transactions with this Payee/Payer		\$14,588
Total of All Transactions with this Payee/Payer for This Schedule		\$14,588

Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Richard I. Bloch 4335 Cathedral Ave. N.W. Washington DC 20016	Legal Services	03/19/2014	\$9,100
	Legal Services	03/19/2014	\$9,100
	Legal Services	05/27/2014	\$6,325
	Total Itemized Transactions with this Payee/Payer		\$24,525
	Total Non-Itemized Transactions with this Payee/Payer		\$12,527
	Total of All Transactions with this Payee/Payer for This Schedule		\$37,052
Type or Classification (B)			
Attorney			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Sheraton Arlington Hotel 1500 Convention Center Dr. Arlington TX 76011	Lodging/Catering	03/10/2014	\$6,993
	Lodging/Catering	03/10/2014	\$5,610
	Total Itemized Transactions with this Payee/Payer		\$12,603
	Total Non-Itemized Transactions with this Payee/Payer		\$2,203
	Total of All Transactions with this Payee/Payer for This Schedule		\$14,806
Type or Classification (B)			
Hotel			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Sogeti USA LLC 633470 Cincinnati OH 45263	Computer Programming	02/12/2014	\$32,400
	Computer Programming	04/09/2014	\$11,600
	Total Itemized Transactions with this Payee/Payer		\$44,000
	Total Non-Itemized Transactions with this Payee/Payer		\$4,000
	Total of All Transactions with this Payee/Payer for This Schedule		\$48,000
Type or Classification (B)			
IT Consulting Firm			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Stephen B. Goldberg 655 West Irving Park Rd. Chicago IL 60613	Legal Services	07/12/2013	\$33,500
	Legal Services	10/14/2013	\$67,750
	Legal Services	09/04/2013	\$73,500
	Legal Services	11/04/2013	\$17,250
	Legal Services	08/07/2013	\$47,000
	Total Itemized Transactions with this Payee/Payer		\$239,000
Total Non-Itemized Transactions with this Payee/Payer		\$25,629	
Total of All Transactions with this Payee/Payer for This Schedule		\$264,629	
Type or Classification (B)			
Attorney			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Tecker International, LLC 301 Oxford Valley Road Yardley PA 19067	Governance Project	12/05/2013	\$10,000
	Governance Project	10/09/2013	\$15,000
	Governance Project	07/30/2013	\$26,250
	Governance Project	11/05/2013	\$15,000
	Governance Project	01/15/2014	\$10,000
	Governance Project	02/06/2014	\$10,000
	Governance Project	07/09/2013	\$10,000
	Total Itemized Transactions with this Payee/Payer		\$96,250
Total Non-Itemized Transactions with this Payee/Payer		\$12,226	
Total of All Transactions with this Payee/Payer for This Schedule		\$108,476	
Type or Classification (B)			
Business Consultants			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Telephone Town Hall Meeting, Inc. 958 Coneflower Dr. Golden CO 80401	Total Itemized Transactions with this Payee/Payer		
	Total Non-Itemized Transactions with this Payee/Payer		\$10,442
	Total of All Transactions with this Payee/Payer for This Schedule		\$10,442
Type or Classification (B)			
Conference Service			
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)
Virtual Flight Surgeons, Inc. 9800 S Meridian Blvd #125 Englewood CO	Aeromedical Services	08/12/2013	\$30,421
	Aeromedical Services	12/10/2013	\$30,755
	Total Itemized Transactions with this Payee/Payer		\$372,074
	Total Non-Itemized Transactions with this Payee/Payer		\$348
Total of All Transactions with this Payee/Payer for This Schedule		\$372,422	

80112	Purpose (C)	Date (D)	Amount (E)	
Type or Classification (B)				
Aeromedical Service Provider	Aeromedical Services	10/15/2013	\$30,584	
	Aeromedical Services	09/10/2013	\$30,446	
	Aeromedical Services	11/18/2013	\$30,584	
	Aeromedical Services	03/13/2014	\$31,393	
	Aeromedical Services	01/10/2014	\$31,284	
	Aeromedical Services	05/31/2014	\$31,585	
	Aeromedical Services	04/16/2014	\$31,592	
	Aeromedical Services	02/12/2014	\$31,403	
	Aeromedical Services	06/13/2014	\$31,599	
	Aeromedical Services	07/12/2013	\$30,428	
	Total Itemized Transactions with this Payee/Payer			\$372,074
	Total Non-Itemized Transactions with this Payee/Payer			\$348
Total of All Transactions with this Payee/Payer for This Schedule			\$372,422	
Name and Address (A)	Purpose (C)	Date (D)	Amount (E)	
Waldman Bros. Insurance LLP 6200 LBJ Freeway Dallas TX 75240-6331	Insurance Premiums	11/12/2013	\$92,372	
	Insurance Premiums	12/10/2013	\$7,392	
	Insurance Premiums	01/29/2014	\$22,770	
	Insurance Premiums	05/06/2014	\$5,671	
	Insurance Premiums	01/31/2014	\$11,789	
Total Itemized Transactions with this Payee/Payer			\$139,994	
Total Non-Itemized Transactions with this Payee/Payer			\$15,856	
Total of All Transactions with this Payee/Payer for This Schedule			\$155,850	
Type or Classification (B)				
Insurance Agency				

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Description (A)	To Whom Paid (B)	Amount (C)
Pension Contributions - Pilots	American Airlines	\$1,021,254
Pension Contributions - Employees	Fidelity Investments	\$509,592
Life Insurance	Met Life	\$12,793
Group Medical	Web TPA - Administrator	\$744,849
Disability Insurance	Mutual of Omaha	\$15,914
Workers' Compensation	Travelers Insurance	\$15,409
Other Benefits	Miscellaneous Vendors	\$5,833
Total of all lines above (Total will be automatically entered in Item 55.)		\$2,325,644

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Question 12: An audit of the books and records of the Allied Pilots Association was performed by the independent accounting firm of KPMG LLP (US).

Question 15: In December 2013, Allied Pilots Association received a distribution of cash (\$17,500,000) and stock (\$3,673,654) from American Airlines Group, as a result of the bankruptcy settlement reached with the airline.

Question 18: Changes to the Constitution and Bylaws (Amendment # 79, effective October 11, 2013, Amendment # 80, effective November 20, 2013, and Amendment # 81, effective April 24, 2014) and changes to the Policy Manual (Dated March 20, 2014) are incorporated in the full documents attached as electronic files to this report.

Question 10: The Allied Pilots Association sponsors the following programs all of which reside at 14600 Trinity Blvd., Fort Worth, TX 76155 -Allied Pilots Association Political Action Committee EIN#75-2779340 (See also

Question 11) -Allied Pilots Association Welfare and Benefits Master Trust EIN#75-2589033 which includes the following ----APA Catastrophic Medical and Hospital Per Diem Plan ----APA Disability Income Plan ----APA Voluntary Supplementary Medical and Custodial Care Plan ----APA Group Term Life Insurance Plan ----APA Pilots Mutual Aid -APA Holding Company EIN#75-2785182 (all of the activities of this entity are included in this report) -Allied Pilots Association Furloughed Pilot Loan Fund (This is not a separately incorporated entity, and as such, all of the activities of this entity are included in this report. Please see

Schedule 2,

Loans Receivable, and further description under Item 69.) -Allied Pilots Association Emergency Relief Fund (This is not a separately incorporated entity, and as such, all of the activities of this entity are included in this report. Please see

Schedule 2,

Loans Receivable, and further description under Item 69.) -APA Scholarship Fund EIN#75-2759329 (As this entity is a separately incorporated entity that is described as an exempt charitable entity by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code, it files separate complete and timely reports (Form 990) with the Internal Revenue Service. Its activities(assets, liabilities, receipts, and disbursements)are not included in the amounts reported herein. The Allied Pilots Association did not make any contributions to this entity during the reporting period.)

Question 11(a): The Allied Pilots Association has a separate political action committee called the Allied Pilots Association Political Action Committee. The Committee files reports annually with the Federal Election Commission (FEC) under Committee No. C00267849 and the Internal Revenue Service under EIN#75-2779340.

Question 11(b): The Allied Pilots Association has the following subsidiary organizations which reside at 14600 Trinity Blvd., Fort Worth, TX 76155 -APA Holding Company EIN#75-2785182 (all of the activities of this entity are included in this report) -APA Scholarship Fund EIN#75-2759329. As this entity is a separately incorporated entity that is described as an exempt charitable entity by the Internal Revenue Service under Section 501(c)(3) of the Internal Revenue Code, it files separate complete and timely reports (Form 990) with the Internal Revenue Service. Its activities(assets, liabilities, receipts, and disbursements) are not included in the amounts reported herein. The Allied Pilots Association did not make any contributions to this entity during the reporting period.

Schedule 2, Row1:A furlough loan was written off prior to repayment, due to the pilot borrower's personal bankruptcy filing.

Schedule 13, Row1:Apprentice Membership is assigned to a probationary flight deck operating crew member upon application and approval by his Domicile Chairman. Apprentice members do not have voting rights as this is a probationary period. Similarly, they do not pay dues during this period. At the end of the probationary period, the apprentice members become active members with all voting privileges. Apprentice members enjoy all the benefits of active membership except the privileges of voting, holding elective office, and participation in Association sponsored programs where specific requirements prohibit such participation.

Schedule 13, Row1:Apprentice members do not have voting rights.

Schedule 13, Row2:Active membership is assigned to flight deck operating crew members (including check airmen) who have completed the probationary period and meet the qualifications set forth in Article III, Section 1A, upon application and approval. Only active members pay full dues.

Schedule 13, Row3:Executive Membership is assigned to a member who is employed by American Airlines in a management position for which total compensation is not defined by the collective bargaining agreement. Executive members are obligated for dues at the rate of one-half of the current rate, unless the Executive member elects by written notice to the Secretary-Treasurer to pay full dues. If such notice is given, the member shall remain in full dues status for twelve (12) months following the month in which notice is received. Otherwise, one-half of the Executive Member's dues shall be refunded at the end of the fiscal year. Executive members may not vote in APA elections, ratifications or referendum ballots, nor participate in memberships surveys. Executive members are not eligible to seek or hold APA office and shall not serve on APA national or local committees. When an executive member resigns from a managerial position and returns to line pilot or check airman status, he/she automatically restored to active membership, pays full dues, and is eligible for the right and privileges associated with active membership. When an executive member retires, he/she is automatically a retired member and is eligible for the rights and privileges of retired APA members.

Schedule 13, Row3:Executive members do not have voting rights.

Schedule 13, Row4:A member in good standing is automatically transferred to inactive membership status upon 1. Being furloughed by the company, 2. Being on leave of absence from the company twelve (12) months after the expiration of paid sick leave, or 3. Being in the United States Military Forces on active duty in excess of twelve (12) months. Inactive members enjoy all the benefits of membership except the privileges of voting, holding elected office, and participation in Association sponsored programs where specific requirements prohibit such participation.

Schedule 13, Row4:Inactive members do not have voting rights.

Schedule 13, Row5:Honorary members may be conferred upon any individual by action of the Board of Directors. Honorary members do not pay dues.

Schedule 13, Row5:Honorary members do not have voting rights.

General Information:

Schedule 2 See additional information relating to

Schedule 2,

Loans Receivable, Furlough Pilot Loan Fund. Purpose: To provide financial support for pilots who have been furloughed. Security: None. Terms of Repayment: In 1995, APA began a Furloughed Pilot Loan Fund (the Fund) to provide financial support for pilots on furlough. The Fund accepted voluntary contributions from members and used the proceeds of such contributions to provide non-interest bearing loans to furloughed pilots in financial need. The members who contributed to the fund received a full refund of their pro rata share in 1998. When loan payments are completed, all members will receive the remainder of their pro rata share, net of charge offs and net income, if any. In connection with the establishment of the Fund and by resolution of the Board of Directors of APA in April 1995, APA advanced \$203,736 to the Fund. The Fund had gross loans and advances outstanding from furloughed pilots of \$933,109 and \$1,256,445 as of June 30, 2014 and 2013, respectively, less an allowance for estimated unrecoverable furloughed pilot loans of \$899,953 and \$899,953, respectively. As of June 30, 2014 and 2013, APA has \$672,891 and \$1,945,672 recorded as furloughed pilots loan fund payable, which represents cumulative loans from members to the APA to be used to loan to members once they have been furloughed and income earned on contributions received less the portion of the allowance attributable to loans funded by contributions from members. See additional information relating to

Schedule 2,

Loans Receivable, Emergency Relief Fund. Purpose: To provide financial support for pilots experiencing personal emergency. Security: None. Terms of Repayment: In 2010, APA began a formal Emergency Relief Fund (the Fund) to provide financial support for pilots experiencing personal emergency, such as an unexpected health or medical condition. The Fund provides non-interest bearing loans to pilots in financial need due to their personal emergency situation. The Fund had gross loans and advances outstanding of \$21,656 and \$39,431 as of June 30, 2014 and 2013, respectively, less an allowance for estimated unrecoverable loans of \$23,259 and \$23,259, respectively.

Form LM-2 (Revised 2010)

JOINT COLLECTIVE BARGAINING AGREEMENT (JCBA)

between

AMERICAN AIRLINES, INC.

and

THE AIRLINE PILOTS

in the service of

AMERICAN AIRLINES, INC.

and

US AIRWAYS, INC.

as represented by the

ALLIED PILOTS ASSOCIATION

EFFECTIVE: JANUARY 30, 2015

AGREEMENT
between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC. and US AIRWAYS, INC.
as represented by the
ALLIED PILOTS ASSOCIATION
Effective: January 30, 2015

THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN AIRLINES, INC., hereinafter known as the "Company", and the air line pilots in the service of AMERICAN AIRLINES INC. and US AIRWAYS, INC. as represented by the ALLIED PILOTS ASSOCIATION, hereinafter known as the "Association".

In making this Agreement the parties hereto recognize that compliance with the terms of the Agreement and the development of a spirit of cooperation is essential for mutual benefit and for the intent and purpose of this Agreement.

It is hereby mutually agreed:

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Note: Single vertical line in the table of Contents indicates the Section, Supplement or Letter was not contained in the Merger Transition Agreement (MTA).

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SECTION 1

RECOGNITION AND SCOPE

A. Recognition

The Allied Pilots Association has shown satisfactory proof that it represents more than a majority of the airline pilots of American Airlines, Inc., and further, has been certified by the National Mediation Board.

B. Definitions

1. Affiliate

The term "Affiliate" refers to (a) any entity that Controls the Company or any entity that the Company Controls, and/or (b) any other corporate subsidiary, parent, or entity Controlled by or that Controls any entity referred to in (a) above.

2. Agreement

The term "Agreement" means this agreement between the Association and the Company and all supplements and letters of agreement between the Association and the Company.

3. Air Carrier

The term "Air Carrier" means any common carrier by air.

4. Aircraft in Service

"Aircraft in Service" is defined as an aircraft available for revenue service for the Company (not to include any aircraft in storage) or in maintenance for the purpose of return to revenue service for the Company.

5. Air Freight Feed Operation

The term "Air Freight Feed Operation" means a freight operation conducted with non-turbojet aircraft whose primary purpose is to "feed" the Company's aircraft.

6. Commuter Air Carrier

The term "Commuter Air Carrier" refers to any Air Carrier utilizing only Commuter Aircraft.

7. Commuter Aircraft

The term "Commuter Aircraft" means aircraft (jet or turboprop) that (a) have a maximum of seventy-six (76) seats (as operated for the Company) and (b) are not certificated in the United States with a maximum gross takeoff weight (MTOW) of more than 86,000 pounds. If an aircraft otherwise meeting the conditions in the preceding sentence is being operated for the Company and is recertified in the United States with a MTOW of greater than 86,000, said aircraft shall remain a Commuter Aircraft so long as it continues to operate for the Company at a MTOW of no more than 86,000 pounds. The existing seventy-six (76) CRJ 900 and E175 aircraft operated on behalf of US Airways, Inc. as of January 7, 2013, are grandfathered as to the seat limitation, and they and their replacements may be operated with seventy-nine (79) and eighty (80) seats, respectively.

8. Company

For purposes of this Section 1, the term "Company" shall include American Airlines, Inc. and US Airways, Inc., and each of their respective operations prior to the complete operational merger of the two airlines.

9. Comprehensive Marketing Agreement

The term "Comprehensive Marketing Agreement" means an arrangement between the Company or an Affiliate and a Domestic New Entrant Air Carrier that is not a Commuter Air Carrier that contains at least the following elements:

- a. AAdvantage or any other Company frequent flyer program;
- b. joint marketing arrangements (other than AAdvantage type arrangements); and,

- c. the lease or transfer of gates from the Company or a U.S. Affiliate to the Domestic New Entrant Carrier.

10. Control

The term "Control" shall have the same meaning as the term had in Arbitrator Stephen Goldberg's decision in the Canadian Arbitration Case No. 12-93 (April 25, 1994).

11. Domestic Air Carrier

The term "Domestic Air Carrier" refers to any Air Carrier that is a citizen of the United States within the meaning of 49 U.S.C. § 40102(a)(15), as that statute defines citizenship on the effective date of this Agreement.

12. Domestic Commuter Air Carrier

The term "Domestic Commuter Air Carrier" refers to any Commuter Air Carrier that is a citizen of the United States within the meaning of 49 U.S.C. § 40102(a)(15), as that statute defines citizenship on the effective date of this Agreement.

13. Domestic New Entrant Air Carrier

The term "Domestic New Entrant Air Carrier" means a Domestic Air Carrier that has entered the passenger air transportation market since deregulation, either initially or through ceasing operations and then re-entering the market.

14. Fixed Base Operator Flying

The term "Fixed Base Operator Flying" means flying activities in aircraft having a maximum passenger capacity of 30 seats and a maximum payload capacity of 7,500 pounds.

15. Foreign Carrier

The term "Foreign Carrier" means an Air Carrier other than a Domestic Air Carrier.

16. International Flying

The term "International Flying" means scheduled flying by the Company that includes a scheduled landing or departure outside the 48 contiguous states. This definition is solely for the purposes of the exception for International Codesharing and the conditions on that exception in Section 1.J.

17. Livery

The term "Livery" means, separately or in any combination, an air carrier's name, its logo, and the paint scheme and /or the tailfin scheme on its aircraft.

18. Major Foreign Carrier

The term "Major Foreign Carrier" means a Foreign Carrier that has had more than \$1 billion US, or its equivalent, in annual revenues during its most recent fiscal year.

19. Narrowbody Aircraft

"Narrowbody Aircraft" means an A319, A320, A321, B-737, B-757, MD-80, or B-717 aircraft, or any other single aisle aircraft with more than seventy-six (76) seats (as operated).

20. Successor

The term "Successor" shall include, without limitation, any assignee, purchaser, transferee, administrator, receiver, executor, and/or trustee of the Company or of all or substantially all of the equity securities and/or assets of the Company.

21. Successorship Transaction

The term "Successorship Transaction" means any transaction, whether single step or multi-step, that provides for, results in, or creates a Successor.

22. Transborder Flying

The term "Transborder Flying" means flying scheduled by the Company on US-Canada transborder routes.

23. WACC

The term "WACC" refers to American Airlines Group, Inc.'s weighted average cost of capital as described in the letter agreement between the Association and the Company dated May 1, 2003.

C. SCOPE

1. General.

All flying performed by or on behalf of the Company or an Affiliate shall be performed by pilots on the American Airlines Pilots Seniority List in accordance with the terms and conditions of this Agreement, except as expressly permitted in [Section 1. D.](#) through L below and in the MTA Scope Supplement.

a. Company Flying. Such flying shall include without limitation all passenger flying, cargo or freight flying, and ferry flying, whether scheduled or unscheduled, revenue or non-revenue:

- (1) performed on aircraft owned and operated by or on behalf of the Company or an Affiliate, leased to and operated by or on behalf of the Company or an Affiliate, or operated by the Company or an Affiliate, or
- (2) conducted by any other Air Carrier which the Company has permitted to utilize the Company's present or future designator code, trade name or Livery for the other Air Carrier's flight operations except as expressly permitted in Section 1.D. - L. below, and provided that the portion of this provision referring to trade names will apply only to Company trade names used to describe the Company's flight operations and not trade names such as "AAdvantage."

b. Prohibited Transactions.

Neither the Company nor an Affiliate shall, without the Association's prior written consent, enter into any transaction, agreement, or arrangement, except as expressly permitted in [Section 1.D.](#) through L. below, that permits or provides for:

- (1) any form of contracting out or subcontracting out of any Company flying covered by subsection [C.1.](#), or any wetleasing from an entity or any chartering of such flying from an entity; or
- (2) a Comprehensive Marketing Agreement with a Domestic New Entrant Carrier other than a Domestic Air Carrier with which the Company has implemented a codeshare agreement under [Section 1.G.](#)

Nothing in this provision [C.1.b.](#) shall be construed to permit any other transaction that would violate this provision [C.1.](#)

2. Training.

All flight training of Company pilots in Company aircraft shall be performed by Company pilots, subject to the provisions of the MTA Scope Supplement.

3. Interline Agreements

Nothing in this Section 1 shall be construed to limit the Company or an Affiliate's ability to enter into interline agreements with other Air Carriers.

4. Frequent Flyer Programs.

Nothing in this Section 1 shall be construed to limit the Company or an Affiliate's ability to enter into agreements or arrangements with other Air Carriers involving frequent flyer miles, promotions, awards or other frequent flyer arrangements that are not part of a Comprehensive Marketing Agreement.

5. Captions.

The captions to provisions in this Section 1 are not substantive and should not be considered in construing the meaning of any provision, provided that the Company and the Association do not intend thereby to create an implication as to other captions in this Agreement.

D. Scope Exception: Commuter Air Carriers and Commuter Aircraft at Non-owned Air Carriers

1. Commuter Air Carriers, Non-owned Air Carriers that operate Commuter Aircraft, and Section 1 Limitations.
 - a. The Company or an Affiliate may create, acquire, maintain an equity position in, enter into franchise type agreements with, and/or codeshare with a Commuter Air Carrier, and flying by any such Commuter Air Carrier shall not be subject to the limitations of [Section C.1](#) above, so long as any such Commuter Air Carrier operates in accordance with the limitations set forth in this [Section 1.D](#).
 - b. The Company may codeshare with and/or enter into franchise type agreements with non-owned Air Carriers that operate both (1) [Commuter Aircraft](#) and (2) aircraft that are not Commuter Aircraft with respect to Commuter Aircraft operated by such non-owned Air Carriers and so long as any such Commuter Aircraft are operated in accordance with the limitations set forth in this Section 1.D.
 - c. The term "franchise type agreement" includes any agreement or arrangement with an Air Carrier that permits (1) that Air Carrier to use on Commuter Aircraft the Company name, trademarks, trade name, logo, livery (as provided in Section 1.F.1) and/or service marks and/or (2) other joint marketing actions permitted as a matter of past practice under the "franchise type agreements" provision of Section 1.D.1.a and including linked frequent flyer programs.
2. Purpose; Intent of the Parties.
 - a. Primary Purpose.

The primary purpose of a Commuter Air Carrier is either to provide passenger and/or cargo revenue feed to Company flights and/or to enhance the Company's overall market presence.
 - b. Role of Commuter Air Carriers in Company's Development.

The parties recognize that Commuter Air Carriers have played a role in the development of the Company as the world's premier airline. Additionally, the Company and the Association acknowledge that the passenger feed provided to the Company's domestic and international system strengthens the Company, thereby providing enhanced career opportunities to Company pilots.
 - c. Markets in Which the Company Cannot Earn an Adequate Return on Invested Capital

The Company will operate Company service in markets where such service can earn an adequate return on invested capital. This provision will not require the Company to operate a particular service, but instead, if the Company could operate a service and earn an adequate return on invested capital, the Company may not place or maintain the Company code on such service under Section 1.D. Notwithstanding this prohibition, if the Company orders additional aircraft to fly such a route, the Company may place or maintain its code on the route or frequency during the time between order and delivery of the additional aircraft. Similarly, if the Company is procuring an airport slot, gate and/or other route authority to fly such a route, the Company may place or maintain its code on the route or frequency during the time required to procure such a slot and/or authority.
 - d. Parties to Meet in the Event of Problems.

It is not the intent of either the Company or the Association to limit the expansion of Commuter Air Carriers in developing new markets. If at any time it is determined that these provisions are impeding the ability of Commuter Air Carriers to fulfill their primary role in support of the Company's system, the parties agree to promptly meet and discuss appropriate modifications to this Agreement.
3. Cockpit Crewmember Floor.

In the event that the number of cockpit crewmembers employed by the Company on the American Airlines Pilots Seniority List goes below 7300, the parties agree that the commuter exception contained in this [Section D](#) shall be terminable at the option of APA following a 90-day period to provide an opportunity for discussion. If APA elects to require termination of the commuter exception, the Company shall thereafter have a reasonable time to complete the

disposition of the operations covered by this Section D. during which period the parties shall meet in good faith and discuss the issues related to such termination. Pilots added to the American Airlines Pilots Seniority List by way of seniority merger shall not count in calculating the number of cockpit crewmembers for purposes of this paragraph 3.

4. Limitations on Commuter Carriers.

a. Aircraft Limit.

For each six month period, starting 7/1/2012, the total number of aircraft with greater than thirty (30) seats (as operated) that may be operated under this [Section D.](#) may not exceed a limit, based on Narrowbody Aircraft operated during that period as provided in c. below. Aircraft shall be counted toward that limit as provided in d. below.

b. Counting Narrowbody Aircraft.

Effective each January 1 and July 1, the total number of Narrowbody Aircraft that are Aircraft in Service, shall be tallied for purposes of determining the applicable limit on the number of aircraft that are allowed to be operated with greater than thirty (30) seats pursuant to this [Section D.](#) For the purpose of this tally of Narrowbody Aircraft that are Aircraft in Service, the "total number of aircraft" being operated by the Company for the six month period shall be the straight average of the number of aircraft in service at the Company on the fifteenth calendar day of each of the previous six months. If any six-month tally involves a fractional aircraft unit, the fractional unit will be rounded down if less than .5, and otherwise rounded up.

(1) Force Majeure.

In the event that the Company's planned aircraft deliveries do not take place as scheduled due to conditions beyond the Company's control, then for 12 months from the scheduled delivery date, so long as the scheduled deliveries remain firm orders to be delivered as soon as circumstances permit, the aircraft shall be counted as though they had been timely delivered.

If the Company is unable to operate Company aircraft due to conditions beyond the Company's control, then the Company may count such aircraft as in operation for purposes of this Section b.(1) for three months from the date such aircraft go out of operation, or such longer period as necessary, not to exceed fifteen months, if the Company is taking all practicable steps to restore operations, including by repairing or replacing the affected aircraft.

"Conditions beyond the Company's control" shall include, but not be limited to, the following: (1) an act of God, (2) a strike by any other Company employee group or by the employees of a Commuter Air Carrier operating pursuant to Section 1.D., (3) a national emergency, (4) involuntary revocation of the Company's operating certificate(s), (5) grounding of a substantial number of the Company's aircraft, (6) a reduction in the Company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the Company's demands, (7) the unavailability of aircraft scheduled for delivery.

c. Determining the Maximum Number of Aircraft that may be Operated under Section 1.D..

(1) The number of regional/small jets with greater than thirty (30) seats (as operated) up to and including sixty five (65) seats (as operated) plus the number of regional/small jets operated under clause (2) below that may be operated under Section 1.D. shall not exceed seventy-five percent (75%) of the number of the Company's Narrowbody Aircraft that are Aircraft in Service.

(2) The number of such regional/small jets with greater than sixty-five (65) seats (as operated) up to and including seventy-six (76) seats (as operated) that may be operated under Section 1.D. shall not exceed the following percentages of the number of the Company's Narrowbody Aircraft that are Aircraft in Service in the calendar years indicated:

- | | |
|-----------------|-----|
| (a) 2013 - 2014 | 30% |
| (b) 2015 | 35% |

(c) 2016 & beyond 40%

- (3) In determining the number of regional/small jets that may be operated under this Section 1.D. under clauses (1) and (2) above, turboprop aircraft with fifty (50) or more seats operated under this Section 1.D. shall be counted as though they were regional/small jets; turboprop aircraft with fewer than fifty (50) seats shall not be counted as regional/small jets, provided that the number of turboprop aircraft with fewer than fifty (50) seats operated under this Section 1.D. shall not exceed ten (10) percent of the number of the Company's Narrowbody Aircraft that are Aircraft in Service.
- (4) The Company shall provide the Association with a list of tail numbers and seating configurations for aircraft operating on behalf of the Company with greater than thirty (30) seats (as operated) up to and including seventy-six (76) seats (as operated) as of January 1, 2013 and at each Quarterly Scope meeting. For each such aircraft operated on behalf of the Company, the Company shall provide the Association with a complete list of the operations flown by the aircraft on each day of each six month period, including flight numbers and city pairs.

d. Counting Aircraft Operated Under Section 1.D.

- (1) Effective each January 1 and July 1, aircraft operated pursuant to this Section D. for the previous six month period shall be counted toward the aircraft limit in c above as follows for each Air Carrier on which such flying occurred during that period. .
- (2) If the Air Carrier operates a portion of its allowed flights as American Connection or similarly dedicated operation the Commuter Aircraft in the dedicated portion of the operation shall be counted on a 1 for 1 basis.
- (3) Allowed Commuter Aircraft flown as substitutes for any dedicated aircraft for mechanical or service reasons shall not be counted as long as both the dedicated and substitute aircraft do not fly in passenger service under the Company code simultaneously. If both aircraft do fly simultaneously, the substitute aircraft shall be counted pursuant to (4) below.
- (4) Other Commuter Aircraft flown under the Company code for only a portion of any six month period shall be counted as follows:

First, take the number of days in which each Commuter Aircraft was flown with passengers on the Company's code under Section 1.D. as a proportion of the total number of days flown by that aircraft in the six month period.

Second, add that proportion for each aircraft to the proportions of all Commuter Aircraft that are flown under the Company code for only a portion of any six month period. After adding, fractional units shall be rounded up to the nearest whole number.

Thus, for example, if five aircraft each spend 50% of the days in a six month period (e.g., 91 out of 182 days) flying at least one flight under the Company code per day, the total shall be 2.5 aircraft, which will be rounded up to 3. Three (3) aircraft shall then be counted toward the overall limit for aircraft operated under Section 1.D. for that six month period.

e. Penalty for Excess Section 1.D. Operations.

If, for any six month period, the total number of aircraft operated under this [Section 1.D.](#), counted as provided in d. above, exceeds the number permitted under provision c. above, then the number of aircraft that Air Carriers would otherwise have been permitted to operate during the subsequent six month period shall be reduced by twice the number of such excess aircraft. Moreover, during that subsequent six month period, the Company shall be required to stay within the aircraft limit as calculated on the first day of each month in the period for the previous months in the period. If the Company does not comply during any month of this subsequent six-month period, the Association shall have all available remedies. Nothing herein limits the right of either party to bring a grievance on an expedited basis before the System Board about any dispute regarding compliance with Section 1.D. at any time.

f. Limitations on Aircraft Types in Commuter Air Carriers' Fleets.

No aircraft type in the Company's fleet, or inactive aircraft type previously in the Company's fleet and still under the Company's control, and no orders or options for a Company aircraft type shall be transferred to or operated by a Commuter Air Carrier operated under this [Section D](#).

g. Limits on Certain Non-Stop Flying

- (1) Beginning with the calendar quarter starting July 1, 2012, and for each calendar quarter thereafter, flying under Section 1.D shall be subject to the following limit on nonstop scheduled service between DFW, ORD, MIA, JFK, and LAX. The combined scheduled block hours of such service shall not exceed 1.25% of the Company's total scheduled block hours, unless the Association consents. If the number of departures scheduled by the Company at any other airport exceeds an average of one hundred (100) per day over a six (6) month period, such airport shall be added to the above list, for as long as the average number of departures at such airport remains above one hundred (100) per day for the previous six (6) months.
- (2) In determining whether DCA, LGA and/or BOS should be added to the list of airports pursuant to the above Section 1.D.4.g.(1), scheduled departures for flights between DCA, LGA and BOS that are marketed as "Shuttle" flights shall not be counted towards the one hundred (100) departures per day threshold. However, scheduled departures for flights between DCA, LGA and BOS that are not marketed as "Shuttle" flights shall be counted toward the threshold. If DCA, LGA or BOS reach the one hundred (100) departures per day threshold, the scheduled block hours for flights between DCA, LGA and BOS that are marketed as "Shuttle" flights shall not be counted towards the 1.25% limit.
- (3) As of December 9, 2013, one hundred (100) per cent of flights between DCA, LGA and BOS that are marketed by the Company as "Shuttle" flights shall be operated by the Company. Once the provisions of Paragraph 12 of the MTA Scope Supplement are no longer in effect, at least sixty-five (65) percent of flights between DCA, LGA and BOS that are operated by or on the Company's behalf as "Shuttle" flights on weekdays and Sunday, combined, shall be operated by the Company. The mainline percentage of "Shuttle" flights shall be measured on a twelve (12) month rolling average basis, aggregating the "Shuttle" flights between DCA, LGA, and BOS.

h. Hubs and Major Airport Departures.

Beginning with the calendar quarter starting July 1, 2012, and for each calendar quarter thereafter, 85% of departures by turbojet aircraft operated under Section 1.D. and turboprop aircraft counted under section 1.D.4.c.(3) shall be into or out of the following hubs and major airports: DFW, ORD, MIA, LAX, and JFK. If the number of departures scheduled by the Company at any other airport exceeds an average of one hundred (100) per day over a six (6) month period, such airport shall be added to the above list, for as long as the average number of departures at such airport remains above one hundred (100) per day for the previous six (6) months. Departures utilizing commuter slots at slot controlled airports other than those listed above (e.g., DCA) and departures from airports limited to commuter departures by other governmental or aircraft operational restrictions (e.g., SAF), shall not be covered by this provision h.

5. Preference in Hiring.

If pilots of the Company are on furlough, such pilots shall be given preference in the filling of vacancies on Air Carriers operated under Section 1.D. that are Affiliates. The Company shall also attempt to secure preference for such pilots for vacancies occurring at Air Carriers in which the Company or an Affiliate owns a minority equity interest and at independently owned Air Carriers that have franchise-type agreements or other codesharing relationships with the Company or an Affiliate.

6. Information Sharing.

a. Review of Changes to Flying Under Section 1.D..

The Association shall identify individuals to work with the Company's schedule planning department to review contemplated changes in flying under Section 1.D. on routes where passengers will be carried on behalf of the Company. The Association agrees to treat the information provided by the Company pursuant to this provision as confidential.

b. Quarterly Data Review.

On a quarterly basis beginning September 1, 1997, the Company shall review with the Association data that reflects the results of any decisions to substitute flying by Air Carriers operated under this [Section 1.D.](#) for the Company's flying and shall review routes, if any, operated by Air Carriers under Section 1.D on behalf of the Company that could be flown by the Company and earn an adequate return on invested capital. The Company shall also procure and share with the Association the data necessary to verify the limits set forth in this [Section D.](#)

c. New Codesharing/Ownership Arrangements.

The Company shall discuss with the Association any plans to enter into new codesharing or ownership arrangements with any Air Carrier under Section 1.D. prior to the implementation of such arrangements.

7. Foreign Commuter Air Carrier.

A Commuter Air Carrier that engages in flying only between points outside the United States, its territories or possessions shall not be subject to the limitations set forth in Section D.4.-7.

8. Prohibition on Training.

Neither the Company nor an Affiliate shall provide flight training to any pilot on the seniority list of any Air Carrier that operates under Section 1.D. on any aircraft type owned or operated by the Company.

E. Scope Exception: Fixed Based Operators

The Association recognizes the Company's desire to engage in fixed base operations. Where such operations include Fixed Base Operator Flying, the Association agrees that the provisions of [Section 1.C.](#) above shall not apply to such flying as long as it does not supplant the Company's flying and is not utilized in airline service which is offered for sale to the general public through such devices as the Official Airline Guide and airline industry computerized reservations systems.

F. Scope Exception: Livery / Paint Scheme

1. Regional aircraft operated in compliance with [Section 1.D.](#) may carry the Company's livery, provided that such aircraft bear the name "American Connection" or "American Eagle" or a similar name connoting a connection with American Airlines (or other name used by the Company).
2. Company aircraft may operate using the livery of a multi-airline alliance, such as the oneworld alliance, provided that the livery on Company mainline aircraft is not identical to any other airline's livery and provided further that any Company mainline aircraft operated using the livery of a multi-airline alliance includes a clear indication that it is operated by "American Airlines" (or other name used by the Company), such as an AA tailfin scheme.
3. The Company shall not give permission for other airlines in a multi-airline alliance, such as the oneworld alliance, to use elements of the Company's livery (such as tailfin scheme or the name "American Airlines") as part of any multi-airline alliance livery, unless: (1) the livery element is used in conjunction with other alliance members' liveries as a depiction of the members within the alliance and includes a clear indication of which airline operates the aircraft and the aircraft livery creates no reasonable basis for customer confusion that any aircraft is operated by the Company, and (2) the Association has been given advance notice and graphics of the proposed livery for review and comment.

G. Scope Exception: Codesharing with Domestic Air Carriers

1. The Company may enter into and maintain codeshare agreements with Domestic Air Carriers under the following conditions:
 - a. American Airlines, Inc. - US Airways, Inc. codesharing
American Airlines, Inc. and its successor may place the AA designator code on flights operated by US Airways, Inc. and its successor, and US Airways, Inc. and its successor may place the US designator code on flights operated by American Airlines, Inc. and its

successor. The restrictions in Section 1.G.2 below shall not be applicable to such codeshare flying.

b. Alaska Airlines

- (1) The Company may engage in unrestricted codesharing with Alaska Airlines (AS), except that the Company's current or future designator code may not be placed on AS code flights between Hawaii and each of DFW, LAX, SAN and ORD.
- (2) If the Company is unable to conclude and/or maintain a codeshare agreement or agreements with Alaska, an equivalent number of ASMs available for codeshare on Alaska under (1) above will be added under Paragraph 1.G.2.a. below, subject to the same conditions with respect to flights between Hawaii and each of DFW, LAX, SAN and ORD covered by Section 1.G.1.a.(1).

c. Hawaiian Inter-Island

- (1) The Company or its successor may codeshare with Hawaiian Airlines (or its successor) without restriction on flights operating wholly within the Hawaiian Islands, so long as the Company or its successor operates a minimum average of ten (10) flights per day between the mainland and Hawaii measured on a rolling look-back period of twelve (12) months.
- (2) Alternatively to Hawaiian Airlines (or its successor), the Company may place its current or future designator code on flights operating wholly within the Hawaiian Islands provided that the Air Carrier (or its parent) upon which the code is placed is not an Affiliate (other than a Commuter Air Carrier) of the Company, or categorized as a "Group III" Air Carrier by the U.S. Department of Transportation. Further, if any such Air Carrier upon which the code is placed also operates between Hawaii and the U.S. mainland, and if the Company or its successor operates fewer than 10 daily frequencies between the contiguous 48 states and Hawaii, the Association shall have the right to withdraw its consent to codesharing with such Air Carrier under this provision.
- (3) On a quarterly basis, the Company will inform the Association of the number of daily frequencies the Company is operating between Hawaii and the U.S. mainland.

2. Limitation on Codesharing with Domestic Carriers

The Company may also enter codesharing relationships with other Domestic Air Carriers, and through such agreements with Domestic Air Carriers their regional partners, under this section, subject to the following limitations:

a. ASM Cap

The total monthly ASMs of flights with all such Domestic Air Carriers on which the Company places its current or future designator code during any twelve month period (excluding any placement of the Company's current or future designator code under Sections 1.G.1.a. - c.) shall not exceed fifteen percent (15%) of domestic Company mainline scheduled monthly ASMs during the same rolling twelve (12) months.

b. Hub to Hub Flying

The Company may not codeshare on flying by a Domestic Air Carrier on flights between Company Hubs (as specified in Section 1.D.4.h.), except for flying between a Company Hub and a Domestic Air Carrier's hubs as permitted under Section 1.G.2.c.

c. Company Hub to Domestic Air Carrier Hub Flying

The Company shall be permitted to place its current or future designator code on flights between a Company Hub and a Hub of another Domestic Air Carrier (the "Codeshare Partner") under this Section 1.G.2. For each city pair meeting this description and each Codeshare Partner under Section 1.G.2, the "City Pair ASM Ratio" will be defined as the ratio between (x) the ASMs of scheduled mainline flying by the Company on such city pair and (y) the ASMs of scheduled flying by the Codeshare Partner on which the Company places its current or future designator code on such city pair.

For any twelve full calendar months after the date on which codesharing on a city pair begins with a Codeshare Partner under Section 1.G.2., the City Pair ASM Ratio will not be less than 80% of the ratio between (x) the ASMs of scheduled mainline flying by the

Company on such city pair and (y) the ASMs of scheduled flying by the Codeshare Partner on such city pair in each case during the twelve (12) full calendar months immediately prior to the date on which codesharing on such city pair began, or, if the Company placed its designator code on flights of such Codeshare Partner on such city pair on January 1, 2013, during the twelve (12) full calendar months immediately prior to January 1, 2013; provided however, that the restriction in this subsection c. shall not apply to any city pair on which the Company had no scheduled mainline flying during the twelve (12) full calendar months preceding the date on which codesharing on such city pair began.

For the purposes of this Section 1.G.2.c., a "Hub" of an air carrier other than the Company means an airport from which the air carrier, during the six (6) consecutive full calendar months prior to the month for which a measurement is being made, scheduled an average of eighty (80) or more daily departures on its mainline jet aircraft.

d. Reciprocity

In negotiating codesharing agreements with other Domestic Air Carrier, the Company shall use its reasonable efforts to obtain an agreement for reciprocal codesharing, provided however, that reciprocity shall not be a requirement for concluding a codesharing agreement.

H. Scope Exception: Air Freight Feed Operations and Excess Baggage

1. Notwithstanding Section 1.C. above, it is agreed that the Company shall have the right to contract for Air Freight Feed Operations as defined in Section 1.B., above, or to operate such feeders by means of a subsidiary, affiliate, or a division of the Company, or both. If the Company contracts for such operation, and if any Company pilots are on furlough during the performance of such operation, the Company will recall that number of pilots which equals the minimum number of pilots who would be required to perform the operation if the Company, utilizing the same type of aircraft as are actually utilized on the date of commencement of each such operation, performed the operation itself under the terms of this Agreement. The recall of furloughed pilots shall proceed in the manner stated in this Agreement. In the event the Company operates any such Air Freight Feed Operation itself, the rules of this Agreement shall apply.
2. Excess baggage
 - a. The Company will be permitted to utilize other airline freighter service, whether scheduled or chartered, from MIA and JFK to any destination in the Caribbean, Central America, and South America, or from such a destination to MIA and JFK, between November 23 and January 6, and during four (4) additional weeks each year designated by the Company, and which must include the Easter/Spring break season and/or the month of July. These four additional weeks will be designated by the Company no later than January 15 of each year. The purpose of this Scope Clause exception to Section 1.C.1. is to enable the Company to accommodate passenger baggage that cannot be accommodated on the same flight as the passenger.
 - b. There will be no apportionment pay for using such services.
 - c. The Association will be able to audit baggage activity up to 5 times per year, on a schedule agreed by the Scope Committee. At the time of each audit, the Company shall provide the Association with access to all relevant information, facilities, personnel and documentation. The Company will provide a quarterly report to the Association about when and where charter services were used, and how many bags were transported. The Company will conduct an annual joint performance review in the first quarter of each year at the request of the Association.

I. Joint Ventures

1. The parties agree to work toward a fair allocation of flying for the Company in Joint Business Agreements ("JBAs"). The Association has the right to review JBAs and any material changes going forward. During the parties' Quarterly Scope meetings, the Company will discuss and receive input from the Association regarding current and anticipated JBAs.

J. Scope Exception: Transborder

The Company may place its current or future designator code on flights by Canadian Air Carriers as set forth below:

1. Codesharing to Third Countries.

Codesharing agreements allowing Canadian Air Carriers to carry the Company's code between Canada and a third country must meet the following conditions:

a. Opportunities to Earn WACC.

The Company shall always deploy its own aircraft on any international route for which it can obtain authority, so long as that route will earn a return on invested capital at least equal to WACC. The Company shall not use Canadian Air Carriers' flights to third countries as a substitute for opportunities to operate its own international flights from U.S. gateways, provided such Company flights will earn a return on invested capital at least equal to WACC.

b. Review of Third Country Traffic Flows.

On September 1, 1997 and every six months thereafter, the Company shall review with the Association the flows of international passengers traveling to third countries on the Company's code on Canadian Air Carriers' flights and on Canadian Air Carriers' codes on the Company's flights. This review shall identify any incremental international operations that meet the criteria in provision 1.a. above. It shall include an evaluation of the size of aircraft and frequency of operations potentially available for the Company. This review shall also assure that the Company is accruing benefits from the traffic carried on its code on Canadian Air Carriers' flights.

c. Review of Traffic Flows Exceeding Certain Numbers of Passengers on Company Code.

If, for any period of six consecutive months, Canadian Air Carriers carry more than an average of 50 passengers per flight per day on the Company's code or more than an average of 500 passengers per flight per week on the Company's code, the Company and the Association shall promptly conduct a review as described in 1.b. above to determine whether any opportunity exists to carry that traffic from a U.S. gateway on a Company flight that will earn a return on invested capital at least equal to WACC, assuming that the Company can obtain authority for the operation. Nothing in these provisions 1.a.- c. shall be construed to require the Company to operate a particular route or routes.

d. Maximizing Use of Canadian Air Carriers' Codes.

The Company shall attempt to maximize Canadian Air Carrier codesharing on the Company's flights to third country destinations.

2. Ability to Reopen.

In the event of a change in regulation, law, or industry practice with respect to codesharing, either party retains the right to reopen on this issue of codesharing with a Canadian Air Carrier.

K. Scope Exception: Other International Codesharing

The Company may place or maintain its current or future designator code on flights by Foreign Carriers under the following conditions:

1. General Principles

a. Importance of International Codesharing.

The Company and the Association agree that codesharing with Foreign Carriers has become an important element of international competition and that it is in the Company's interest to enter into codesharing agreements with such carriers when those agreements strengthen the Company's international and domestic route networks.

b. Purpose of Codesharing.

The purpose of codesharing is to provide feed to the Company's route system and/or establish, maintain, or acquire market presence.

2. Other Airline Codes on Company Flights.

The Association endorses the maximum use of other airline codes on Company flights. In negotiating codesharing agreements with Foreign Carriers, the Company shall attempt to maximize opportunities to use its own aircraft and personnel.

3. Baseline for International Flying.

A Baseline for International Flying shall be calculated for each year as described below:

- a. Effective January 1, 2014, the Baseline for International Flying shall be 1,138,159 block hours [the number of international block hours scheduled during January 1, 2013 through December 31, 2013 by the Company (i.e., by US Airways, Inc. and American Airlines, Inc. combined)].
- b. International Baseline for January 1, 2015 and Beyond.

Effective January 1, 2015, and each January 1 thereafter, the International Baseline for the following year shall be calculated as follows:

- (1) The International Baseline for the previous year shall be adjusted upward by the total block hours of International Flying scheduled by the Company during that year in excess of the previous year's International Baseline, except that the block hours attributable to new routes that have not been flown three consecutive years or more, on either a year round or seasonal basis, shall not be added to the Baseline. Thus, for example, if the January 1, 2014 International Baseline is 1,138,159 and the total block hours for International Flying scheduled during the following twelve (12) months is 1,138,159 + 1000, but 25 of those block hours are attributable to a new route begun that year, then the January 1, 2015 International Baseline shall be 1,138,159 + (1000-25). If the new route is still being flown during the year January 1, 2017 to January 1, 2018, then all those block hours attributable to flying between the third anniversary of the initiation of the flight and January 1, 2018 shall be added to the baseline for January 1, 2018. If the route is still being flown during the year January 1, 2018 to January 1, 2019, then all the block hours attributable to the flight that year not previously added to the baseline in the preceding year shall be added to the baseline for January 1, 2019.
- (2) The International Baseline for the previous year shall carry forward and remain the same if the amount of block hours scheduled by the Company during the previous 12 month period for International Flying, as adjusted for new flying as described in the foregoing paragraph, is less than or equal to the International Baseline for that year.

4. International Flying Below 90% and/or 80% of the Baseline in 2014 and Beyond.

On January 1, 2015 and on January 1 of each year thereafter, the International Baseline as calculated on the preceding January 1 shall be compared to the total block hours of International Flying scheduled by the Company during the preceding 12 months.

- a. If the Company's scheduled International Flying is below 90% of the previous year's International Baseline, the Company shall have until the succeeding January 1 to cure that deficiency by increasing total scheduled block hours of International Flying to the level that would have met that 90% threshold. If the Company's scheduled International Flying during that additional 12 months does not increase to this required level, then the Association's concurrence shall be required for the Company to enter into new international codesharing agreements whether to place the Company's code on a Foreign Carrier's flights or to carry a Foreign Carrier's code on a Company flight.
- b. If the Company's scheduled International Flying is below 80% of the previous year's International Baseline, the Company shall have until the succeeding January 1 to cure that deficiency by increasing total block hours back to the level that would have been required to meet that 80% threshold. If the Company's scheduled International Flying during that additional 12 months does not increase to this required level, then the Association's concurrence shall be required for renewal or continuation of all codesharing agreements whether to place the Company's code on a Foreign Carrier's flights or to carry a Foreign Carrier's code on a Company flight, with the exception of those specifically listed below:

Qantas (on AA 10/23/89; by AA 11/15/94)

British Midland (11/1/93)

Gulf Air (transatlantic 7/1/94; UK-Middle East 1/1/94)

5. Opportunities to Earn Adequate Return on Invested Capital.

a. General.

The Association and the Company agree that the Company shall continue to seek international route authority and pursue all opportunities for deploying its aircraft assets on international routes where it will earn an adequate return on invested capital.

b. Review of International Codeshare Traffic.

On January 1, 2013 and every six months thereafter, the Company shall review with the Association the flows of international codeshare passengers traveling on the Company's code on Foreign Carrier flights and on Foreign Carrier codes on the Company's flights. This review shall identify any incremental international operations that meet the criteria in provision 5.a. above. It shall include an evaluation of the size of aircraft and frequency of operations potentially available for the Company. This review shall also assure that the Company is accruing benefits from the traffic carried on its code on Foreign Carrier flights.

c. No Codesharing on Routes That Could Earn Adequate Return on Invested Capital.

The Company shall not, without the Association's consent, place or maintain its code on any international route or frequency operated by a Foreign Carrier, on which the Company could earn an adequate return on invested capital. This analysis shall be performed using the same method to analyze route profitability that the Company then uses internally for route planning. Notwithstanding this prohibition, if the Company orders additional aircraft to fly such an international route, the Company may place or maintain its code on the route or frequency during the time between order and delivery of the additional aircraft. Similarly, if the Company is procuring an airport slot, gate and/or other route authority to fly such a route, the Company may place or maintain its code on the route or frequency during the time required to procure such a slot and/or authority. Nothing in this provision 5 shall be construed to require the Company to operate a particular route or routes.

6. Cabotage.

If any Foreign Carrier obtains the right to transport local passenger or cargo traffic between airports within the United States or its territories, the Company shall not allow its code to be used on flights carrying such traffic and shall not carry that Foreign Carrier's code on flights between airports within the United States or its territories.

7. Leaving Company Code in a Market.

The Company shall not reduce flying in a market and subsequently maintain or place its code on Foreign Carrier service in that market without the Association's concurrence unless:

a. The route is covered under a Joint Business Agreement; or

b. The reduction is temporary, based on seasonality, and such flying will be reinstated; or

c. all of the following three conditions are met:

(1) the Foreign Carrier is a Major Foreign Carrier; and

(2) The route/flight failed to earn an adequate return on invested capital over the preceding three (3) months or, if the flying has not continued for three (3) months, then over such shorter period as the flying has actually continued; and

(3) either there will be no decrease in the Company's total international block hours, as measured on the next January 1 for the preceding calendar year, or there will be a proportionate decrease in international block hours flown by the Company and the codeshare partner on routes codeshared with that partner. (In calculating the proportionate decrease in block hours, such block hours shall be rounded to the nearest number that will enable each carrier to reduce its flying in increments of at least one daily round trip). Examples of such decreases are contained in [Letter B](#).

8. Prior Documentation.

Prior to any reduction under provision 7 above, the Company shall provide to the Association the information and, if necessary, the documents necessary to demonstrate compliance with that provision.

9. Initiating Codesharing with a Major Foreign Carrier.

Notwithstanding provisions K.5.c and K7. above, the Company may rationalize flying as part of entering into an initial codesharing agreement with a Major Foreign Carrier even though such rationalization involves withdrawing from a market and maintaining or place the Company's code on the service of the Major Foreign Carrier in that market, or placing the Company code on a flight of a Major Foreign Carrier that could earn an adequate return on invested capital, provided that the following conditions are fulfilled:

- a. As a result of the new codesharing agreement, block hours operated by the Company on routes involved in the codesharing agreement decrease by no more than 10% or by the block hours attributable to one round trip on a route (nonstop flying between any two airports) involved in the codesharing agreement, whichever is greater; and
- b. either there will be no decrease in the Company's total international block hours, as measured on the next January 1 for the preceding calendar year, or there will be a proportionate decrease in international block hours flown by the Company and the new codeshare partner on routes codeshared with that partner as specified in 7.c.(3) above.
- c. Provisions K.5.c. and K.7. shall apply to any subsequent change in service on the codeshared routes. In addition, if the Company withdraws from a route involved in the initial codesharing agreement, and such withdrawal causes block hours operated by the Company on routes involved in the codesharing agreement to drop below the level that would earlier have violated a. above, the Association and the Company shall review the remaining routes on which the Major Foreign Carrier is codesharing. If such review reveals that any route could earn an adequate return on invested capital, the Association shall have the right to require the Company to withdraw its code from one such route for each route from which the Company has withdrawn.

10. Withdrawal from a Codesharing Agreement.

Where the Company is required by this Agreement to withdraw from an agreement with a codesharing partner, such withdrawal shall take place at the earliest possible date that does not cause the Company to incur a financial penalty that is material in the context of the codesharing agreement with the Foreign Carrier.

L. Equity Ownership Of Foreign Carriers

A Foreign Carrier in which the Company or an Affiliate has an equity investment of more than 15% and with whom the Company codeshares shall be a "Foreign Partner." The Company may have a Foreign Partner only under the following conditions:

1. When a Foreign Carrier becomes a Foreign Partner, the parties shall establish a "Company Baseline" for that Foreign Partner as follows:
 - a. International flights by the Foreign Partner to or from any point in the U.S. that carry the Company code (or that a new codesharing agreement contemplates will carry the Company code) shall be "Covered Flights."
 - b. The Company's total scheduled block hours for the previous 12 month period in all markets (city pairs) in which there is a Covered Flight shall be the "Company Baseline."
2. Twelve months after a Foreign Carrier becomes a Foreign Partner and annually thereafter, the Foreign Carrier's total scheduled block hours attributable to Covered Flights for that twelve months shall be compared to the Foreign Carrier's previous year's total scheduled block hours attributable to Covered Flights. The Company's total scheduled block hours in markets in which the Foreign Partner operates a Covered Flight shall also be compared to the Company's previous year's total scheduled block hours in those markets.
 - a. If the above comparison in any year shows that the Foreign Partner's block hours on Covered Flights have increased, the Company's international block hours shall have increased that year at least the same number of block hours.

- b. If the above comparison in any year shows that the Company's block hours in markets in which the Foreign Partner performs Covered Flights have decreased, then the Foreign Partner's block hours on Covered Flights shall have decreased that year or the Company's international block hours shall have increased at least the same number of block hours.
- c. If the above comparison in any year shows that the Company's block hours in markets in which the Foreign Partner performs Covered Flights have decreased and the Foreign Partner's block hours on Covered Flights have increased, then the Company's international block hours shall have increased in the same year by the amount of the Company's decrease combined with the amount of the Foreign Partner's increase. For example, if the Company's block hours decrease by 100 hours and the Foreign Partner's block hours increase by 100 hours, the Company's international block hours in that year shall have increased by 200 hours.
- d. If the above provisions 2.a., b. or c are violated, the Company shall have the ensuing year to bring itself into compliance. If, at the conclusion of the ensuing year, the Company is still not in compliance, then the Company shall withdraw the Company code from sufficient Covered Flights to bring the Company into compliance.
- e. If the comparison in any year shows a decrease in the Company's block hours such that the total is less than the Company Baseline, then the Foreign Partner's block hours on Covered Flights shall not increase until a subsequent year's comparison shows that the Company's block hours are again equal to or greater than the Company's baseline.

M. Furlough Protection

1. Unless the furlough is caused in substantial part by "Conditions beyond the Company's control" as defined in Section 1.D.4.b.1., the Company will not furlough the following pilots:
 - a. Brian Bedrossian, date of hire December 3, 2013, and any pilot who was senior to that pilot on the American Airlines Pilots' System Seniority List as of December 9, 2013;
 - b. Daniel Bonfield, date of hire December 2, 2013, and any pilot who was senior to that pilot on the US Airways "East" seniority list as of December 9, 2013; and
 - c. Justin Aikens, date of hire April 14, 2008, and any pilot who was senior to that pilot on the US Airways "West" seniority list as of December 9, 2013.

It is understood and agreed that nothing in Section 1.M shall require the Company to recall a pilot from furlough status.

2. As of the implementation of the merged seniority list resulting from the integration of American Airlines pilots and US Airways pilots, furlough protection will be extended to Bedrossian, Bonfield, and Aikens and any pilot senior to Bedrossian, Bonfield, or Aikens on the merged seniority list as of the implementation date. If any of these three identified pilots is not on the merged seniority list as of that date, the identified pilot will be replaced for the purposes of this provision with the most junior pilot who was senior to the identified pilot as of December 9, 2013 and remains on the merged seniority list.
3. Any pilot who meets the conditions in Paragraph 1 above will be protected from furlough regardless of whether the pilot was in active duty as of December 9, 2013. This protection encompasses American Eagle pilots who satisfy Paragraph (1)(a), beginning when they flow up and begin active duty at the Company.

N. Successorship

1. Agreement Binding on Successor.

The Agreement shall be binding upon any Successor. The Company shall not bring a single step or multi-step Successorship Transaction to final conclusion unless the Successor agrees, in writing, to recognize the Association as the representative of pilots on the American Airlines Pilots Seniority List consistent with the Railway Labor Act, to employ the pilots on that list in accordance with the provisions of this Agreement, and to assume and be bound by this Agreement.

2. Seniority List Merger.

If the Successor is an Air Carrier or an affiliate of an Air Carrier, the Company shall, at the option of the Association, require the Successor to agree to integrate the pre-transaction pilot seniority list(s) of the Company and the seniority list of the Successor in a fair and equitable manner within 12 months of the Successorship transaction pursuant to Sections 3. and 13. of the Allegheny-Mohawk Labor Protective Provisions ("LPPs"). The requirement of this provision does not apply to the Company's acquisition of all or part of another Air Carrier in a transaction which includes the acquisition of aircraft and pilots.

O. Opportunity To Make Competing Proposal

In the event that any person or entity proposes a transaction which would result in a change of control or potential change of control of the Company or its parent, as those terms are used in AMR's 1988 Long-Term Incentive Plan, whether through a single or multi-step transaction, and the Company determines to pursue or facilitate the proposal, the Company, if consistent with the fiduciary duties of its Board of Directors, shall provide the Association with

1. advance written notice before acting favorably on such proposal; and
2. an opportunity to make a competing proposal.

P. Other Labor Protective Provisions In Substantial Asset Sale

In the event that, within any 12 month period, the Company transfers (by sale, lease, or other transaction) or otherwise disposes of aircraft, slots, or route authorities ("Aircraft-Related Assets") which, net of Aircraft-Related Asset purchases or acquisitions during the same 12 month period, constitute 20% or more of the value of the Aircraft-Related Assets of the Company to an entity or to a group of entities acting in concert that is an Air Carrier or that will operate as an Air Carrier following its acquisition of the transferred Aircraft-Related Assets (any such entity or group, the "Transferee"; any such transaction, a "Substantial Aircraft-Related Asset Sale"):

1. the Company shall require the Transferee to proffer employment to the Company's pilots in strict seniority order (the "Transferring Pilots"). The number of Transferring Pilots shall be no fewer than the average monthly pilot staffing over the prior 12 months for the Aircraft-Related Assets transferred to the Transferee in connection with the Substantial Aircraft-Related Asset Sale; and
2. the Company shall not finally conclude a transaction under this subsection unless the Transferee agrees to integrate the Transferring Pilots into the Transferee's pilot seniority list pursuant to Sections 3. and 13. of the Allegheny-Mohawk LPPs.

Q. Remedies

1. The Company and the Association agree to arbitrate any grievance filed by the other party alleging a violation of this Section 1 on an expedited basis directly before the System Board of Adjustment sitting with a neutral arbitrator. The arbitrator shall be a member of the National Academy of Arbitrators and experienced in airline industry disputes. The burden of proof will be determined by the arbitrator. The provisions of the Railway Labor Act shall apply to the resolution of any dispute regarding this Section 1.
2. The parties agree that, in addition to any other rights and remedies available under law and this Agreement, an arbitration award under this Section 1 shall be enforceable by equitable remedies, including injunctions and specific performance against the Company, American Airlines Group, Inc., and/or an Affiliate of the Company. The Company and Association agree that in a court proceeding to enforce an arbitration award under this Section 1, the rights and obligations are equitable in nature, that there are no adequate remedies at law for the enforcement of such rights and obligations, and that the Association and the Company's pilots are irreparably injured by the violation of this Section 1.

SECTION 2
DEFINITIONS

A. Air Freight Feed Operation

A freight operation conducted with non-turbojet aircraft whose primary purpose is to "feed" the Company's aircraft and which is flown with active or furloughed pilots of the Company or under contract.

B. Bid Lines

1. "Bid line" means any monthly regular or reserve flying assignment.

C. Calendar Month

"Calendar month", as used herein, shall mean the period from the first day of, to and including the last day of each calendar month of the year, except that for pilot scheduling and pay purposes the following shall apply.

Calendar Month	Contractual Month	# Days in Contractual Month
January	January 1 st – January 30 th	30
February	January 31 st – March 1 st	30 (31 in Leap Year)
March	March 2 nd – March 31 st	30
April	April 1 st – May 1 st	31
May	May 2 nd – June 1 st	31
June	June 2 nd – July 1 st	30
July	July 2 nd – July 31 st	30
August	August 1 st – August 30 th	30
September	August 31 st – September 30 th	31
October	October 1 st – October 31 st	31
November	November 1 st – December 1 st	31
December	December 2 nd – December 31 st	30

D. Captain

"Captain" means a pilot who is in command of the aircraft and is responsible for the manipulation of, or who manipulates the flight controls of an aircraft while under way, including takeoff and landing of such aircraft, and who is properly qualified to serve as, and holds a current airman's certificate authorizing service as a Captain and who holds a Captain bid status.

E. Changeover pairings / prior removal sequence

Pairings on the next month allocation for trip sequences originating in the current contractual month. They may be longer or shorter which show a commitment for that particular month. Pay protection for any changes are limited to the current month's flying.

F. Classification date

A pilot's Classification Date is assigned concurrent with such pilots' occupational date and shall continue to accrue during such period of duty except as provided in Sections 11, 12, and 17 of this Agreement. Classification seniority is used to determine pay level and the timing of advancement to succeeding pay levels.

G. Company date

In most cases it is the same as your <XREF>date of hire since it is based on continuous service with AMR. A current AMR employee hired as an AA pilot will retain his/her original Company date. It is adjusted due to furloughs and leaves of absence as provided for in Sections [11](#) and [17](#).

H. Co-terminals as used in this Agreement shall mean:

1. Kennedy/Newark/LaGuardia
2. Midway/O'Hare
3. Dallas/Fort Worth International Airport/Love Field
4. Washington/Dulles International
5. Tampa/St. Petersburg
6. Miami/Fort Lauderdale

The above shall become and remain in effect when crew bases are maintained in the respective cities.

I. Contractual Month

"Contractual month" as used herein, shall mean the period of time, for pilot scheduling and pay purposes, during which allocated flying and the associated bid lines shall be effective, in accordance with Section 2.B.

J. Credited Projection (PROJ)

A pilot's total time for the month, including fly through time credited at the beginning of the month, the greater of scheduled or actual for flying already performed, scheduled time for flying yet to be performed, credits as provided in Section 15 Hours of Service (E.- minimum pay and credit for an on duty period, F. - minimum pay and credit for time away from base, and G.- minimum and average pay and credit for an on duty period), and credit for scheduled flight time when relieved of flying duties as provided in [Section 5](#), [trips missed due to paid sick leave, a training program of more than five (5) days, vacation, jury duty, and Association leave] and credited time for any credit/no pay removals (for example, unpaid sick). Credited Projection (PROJ) is used in conjunction with Scheduled Projection (SPROJ) to determine a regularly scheduled pilot's legality in accordance with [SECTION 15](#) Hours of Service.

K. Crew Tracking Trip Sequence(s)

Any pairing or re-pairing of a trip or trip sequence by Crew Tracking, or any flying that is not planned in advance to permit inclusion in a pilot's monthly trip selection, shall be called a "Crew Tracking Sequence".

L. Date of hire

The first day as an AA pilot. This date does not change for furloughs or leaves of absence.

M. Diversion

When a crew makes an unscheduled or scheduled landing at a destination other than planned, generally due to operational reasons such as (weather, mechanical, pick-up passengers, passenger emergency).

N. Divisions

1. Domestic Division

The Domestic Division is comprised of only Domestic Sequences.

2. International Division

The International Division is comprised of both Domestic and International Sequences, provided that where an International Division is co-located with a Domestic Division on the same Equipment, domestic sequences may be included only as necessary to:

- a. meet a particular month MALV, or
- b. provide opportunities to maintain currency, or
- c. minimize TDYs, or
- d. meet guidelines agreed to by the Joint Scheduling Committee.

O. Domicile

A common location where a group of pilots are based.

P. Duty day

A calendar day (0000-2400) in which any duty is performed for the company including sign-in and debrief.

Q. Duty period

The elapsed time between sign-in time and release time;

1. Sign-in time – shall not be less than one hour prior to scheduled or rescheduled departure time for a pilot flying the first flight of a duty period or thirty (30) minutes prior for a pilot deadheading.
2. Release time – shall apply to all scheduled flying and deadheading and shall be fifteen (15) minutes after the scheduled or actual block in time, whichever is later. (30 minutes for an International Sequence).
3. Deadheading to and from training does not require a thirty (30) minute sign-in or a fifteen (15) minute debrief.

R. First Officer

"First Officer" means a pilot who is second in command of the aircraft and any part of whose duty is to assist or relieve the Captain in the manipulation of the flight controls of the aircraft while under way, including takeoff and landing of such aircraft, and who is properly qualified to serve as, and holds a current airman's certificate authorizing service as a First Officer and who holds a First Officer bid status. On any international flight requiring more than a two (2) pilot cockpit crew, the First Officer(s) shall also be required to possess an ATPC and a type rating on the equipment flown. For purposes of displacement to an open position on international flights requiring more than a two (2) pilot cockpit crew, the FO, FB and FC positions will be considered interchangeable (e.g. a displaced FO may be assigned to an open FB or FC position).

S. Flight Time

1. Actual – that period of time beginning when an aircraft first moves from the ramp blocks for the purpose of flight and ending when the aircraft comes to a stop at the ramp for the purpose of loading or unloading at either intermediate stops or final destination.
2. Scheduled - the time published publicly by the Company from flight departure to flight arrival of the flight.

T. Fly-through

Time resulting from a trip or trip sequence which spans two contractual months and refers to the flight time including P&C for which a pilot is credited in the succeeding contractual month.

U. Furlough

"Furlough" means the removal of a pilot from active duty as a pilot with the Company without prejudice, due to a reduction in force, or the period of time during which such pilot is not in the active employ of the Company as a pilot due to such reduction in force.

V. Last Trip of the Month

The last active scheduled trip sequence in a pilot's contractual month, other than make up, regardless of when it was added to the pilot's schedule.

W. Management pilot

A pilot who occupies a management position in the Flight Department.

X. Midnight cutoff

When a change in a contractual month occurs en route, pay and credit for the time flown before midnight shall be paid and credited to the month in which the pilot involved originated the flight. Midnight shall be determined on the basis of local time at the point of last takeoff.

Y. Misconnect

Misconnect means that a particular segment, including deadhead, of a pilot's sequence operates sufficiently late into a station so as to cause such pilot to miss the next segment of such pilot's sequence. [See Q&A [#105,15-39](#)]

Z. Night Flying

Night flying" shall include all flying between the hours of 2300 and 0559 pilot's HBT.

AA. Occupational date

Generally occupational seniority shall begin to accrue from the date a pilot is first scheduled to complete initial new hire training with the Company and shall continue to accrue during such period of duty except as provided in Sections 11 and 12 of this Agreement. Occupational seniority is used for determining placement on the Pilot System Seniority list and for bidding purposes. Any references to seniority in this Agreement are to Occupational Seniority, unless otherwise specified.

BB. Pay or Compensation

"Pay" or "compensation", for purposes of this Agreement, means longevity, hourly and, if applicable, international override pay.

CC. Pay Projection (PPROJ)

A pilot's total paid time for the month based on fly through time applied to the Credited Projection (PROJ) at the beginning of the month, the greater of scheduled or actual for flying already performed, scheduled time for flying yet to be performed, credits as provided in [SECTION 15](#) Hours of Service (E. - minimum pay and credit for an on duty period, F. - minimum pay and credit for time away from base, and G. - minimum and average pay and credit for an on duty period), for scheduled time when relieved of flying duties as provided in [Section 5](#), [trips missed due to paid sick leave, a training program of more than five (5) days, vacation, jury duty, and Association leave], and for any pay/no credit applications [for example, trips missed due to a training program of five (5) days or less as provided in [Section 6.D.1.a.](#)]. Pay adjustments will be made at the end of the month for training pay ([Section 6.D.](#)), minimum guarantee ([SECTION 4](#)), apportionment pay ([Section 6.C.2.](#))

DD. Pilot

"Pilot" shall include and mean [Captain](#), First Officer, and International Officer.

EE. Proficiency Displacement

A qualified pilot about to lose a qualification may request to displace another pilot for proficiency flying. The displaced pilot, once removed from the trip, is no longer obligated for such trip. The displacing pilot assumes the obligation to cover the displaced pilot's trip. (See Q&A [#28](#))

FF. Reassignment

A pilot who is legal in all respects for such pilot's next regularly scheduled flight/sequence, but is assigned by the Company to perform other flying instead of such regular flight/sequence. The pilot shall be paid for whichever of the two (2) flights/sequences produces the higher pay.

GG. Recurrent training

Training and any associated proficiency check(s) for a category in which the pilot is qualified and is for the purpose of retaining qualification before becoming non-current.

HH. Reschedule

A pilot shall be deemed rescheduled when assigned flying that is contained within the original sequence footprint or within the pilot's replacement flying window, as applicable, following a disruption to the pilot's scheduled sequence. The original sequence footprint or replacement flying window may be extended if the pilot flies or is deadheaded on the first available flight(s) to base. The "first available flight to base" is the flight(s) that arrives at the base the earliest. The flight(s) may be direct or indirect.

II. Requalification training

Training (ground and/or flight) and any associated proficiency check(s) for a category for which the pilot was qualified but is no longer currently qualified.

JJ. Satellite Base

A satellite base is a station other than the pilot's domicile which contains sequences that originate and terminate at the same station. Satellite base sequences may only be bid and awarded to pilots domiciled at the crew base to which the satellite base is assigned to. The following satellites shall become and remain in effect when crew bases are maintained in the respective cities:

Crew Bases	Satellites
Los Angeles	Ontario (ONT) / Santa Ana (SNA) / Long Beach (LGB)
San Francisco	Oakland (OAK)/San Jose (SJC)
Washington	Baltimore (BWI)
Tampa/St. Petersburg	Sarasota (SRQ)
Miami/Fort Lauderdale	West Palm Beach (PBI)

Any Los Angeles based reserve pilot who originates and terminates a trip sequence at a Los Angeles satellite will have the off duty periods immediately preceding and immediately following such trip sequence extended by one hour (1:00) each.

KK. Schedule

"Schedule" means the operating schedule used by the Company in its operations.

LL. Scheduled Trip or Trip Sequence

A "scheduled trip or trip sequence" is a published pairing of flying and/or deadheading, consisting of two or more flight segments, which originates and terminates at a crew base.

MM. Sequence

1. Domestic Sequence

A Domestic Sequence is a series of flight segments solely comprised of flying between the 48 Contiguous states of the US, and including Canada, plus non-overwater flights to Mexico.

2. International Sequence

An International Sequence is any sequence that is not a Domestic Sequence.

NN. Service

"Service" means the period of time assigned to active duty as a flight deck operating crewmember or supervisor with the Company.

OO. Sick if needed

A reserve pilot who is sick may call and so notify the Company. The pilot will not be charged sick leave until such pilot is assigned to fly. At the time the pilot is needed to fly (by assignment – not by proffer) such pilot will be so notified and will be placed on sick leave effective that date.

PP. Stand in stead displacement

A senior pilot can proffer to stand instead of a junior pilot being displaced from their respective bid status. In doing so, the senior pilot will be awarded a job from his/her bid preference list using the seniority number of the pilot who is most junior in such bid status at that point in the process. Once in the new bid status, pilots will use their own seniority number. The pilot is subject to a lock-in per [Section 17L](#).

QQ. Supervisory displacement

When a crewmember is replaced on a whole or partial sequence by a Supervisory Pilot. Crewmember is paid schedule for displacement plus greater of schedule/actual time flown. If crewmember is scheduled to deadhead on displaced leg, the greater of scheduled or actual is paid.

RR. Supervisory Pilot

Any pilot listed on the American Airlines Pilot Seniority List who is serving in a managerial or instructional capacity and has not been awarded a monthly trip selection, except that a pilot may be utilized as a temporary supervisory pilot under the provisions of [SUPPLEMENT O](#), or may be appointed to a supervisory position during the course of the month.

SS. 32 hour legality

FAR legality where an international crewmember of a two man unaugmented crew cannot be scheduled to fly over 32 hours in a seven day period.

FAR legality where a crewmember must be given a period of 24 hours free from all duty within a 7 calendar day period. This relief of duty may be given in the form of a calendar day off, a 24 hour period commencing at any time during the day and terminating 24 hours later (including a period free from all duty of 24 hours or more contained within a sequence), or by moving a reserve's movable duty free period in accordance with [Section 15.J.13.i](#).

TT. Section 2 Question and Answers

2-1. Q. *Is the pay and credit associated with a midnight cut-off considered to be "fly-through" time?*

A. Yes

SECTION 3

PAY

A. Equipment Groups

1. Equipment shall be grouped as follows, with a single rate of pay for each Group:
 - a. Group I: With the exception of aircraft identified in Groups II through V below, any aircraft configured (i.e. as operated by American Airlines) with greater than seventy-six (76) seats and less than one-hundred-eighteen (118) seats, including E190/195, CRJ-1000, MRJ-100, and Bombardier CS100.
 - b. Group II: Bombardier CS300, A319, A319neo, B737-700, B737-7MAX, MD80, B737-800, B737-8MAX, B737-900, B737-9MAX, A320, A320neo, A321, A321neo
 - c. Group III: B757, B767-200, B767-300, A300
 - d. Group IV: B767-400, B777-200, B777-200ER, B777-200LR, B777-300, B777-300ER, B787-8, B787-9, B787-10, A332, A333, A340, A350
 - e. Group V: A380, B747 (all variants)

2. New Fleet Types

Any aircraft type, including a new aircraft type, not listed in Section 3.A.1. will be included in the appropriate Group based on the FAA maximum certificated seat configuration of such aircraft types as follows: an aircraft type with an FAA maximum certificated seat configuration of fifty (50) percent or less of the difference between the highest FAA maximum certificated seat configured aircraft type in one Group and the lowest FAA maximum certificated seat configured aircraft type in the next higher Group will be placed in the lower Group; an aircraft type with an FAA maximum certificated seat configuration of greater than fifty (50) percent of the difference between the highest configured aircraft type in one Group and the lowest configured aircraft type in the next higher Group will be placed in the higher Group.

B. Hourly Pay Rates

Captain - December 2, 2014					
	Group I	Group II	Group III	Group IV	Group V
Year 1	\$132.95	\$202.37	\$213.66	\$253.50	\$266.18
Year 2	\$133.95	\$204.02	\$215.47	\$255.56	\$268.33
Year 3	\$135.06	\$205.68	\$217.22	\$257.65	\$270.53
Year 4	\$136.15	\$207.36	\$218.97	\$259.72	\$272.70
Year 5	\$137.18	\$209.07	\$220.84	\$261.79	\$274.88
Year 6	\$138.30	\$210.75	\$222.56	\$263.86	\$277.05
Year 7	\$139.37	\$212.41	\$224.21	\$265.93	\$279.23
Year 8	\$140.48	\$214.10	\$226.06	\$268.00	\$281.40
Year 9	\$141.55	\$215.76	\$227.67	\$270.08	\$283.58
Year 10	\$142.65	\$217.56	\$230.12	\$272.14	\$285.74
Year 11	\$143.77	\$219.39	\$232.59	\$274.21	\$287.92
Year 12	\$144.83	\$221.20	\$234.99	\$276.28	\$290.10

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$132.95	\$202.37	\$213.66	\$253.50	\$266.18
Year 2	\$133.95	\$204.02	\$215.47	\$255.56	\$268.33
Year 3	\$135.06	\$205.68	\$217.22	\$257.65	\$270.53
Year 4	\$136.15	\$207.36	\$218.97	\$259.72	\$272.70
Year 5	\$137.18	\$209.07	\$220.84	\$261.79	\$274.88
Year 6	\$138.30	\$210.75	\$222.56	\$263.86	\$277.05
Year 7	\$139.37	\$212.41	\$224.21	\$265.93	\$279.23
Year 8	\$140.48	\$214.10	\$226.06	\$268.00	\$281.40
Year 9	\$141.55	\$215.76	\$227.67	\$270.08	\$283.58
Year 10	\$142.65	\$217.56	\$230.12	\$272.14	\$285.74
Year 11	\$143.77	\$219.39	\$232.59	\$274.21	\$287.92
Year 12	\$144.83	\$221.20	\$234.99	\$276.28	\$290.10

First Officer - December 2, 2014					
	Group I	Group II	Group III	Group IV	Group V
Year 1	\$72.85	\$72.85	\$72.85	\$72.85	\$72.85
Year 2	\$72.85	\$109.15	\$115.27	\$136.72	\$143.56
Year 3	\$83.87	\$127.73	\$134.89	\$160.01	\$168.01
Year 4	\$85.91	\$130.84	\$138.17	\$163.88	\$172.07
Year 5	\$87.95	\$134.02	\$141.55	\$167.80	\$176.19
Year 6	\$90.17	\$137.40	\$145.10	\$172.04	\$180.64
Year 7	\$92.69	\$141.25	\$149.10	\$176.84	\$185.68
Year 8	\$94.83	\$144.52	\$152.59	\$180.90	\$189.94
Year 9	\$95.83	\$146.08	\$154.15	\$182.84	\$191.98
Year 10	\$97.15	\$148.15	\$156.71	\$185.33	\$194.60
Year 11	\$98.06	\$149.62	\$158.62	\$187.01	\$196.36
Year 12	\$98.91	\$151.08	\$160.50	\$188.70	\$198.14

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$72.85	\$72.85	\$72.85	\$72.85	\$72.85
Year 2	\$72.85	\$109.15	\$115.27	\$136.72	\$143.56
Year 3	\$83.87	\$127.73	\$134.89	\$160.01	\$168.01
Year 4	\$85.91	\$130.84	\$138.17	\$163.88	\$172.07
Year 5	\$87.95	\$134.02	\$141.55	\$167.80	\$176.19
Year 6	\$90.17	\$137.40	\$145.10	\$172.04	\$180.64
Year 7	\$92.69	\$141.25	\$149.10	\$176.84	\$185.68
Year 8	\$94.83	\$144.52	\$152.59	\$180.90	\$189.94
Year 9	\$95.83	\$146.08	\$154.15	\$182.84	\$191.98
Year 10	\$97.15	\$148.15	\$156.71	\$185.33	\$194.60
Year 11	\$98.06	\$149.62	\$158.62	\$187.01	\$196.36
Year 12	\$98.91	\$151.08	\$160.50	\$188.70	\$198.14

Captain - January 1, 2015 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$136.94	\$208.44	\$220.07	\$261.11	\$274.16
Year 2	\$137.97	\$210.15	\$221.93	\$263.23	\$276.39
Year 3	\$139.11	\$211.85	\$223.74	\$265.38	\$278.64
Year 4	\$140.23	\$213.58	\$225.54	\$267.51	\$280.88
Year 5	\$141.30	\$215.35	\$227.47	\$269.65	\$283.13
Year 6	\$142.45	\$217.07	\$229.23	\$271.78	\$285.37
Year 7	\$143.55	\$218.78	\$230.94	\$273.91	\$287.60
Year 8	\$144.69	\$220.52	\$232.85	\$276.04	\$289.84
Year 9	\$145.80	\$222.24	\$234.50	\$278.18	\$292.09
Year 10	\$146.93	\$224.09	\$237.02	\$280.30	\$294.31
Year 11	\$148.08	\$225.97	\$239.56	\$282.44	\$296.55
Year 12	\$149.18	\$227.84	\$242.04	\$284.57	\$298.80

First Officer - January 1, 2015 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$75.04	\$75.04	\$75.04	\$75.04	\$75.04
Year 2	\$75.04	\$112.43	\$118.73	\$140.83	\$147.86
Year 3	\$86.39	\$131.56	\$138.94	\$164.81	\$173.05
Year 4	\$88.49	\$134.77	\$142.31	\$168.80	\$177.23
Year 5	\$90.59	\$138.04	\$145.80	\$172.83	\$181.47
Year 6	\$92.88	\$141.52	\$149.46	\$177.20	\$186.06
Year 7	\$95.47	\$145.49	\$153.58	\$182.14	\$191.25
Year 8	\$97.67	\$148.86	\$157.17	\$186.33	\$195.64
Year 9	\$98.71	\$150.46	\$158.78	\$188.33	\$197.74
Year 10	\$100.06	\$152.60	\$161.41	\$190.89	\$200.44
Year 11	\$101.00	\$154.11	\$163.38	\$192.62	\$202.25
Year 12	\$101.88	\$155.61	\$165.32	\$194.36	\$204.08

Captain - January 1, 2016 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$141.05	\$214.69	\$226.67	\$268.94	\$282.39
Year 2	\$142.11	\$216.45	\$228.59	\$271.12	\$284.68
Year 3	\$143.28	\$218.20	\$230.45	\$273.34	\$287.00
Year 4	\$144.44	\$219.99	\$232.31	\$275.54	\$289.31
Year 5	\$145.54	\$221.81	\$234.29	\$277.74	\$291.62
Year 6	\$146.72	\$223.59	\$236.11	\$279.93	\$293.93
Year 7	\$147.86	\$225.35	\$237.86	\$282.13	\$296.23
Year 8	\$149.03	\$227.14	\$239.83	\$284.32	\$298.54
Year 9	\$150.17	\$228.90	\$241.54	\$286.53	\$300.85
Year 10	\$151.34	\$230.81	\$244.13	\$288.71	\$303.14
Year 11	\$152.52	\$232.75	\$246.75	\$290.91	\$305.45
Year 12	\$153.65	\$234.67	\$249.30	\$293.11	\$307.76

First Officer - January 1, 2016 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$77.29	\$77.29	\$77.29	\$77.29	\$77.29
Year 2	\$77.29	\$115.80	\$122.29	\$145.05	\$152.30
Year 3	\$88.98	\$135.51	\$143.11	\$169.75	\$178.24
Year 4	\$91.14	\$138.81	\$146.58	\$173.86	\$182.55
Year 5	\$93.30	\$142.18	\$150.17	\$178.02	\$186.92
Year 6	\$95.67	\$145.77	\$153.94	\$182.52	\$191.64
Year 7	\$98.33	\$149.85	\$158.18	\$187.61	\$196.98
Year 8	\$100.60	\$153.32	\$161.88	\$191.92	\$201.51
Year 9	\$101.67	\$154.97	\$163.54	\$193.98	\$203.68
Year 10	\$103.06	\$157.17	\$166.25	\$196.62	\$206.45
Year 11	\$104.03	\$158.73	\$168.28	\$198.40	\$208.32
Year 12	\$104.93	\$160.28	\$170.27	\$200.20	\$210.20

Captain - January 1, 2017 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$145.28	\$221.13	\$233.47	\$277.01	\$290.86
Year 2	\$146.37	\$222.94	\$235.45	\$279.26	\$293.22
Year 3	\$147.58	\$224.75	\$237.36	\$281.54	\$295.61
Year 4	\$148.77	\$226.59	\$239.28	\$283.80	\$297.99
Year 5	\$149.91	\$228.46	\$241.32	\$286.07	\$300.37
Year 6	\$151.13	\$230.29	\$243.19	\$288.33	\$302.74
Year 7	\$152.29	\$232.11	\$245.00	\$290.59	\$305.12
Year 8	\$153.50	\$233.95	\$247.03	\$292.85	\$307.49
Year 9	\$154.68	\$235.77	\$248.79	\$295.12	\$309.87
Year 10	\$155.88	\$237.73	\$251.46	\$297.37	\$312.24
Year 11	\$157.10	\$239.73	\$254.15	\$299.64	\$314.61
Year 12	\$158.26	\$241.71	\$256.78	\$301.90	\$316.99

First Officer - January 1, 2017 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$79.61	\$79.61	\$79.61	\$79.61	\$79.61
Year 2	\$79.61	\$119.28	\$125.96	\$149.40	\$156.87
Year 3	\$91.65	\$139.57	\$147.40	\$174.84	\$183.58
Year 4	\$93.87	\$142.97	\$150.98	\$179.08	\$188.03
Year 5	\$96.10	\$146.44	\$154.68	\$183.36	\$192.53
Year 6	\$98.54	\$150.14	\$158.56	\$187.99	\$197.39
Year 7	\$101.28	\$154.35	\$162.93	\$193.23	\$202.89
Year 8	\$103.62	\$157.92	\$166.74	\$197.67	\$207.56
Year 9	\$104.72	\$159.62	\$168.45	\$199.80	\$209.79
Year 10	\$106.15	\$161.89	\$171.24	\$202.52	\$212.64
Year 11	\$107.15	\$163.49	\$173.33	\$204.35	\$214.57
Year 12	\$108.08	\$165.09	\$175.38	\$206.20	\$216.51

Captain - January 1, 2018 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$149.64	\$227.76	\$240.47	\$285.32	\$299.58
Year 2	\$150.76	\$229.63	\$242.51	\$287.64	\$302.01
Year 3	\$152.01	\$231.49	\$244.48	\$289.99	\$304.48
Year 4	\$153.23	\$233.38	\$246.46	\$292.32	\$306.93
Year 5	\$154.40	\$235.31	\$248.56	\$294.65	\$309.38
Year 6	\$155.66	\$237.20	\$250.49	\$296.98	\$311.83
Year 7	\$156.86	\$239.07	\$252.35	\$299.31	\$314.27
Year 8	\$158.11	\$240.97	\$254.44	\$301.64	\$316.72
Year 9	\$159.32	\$242.84	\$256.25	\$303.97	\$319.17
Year 10	\$160.56	\$244.87	\$259.00	\$306.29	\$321.61
Year 11	\$161.81	\$246.92	\$261.78	\$308.63	\$324.05
Year 12	\$163.01	\$248.96	\$264.49	\$310.96	\$326.50

First Officer - January 1, 2018 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$81.99	\$81.99	\$81.99	\$81.99	\$81.99
Year 2	\$81.99	\$122.85	\$129.74	\$153.88	\$161.58
Year 3	\$94.40	\$143.76	\$151.82	\$180.09	\$189.09
Year 4	\$96.69	\$147.26	\$155.51	\$184.45	\$193.67
Year 5	\$98.99	\$150.84	\$159.32	\$188.86	\$198.30
Year 6	\$101.49	\$154.65	\$163.32	\$193.63	\$203.31
Year 7	\$104.32	\$158.98	\$167.82	\$199.03	\$208.98
Year 8	\$106.73	\$162.66	\$171.74	\$203.60	\$213.78
Year 9	\$107.86	\$164.41	\$173.50	\$205.79	\$216.08
Year 10	\$109.34	\$166.75	\$176.38	\$208.59	\$219.02
Year 11	\$110.37	\$168.40	\$178.53	\$210.48	\$221.00
Year 12	\$111.32	\$170.04	\$180.64	\$212.39	\$223.00

Captain - January 1, 2019 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$154.13	\$234.60	\$247.69	\$293.88	\$308.57
Year 2	\$155.28	\$236.52	\$249.78	\$296.26	\$311.07
Year 3	\$156.57	\$238.43	\$251.82	\$298.69	\$313.62
Year 4	\$157.83	\$240.38	\$253.85	\$301.09	\$316.14
Year 5	\$159.03	\$242.37	\$256.01	\$303.49	\$318.66
Year 6	\$160.33	\$244.32	\$258.00	\$305.89	\$321.18
Year 7	\$161.57	\$246.24	\$259.92	\$308.29	\$323.70
Year 8	\$162.85	\$248.20	\$262.07	\$310.69	\$326.22
Year 9	\$164.10	\$250.13	\$263.94	\$313.09	\$328.74
Year 10	\$165.38	\$252.21	\$266.77	\$315.48	\$331.25
Year 11	\$166.66	\$254.33	\$269.63	\$317.88	\$333.77
Year 12	\$167.90	\$256.43	\$272.42	\$320.29	\$336.30

First Officer - January 1, 2019 - 3% Increase

	Group I	Group II	Group III	Group IV	Group V
Year 1	\$84.45	\$84.45	\$84.45	\$84.45	\$84.45
Year 2	\$84.45	\$126.54	\$133.63	\$158.50	\$166.42
Year 3	\$97.23	\$148.07	\$156.38	\$185.49	\$194.77
Year 4	\$99.59	\$151.68	\$160.18	\$189.98	\$199.48
Year 5	\$101.96	\$155.36	\$164.10	\$194.53	\$204.25
Year 6	\$104.54	\$159.29	\$168.22	\$199.44	\$209.41
Year 7	\$107.45	\$163.75	\$172.85	\$205.00	\$215.25
Year 8	\$109.93	\$167.54	\$176.89	\$209.71	\$220.20
Year 9	\$111.10	\$169.35	\$178.71	\$211.97	\$222.56
Year 10	\$112.62	\$171.75	\$181.67	\$214.85	\$225.59
Year 11	\$113.68	\$173.45	\$183.89	\$216.80	\$227.63
Year 12	\$114.66	\$175.15	\$186.06	\$218.76	\$229.69

C. Determination of Hours

1. a. In determining the hours flown by pilots for pay purposes, the actual time from block to block and time credited for pay purposes as specified elsewhere in this Agreement shall be used; provided that on each sequence where scheduled times have been established, the pilot shall be paid for no less than such scheduled time.
 - b. Subsequent to the start of a contractual month, the Company may add flight time to a scheduled segment by changing the scheduled arrival time for the sole purpose of correcting arrival performance. Such addition of flight time shall not be considered a reassignment under [Section 15.N](#) of this agreement. In a contractual month, the total number of such adjusted segments shall not exceed two percent (2%) of the total number of system scheduled segments. The difference between the credited time of the adjusted segment after having been flown and the time of the segment as originally scheduled shall be paid at the rate of one and one-half (1-1/2) minutes for each one (1) minute of credited flight time.
2. When the scheduled block to block time is found in actual operation to be improper, conferences shall be held at the request of the pilot representatives for the purpose of establishing proper scheduled times to be used for pay purposes.

D. A pilot who holds a Captain assignment shall receive international override pay at the rate of six dollars (\$6.00) per hour for each hour of International flying actually performed. Except as provided elsewhere in this Agreement, International override shall not apply to the contiguous forty-eight (48) states and Canada.

E. A pilot who holds a First Officer assignment shall receive, in addition to pay computed as provided in Section 3.B of the Basic Agreement, international override pay based on a percentage of Captain international override for the same year of service as follows:

Year in Which Serving	Percentage of Comparable Year Captain International Override
2	50.0%
3	60.0%
4	61.0%
5	62.0%
6	63.0%
7	64.0%
8	65.5%
9	67.0%
10	68.0%
11	68.5%
12 and thereafter	69.0%

F. Pay Check Process

Pilots shall be paid on the 15th and 30th of each month. Pilot pay due on the thirtieth (30th) of the month shall be an amount approximately fifty percent (50%) of the previous month's total pay. The remainder shall be paid on the 15th of the following month along with any adjustments.

G. General

When a change in a contractual month occurs en route, pay and credit for the time flown before midnight shall be paid and credited to the month in which the pilot involved originated the flight. Midnight shall be determined on the basis of local time at the point of last takeoff.

H. Displacement Pay Protection

If any pilot, who was active on December 09, 2013, is involuntarily displaced to a Group 1 aircraft, the pilot's hourly pay rate shall not be reduced. This pay protection shall terminate if and when the involuntarily-displaced pilot can hold a position at the same or higher pay rate.

I. Section 3 Questions and Answers

SECTION 4

MINIMUM GUARANTEES

- A.** An awarded bid line shall have a minimum value for pay purposes equal to the lower bid line limit (i.e. Monthly Average Line Value less 7 hours, assuming a Line Construction Window of +/- 7 hours) for the applicable bid status.
- B.** A pilot who is awarded a reserve flying assignment shall receive a minimum guarantee for each full contractual month of service compensation equal to:
1. Seventy-three (73) hours for a Long Call Reserve Line, or
 2. Seventy-six (76) hours for a Short Call Reserve Line
- at rates as set forth in this Agreement for the equipment in such reserve flying assignment. [See Q&A [15-8](#)]
- C.** Sequence Protection
1. General
 - a. A lineholder pilot or reserve pilot flying on days off whose sequence is cancelled for any reason shall be pay protected for the scheduled value of the sequence at the time of the award or assignment.
 - b. The Sequence Footprint, as defined in C.2.e. below, is established at the time of the award or assignment.
 - c. The Company shall notify the pilot of a Sequence Cancellation, as defined in C.2.d. below, as soon as possible after the Sequence Cancellation is known.
 2. Definitions
 - a. Calendar Day - for the purposes of sequence protection and replacement flying, a calendar day shall be considered as 02:00 HBT until the following 01:59 HBT.
 - b. Cancellation Notification Window - for (1) sequences cancelled the day prior to sequence origination, after the conclusion of DOTC, or (2) sequences cancelled prior to the originally scheduled sign-in time on the day of sequence origination, the sequence cancellation window shall consist of three (3) hours starting at the time of sequence cancellation.
 - c. Replacement Flying - Flying that is assigned / awarded by the Company to a pilot whose sequence, or portion thereof, has cancelled.
 - (1) Replacement Flying Window - (i) The Sequence Footprint plus four (4) hours, or the end of the calendar day, whichever is later, or (ii) the Sequence Footprint, plus thirty (30) hours for Trans Oceanic sequences, including to/from Hawaii, U.S. to South of the Equator.
 - (2) The Replacement Flying Window may be extended beyond C.2.c.(1) above if the pilot flies or is deadheaded on the first available flight(s) to base. The "first available flight(s) to base" is the flight(s) that arrives at the base the earliest. The flight(s) may be direct or indirect.
 - d. Sequence Cancellation - For the purposes of sequence protection, the terms Sequence Cancellation, Misconnect and Illegality shall be interchangeable.
 - e. Sequence Footprint - The originally scheduled flight departure (OUT) time on the first day of the sequence to the end of the originally scheduled flight termination (IN) time on the last day of the sequence.
 3. Replacement Flying
 - a. Provided the pilot is qualified, legal and available (QLA), the Company may assign Replacement Flying that does not exceed the pilot's Individual Monthly Maximum ([IMAX](#)) as follows:

- (1) The Company may assign any Replacement Flying that fits within the Replacement Flying Window, including modification of the original sequence.
- (2) The Company may proffer and the pilot may accept Replacement Flying that commences prior to the Sequence Footprint and/or finishes beyond the Replacement Flying Window (including replacement flying that will cause an illegality with the pilot's next sequence(s)).
- (3) The Company may assign Replacement Flying that causes an illegality with the pilot's next sequence(s).
- (4) The Company may assign Replacement Flying that is scheduled to terminate beyond the Replacement Flying Window in accordance with [C.2.c.\(2\)](#).
- (5) The Company may not involuntarily assign a pilot to Replacement Flying that requires a sign-in time earlier than the sign-in time of the originally scheduled Sequence Footprint.
- (6) Premium pay provisions shall apply for any reassignment during replacement flying that result in a pilot flying beyond the Sequence Footprint (of the originally cancelled sequence).
- (7) EXCEPTION: If mutually agreed between the Company and the pilot, the pilot may decline Sequence Protection at the time of notification of sequence cancellation or notification of a Replacement Flying assignment and forfeit the applicable sequence protection. Agreement by the Company shall not be unreasonably withheld.

4. Notification and Contact Requirements

The following provisions shall cover a pilot's responsibilities related to the Company's assigning / awarding of Replacement Flying:

- a. Cancellation for next day (or beyond):
 - (1) Cancellation occurs prior to DOTC, assignments / awards shall be made:
 - (a) From the start of DOTC until 15:00 HBT, the day prior to sequence origination, or
 - (b) Prior to the start of the initial DOTC, by mutual agreement. If a pilot is awarded a sequence prior to the start of the initial DOTC by mutual agreement, the replacement flying assignment shall serve as the sequence footprint for any subsequent replacement flying assignment.
 - (2) Cancellation occurs during DOTC (day prior to sequence origination): assignments shall be made until 15:00 HBT or the end of the Cancellation Notification Window, whichever is later.
 - (3) Cancellation occurs after DOTC (day prior to sequence origination): the pilot shall be contactable during the Cancellation Notification Window.
 - (4) The pilot shall be responsible for assignments / awards made during the windows in (1) through (3) above.
- b. Cancellation Day of Sequence Origination (prior to sign-in): the pilot shall be contactable during the Cancellation Notification Window.
 - (1) EXCEPTION - For a sequence cancellation that occurs pre sign-in between 00:00 and 07:00 HBT, the Company should delay making phone contact as late as possible in this time frame so as not to disturb pilot rest.
 - (2) This exception does not prevent the Company from assigning replacement flying (within the Cancellation Notification Window) that signs-in on or after the pilot's originally scheduled sign-in time.
- c. If the pilot is not assigned replacement flying, as applicable in Section 4.C.4.a. through 4.C.4.b. above, the pilot's next obligation is to be contactable for assignment from the start of DOTC until 15:00 HBT each day of the Sequence Footprint, except as provided for in Section 4.C.4.f. below.
- d. Cancellation Post Sign-In at Domicile (prior to departure of first leg, or mid-sequence): the pilot will remain promptly available for assignment to replacement flying for four (4) hours after the originally scheduled sequence sign-in time (after originally scheduled departure

time, if mid-sequence), or one (1) hour after the cancellation is known, whichever is later. If not assigned replacement flying within the window above, the pilot shall be released for that day.

- (1) The pilot may only be assigned replacement flying during the next and subsequent DOTC window(s) from the start of DOTC until 15:00 HBT except as provided for in Section 4.C.4.f.
- e. If the pilot's sequence is cancelled while the pilot is away from domicile, the pilot will remain contactable for assignment to replacement flying for the duration of the originally scheduled duty period (if the duty period has already commenced) and the applicable replacement flying window.
 - (1) If on layover and sequence cancellation occurs within nine (9) hours of the pilot's originally scheduled sign-in, the Company should delay making phone contact as late as possible in this time frame so as not to disturb pilot rest.
 - (2) If already at the airport when a sequence cancellation occurs, the crew will not be held at the airport without expectation of departure within a reasonable period of time. Crew Schedule/Tracking shall repair a pilot's schedule as soon as possible.
- f. Notwithstanding a pilot's obligation(s) to be contactable for the assignment of replacement flying as provided for in Section 4.C.4.a. through e. (as applicable), a pilot shall not be contactable during DOTC on the last day of the Cancelled Sequence Footprint, except when a pilot's Trans Oceanic sequence, including to/from Hawaii and the U.S. to South of the Equator, is cancelled, the pilot shall be contactable.

5. Use of Reserve Pilot Sequences

The Company may use a sequence previously assigned or currently being flown by a reserve pilot as replacement flying as follows:

- a. Pre-sign in: a reserve pilot may be removed from a sequence up to two (2) hours prior to the originally scheduled sign-in time. Within two (2) hours of sign-in, with a reserve pilot's concurrence, the pilot may be voluntarily removed from the sequence.
 - (1) If a reserve pilot is removed from their sequence pre-sign in, the reserve pilot shall be contactable for the remainder of the pilot's RAP.
- b. Post-sign in: by mutual agreement, a reserve pilot may be removed from a sequence post-sign in and prior to the departure of the first leg of the sequence. If the reserve pilot is removed by mutual agreement, the pilot shall be paid in accordance with Section 15. H. If the reserve pilot is not removed, the pilot must fly or deadhead at least one (1) leg prior to removal from the remainder of the sequence. If the reserve pilot is removed after one (1) or more legs of the original sequence, such pilot will receive applicable pay and credit for the duty period(s) completed.

6. Procedures for Assigning Replacement Flying

A pilot shall be assigned replacement flying as follows:

- a. To the maximum extent possible, Crew Scheduling shall assign replacement flying that best matches the hours of obligation and the footprint of the affected sequence based on the pilot's preference ballot.
 - (1) Any sequence that is within one (1) hour of the cancelled sequence value, provided it does not result in the loss of availability for another pilot eligible for replacement flying.
 - (2) If the number of eligible replacement flying pilots (in the same block) exceeds the number of open sequences (in the same block), the senior pilot(s) shall have the ability to pass.
 - (a) If there are still open sequences (in a lower block) after 6.a.(2) above, the remaining eligible replacement flying pilots shall be assigned one of the open sequences using the preference ballot based on seniority.
 - (3) A pilot who fails to submit a preference ballot shall be assigned replacement flying by Crew Scheduling that best matches the hours of obligation and the footprint of the affected sequence.

- (4) By mutual agreement pilots assigned / awarded replacement flying may be awarded a different sequence that opens subsequent to the sign-in time of the replacement flying assignment / award.
- (5) By mutual agreement, pilots not assigned / awarded replacement flying during DOTC or the Cancellation Notification Window (whichever is applicable), may be awarded sequences that open after the conclusion of DOTC or the Cancellation Notification Window (whichever is applicable).

- b. To the maximum extent possible, Crew Tracking shall assign replacement flying that best matches the hours of obligation and the footprint of the affected sequence.

The Company and the Association Joint Scheduling Committee shall review the procedures for assigning replacement flying at JSC meetings.

7. Illegalities

Illegalities caused by replacement flying with a pilot's next sequence(s) shall be handled as follows:

- a. Crew Schedule has the option to eliminate the illegality through partial sequence modification or reassignment.
- b. Replacement flying assignment - if assigned and/or awarded replacement flying that causes an unresolved illegality with the pilot's next sequence(s) at the time of assignment, the pilot shall be removed paid and uncredited from the illegal sequence(s) with no replacement flying obligation for the removed sequence(s).
- c. Reassigned during replacement flying - if reassigned during replacement flying, and the reassignment causes an unresolved illegality with the pilot's next sequence(s) at the time of assignment, the pilot shall be removed paid and uncredited from the illegal sequence(s) with no replacement flying obligation for the removed sequence(s).
- d. Rescheduled (as referenced in C.2.c.(2) and/or overfly during replacement flying - the pilot shall be removed from the illegal sequence(s) with a replacement flying obligation for the removed sequence(s). The pilot shall be paid and credited for the greater of the original sequence(s) or the replacement flying sequence(s).
- e. LIMITATION - if a pilot is removed from a subsequent sequence as a result of a reschedule or overfly during replacement flying, the pilot's replacement flying obligation for the subsequent sequence shall be the replacement flying window. If the pilot is then removed from another subsequent sequence as a result of a reschedule or overfly during replacement flying for the 2nd sequence, the pilot's replacement flying window for the next (3rd) sequence is the Sequence Footprint, as defined in Section [4.C.2.e](#).

D. Section 4 Questions and Answers

4-1. Q. *Is pay protection provided for any change(s) made to a prior removed/changeover sequence?*

A. Pay protection is only provided for the original scheduled sequence time encompassed in the current month.

4-2. Q. *A pilot is illegal to fly a prior removed/changeover sequence due to the change(s) made. Is the pilot pay protected for the original scheduled sequence?*

A. The pilot will be removed off the entire sequence and pay protected for the original scheduled sequence time encompassed in the current month.

4.C Sequence Protection Q&A

General & Definitions

4-3. Q. *Is a pilot pay protected for a cancelled sequence due to the actions of another crewmember (e.g. another crewmember assigned to the sequence oversleeps, thought sequence was on a different day, fails to maintain a current passport and/or medical certificate)?*

A. Yes

4-4. Q. *Is a pilot pay protected for a cancelled sequence due to circumstances within his control (e.g. oversleeping, pilot thought sequence was on a different day, failure to maintain a current passport and/or medical certificate)?*

A. No.

4-5. Q. *Is a pilot pay protected for a cancelled sequence when circumstances prevent them from reporting for duty as previously planned or scheduled?*

When circumstances prevent a pilot from reporting for duty in accordance with the [Commuter Policy - Supplement G](#), the provisions of Supplement G shall apply.

4-6. Q. *If a pilot's sequence cancels how is the pilot placed on the Replacement Flying list?*

A. The pilot is placed on the list automatically.

4-7. Q. *When must the Company notify a pilot of sequence cancellation?*

A. Crew Schedule/Crew Tracking will notify the pilot of sequence cancellation as soon as possible after sequence cancellation is known.

4-8. Q. *What is the Replacement Flying Window for an International Sequence that flies Trans-Oceanic including to/from Hawaii or U.S. to South of the Equator?*

A. The originally scheduled flight departure (OUT) time on the first day of the sequence until the end of the sequence footprint, plus thirty (30) hours.

Example - a pilot flying a Trans-Oceanic International Sequence (DFW - NRT - DFW) where the originally scheduled flight termination (IN) time on the last day of the sequence is 15:30 HBT on the 15th. The pilot may be assigned replacement flying that is scheduled to terminate no later than 21:30 HBT on the 16th.

Example - a pilot flying an International Sequence South of the Equator (MIA - GIG - MIA) where the originally scheduled flight termination (IN) time on the last day of the sequence is 04:10 HBT on the 15th. The pilot may be assigned replacement flying that is scheduled to terminate (IN) no later than 10:10 HBT on the 16th.

4-9. Q. *What is the Replacement Flying Window for a Domestic Sequence and all other International Sequences not covered by the Q&A above?*

A. The originally scheduled flight departure (OUT) time on the first day of the sequence until the end of the sequence footprint plus four (4) hours, or the end of the calendar day, whichever is later.

Example - a pilot's Domestic Sequence originally scheduled flight termination (IN) time on the last day of the sequence is 10:00 HBT on the 15th. The pilot may be assigned replacement flying that is scheduled to terminate no later than 01:59 HBT on the 16th.

Example - a pilot's International Sequence (not Trans-Oceanic or U.S. to South of the Equator) originally scheduled flight termination (IN) time on the last day of the sequence is 21:00 HBT on the 15th. The pilot may be assigned replacement flying that is scheduled terminate (IN) no later than 01:59 HBT on the 16th.

Example - a pilot's originally scheduled flight termination (IN) time on the last day of the sequence is 00:30 HBT on the 15th. The pilot may be assigned replacement flying that is scheduled to terminate (IN) no later than 04:30 HBT on the 15th.

4-10. Q. *May a pilot be assigned multiple sequences during the replacement flying window?*

A. Yes, as long as the replacement flying is scheduled to finish within the applicable replacement flying window.

Example - a pilot is notified of Domestic Sequence cancellation at 20:00 HBT on the 15th, for a three-day sequence originating (OUT) at 10:00 HBT on the 16th and terminating (IN) at 17:00 HBT on the 18th. During the cancellation notification window, the pilot is assigned a one-day replacement flying sequence that terminates (IN) at 20:00 HBT on the 16th. During DOTC on the 16th for flying on the 17th, the pilot is assigned a two-day sequence terminating (IN) at 19:00 HBT on the 18th.

Example - a pilot scheduled to fly a Trans-Oceanic International Sequence is notified of a sequence cancellation at 17:00 HBT on the 15th, for a three-day sequence originating (OUT) at 22:00 HBT on the 15th and terminating (IN) at 05:00 HBT on the 18th. During the cancellation notification window, the pilot is assigned a two-day replacement flying sequence that terminates (IN) at 20:00 HBT on the 17th. During DOTC on the 17th for flying on the 18th, the pilot is assigned a two-day sequence terminating (IN) at 09:00 HBT on the 19th.

4-11. Q. *May a pilot whose Trans-Oceanic sequence cancels be assigned a Domestic Sequence as replacement flying.*

A. Yes, such pilot may be assigned a Domestic Sequence within the Replacement Flying Window as defined in Section [4.C.2.c.\(1\).\(i\).](#)

4-12. Q. *May a pilot whose non-Trans-Oceanic or U.S. to South of the Equator International Sequence cancels be assigned a Trans-Oceanic or U.S. to South of the Equator replacement flying assignment.*

A. Yes, if QLA, the pilot may be assigned a Trans-Oceanic or U.S. to South of the Equator replacement flying if the replacement flying is scheduled to terminate as defined in Section 4.C.2.c.(1).(i).

4-13. Q. *May a pilot whose Domestic Sequence cancels be given an international Sequence as replacement flying?*

A. Yes, if QLA, such pilot may be assigned an International Sequence as replacement flying, within the Replacement Flying Window as defined in Section [4.C.2.c.\(1\).\(i\).](#)

Monthly Pay Guarantee

4-14. Q. *A pilot's sequence cancels prior to sign-in. The sequence was originally scheduled for 20:00 hours (pay and credit). The pilot flies replacement flying worth 15:00 hours (pay and credit). How is the pilot paid and credited for the sequence?*

A. The pilot is paid and credited the value of the original sequence, 20:00 hours.

4-15. Q. *A pilot's sequence cancels prior to sign-in. The sequence was originally scheduled for 17:00 hours (pay and credit). The pilot flies replacement flying worth 19:00 hours (pay and credit). How is the pilot paid and credited for the sequence?*

A. The pilot is paid and credited the value of the replacement flying, 19:00 hours.

4-16. Q. *A pilot is on day two of a three day sequence. The sequence was originally scheduled for 16:30 (pay and credit). Prior to the departure of the cancelled flight(s), the*

sequence value was 17:30 (pay and credit), due to overfly on day one and day two. The pilot flies replacement flying worth 15:00 hours (pay and credit). How is the pilot paid and credited for the sequence?

A. The pilot will be paid and credited 16:30 (the scheduled value of the sequence at the time of award or assignment).

4-17. Q. *A pilot is on day two of a three day sequence. The sequence was originally scheduled for 16:30 (pay and credit). Prior to the departure of the cancelled flight(s), the sequence was still scheduled for 16:30 (pay and credit). The pilot flies replacement flying worth 13:00 hours (pay and credit). How is the pilot paid and credited for the sequence?*

A. The pilot will be paid and credited 16:30 (the value of the sequence prior to cancellation).

4-18. Q. *A pilot is on day two of a three day sequence. The sequence was originally scheduled for 16:30 (pay and credit). Due to overfly on day one and two, the sequence value is now 18:00 hours (pay and credit). While on layover after day two, day three of the sequence is modified from three flights to one flight. The pilot flies replacement flying worth 14:00 hours (pay and credit). How is the pilot paid and credited for the sequence?*

A. The pilot will be paid and credited 16:30 hours (the value of the sequence at the time of award or assignment).

4-19. Q. *A pilot is scheduled for a two-day sequence. The day prior to sequence origination and prior to DOTC, all flights on the first day and the first flight on the second day (which was scheduled to arrive in domicile) are cancelled. The pilot is QLA for the remainder of the sequence starting with the second flight on the second day. How is the pilot paid and credited for the sequence and what is the pilot's replacement flying obligation?*

A. The pilot is paid and credited for the value of the originally scheduled sequence or the value of the replacement flying, whichever is greater. The pilot may be assigned replacement flying, but it must terminate no later than the originally scheduled sequence footprint.

4-20. Q. *A pilot is scheduled for a two-day sequence. After sign-in, but prior to departure on the first flight of the sequence origination, all flights on the first day and the first flights on the second day (which was scheduled to arrive in domicile) are cancelled. The pilot is QLA for the remainder of the sequence starting with the second flight on the second day. How is the pilot paid and credited for the sequence and what is the pilot's replacement flying obligation?*

A. The pilot is paid and credited for the value of the originally scheduled sequence or the value of the replacement flying, whichever is greater. The pilot may be assigned replacement flying, but it must terminate no later than the originally scheduled sequence footprint.

4-21. Q. *Is a reserve pilot that is awarded/assigned flying into, coming off of, and/or on days off eligible for sequence protection?*

A. Yes. A reserve pilot who is awarded/assigned flying into, coming off of, and/or on a day(s) off is eligible for sequence protection.

4-22. Q. *A reserve pilot is awarded a three-day sequence worth 16:30 (pay and credit) that flies entirely on scheduled days off. The sequence cancels prior to sign-in. The reserve pilot flies replacement flying worth 12:00 hours (pay and credit). How is the reserve pilot paid and credited?*

A. The reserve pilot will be paid and credited the value of the original sequence, 16:30, on top of the pilot's monthly guarantee or actual pay and credit for the month, whichever is greater.

Example - a reserve pilot does not break monthly guarantee and flies a sequence worth 16:30 (pay and credit) entirely on days off. The reserve pilot will be paid the monthly guarantee (73:00 hours for Long Call reserve, 76:00 if Short Call reserve), plus 16:30 for flying on days off, for a total HI-1 PPROJ of 89:30 if Long Call or 92:30 if Short Call.

Example - a reserve pilot breaks monthly guarantee (77:00 hours of pay and credit) and flies a sequence worth 16:30 (pay and credit) entirely on days off. The reserve pilot is paid 77:00 hours, plus 16:30 for flying on days off, for a total HI-1 PPROJ of 93:30.

4-23. Q. *A reserve pilot is awarded a three-day sequence worth 16:30 (pay and credit) that flies on one day of reserve availability and two scheduled days off. The amount of flying originally scheduled on the two scheduled days off is 12:30. The sequence cancels prior to sign-in. The reserve pilot flies replacement flying worth 10:00 hours (pay and credit) on the scheduled days off. How is the reserve pilot paid and credited?*

A. The reserve pilot will be paid and credited 12:30, on top of the pilot's monthly guarantee or actual pay and credit for the month, whichever is greater.

Example - a reserve pilot does not break monthly guarantee and flies a sequence worth 16:30, which has 12:30 (pay and credit) of that time on scheduled days off. The reserve pilot will be paid the monthly guarantee (73:00 hours for Long Call reserve, 76:00 if Short Call reserve), plus 12:30 for flying on days off, for a total HI-1 PPROJ of 85:30, 88:30 respectively.

Example - a reserve pilot breaks monthly guarantee (77:00 hours of pay and credit) and flies a sequence worth 16:30, which has 12:30 (pay and credit) of that time on scheduled days off. The reserve pilot is paid 77:00 hours, plus 12:30 for flying on days off, for a total HI-1 PPROJ of 89:30.

Replacement Flying

4-24. Q. *May the Company award/assign replacement flying that will result in the pilot exceeding their Individual Monthly Maximum (IMAX) at the time of assignment?*

A. No. The value of replacement flying may not exceed the pilot's IMAX at the time of assignment.

4-25. Q. *May the Company assign replacement flying that commences prior to the originally scheduled flight departure (OUT) time on the first day of the sequence?*

A. No. The pilot is not required to accept replacement flying that commences prior to the originally scheduled flight departure (OUT) time on the first day of the sequence.

4-26. Q. *May the Company proffer and voluntarily award replacement flying that commences prior to the originally scheduled flight departure (OUT) time on the first day of the sequence?*

A. Yes. The pilot, at their option, if proffered by the Company, may accept replacement flying that commences prior to the originally scheduled flight departure (OUT) time on the first day of the sequence. Reassignment premium pay provisions shall not apply.

4-27. Q. *May the Company assign replacement flying beyond the replacement flying window to a pilot flying an International Sequence (Trans-Oceanic including to/from Hawaii, U.S. to South of the Equator)?*

A. Yes. If the pilot is rescheduled in accordance with Section 4. [C.2.c.\(2\)](#). If the pilot is reassigned, premium pay provisions shall apply.

Example - a pilot scheduled to fly DFW - NRT - DFW has the NRT - DFW flight cancel prior to departure from DFW. The flights from NRT - DFW, NRT - LAX and NRT - ORD

are cancelled for the next two days due to volcanic activity. The first available flight(s) (direct or indirect, including deadhead) to get the pilot back to base are scheduled to arrive beyond the pilot's replacement flying window. If the Company reschedules the pilot, the pilot will be removed paid and credited from any conflicting sequence(s) with replacement flying obligation.

Example - a pilot scheduled to fly DFW - NRT - DFW has the NRT - DFW flight cancel due to mechanical. The pilot is QLA for the first available flight(s) (direct or indirect, including deadhead) to get the pilot back to base, but is reassigned to operate a later flight from NRT - DFW. Since the pilot is reassigned, the premium pay provisions shall apply. The pilot will be removed paid and uncredited from any conflicting sequence(s) with no replacement flying obligation.

4-28. Q. *May the Company assign replacement flying beyond the replacement flying window to a pilot with a canceled Domestic Sequence?*

A. Yes. If the pilot is rescheduled in accordance with Section 4. [C.2.c.\(2\)](#). If the pilot is reassigned, premium pay provisions shall apply.

Example - a pilot is scheduled to fly the last flight of the day from RIC - DFW on day three of a three-day sequence. The pilot's RIC - DFW flight cancels due to a mechanical. The pilot is then rescheduled to spend the night in RIC and deadhead from RIC - DFW the following morning. The first available flight(s) (direct or indirect, including deadhead) to get the pilot back to base is not scheduled to arrive until after the conclusion of the pilot's replacement flying window. Since the RIC - DFW flight the following morning is the first available flight(s) back to base, the pilot has been rescheduled in accordance with Section 4. [C.2.c.\(2\)](#).

Example - a pilot is scheduled to fly the second to last flight of the day from MCO - DFW on day three of a three-day sequence. The pilot's MCO - DFW flight cancels due to a mechanical. The pilot is QLA for the first available flight(s) (direct or indirect, including deadhead) to get the pilot back to base, but is instead reassigned to spend the night in MCO and operate the third flight from MCO - DFW the following morning. Since the pilot is reassigned, premium pay provisions shall apply.

4-29. Q. *May the Company proffer and voluntarily award replacement flying that finishes beyond the replacement flying window?*

A. Yes. The pilot, at their option, if proffered by the Company, may accept replacement flying that finishes beyond the replacement flying window. In this case, premium pay provisions shall not apply for the initial replacement flying assignment. If the pilot is subsequently reassigned while performing replacement flying, the applicable premium pay provisions shall apply.

4-30. Q. *May a pilot decline a replacement flying assignment and forfeit the applicable sequence protection for the cancelled sequence prior to sign-in or post sign-in (prior to departure of the first flight) at time of notification of sequence cancellation?*

A. Yes, with mutual agreement between the Company and the pilot. The pilot's PROJ and PPROJ will be lowered by the value of the cancelled sequence. Agreement by the Company shall not be unreasonably withheld.

Notification and Contact Requirements

4-31. Q. *May the Company assign replacement flying upon notification of sequence cancellation, if the cancellation occurs the day prior (or earlier) to sequence origination and prior to DOTC?*

A. No. In this case, the pilot's obligation is to be contactable during DOTC (the day prior to sequence origination) for the assigning of replacement flying.

4-32. Q. *When is a pilot whose sequence cancels the day prior (or earlier) to sequence origination and prior to DOTC contactable for the assigning of replacement flying?*

A. The pilot shall default to being contactable during DOTC the day prior to sequence origination.

4-33. Q. *When is a pilot whose sequence cancels the day prior to sequence origination and during DOTC contactable for the assigning of replacement flying?*

A. The pilot shall be contactable for the remainder of DOTC, or the cancellation notification window, whichever is later.

Example - a pilot's sequence on the 15th is cancelled at 15:00 on the 14th. The pilot shall be contactable for the remainder of DOTC, or the cancellation notification window, whichever is later. Since DOTC ends at 15:00 HBT, the pilot is contactable until 18:00 HBT.

Example - a pilot's sequence on the 15th is cancelled at 12:30 on the 14th. The pilot shall be contactable for the remainder of the cancellation notification window, which ends at 15:30 HBT.

4-34. Q. *When is a pilot whose sequence cancels the day prior to sequence origination but after DOTC contactable for the assigning of replacement flying?*

A. The pilot shall be contactable during the three (3) hour cancellation notification window.

4-35. Q. *To preserve seniority for the assignment of Replacement Flying (pre-sign in), when must a pilot return a call from Crew Scheduling?*

A. TBD during implementation.

4-36. Q. *If a pilot whose sequence cancels prior to sign-in is not assigned replacement flying during DOTC or the Cancellation Notification Window (whichever is applicable), when is the pilot contactable next for the assigning of replacement flying?*

A. The pilot may only be assigned replacement flying during the next and subsequent DOTC window(s).

Example - a pilot is notified of a Domestic Sequence cancellation at 20:00 HBT on the 15th, for a three-day sequence originating (OUT) at 10:00 HBT on the 16th and finishing at 17:00 HBT on the 18th. The pilot is not assigned replacement flying by the conclusion of the cancellation notification window. The pilot shall not be contactable for the assigning of replacement flying until DOTC on the 16th for replacement flying on the 17th. If the pilot is not assigned replacement flying during DOTC on the 16th for replacement flying on the 17th, the pilot shall not be contactable for the assigning of replacement flying until DOTC on the 17th for replacement flying on the 18th. If the pilot is not assigned replacement flying during DOTC on the 17th for replacement flying on the 18th, the pilot shall have no further replacement flying obligation for the cancelled sequence.

Example - a pilot is notified of a Trans-Oceanic International Sequence cancellation at 17:00 HBT on the 15th, for a four-day sequence originating (OUT) at 22:00 HBT on the 15th and finishing at 05:00 HBT on the 18th. The pilot is not assigned replacement flying during the cancellation notification window and shall be released for the day. The pilot shall not be contactable for the assigning of replacement flying until DOTC on the 16th for replacement flying on the 17th. If the pilot is not assigned replacement flying during DOTC on the 16th for replacement flying on the 17th, the pilot shall not be contactable for the assigning of replacement flying until DOTC on the 17th for replacement flying on the 18th. If the pilot is not assigned replacement flying during DOTC on the 17th for replacement flying on the 18th, the pilot shall not be contactable for the assigning of replacement flying until DOTC on the 18th for replacement flying on the 19th. If the pilot is not assigned replacement flying during DOTC on the 18th for replacement flying on the 19th, the pilot shall have no further replacement flying obligation for the cancelled sequence.

Example - a pilot is notified of a Domestic Sequence cancellation at 08:00 HBT on the 15th, for a three-day sequence originating (OUT) at 14:00 HBT on the 16th and finishing at 14:00 HBT on the 18th. The pilot is not assigned replacement flying during DOTC on the 15th for replacement flying on the 16th. The pilot shall not be contactable for the assigning of replacement flying until DOTC on the 16th for replacement flying on the 17th. If the pilot is not assigned replacement flying during DOTC on the 16th for replacement flying on the 17th, the pilot shall not be contactable for the assigning of replacement flying until DOTC on the 17th for replacement flying on the 18th. If the pilot is not assigned replacement flying during DOTC on the 17th for replacement flying on the 18th, the pilot shall have no further replacement flying obligation for the cancelled sequence.

4-37. Q. *Will the Company attempt to contact a pilot between 00:00 and 07:00 HBT to notify the pilot of sequence cancellation pre sign-in at domicile?*

A. The Company will delay making phone contact as late as possible in this time frame, so as not to disturb pilot rest.

4-38. Q. *A pilot's sequence cancels the day of sequence origination between 00:00 and 07:00. May the Company assign the pilot replacement flying without making first person contact?*

A. Yes, as long as the pilot is assigned replacement flying within the applicable cancellation notification window, which must include an electronic time stamp of the time of cancellation and the time of assignment of replacement flying.

Example - a pilot's sequence cancelled at 01:00 HBT during regular operations. If the pilot is not assigned replacement flying by 04:00 HBT, the pilot shall be released for that day.

4-39. Q. *A pilot's sequence cancels the day of sequence origination between 00:00 and 07:00. May the pilot contact the Company to acknowledge the cancellation and any replacement flying assignment (within the cancellation notification window)?*

A. Yes. Nothing prevents the pilot who notices their sequence has cancelled from contacting the Company to acknowledge the sequence cancellation and any replacement flying assignment (within the cancellation notification window).

4-40. Q. *A pilot's sequence is cancelled at domicile (post sign-in prior to departure of first flight or mid-sequence). What is the pilot's obligation to be contactable for replacement flying?*

A. The pilot will remain promptly available for assignment to replacement flying for four (4) hours after the originally scheduled sequence sign-in time (after originally scheduled departure time, if mid-sequence), or one (1) hour after the cancellation is known, whichever is later.

Example - a pilot is post sign-in at domicile on the 10th (prior to departure of the first flight of a three-day sequence). The pilot's originally scheduled sequence sign-in time was 07:00 HBT. The pilot encounters a rolling maintenance delay and the flight is cancelled at 09:30 HBT. The Company has until 11:00 HBT to assign the pilot replacement flying. If not assigned replacement flying by 11:00 HBT, the pilot shall be released for the day and the pilot's obligation is to be contactable during DOTC on the 10th for replacement flying commencing on the 11th.

Example - a pilot is post sign-in at domicile on the 7th (prior to departure of the first flight of a three-day sequence). The pilot's originally scheduled sequence sign-in time was 13:00 HBT. The pilot encounters a rolling ATC delay and the flight is cancelled at 17:00 HBT. The Company has until 18:00 HBT to assign the pilot replacement flying. If not assigned replacement flying by 18:00 HBT, the pilot shall be released for the day and the pilot's obligation is to be contactable during DOTC on the 8th for replacement flying commencing on the 9th.

Example - a pilot flying a Domestic Sequence is mid-sequence at domicile on the 20th (day two of a three-day sequence). The pilot's originally scheduled departure time was 18:00 HBT. The pilot's flight is cancelled at 19:00 HBT. The Company has until 22:00 HBT to assign the pilot replacement flying. If not assigned replacement flying by 22:00

HBT, the pilot shall be released for the remainder of the sequence with no further replacement flying obligation.

4-41. Q. *A pilot's sequence is cancelled away from domicile while on duty. What is the pilot's obligation to be contactable for replacement flying?*

A. The pilot will remain contactable for assignment to replacement flying for the duration of the originally scheduled duty period. If at the airport when sequence cancellation occurs, the crew will not be unreasonably held at the airport without expectation of departure within a reasonable period of time.

4-42. Q. *A pilot's sequence is cancelled away from domicile while on layover. What is the pilot's obligation to be contactable for replacement flying?*

A. The provisions of [Section 15.B.3](#) shall apply. A pilot, while on layover, is not required to be available for duty any earlier than the next originally scheduled duty period.

Section 5 - Use of Reserve Pilot Sequences

4-43. Q. *May a reserve pilot be involuntarily removed from a previously awarded/assigned sequence prior to sign-in?*

A. Yes, but only if notified more than two (2) hours prior to the originally scheduled sign-in time.

4-44. Q. *May a reserve pilot be voluntarily removed from a previously awarded/assigned sequence within two (2) hours of sign-in?*

A. Yes, with the reserve pilot's concurrence.

4-45. Q. *What is a reserve pilot's obligation if removed from a sequence prior to sign-in?*

A. If a reserve pilot is removed from their sequence pre-sign in, the reserve pilot will be contactable for the remainder of the pilot's RAP.

4-46. Q. *May a reserve pilot be removed from a sequence post sign-in, but prior to departure on the first flight of the sequence?*

A. No, unless mutually agreed. If mutually agreed, the reserve pilot is paid in accordance with Section [15.H](#). If not agreed, the reserve pilot must fly or deadhead at least one (1) flight prior to removal from the remainder of the sequence. The reserve pilot will receive applicable pay and credit in accordance with Section [15.E](#), [F](#), and [G](#), based upon the number of duty periods completed at the time of removal.

4-47. Q. *May a reserve pilot be removed mid-sequence?*

A. Yes. The reserve pilot will receive applicable pay and credit in accordance with Section [15.E](#), [F](#), and [G](#), based upon the number of duty periods completed at the time of removal.

Section 6 - Procedures for Assigning Replacement Flying

4-48. Q. *What are the procedures to assign replacement flying in the event that multiple sequences are available during DOTC or the Cancellation Notification Window (pre sign-in)?*

A. Crew Schedule shall follow the procedures to assign replacement flying in accordance with Section 4.C.6.a.(1) through (5), starting with the most senior pilot.

4-49. Q. *What are the procedures to assign replacement flying during the Cancellation Notification Window (post sign-in or mid-sequence)?*

A. Crew Tracking shall, to the maximum extent possible, assign replacement flying that best matches the hours of obligation and the footprint of the affected sequence.

4-50. Q. *If a pilot who is eligible to be assigned replacement flying during DOTC has failed to put in a preference ballot, how will the pilot be assigned replacement flying?*

A. If the pilot is able to pass to more junior QLA pilots eligible for replacement flying, they will be bypassed. If the pilot is not able to pass, the pilot shall be assigned a replacement flying sequence that best matches the hours of obligation and footprint of the cancelled sequence.

4-51. Q. *How will a pilot be assigned replacement flying during DOTC?*

A. During DOTC, if the pilot has filled out the preference ballot, the pilot will be assigned any sequence they are QLA that is within one (1) hour of the cancelled sequence value, provided it does not result in the loss of availability for another pilot eligible for replacement flying.

Example - Pilot "A" has a Trans-Oceanic four-day International Sequence cancel the day prior and before DOTC. At the start of DOTC, the open sequences are as follows; three (3) three-day sequences and two (2) four-day sequences. There are five other pilots eligible for replacement flying, all of whom are QLA for the five open sequences and are junior to Pilot "A". Pilot "A" may pass the five open sequences to the junior pilot. If another sequence does not become available that Pilot "A" is QLA by the end of DOTC, Pilot "A" shall be contactable during the next DOTC.

Example - Pilot "A" has a Trans-Oceanic four-day International Sequence cancel the day prior and before DOTC. At the start of DOTC, the open sequences are as follows; three (3) three-day sequences and two (2) four-day sequences. There are three other pilots eligible for replacement flying (all junior to Pilot "A"), but they are only QLA for the three-day sequences. Pilot "A" shall be assigned one of the four-day sequences. If both of the four-day sequences are within one (1) hour (plus or minus) of the cancelled sequence value, Pilot "A" will be able to select the four-day sequence of their choice. If both of the four-day sequences are not within one (1) hour (plus or minus) of the cancelled sequence value, the pilot will be assigned the four-day sequence that best matches the hours of obligation and the footprint of the cancelled sequence.

Example - Pilot "A" has a three-day Domestic Sequence cancel the day prior and before DOTC. At the start of DOTC, the open sequences are as follows; two (2) three-day sequences and two (2) two-day sequences. There are three other pilots eligible for replacement flying (all junior to Pilot "A"), all of whom are QLA for the three-day and two-day sequences. The pilot may proffer and shall be awarded, in seniority order, one of the three-day sequences or one of the two-day sequences. If the pilot fails to put in a preference ballot (or notify Crew Schedule of their preferences) for any of the sequences, the Company shall inversely assign Pilot "A" to the sequence that best matches the hours of obligation and the footprint of the cancelled sequence.

Example - Pilot "A" has a three-day International Sequence (not Trans-Oceanic) cancel the day prior and during DOTC. At the time of notification of sequence cancellation, the open sequences are as follows; three (3) two-day sequences and one (1) four-day sequence. There are two other pilots eligible for replacement flying. Pilot "B" is eligible and QLA for any of two-day sequences and Pilot "C" is eligible and QLA for all of the open sequences. Pilot "C" is the most senior pilot, then Pilot "B" and Pilot "A" is the most junior. Since Pilot "B" and Pilot "A" are not QLA for the four-day sequence, Pilot "C" shall be

assigned the four-day sequence. Pilot "B" will be able to select any of the two-day sequences that are within one (1) hour (plus or minus) of the cancelled sequence value. If none of the two-day sequences are within one (1) hour of the cancelled sequence value, the pilot will be able to select any of the two-day sequences, regardless of value. Pilot "A" will then follow the same procedures for the two remaining two-day sequences.

4-52. Q. *If during the assigning of replacement flying (during DOTC), the number of QLA replacement flying pilots (in the same block) exceeds the number of open sequences (in the same block), does the senior pilot(s) have the ability to pass to more junior pilot(s) on those trips in the same block.*

A. Yes. However, if there are still open trips in a lower block number, the senior pilot(s) shall be awarded/assigned one of the remaining open sequences based on the pilot's preference ballot. If the pilot fails to submit a preference ballot, they will be assigned a sequence that best matches the hours of obligation and the footprint of the cancelled sequence.

Example - Pilot "A" has a four-day Domestic Sequence cancel the day prior and before DOTC. At the start of DOTC, the open sequences are as follows; one (1) three-day sequences and two (2) four-day sequences. There are two other pilots eligible for replacement flying. Pilot "B" and Pilot "C" are eligible and QLA for both four-day sequences. Pilot "A" is the most senior pilot, then pilot "B" and Pilot "C" is the most junior. Since Pilot "B" and Pilot "C" are eligible and QLA for the four-day sequences, Pilot "A" may pass the four-day sequences to Pilot "B" and Pilot "C". If Pilot "A" passes the four-day sequences, Pilot "A" shall be assigned the three-day sequence (assuming QLA) as replacement flying.

Example - Pilot "A" has a four-day Domestic Sequence cancel the day prior and before DOTC. At the start of DOTC, the open sequences are as follows; two (2) three-day sequences and one (1) four-day sequences. There are two other pilots eligible for replacement flying. Pilot "B" and Pilot "C" are eligible and QLA for only the three-day sequences. Pilot "A" is the most senior pilot, then pilot "B" and Pilot "C" is the most junior. Since Pilot "B" and Pilot "C" are only eligible and QLA for the three-day sequences, Pilot "A" shall be assigned the four-day sequence (assuming QLA). Pilot "B" and Pilot "C" shall exercise seniority (if able) for the three-day sequences.

Section 7 - Illegalities

4-53. Q. *May the Company assign a pilot to replacement flying that will knowingly cause an FAR or contractual illegality with the pilot's next sequence(s) at the time of assignment?*

A. Yes.

4-54. Q. *If the Company assigns replacement flying that causes an FAR or contractual illegality with the pilot's next sequence(s), when must the illegality be resolved or the pilot removed (paid and uncredited) from the illegal sequence(s)?*

A. Normally, the Company shall resolve the illegality at the time of assignment of the replacement flying. If the illegality is not resolved at the time of the replacement flying assignment, the pilot shall be removed paid and uncredited from the illegal sequence(s). The pilot shall have no replacement flying obligation for the removed sequence(s).

EXCEPTION: During schedule disruptions due to events not within the control of the Company (e.g., severe weather, natural disasters, ATC system disruptions or other system disruptions), the Company shall resolve the illegality within eight (8) hours or termination (IN) time of the replacement flying assignment, whichever is earlier.

4-55. Q. *If the Company assigns replacement flying that causes an FAR or contractual illegality with the pilot's next sequence(s), how will the Company eliminate the illegality?*

A. The Company has the option to eliminate the illegality through partial sequence modification or reassignment. If the illegality is not resolved, the pilot shall be removed paid and uncredited from the illegal sequence(s). The pilot shall have no replacement flying obligation for the removed sequence(s).

Example #1 - a pilot has a sequence worth 17:00 hours that is cancelled the day prior to sequence origination. During DOTC, the pilot is assigned replacement flying worth 17:30 hours, which conflicts with the pilot's next sequence, worth 10:00 hours. The illegality is not repaired. The pilot is removed from the conflicted sequence without any replacement flying obligation. How is the pilot paid and credited?

The pilot is paid for the greater of:

1. The combined value of the cancelled sequence plus the sequence(s) removed because of illegality, or
2. The value of the replacement sequence.

In this example the pay is 27:00 hours.

The pilot is credited for the greater of:

1. the value of the cancelled sequence, or
2. the value of the replacement sequence

In this example the pilot is credited for 17:30 hours

Example #2 - a pilot has a sequence worth 10:00 hours that is cancelled the day of sequence origination. During the cancellation notification window, the pilot is assigned replacement flying worth 15:00 hours, which conflicts with the pilot's next sequence, worth 5:30 hours. The illegality is not repaired. The pilot is removed from the conflicted sequence without any replacement flying obligation. How is the pilot paid and credited?

The pilot is paid for the greater of:

1. The combined value of the cancelled sequence plus the sequence(s) removed because of illegality, or
2. The value of the replacement sequence.

In this example the pay is 15:30 hours.

The pilot is credited for the greater of:

1. the value of the cancelled sequence, or
2. the value of the replacement sequence

In this example the pilot is credited for 15:00 hours

Example #3 - a pilot has a three-day sequence worth 16:00 hours that is cancelled mid-sequence on day two. The pilot is assigned replacement flying which conflicts with the pilot's next sequence, worth 12:00 hours. The pilot is removed from the conflicted sequence without any replacement flying obligation. How is the pilot paid and credited?

The pilot is paid for the greater of:

1. The combined value of the cancelled sequence plus the sequence(s) removed because of illegality, or
2. The value of the replacement sequence.

In this example the pay is 28:00 hours.

The pilot is credited for the greater of:

1. the value of the cancelled sequence, or
2. the value of the replacement sequence

In this example the pilot is credited for 16:00 hours

Example #4 - a pilot has a sequence worth 15:00 hours that is cancelled the day of sequence origination. During the Cancellation Notification Window, the pilot is assigned replacement flying worth 15:00 hours, which conflicts with the pilot's next sequence, worth 15:00 hours. The illegality is repaired by modifying the pilot's next sequence through the removal of the first round trip, worth five (5) hours. The pilot flies the remainder of the modified sequence, which is worth 10:00 hours. How is the pilot paid and credited?

The pilot is paid the combined value of the cancelled sequence plus the value of the pilot's next sequence at the time of initial award or assignment:

1. In this example the pay is 30:00 hours.

The pilot is credited as follows:

1. The value of the cancelled sequence, and
2. The value of what the pilot flew (including pay and credit) for the modified sequence

In this example the pilot is credited for 25:00 hours

Example #5 - a pilot has a sequence worth 10:00 hours that is cancelled the day of sequence origination. During the Cancellation Notification Window, the pilot is assigned replacement flying worth 12:00 hours, which conflicts with the pilot's next sequence, worth 12:00 hours. The illegality is repaired by modifying the pilot's next sequence through the removal of the first round trip, worth two (2) hours. The pilot flies the remainder of the modified sequence, which is worth 10:00 hours. How is the pilot paid and credited?

The pilot is paid the combined value of the replacement flying sequence plus the value of the pilot's next sequence at the time of initial award or assignment:

1. In this example the pay is 24:00 hours.

The pilot is credited as follows:

1. The value of the replacement flying sequence, and
2. The value of what the pilot flew (including pay and credit) for the modified sequence

In this example the pilot is credited for 22:00 hours

- 4-56. Q. *May the Company proffer and voluntarily award replacement flying outside of the replacement flying window that will cause an illegality with the pilot's next sequence(s)?*
- A. Yes. The pilot shall be removed paid and uncredited from the illegal sequence(s). The pilot shall have no replacement flying obligation for the removed sequence(s).
- 4-57. Q. *May a pilot proffer for and be awarded replacement flying that will cause an illegality with a pilot's next sequence(s)?*
- A. No.
- 4-58. Q. *May a pilot be reassigned during replacement flying if the reassignment results in an illegality with the pilot's next sequence(s)?*
- A. Yes. Crew Schedule/Tracking has the option to eliminate the illegality through partial sequence modification or reassignment at the time of the replacement flying assignment causing the illegality. If the illegality is not resolved, the pilot shall be removed paid and uncredited from the illegal sequence(s). The pilot shall have no replacement flying obligation for the removed sequence(s).

Example #1 - a pilot has a sequence worth 17:00 hours that is cancelled. The pilot is assigned replacement flying worth 14:00 hours. While on the replacement flying sequence, the pilot is reassigned to flying worth 18:00, which conflicts with the pilot's next sequence, worth 10:00 hours. The illegality is not repaired at the time of assignment. The pilot is removed from the conflicted sequence without any replacement flying obligation. How is the pilot paid and credited?

The pilot is paid for the greater of:

1. The combined value of the cancelled sequence plus the sequence(s) removed because of illegality, or
2. The value of the replacement sequence.

In this example the pay is 27:00 hours.

The pilot is credited for the greater of:

1. the value of the cancelled sequence, or
2. the value of the replacement sequence

In this example the pilot is credited for 18:00 hours

4-59. Q. *If a pilot is assigned replacement flying beyond the sequence footprint (within the replacement flying window), is the pilot eligible for the 50 percent premium pay reassignment provision.*

A. No. In this case, a pilot is not eligible for the 50 percent premium pay reassignment provision.

4-60. Q. *If a pilot is assigned replacement flying beyond the sequence footprint (and beyond the replacement flying window), is the pilot eligible for the 50 percent premium pay reassignment provision.*

A. If the pilot is rescheduled in accordance with Section 4. [C.2.c.\(2\)](#), the pilot is not eligible for the 50 percent premium pay reassignment provision. If the pilot is reassigned, the pilot is eligible for the 50 percent premium pay reassignment provision.

4-61. Q. *If a pilot is initially assigned replacement flying beyond the sequence footprint (of the originally cancelled sequence), but within the replacement flying window and is then subsequently reassigned to flying also beyond the sequence footprint (of the originally cancelled sequence), is the pilot eligible for the 50 percent premium pay reassignment provision for all pay and credit beyond the original sequence footprint?*

A. Yes, the pilot shall be paid the greater of the value of the original sequence or the value of the reassignment, plus a 50 percent premium for all pay and credit beyond the original sequence footprint.

Example - a pilot's original sequence was worth 15:00 hours. The pilot is assigned replacement flying within the replacement flying window that is worth 18:00 hours. The pilot is subsequently reassigned to flying worth 18:00 hours, of which four (4) hours is flown outside of the original sequence footprint. The pilot is paid and credited for 20:00 hours. 18:00 hours for the value of the reassignment plus a two (2) hour reassignment premium for flying beyond the originally scheduled sequence footprint.

Example - a pilot's original sequence was worth 15:00 hours. The pilot is assigned replacement flying within the replacement flying window that is worth 18:00 hours. The pilot is subsequently reassigned to flying worth 12:00 hours, of which two (2) hours is flown outside of the original sequence footprint. The pilot is paid and credited for 16:00 hours. 15:00 hours for the original sequence value plus a one (1) hour reassignment premium for flying beyond the originally scheduled sequence footprint.

4-62. Q. *A pilot is assigned replacement flying that does not cause an FAR or contractual illegality with the pilot's next sequence(s) at the time of assignment. During the replacement flying the pilot is rescheduled in accordance with Section 4. [C.2.c.\(2\)](#). and is*

now illegal for the pilot's next sequence(s). The pilot is then removed from the illegal sequence(s). How is the pilot paid and credited and what is their obligation for the removed sequence(s)?

A. The pilot is paid and credited for the removed sequence(s) with replacement flying obligation.

4-63. Q. *A pilot is assigned replacement flying that does not cause an FAR or contractual illegality with the pilot's next sequence(s) at the time of assignment. During the replacement flying the pilot overflies and is now illegal for the pilot's next sequence(s). The pilot is then removed from the illegal sequence(s). How is the pilot paid and credited and what is their obligation for the removed sequence(s)?*

A. The pilot is paid and credited for the removed sequence(s) with replacement flying obligation.

4-64. Q. *If a pilot is removed from a third consecutive sequence due to previous reschedules or overfly during replacement flying, what is a pilot's replacement flying obligation for the 3rd removed sequence?*

A. The pilot's replacement flying obligation is the originally scheduled footprint of the 3rd removed sequence.

Example - a pilot's sequence on the 8th and 9th is cancelled. During replacement flying, the pilot is rescheduled causing a conflict with the pilot's sequence on the 10th and 11th. The pilot is removed from the sequence on the 10th and 11th with replacement flying obligation. During replacement flying on the 10th and 11th, the pilot is once again rescheduled causing a conflict with the pilot's sequence on the 12th and 13th. The pilot's replacement flying obligation for the removed sequence on the 12th and 13th is the sequence footprint as defined in Section [4.C.2.e](#).

4-65. Q. *A pilot scheduled to fly a two-flight, three-day Trans-Oceanic sequence has the return flight to base cancel prior to departure from domicile. Can the Company assign the pilot to a return flight outside of the replacement flying window?*

A. Yes. If the pilot is rescheduled in accordance with Section 4. [C.2.c.\(2\)](#). If the pilot is reassigned, premium pay provisions shall apply.

Example - a pilot scheduled to fly DFW - NRT - DFW has the NRT - DFW flight cancel prior to departure from DFW. The flights from NRT - DFW, NRT - LAX and NRT - ORD are cancelled for the next two days due to volcanic activity. The first available flight(s) to get the pilot back to base are not scheduled to arrive until after the conclusion of the pilot's replacement flying window. If the Company reschedules the pilot in accordance with Section 4.C.2.c.(2), the pilot will be removed paid and credited from any conflicting sequence(s) with replacement flying obligation. If the pilot is reassigned, premium pay provisions shall apply. The pilot will be removed paid and uncredited from any conflicting sequence(s) with no replacement flying obligation.

4-66. Q. *A pilot scheduled to fly a two-flight, three-day Trans-Oceanic sequence (DFW - NRT - DFW) has the return flight to base cancel while on layover. Can the Company assign the pilot to a return flight(s) beyond the replacement flying window?*

A. Yes. If the pilot is rescheduled in accordance with Section 4. [C.2.c.\(2\)](#). If the pilot is reassigned, premium pay provisions shall apply.

Example - a pilot scheduled to fly DFW - NRT - DFW has the NRT - DFW flight cancel while on layover in NRT. The first available flight(s) (either direct or indirect, including deadhead) to get the pilot back to base is not scheduled to arrive until after the conclusion of the pilot's replacement flying window. If the Company reschedules the pilot in accordance with Section 4.C.2.c.(2), the pilot will be removed paid and credited from any

conflicting sequence(s) with replacement flying obligation. If the pilot is reassigned, the premium pay provisions shall apply. The pilot will be removed paid and uncredited from any conflicting sequence(s) with no replacement flying obligation.

SECTION 5

PAY AND CREDIT PILOT RELIEVED OF FLYING DUTIES

A. Pay - General [See Q&A [15-28](#), [15-30](#)]

The pay provisions of this Section shall apply to a pilot who is relieved of scheduled flying duties for any of the following reasons:

1. Sick leave not in excess of accrued sick leave, as provided in [Section 10](#) of this Agreement,
2. To engage in a training program other than training on a regular day off,
3. To serve as a juror in response to official summons.

B. Pay - Regularly Scheduled Pilot [See Q&A [15-28](#), [15-30](#)]

A regular scheduled pilot who is relieved of scheduled flying duties, as set forth in paragraph A. of this Section, shall receive pay on the basis of scheduled flight time, plus applicable credits, as provided under [Section 15.E](#), [15.F](#) and [15.G](#). of this Agreement, for the trips such pilot was scheduled to fly. [See Q&A [6-21](#), [15-2](#)]

C. Pay - Reserve Pilot

1. A reserve pilot who is relieved of a day(s) of reserve availability, as set forth in paragraph A of this Section, shall be paid and credited with one-eighteenth (1/18th) of reserve guarantee, at the applicable rate, for each day of reserve availability missed.
2. In no event may such pilot's total monthly earnings be less than:
 - a. seventy-three (73:00) hours of pay for a Long Call Reserve line, or
 - b. seventy-six (76:00) hours of pay for a Short Call Reserve lineat the pilot's base hourly rate.

D. Unpaid Absences

1. A regularly scheduled pilot's PROJ and PPROJ will be reduced by the scheduled value of any sequence(s), or part thereof, dropped by the pilot, excluding time lost as a result of a cancellation, illegality or misconnect.
2. A reserve pilot's guarantee will be reduced by one-eighteenth (1/18th) for each day of reserve availability missed.

E. Credit - Regularly Scheduled Pilot

For purposes of calculating a pilot's Individual Monthly Maximum (IMAX) a regularly scheduled pilot who is relieved of scheduled flying duties, as set forth in paragraph A. of this Section, or who is on unpaid leave of absence, shall be credited with the scheduled flight time, plus applicable credits, as provided under [Section 15.E.](#), [15.F.](#) and [15.G.](#) of this Agreement, for the trips such pilot was scheduled to fly.

F. Credit - Reserve Pilot

For purposes of [flight time](#) limitations, the credited projection (PROJ) of a reserve pilot who is relieved of a day(s) of reserve availability, as set forth in paragraph A. of this Section, or who is on unpaid leave of absence, shall be credited with one-eighteenth (1/18th) of reserve guarantee for each calendar day of the period of relief for each day of reserve availability missed:

G. Jury Duty Pay

A pilot who is paid for jury duty in accordance with the provisions of this Section will have deducted from such pay the amount of remuneration the pilot received for service as a juror.

H. Reserve Pilot - Military Leave of Absence

Pay for a reserve pilot who attends any military drill, or participates in any military activity, will be handled in accordance with the provisions of [Section 11](#).

I. Paper Legality

1. A pilot who is relieved from flying duties does not assume the legality of the flight(s) or trip sequence(s) from which removed for purposes of F.A.R. limitations or the rest provisions of [Section 15.C.](#), unless the removal is to deadhead to base earlier than scheduled, in accordance with [Section 15.C.5.f.](#) and [15.H.11.](#) (removal code RA-AA) [See Q&A [6-21](#), [15-2](#)]
2. A pilot who is reassigned from one trip sequence to another trip sequence assumes the legality of the trip sequence actually flown for purposes of F.A.R. limitations or the rest provisions of [Section 15.C.](#)

SECTION 6

TRAINING

A. Supervisory Flying

1. When any supervisory pilot flies any flight producing revenue, the Company shall credit and pay full compensation at regular rates for such flight on a schedule basis, including [15.E.](#), [15.F](#) and [15.G](#). credits, to the pilot or pilots who were available and who should have flown such flight. Such pilot or pilots shall be afforded relief from duty in the same manner and to the same extent as though they had actually flown such flight as scheduled. All such flight time shall be recorded with the name of the supervisor, the name of the pilot replaced, the trip number and the scheduled flying time, and the Association shall be provided with such listing by the fifteenth (15th) day of the following month. [See Q&A [15-1](#), [6-4](#)]
2. When a supervisory pilot flies a flight producing revenue for which no pilot at the base can be considered available, the pay for such flight time will be apportioned among pilots on incentive pay at the base in order of system seniority. Apportionment will be made by adding pay for such flight time to each eligible pilot's pay projection (PPOJ) up to the monthly maximum, provided that a pilot who has been apportioned pay under this provision shall not be eligible for a similar application of this provision until all pilots on incentive pay junior at the base have been similarly treated. Apportionment shall be made, up to a maximum of ten (10) hours per pilot, provided such apportionment shall not be made, when such apportionment, when added to the pilot's pay projection (PPOJ), produces a total which does not exceed the guaranteed hours for the month. Supervisory flying under this paragraph shall be limited to one (1) trip sequence per month, or twenty-five (25) hours of flight time each month, whichever is greater, for each supervisor. All such flight time shall be recorded by base, with the name of the supervisor, the trip number, the scheduled flying time, the name of each pilot to whom such time was apportioned, and the amount of time apportioned to each pilot, and the Association shall be provided with such listing by the fifteenth (15th) day of the following month. [See Q&A [6-3](#), [6-4](#), [6-5](#), [6-6](#), [6-7](#), [6-8](#), [6-9](#), [6-10](#)]
3. A line pilot who is appointed to a supervisory pilot position during the course of a month shall have any credited time flown as a line pilot prior to such appointment apportioned among pilots at the base in accordance with C.2. above. Such pilot so appointed shall not return to a line position for the remainder of the month.
4. Supervisory flying, as contained in this Section, will be performed within category by pilots who have qualified in turn to such category.
5. Prior to the opening of monthly line bidding, the Company may select sequences as necessary for the purpose of accomplishing known Operating Experience (OE).
 - a. Such open trip sequences may be flown by a Check Airman conducting OE, a Management pilot conducting OE or a pilot requiring Operating Experience as necessary for accomplishing such operating experience.
 - b. Such trip sequences will be considered filled and not be subject to displacement pay. These trip sequences shall be returned to open time immediately upon discovery that they will not be needed for OE.
 - c. Additionally, the Company may select open trip sequences up to the start of Daily Open Time Coverage (DOTC)..
 - d. The Company shall provide the Association, by the fifteenth day of each contractual month with a report of the time selected and the time actually used for OE in the previous month.

B. Training [See Q&A [15-29](#), [6-13](#)]

1. a. A pilot in a training program, including required ground school training but excluding Distance Learning, shall be paid in accordance with the following, or the provisions of Section 5, whichever is greater.

- b. A regularly scheduled pilot who is scheduled for Continuing Qualification (i.e. requalification or recurrent training) training shall be paid four hours (4:00) per day and credited two hours and forty-five minutes (2:45) per day for each day of such training.
 - c. A reserve pilot who is scheduled for Continuing Qualification training shall be paid:
 - (1) four hours and three minutes (4:03) per day if awarded a Long Call Reserve line, or
 - (2) four hours and thirteen minutes (4:13) per day if awarded a Short Call Reserve line and credited two hours and forty-five (2:45) per day for each day of such training. Continuing Qualification training for reserve pilots will be scheduled on reserve available days.
 - d. A pilot in Qualification Training (i.e. initial, upgrade or transition training) for an entire contractual month will be paid the MALV for the pilot's bid status. (Q&A Example needed)
 - e. A pilot in Qualification Training for a partial month, with no scheduled reserve duty, will be paid for each day in training status a daily rate equal to the MALV for the bid status, divided by the number of days in the contractual month. (Q&A Example needed)
 - f. A pilot in Qualification Training for a partial month, with scheduled reserve duty, will be paid
 - (1) four hours and three minutes (4:03) per day if awarded a Long Call Reserve line, or
 - (2) four hours and thirteen minutes (4:13) per day if awarded a Short Call Reserve line for each reserve available day while in training status. The number of reserve available days while in training and OE status will be in accordance with the chart in Section 15. (Q&A Example needed)
 - g. The pay provisions of a. through f. above do not apply to a reserve pilot during any portion of a ten (10) hour required time off period extending beyond midnight into a calendar day off in which such pilot flies a sequence.
2. Requalification flights, including a take-off and landing, performed at the pilot's base will be compensated under the provisions of [Section 6.B.6.c.\(2\)](#). [See Q&A [6-17](#)]
 3. A regularly scheduled pilot may volunteer within category to displace another pilot on such pilot's trip sequence in order to maintain equipment qualification. The displaced pilot must concur and will be paid and credited on a scheduled basis for the trip from which removed. The displacing pilot will be removed from that pilot's regularly scheduled trip and be paid and credited for the trip actually flown or the trip from which removed, whichever is greater. [See Q&A [15-8](#), [6-2](#), [6-18](#), [6-19](#), [6-20](#), [6-21](#)]
 4. Pilots shall not receive flight time credit nor longevity, hourly, or deadhead pay for route checks, practice flights, training flights or check flights, other than those specified in this Section. However, when a proficiency check flight is interrupted while in progress at the pilot's base, due to the necessity to return the aircraft to the departure station or a co-terminal at the direction of Flight Dispatch, the pilot who is required to complete such proficiency check at a later date will be paid and credited four hours (4:00) at that pilot's hourly base rate for the interrupted proficiency check flight. Such pay shall be based on the equipment type involved in the interrupted check flight and is not subject to the IMAX.
 5. a. (1) For purposes of this Section only, any portion of a calendar day spent in deadheading to or from a training assignment shall be considered as a day in training, except that no more than one (1) day of training pay shall be paid for any calendar day. The provisions of this paragraph shall not be applicable to excess time away from home resulting from the pilot's request to be rescheduled to deadhead on a flight other than that for which legally scheduled or rescheduled by the Company.
 - (2) Training status shall begin with the first calendar day in training or the first calendar day involved in deadheading to the training location, whichever is earlier. Training status shall end with the off duty period or required time off at the completion of training, except as provided in [6.B.1.g](#).
 - b. For purposes of this Section, whenever the Company assigns a pilot to take an annual required Company physical examination at a base other than such pilot's base, such assignment shall be considered an assignment to training.

- c. The above pay and credit provisions shall not be applicable:
 - (1) To proficiency checks in the aircraft where there is no deadheading involved.
 - (2) However, a pilot who receives a proficiency check in connection with a ground school or simulator program at his Base (CLT Training Center, GSW(DFW), or PHX Training Center) shall receive training pay, as specified in this Section, for each day spent in training. This provision shall also apply to a pilot at any other base under the same training situation.

6. General Rules

- a. Pilots will be required to maintain qualification only in their current bid status, except that pilots will be required to acquire qualification in an awarded bid status.
- b. A pilot shall receive pay and credit as may be applicable under [Section 6](#) for any calendar day or portion thereof on which available for training at the location and is unable to engage in such training because it is canceled or postponed.
- c. (1) Pilots will receive at least five (5) days advance notice of all training, except that this may be shortened if the pilot consents.
 - (2) Requalification training may be given at the pilot's base, CLT Training Center, GSW, or PHX Training Center. In any event the pilot receives four hours (4:00) a day pay (4:03 for a Long Call Reserve line holder or 4:13 per day if a Short Call Reserve line holder if on reserve available day). The publishing of a trip award selected by a pilot which requires requalification training satisfies the notice required in c.(1) above.
- d. Simulator training periods shall not normally exceed four (4) hours per day (actually connected with the simulator).
- e. Aircraft training periods shall not normally exceed five (5) hours per day (actually connected with the aircraft).
- f. A pilot in training and who remains in training, shall, upon completion of each duty period, be scheduled for ten (10) hours off duty before being assigned to any further duty at the training location.
- g. A pilot will be given a copy of any proficiency report prepared for simulator or aircraft proficiency check(s).
- h. If a pilot's performance on a proficiency check in a flight simulator is considered unsatisfactory, the pilot shall not be prejudiced thereby, and shall have the opportunity of demonstrating proficiency in an aircraft of the type such pilot is currently flying. A proficiency check in an aircraft shall not be considered flight simulator training.
- i. Priority transportation will be provided over the Company's routes on trips designated by the Company.
- j. Flight simulator time shall not be considered as flight time for any purpose. Assignment to Company required flight simulator or aircraft training or checking shall be considered time on duty only for purposes set forth in [Section 15.C](#) of this Agreement.
- k. Duty periods for a pilot assigned to a training program shall not be scheduled for more than ten (10) hours, and such duty periods will not include any break which exceeds two and one-half (2-1/2) hours. An on duty period shall commence at the required reporting time or the actual reporting time, whichever is later, and run continuously for ten (10) hours.
- l. With the consent of the pilot involved, the duty period specified in k. above may be extended by a maximum of two (2) hours for the purpose of deadheading to the training location.
- m. The duty period specified in k. above will be extended one hour and forty-five minutes (1:45) on the final day of a training program only. Such duty period will be scheduled for eleven hours and forty-five minutes (11:45) and with the consent of the pilot involved may be extended for the purpose of deadheading to base.
- n. The duty period specified in k. above may be extended by a maximum of two (2) hours only for the purpose of deadheading a pilot from CLT Training Center, GSW, or PHX Training Center to participate in an airplane familiarization period at some other location.

- o. A pilot will not be scheduled for more than six and one-half (6-1/2) classroom hours per day on a five (5) day week basis during the ground school portion of equipment training.

7. Off duty Periods

- a. Notwithstanding the provisions of [Section 15.D.3](#) and [15.D.4.](#), a pilot who is assigned to a training program involving five (5) or more days of training shall be given one (1) period of forty-eight (48) consecutive hours free from all duty with the Company at the base at which undergoing training following each five (5) consecutive days of such training. Such pilot shall be given priority pass privileges to base to be used at the pilot's option during any such duty free period. A pilot who is assigned to a complete requalification training program consisting of six (6) consecutive days, shall, in lieu of a scheduled duty free forty-eight (48) hour period after five (5) consecutive days of such training be given two (2) calendar days free from all duty with the Company at the pilot's base, prior to resuming line flying duties.
- b. Following the last five (5) consecutive days of such training, in lieu of a scheduled duty free forty-eight (48) hour period, the pilot shall be given two (2) calendar days free from all duty with the Company at the pilot's base prior to resuming line flying duties.
- c. If there has not been five (5) consecutive days of such training, due to an intervening off duty break in b. above, a pilot shall have no less than twenty-four (24) hours free from all duty with the Company at the pilot's base prior to resuming line flying duties.
- d. In no case shall a pilot receive less than four (4) separate periods of forty-eight (48) consecutive hours free from all duty with the Company, one (1) of which must be at the pilot's base during any calendar month in which involved in such training program. When the training program involves less than five (5) days, a pilot shall receive the normal number of duty free periods as provided in [Section 15.](#)
- e. Notwithstanding the provisions of 7.a. above, the Company may, at its option, defer a pilot's scheduled duty free periods while assigned to such flight training program. To the extent that such scheduled duty free periods are deferred, the pilot, upon completion of such training, shall be given two (2) calendar days free from all duty with the Company at the pilot's base for each five (5) consecutive days spent in such training.
- f. (1) When the provisions of this Section 6.D.7. impose duty free requirements which delay a regular pilot's return to line flying, such pilot shall continue to receive training pay and credit in accordance with Section 5 or 6 as applicable until the completion of such duty free periods.
(2) When the provisions of Section 6.D.7. impose duty free requirements which delay a reserve pilot's return to line flying, such pilot shall receive:
 - (a) Credit in accordance with Section 5 or 6 as applicable, and
 - (b) Pay in accordance with Section 5 or 6 as applicable, whichever is greater, until the completion of such duty free periods.
- g. In no event shall a pilot receive less than twelve (12) hours free of all duty at the completion of a training program prior to resuming line flying duties.

8. Rule Application [See Q&A [6-12](#)]

- a. The Company may change a pilot's duty free period for the purpose of assigning such pilot to a requalification program. Such duty free period shall be replaced later in the month if required by the illustrations in this paragraph 8. Any trips missed or reserve available days missed due to such duty free period replacement shall be included in the accumulation of Section 5 pay and credit in the computation of pay for the training performed. [See Q&A [6-23](#)]
- b. For the purpose of this Section, any portion of a calendar day spent in deadheading to or from a training assignment shall be considered as a day in training; however, for the purpose of establishing required time off at the completion of a training program involving deadheading, the examples below shall constitute exceptions to the provisions of [Section 6.B.7.](#) Each example represents a complete training program. Examples (1) through (4) represent programs of less than five (5) days. Examples (5) through (9) represent programs of five (5) days or more, but with less than five (5) actual training (T) days.

Examples (10) through (13) represent programs of five (5) days or more which include five (5) or more actual training (T) days.

D = Deadhead
T = Training, Unscheduled, Canceled or Postponed Day

(1)	(2)	(3)	(4)	(5)	(6)
D	D	D/T	D/T	D/T	D
T	T	T	T	T	T
D	T	T	T	T	T
	D	D	T/D	T/D	T
				D	D
10 hrs.*	10 hrs.*	10 hrs.*	10 hrs.*	24 hrs.*	24 hrs.*

(7)	(8)	(9)	(10)	(11)	(12)	(13)
D	D/T	D	D/T	D/T	D	D/T
T	T	T	T	T	T	T
T	T	T	T	T	T(24)	T
T	T	T	T	T	T	T
T	D	D	T/D	T	T	T
D		D		D	T	T/D
					D	
24 hrs.*	24 hrs.*	24 hrs.*	2 Cal. Days**	2 Cal. Days**	2 Cal. Days**	2 Cal. Days**

Example 12 presupposes that at some point in the training cycle, the pilot will receive twenty-four (24) hours free from all duty at the training location.

Example 13 refers only to a complete requalification training program consisting of six (6) consecutive days ([Section 6.B.7.a.](#)).

*Duty free periods may be moved for requalification training only. The normal number of duty free periods as provided in [Section 15](#) is required.

**Such training may be scheduled without regard to a forty-eight (48) hour off duty period during such training. A minimum of four (4) forty-eights (48's) is required during the month.

9. Training Cancellation

- a. If a pilot has been removed from a trip sequence due to planned training, the training is canceled, and the trip sequence is still open, the pilot can be returned to the sequence if given five (5) days notice prior to the beginning of the trip sequence or the training, whichever occurs first, or with three (3) days notice if the trip sequence or training is scheduled to begin on the first, second or third day of the contractual month.
- b. If a pilot has a training course of more than five (5) days cancelled, and the pilot cannot be reinstated to some or all of the trips from which removed, the pilot will be pay protected provided the pilot makes an attempt to makeup on those days the pilot was originally scheduled to fly.
- c. When a pilot is removed from a trip for training of five (5) days or less, if the training is cancelled and the pilot is not returned to the trip, the pilot will be paid and credited for the trip and, if necessary, the pilot's fly through credit will be adjusted.
- d. When a pilot is removed from a trip for training of five (5) days or less, performs makeup flying permitted by the training removal prior to the date of the training and is then reinstated to the trip after the training cancels, the pilot's fly through credit will be adjusted and any time made up in excess of the monthly maximum will be paid.

10. Notification of Training

Notification of training may be made by electronic means. An electronic means for providing training notifications does not preclude the Company from using conventional methods (e.g., U.S. mail, board mail, telephone, etc.) as it deems necessary.

11. Supplemental Training

Supplemental Training is defined as a one (1) day event to accomplish a simulator training program covering flight maneuvers and procedures.

- a. Pilots eligible for Supplemental Training are pilots requiring take-off and landing training for currency or requalification.
- b. Scheduling and pay for the Supplemental Training will be in accordance with this Agreement.
- c. The simulator session scheduled for the Supplemental Training will be of sufficient time to accomplish required maneuvers, but no longer than four (4) hours.
- d. In the event additional training is required to train the pilot to proficiency, the provisions of [Section 6.B](#) apply.

12. December 26th Training

To preclude crewmembers deadheading on Christmas Day, recurrent training on December 26th will normally be scheduled for crewmembers at the DFW base and for those crewmembers from other bases who can be scheduled for deadheading and recurrent training in one (1) duty period.

13. Vacation/Training Conflicts

a. [Qualification Training](#)

- (1) If multiple training periods are available, a pilot with a potential vacation/training conflict will be given a training period not in conflict with such pilot's scheduled vacation before such training period is made available to pilots without a potential vacation/training conflict.
- (2) If a vacation/training conflict does exist:
 - (a) The training shall take precedence over the vacation, if the training is required as a result of a bid status award and the time between the award and the effective date of the award is sixty (60) days or less.
 - (b) The vacation shall take precedence over the training, if the training is required as a result of a bid status award and the time between the award and the effective date of the award exceeds sixty (60) days. However, the pilot shall have the option of accepting the scheduled training.
 - (c) The vacation shall take precedence over the training, if the training is required as a result of a bid status assignment or displacement award, regardless of the date of the conflict. However, the pilot shall have the option of accepting the scheduled training.
- (3) When a pilot's vacation is rescheduled it shall be before or after the scheduled training, or selected from remaining vacation periods in the bid status awarded/assigned.
- (4) When a vacation/training conflict occurs at the end of a fiscal vacation year and the vacation cannot be rescheduled within the same fiscal vacation year, the vacation will not be moved and the training schedule will be adjusted accordingly.

b. Requalification and/or Recurrent Training

A pilot's scheduled vacation shall take precedence over required requalification and/or recurrent training. When a vacation/training conflict occurs, the training schedule will be adjusted accordingly.

C. Supervisory Flight Check

A pilot fully qualified except for the twenty-five (25) hour experience requirement or any Company required supervisory ride that is not required by the FAR who is denied a make up trip due to the unavailability of a supervisor shall be paid and credited for such denied trip. [See Q&A [6-24](#), [15-24](#), [15-25](#)]

D. Operating Experience [See Q&A [6-2](#), [6-22](#)]

1. Operating Experience (OE) is the required supervised flying activity of a pilot in line flying operations for qualification in a specific category, equipment and/or division. A pilot in OE status is not in training status and is not subject to the provisions of [Section 6.B](#).
2. For pilots qualifying in a specific category or equipment, OE status will commence following the completion of simulator training and the required off duty periods associated with such simulator training.
 - a. A break between simulator training and OE may be allowed wherein a crewmember will be returned to line flying. Such pilot will not be considered in an OE status while returned to line flying.
 - b. For a pilot in a Domestic Division bid status, OE status shall be scheduled to end no later than 18 days after commencement or upon the completion of required OE, whichever occurs first. For a pilot in an International Division bid status, OE status shall be scheduled to end no later than 23 days after commencement or upon the completion of required OE, whichever occurs first. The OE status may be extended to accommodate a need for additional proficiency training, or for circumstances beyond the control of the Company (Check Airman availability is considered within the Company's control). When the OE must be extended, it will end when the pilot is released for line flying.
 - c. Pilots will be paid and credited for OE status as follows:
 - (1) A regularly scheduled pilot will be paid the greater of the prorated MALV daily rate for each day scheduled in OE status, or the OE sequences actually flown.
 - (2) A regularly scheduled pilot will be credited the greater of 2:45 for each day scheduled in OE status, or the OE sequences actually flown.
 - (3) A reserve pilot in OE status will be paid the greater of
 - (a) 4:03 per day if awarded a Long Call Reserve line, or
 - (b) 4:13 per day if awarded a Short Call Reserve linefor each day of reserve availability missed (as determined by the chart in Section 15), or the OE sequences actually flown.
 - (4) A reserve pilot in OE status will be credited the greater of 2:45 for each day scheduled in OE status, or the OE sequences actually flown.
3. A pilot who is not scheduled for OE at the time that pilot's monthly schedule was awarded may be assigned trip sequences while in OE status. For scheduling purposes, while in OE status, the pilot will not be entitled to any DOs or DFPs (including Golden DFPs) on such pilot's bidline. Such pilot shall be paid and credited for the total of the OE trip sequences

flown or the total of the regularly scheduled trip sequences missed and/or any trips denied in makeup due to the unavailability of a Check Airman, whichever is greater.

4. Pilots will be eligible to bid for line sequences that commence after the estimated completion date of OE (i.e. the OE Planned Absence).
5. The rate of pay to be applied to the OE sequences flown shall be determined by the highest paying type of equipment contained in the crewmember's bidline award for that month, or the category and equipment contained in the OE trips flown, whichever is greater.
6. A pilot receiving OE as a Captain, and who at the time of OE is in a First Officer category (i.e. has not yet reached the effective date of the CA vacancy award), will not be considered in the Captain category nor will pay be prorated.
7. The Company may assign a pilot trip sequences, or use scheduled sequences on a pilot's bidline (if applicable), while in OE status.
8. The reassignment provisions of Section 15.N will apply in the event a pilot is reassigned while flying an OE.
9. Prior to the 6th day of the month prior to commencing OE , (or another mutually agreed to date), a pilot scheduled for training in the following contractual month shall coordinate with Flight Standards Scheduling any requests for days off such pilot would prefer to have during OE status. Such days off requests shall be honored to the extent possible, subject to any scheduling constraints encountered by Flight Standards Scheduling. A pilot in OE status shall be scheduled for no less than two (2) calendar days off in any seven (7) day period or no less than three (3) calendar days off immediately following six (6) consecutive days of OE.
10. Flight Standards Scheduling shall, upon request, provide a pilot in training with a preliminary schedule showing planned sequences, if known, available OE fly days and scheduled days off, prior to the end of the contractual month preceding the start of OE. Flight Standards Scheduling shall notify the pilot of any changes required to such schedule during the time the pilot remains in OE status.
11. A pilot who commences OE shall complete such OE prior to flying another category/ equipment. In the event it becomes necessary to deviate from this policy, it will only be done because of very unusual circumstances and the reasons therefore will be made known to the Association.

12. Pilots displaced for Operating Experience (OE)

A pilot who is displaced from his/her sequence in order for the Company to perform OE activity will be paid and credited for the sequence from which displaced.

Should the Company subsequently determine that it will not need the sequence for which the pilot has been displaced, the Company may assign the displaced pilot back onto his/her original sequence. Such assignment must occur prior to the earlier of:

- a. The end of the DOTC period, or
- b. Two (2) hours after displacement notification

If, after the earlier of a) or b) above, the Company determines that it will not use the sequence for OE, the displaced pilot will then be paid but uncredited for the displaced sequence. In this case, the Company will attempt to notify the displaced pilot of the uncredited status, and notify the Association of this occurrence.

13. Captain Flying as First Officer for Experience prior to Captain OE

The following procedures describe the treatment of any pilot, who during initial upgrade to Captain has successfully completed the Captain training course (including the Captain Type Rating), but has not begun the Captain OE.

At the request of the President of the Allied Pilots Association, the Vice President - Flight shall confer with the President of the Association and give serious consideration to permitting such pilot to fly as a First Officer on the pilot's upgrade equipment in order to acquire experience. The Vice President - Flight's approval shall not be unreasonably withheld in such cases.

If permitted to do such flying, the pilot shall complete the appropriate First Officer qualification course prior to beginning the First Officer OE. Additional simulator sessions shall be given if deemed necessary and appropriate by Flight Training. Following the completion of the first 90 days of flying as a First Officer, with the concurrence of the President of the Association and the Vice President - Flight, such pilot shall be permitted to fly for an additional 90 days as a First Officer on the same equipment.

Immediately following the First Officer flying referenced above, the pilot shall complete the appropriate Captain requalification course. Additional simulator sessions shall be given if deemed necessary and appropriate by Flight Training. Such pilot shall then be required to successfully complete the Captain OE.

Such pilot shall be paid rates of pay for the pilot's current bid status or the First Officer status to which assigned, whichever is greater. The pilot's lock-in shall commence on the first day of the first contractual month following successful completion of the Captain OE.

The provisions of this agreement may be utilized only so long as it does not result in the pilot failing to complete Captain OE by age 65.

14. All other provisions of the Basic Agreement governing line flying will apply.
15. It is the mutual intent of the Company and the Association to fully qualify pilots for their bid status in a timely manner, subject to the restrictions in Flight Manual Part 1.

E. Distance Learning

1. The Company will give consideration to input from the APA Training Committee in the continuing development of the policy, procedures and requirements of a Distance Learning program.
2. Distance Learning is defined as required training or required activities that are accomplished without being present in a classroom, flight training device, simulator or aircraft, and without instructor presentation or instructor proctoring in a physical classroom environment. Distance learning may include live classroom presentations presented over the internet.
3. Distance Learning shall include:
 - a. All Company learning programs required to be completed outside of a pilot's on-duty period related to a flight assignment (e.g. Value of Respect)
 - b. Learning related to [Qualification](#) or [Continuing Qualification](#) and/or any aircraft or operational specific training.
4. Distance Learning will not include any activities commonly associated with post sign-in preflight planning. Such activities include flight manuals updates, flight crew bulletins, flight operations bulletins and preflight planning for a particular flight. The parties agree the intent is to exclude activities currently being done post sign-in.
5. Distance Learning lessons that are considered pre-requisites for scheduled training or required activities must be completed prior to attending the scheduled training or commencing the follow-on activity. Distance Learning lessons that are not pre-requisites may be completed at any time within a specified completion period (due date) for each lesson.
6. The Company will provide computer access for Distance Learning purposes at each pilot Domicile, in addition to the Flight Academy. The Company will provide the tools and resources needed to effectively accomplish Distance Learning at these locations.
7. A pilot shall have the option of accomplishing all required Distance Learning lessons at their Domicile or at the AA Flight Academy. In the event a pilot elects to exercise this option, priority passes to and from the AA Flight Academy shall be provided in accordance with Letter P. Hotel and TAFB expenses shall remain the responsibility of the pilot.
8. Instructors will be available at CLT Training Center, GSW, or PHX Training Center during 0900 - 1700 CT to answer questions and otherwise assist those pilots who are engaged in Distance Learning.
9. Pilots will be paid for the completion of all required Distance Learning at one-half (1/2) the pilot's base hourly pay rate. Time durations for completion of the required Distance Learning

assignments shall initially be determined by the Company, with input from the APA Training Committee Chairman, and monitored at regular intervals to ensure adequate time is allotted for the successful completion of each assignment.

F. Transportation, Expenses and Lodging for Pilots in Training

1. Priority Passes

Priority passes will be provided on American Airlines (AA), American Eagle (AE) and/or American Connection (AX) flights. A pilot scheduled for training will be provided the following priority travel from either the pilot's base or the American Airlines, American Eagle or American Connection station within the continental United States convenient to the pilot:

- a. Priority A1 to training;
- b. Priority A3 from training;
- c. Priority A3 during the pilot's Duty Free Periods (DFPs).

For those pilots who travel from outside the continental United States, a W1 pass will be provided instead of the above listed A category passes.

For scheduling purposes, a pilot's schedule will be constructed in accordance with the Basic Agreement, including travel to and from the pilot's base. Travel to and from the American Airlines, American Eagle or American Connection city convenient to the pilot will be on the pilot's own time and will not be considered for schedule legality.

2. Lodging and Expenses

Lodging and Expenses will be paid in accordance with Section 7.A.5 and 7.B.3 of the Basic Agreement.

G. Section 6 Questions and Answers

6-1. Q. *When observation time from the jumpseat is required, how is it scheduled and paid?*

A. Observation time required as part of Qualification Training will be paid and credited in accordance with Section 6.D.1.e. or f. as applicable. If the observation time is required for other than Qualification Training, the pilot will be paid and credited in accordance with Section 6.D.1.b. or c. as applicable. If a pilot volunteers to schedule the observation time on days off, the pilot will not be credited but will receive pay at the rate prescribed in Section 6.D.1.e or f as applicable.

6-2. Q. *A Reserve pilot will lose take-off and landing currency prior to the end of the current month. Rather than requalifying next month, is it permissible to allow displacement on a sequence or part of a sequence to retain the qualification?*

A. Yes.

6-3. Q. *When a management or supervisory pilot flies an open time sequence for which no pilot is legal and available to cover, how is this sequence paid?*

A. Flight time pay and credit for the sequence will be apportioned in order of seniority among those pilots at the base, up to each pilot's IMAX, or the Company Voluntary Limit (whichever is lower), based on the pilot's Projection (PROJ). The maximum hours of pay and credit assigned to a pilot will be ten (10) hours until all pilots assigned to the base have been apportioned time. Supervisory apportioned flying will be over and above a pilot's monthly guarantee. Supervisory apportioned flying must exceed a pilot's monthly guarantee and will be applied prior to any CPA fill up.

6-4. Q. *May a supervisor fly a co-terminal ferry flight?*

A. Yes. A co-terminal ferry flight should be filled using the normal procedures under Section 15.L.4. If no pilots are available, then a supervisor may fly such non-revenue ferry without the assignment of pay.

6-5. Q. *How does the limitation on supervisory flying under Section 6.C.2. work?*

A. Supervisory flying under Section 6.C.2. is limited to one (1) trip sequence or twenty-five (25) hours each month, whichever is greater, for each supervisor. Supervisors may be used for filling open time in accordance with Section 15.L.4.g. There is no limitation on supervisory displacement flying.

6-6. Q. *There is 32:02 of apportionment pay to be assigned at a base. How is this pay assigned assuming the pilots have the following amount of time available? (Assumes all pilots are regularly scheduled.)*

A.

Pilot	Pay Projection (PPROJ)	Lower of IMAX or Co. Vol. Limit	Max. Apport. Pay	Total Pay
A	83:00	94:00	10:00	93:00
B	87:30	93:00	5:30	93:00
C	94:00	94:30	00:30	94:30
D	78:00	104:00	10:00	88:00
E	84:59	91:01	06:02	91:01

6-7. Q. *How does the seniority rotation for apportionment work?*

A. Flight time apportionment pay will be awarded in order of seniority, from the senior Captain at the base to the junior First Officer at the base, until all apportionment pay is used. After the junior First Officer at the base has been assigned apportionment pay, go back to the senior Captain and start down the list again.

6-8. Q. *A pilot assumes a bid status and is senior to the level of pilots being paid apportionment pay. Will the Company go back and pick up this pilot when next awarding apportionment pay?*

A. No. This pilot must wait for a complete rotation of seniority at the base.

6-9. Q. *I am at a base that flies all equipment, and I am a junior 737 First Officer. I am next in turn for apportionment pay, and such apportionment pay is generated by a 777 Captain flying an International Sequence. What will I be paid?*

A. You will be paid 777 International Captain pay up to your IMAX or the Company Voluntary Limit (whichever is lower), but not exceeding ten (10) hours of apportionment pay. The reverse of this could also apply if it were 737 First Officer pay that was to be apportioned -- it could go to a 777 International Captain.

6-10. Q. *How is apportionment pay applied for a reserve pilot?*

A. A reserve pilot is treated the same as a lineholder pilot.

- 6-11. Q. *What is the effect if a pilot is scheduled for a training program of five (5) days but is not completed within that time period?*
- A. If, by the extension of the training program beyond five (5) days, a trip conflict is created, such missed trip shall be credited (Section 5.E.).
- 6-12. Q. *Can a reserve pilot be assigned a requalification training program that conflicts with a golden duty free period (DFP)?*
- A. The Company cannot move a golden DFP for any training program of six (6) days or less or any Company business without the reserve pilot's consent. The Company can move a golden DFP for transition, upgrade or long course requalification training program that is scheduled for seven (7) days or more.
- 6-13. Q. *May a pilot be trained in advance of occupying a bid status?*
- A. Yes, a pilot may be scheduled for training in advance of the effective date of a bid status.
- 6-14. Q. *May a line qualification be accomplished in the division opposite from the division in which the pilot is holding a trip selection?*
- A. Yes.
- 6-15. Q. *May a first officer who receives International training on a given piece of equipment use that International qualification after upgrading to captain?*
- A. No. A pilot may only use the International qualification within the category where the International training was obtained. An International qualification may not be used in a different category.
- 6-16. Q. *Can the Company use sequences from open time for the purpose of qualifying pilots in different divisions?*
- A. Yes. Outside of OE status, the Company can use open time trips for division qualification purposes, including for qualification into hit cities.
- 6-17. Q. *A pilot has lost or is about to lose currency for lack of landings. The pilot is scheduled for training at base. What is the pilot paid under the provisions of Section 6.D.6.c.(2)?*
- A. 4:00 pay. For regularly scheduled pilots, four hours (4:00) per day or the value of the trip(s) missed, whichever is greater. For reserve pilots, four hours and three minutes (4:03) if Long Call Reserve line holder, four hours and thirteen minutes (4:13) per day if Short Call Reserve line holder, for each reserve available day used for training.
- 6-18. Q. *A regularly scheduled pilot, is about to lose a qualification. May such pilot request to displace another pilot, in category, from a scheduled flight to maintain qualification?*
- A. Yes, such pilot may request, through the Base Manager/Chief Pilot, to displace another pilot, in category only, on that pilot's regular scheduled trip. Such pilot must be legal in all respects.
- 6-19. Q. *The pilot in the previous question gets approval from the Base Manager/Chief Pilot to displace another pilot, in category. What must be done?*
- A. Such pilot must get the approval of the pilot to be displaced. The displaced pilot must agree to be removed from the trip. Crew Schedule is notified and each pilot's activity record is adjusted.

6-20. Q. *Other than legality, is there a limit to the trip times involved in a qualification displacement?*

A. No, if all legality requirements are met and if the Base Manager/Chief Pilot gives approval, there is no limit.

6-21. Q. *What are the obligations of each pilot involved in the qualification displacement?*

A. The displaced pilot, once removed from the trip, is no longer obligated for such trip. Such pilot does not have to stand by for the trip departure. The pilot cannot be assigned any further duty until the completion of the scheduled debrief time associated with the trip sequence for which receiving pay and credit. Such pay and credit will be on a scheduled basis. The displacing pilot assumes the obligation to cover the displaced pilot's trip.

6-22. Q. *What is the obligation of a pilot that has been displaced off his/her flight(s) or sequence that the Company needs for Operating Experience (OE)?*

A. The Company may assign a pilot back to his/her original sequence prior to the conclusion of Daily Open Time Coverage (DOTC) or within two (2) hours following displacement notification, whichever is earlier. After this period, the pilot has no further obligation.

6-23. Q. *Must the Company secure prior agreement from a regular scheduled pilot prior to moving such pilot's scheduled duty-free period for recurrent training?*

A. Yes, the Company must have the pilot's consent prior to moving the scheduled duty-free period involved in such recurrent training. Movement of such pilot's duty-free period on the monthly Activity Record is not considered a proper method of securing such consent.

Note: Upon implementation of PBS, most training periods will be known at the time of PBS processing. In this case Duty-free periods will be placed on a pilot's schedule outside of any known training period(s).

6-24. Q. *Reserved*

6-25. Q. *May a pilot, who was scheduled for OE at the time that pilot's monthly schedule was awarded, pick-up a sequence that is scheduled to depart prior to that pilot's scheduled completion of OE?*

A. No.

SECTION 7

EXPENSES AWAY FROM BASE

When pilots are away from their bases on regular or special duty, they shall receive expenses as follows:

A. Lodging

1. Pilots, when at their regular layover, shall be furnished suitable single room lodging in a suitable location. There is no requirement for pilots to layover at same hotel as Flight Attendants.
2. Pilots, when at other than their regular layover, shall receive reasonable actual expenses for lodging consistent with the lodging conditions encountered.
3. Pilots, when scheduled, rescheduled or reassigned for on-duty rest periods in excess of five (5) hours block-in to block-out shall be furnished suitable single occupancy lodging in a quiet room in a suitable location.
4. Pilots scheduled for on-duty rest periods of at least five (5) hours or twice the number of hours of duty aloft preceding a duty break, whichever is greater, shall be furnished suitable single occupancy lodging in a quiet room in a suitable location.
5. Pilots, when in training, who:
 - a. reside outside of 50 miles from the training facility
 - (1) will be provided lodging during training, and
 - (2) if based at the city where the training facility is located:
 - (a) must advise the Base Manager – Flight that a hotel room will be required, and
 - (b) will not be provided a hotel room during scheduled 48-hour duty-free periods.
 - (3) will be provided a hotel room for the additional day if they cannot be legally scheduled to travel on the same day that training either commences or ends.
 - b. reside inside of 50 miles of the training facility will, upon request, be provided lodging
 - (1) for up to two (2) nights immediately preceding an Electronic Systems Validation (ESV)
 - (2) for up to two (2) nights immediately preceding a Type Rating (or equivalent) qualification event.
6. The following procedures will be used in the selection of hotel accommodations and associated transportation:
 - a. Representatives of the Association's National Hotel Committee shall meet quarterly with representatives of the Company's Flight Department, or more frequently, if needed, to review the suitability of hotel accommodations and associated transportation for pilots. The Association's National Hotel Committee will be provided a current list of all current or planned hotels showing the contract expiration date. The parties intend that the Association's National Hotel Committee representative(s) will consult with and make recommendations to the Flight Department on the selection and suitability of accommodations and associated transportation. The Company and the Association commit to jointly and carefully evaluate layover transportation, rest and nutrition facilities on an ongoing basis.
 - b. When changing or selecting accommodations, the Flight Department shall prepare a list of hotels being considered and provide such list to the Association. If requested, the Flight Department will also provide a list of all companies from whom bids were requested and all companies who submitted bids. Lists provided to the Association will not include any details or pricing information. The Association shall have the opportunity to add facilities to the list of those being considered. The parties shall jointly inspect the proposed facilities (including any added to the list by the Association). The Flight Department shall provide the Association with a minimum of fifteen (15) days notice of any city or cities to be reviewed.

- c. The parties shall jointly inspect the proposed facilities (including any added to the list by the Association). The Flight Department shall provide the Association with a minimum of fifteen (15) day notice to remove or add any city or cities to be reviewed.
 - d. The Association's Hotel Committee Chairman or Committee Member shall be released from flight duty to inspect any hotels contemplated under this Section 7. When the Company requests that an Association Hotel Committee member conduct hotel inspections in lieu of sending a Company representative, the full flight pay loss associated with the release shall be paid by the Company and the Hotel Committee member shall be provided with space positive on-line transportation in order to conduct the hotel inspection.
 - e. The Company shall provide space positive on-line transportation for one (1) Union Hotel Committee member for all hotel inspections.
 - f. The Flight Department shall confer with the Association's National Hotel Committee in the selection of hotel/motel accommodations and shall consider recommendations of the Association's National Hotel Committee. Having done so, the Flight Department shall make the final determination. Regularly scheduled layover facilities need not be in the downtown area.
 - g. If the Flight Department receives a report from the Association's National Hotel Committee of a problem with a facility or associated transportation arrangement, the Flight Department shall promptly investigate the reported problem and respond to the Association within fifteen (15) calendar days on the results of its investigation and the actions being taken to resolve the problems that are confirmed by the Flight Department.
7. All regularly scheduled layovers (off-duty periods) must be no less than ten (10) hours plus one (1) hour reporting and fifteen (15) minutes debriefing (11 hours 15 minutes -- 11 hours 30 minutes International). [See Q&A [15-26](#)]
 8. In flying a trip sequence, layover rest may be taken at the pilot's base, as if the rest were taken away from base and the provisions of [Section 7](#) and [Section 15.F](#) and [15.G](#), if applicable, shall apply.
 9. A field break may not be scheduled on a monthly basis. Layovers and accommodations at or near the airport are provided for only when the actual off-duty period is less than the above-mentioned figure caused by mechanical, weather delays, etc. Such layovers are intended to provide eight or nine hours of reduced rest "behind the door" as provided in [Section 15.C.5.g.](#) and will take into account the normal travel time required between the airport and such layover facility. Should ground transportation delays occur due to weather, equipment breakdown or late transportation, it is the captain's responsibility to contact Dispatch through the local Operations Office to advise of the rest required to comply with the "behind the door" stipulation.

B. Meals And Incidentals [See Q&A [7-1](#)]

1. Pilots on duty or when away from their bases on regular assignment, shall be reimbursed for meals and incidentals at the below listed rates per hour, commencing with the first trip sequence originating after the effective date of the rate increase:

Effective Date	Domestic Sequence Hourly Rate	International Sequence Hourly Rate
January 1, 2015	\$2.25	\$2.75
January 1, 2016	\$2.30	\$2.80

- a. Pilots must fly (including deadheading) to be covered under the provisions of this paragraph.
- b. Domestic Sequences allocated to an International Division bid status co-located with a Domestic Division bid status in accordance with Section 2.N, and Domestic Sequences

which contain non-overwater flights to Mexico will be paid at the International Sequence Hourly Rate above.

- c. Reimbursement under this paragraph shall be prorated to the nearest minute, from the reporting time of a sequence through the debriefing period following the last leg of the sequence that returns the pilot to base.
2. Pilots on temporary assignment, special duty, or training shall be reimbursed for meals and incidentals at the below listed rates per hour, commencing with the first trip sequence originating or duty period commencing after the effective date of the rate increase:

Effective Date	Hourly Rate
January 1, 2015	\$2.25
January 1, 2016	\$2.30

(prorated to the nearest minute) from the departure time of the trip which takes them to their assignment and continues until the arrival time at their base at the termination of the assignment. In the event a pilot returns to base during the course of a temporary assignment, special duty or training, during scheduled duty-free periods, such time spent at the base shall not be compensable under this provision.

3. Pilots in training.
 - a. For pilots based at a city other than where the training facility is located: When the pilot leaves the training city, meals and incidentals reimbursement will stop based on the scheduled travel to and from the pilot's base, whether the travel is made from the pilot's base or the American Airlines, American Eagle or American Connection city convenient to that pilot.
 - b. For pilots based at the city where the training facility is located: Meals and incidentals reimbursement shall be paid in a lump sum amount based upon a flat eight (8) hours of attendance in training, at the hourly rate provided in 2. above, for each such day of training performed.
4. The intent of the crew meal provisions is that crewmembers should get the opportunity to get a meal on the ground or a meal onboard during the crew meal period. If a meal cannot be provided due to inadequate ground or flying time, the following leg may have the crew meal onboard even if this is outside the normal meal period.

A meal will be boarded for a pilot in flight, at no expense to the pilot, in accordance with a.(1) through (5) below.

- a. Crew meals will be boarded when:
 - (1) The flight starts before and ends after the meal period.
 - (2) The flight starts before and ends within the meal period, AND the ground time following the flight is less than the ground time limit. Exception: An on-board meal will always be scheduled when the meal period is breakfast.
 - (3) The flight starts within the meal period and ends after the meal period, AND the ground time preceding the flight is less than the ground time limit. Exception: An on-board meal will always be scheduled when the meal period is midnight.
 - (4) The flight starts and ends within the meal period, AND the ground time before and after the flight is less than the ground time limits.
 - (5) The scheduled flight time is greater than 4:30.
- b. For the purposes of determining when crew meals will be boarded, the following rules will apply:
 - (1) Normal Meal Periods:

Breakfast 0730 – 0830
Lunch 1129 – 1300
Dinner 1800 – 1930
Midnight 2300 – 0300.

(2) Minimum Ground Time Limits:

DFW, ORD, MIA 70 Minutes
EWR, SJU 60 Minutes
Non-Hubs 45 Minutes
Layover 10:30 Hours.

(3) The minimum flying time to board a crew meal is:

Domestic 30 Minutes
International 60 Minutes

(4) For flights departing from non-catered stations:

- (a) The crew meal will be scheduled on the legs prior to or after the non-catered leg, or
- (b) No crew meal will be scheduled if the ground time prior to or after the non-catered leg is greater than the ground time limits.

(5) Departure and arrival times are adjusted to local time of the departure station of the first leg of the duty period. The departure and arrival times are adjusted again to allow for pre- and post-flight requirements:

Pre-flight: 60 minutes for the first leg of the duty period, and 30 minutes for all other legs.

Post-flight: 30 minutes for the last leg of the duty period, and 15 minutes for all other legs.

c. Minimum Meal Guarantee

Depending on the length of the duty period, the total number of crew meals plus sufficient ground time opportunities to eat will be at least:

- (1) Duty time > 16:00 3 meals
- (2) Duty time > 13:30 2 meals and 1 snack

Note: This meal minimum will also apply to all Far East flying.

- (3) Duty time > 10:30 2 meals / sufficient ground time
- (4) Duty time > 5:30 1 meal / sufficient ground time

d. Allocated Meals Not Boarded

If an allocated meal is not boarded, a pilot for whom such meal was to be boarded will be reimbursed for the expense of any replacement meal(s) purchased by the pilot, provided the amount is reasonable under the specific circumstances and the pilot submits receipts for the meal(s) to the Company.

C. Transportation

- 1. a. Pilots who are authorized lodging shall be allowed actual expenses incurred for necessary transportation between the airport and the hotel of lodging if the:
 - (1) planned transportation is untimely, or
 - (2) ground transportation is not made available by the Company.
- b. An expense report with receipt should be submitted to the Flight Office for reimbursement.

2. Pilots traveling under Company orders shall be furnished Company passes for the trip or reimbursement for actual transportation expense should it be necessary to use transportation other than Company aircraft.

D. Passports / Visas / Inoculations

The Company shall bear the reasonable expense of passports, including expedited filing fees if necessary, and passport photos for all pilots. Additionally, for pilots assigned to international flying the Company shall bear the expense of visas and necessary inoculations given at Company designated locations or at Company medical facilities.

E. General

Any other expenses incurred shall be in accordance with Company regulations and with Company approval. [See Q&A [7-2](#)]

F. Section 7 Questions and Answers

7-1. Q. *Should the meal allowance provided in Section 7.B. be paid on a scheduled or actual basis?*

A. The parties agree that the hourly per diem is automatically paid on an actual basis except when training is involved; then expenses will be paid on a scheduled basis; however, the pilot may file an adjusted claim if actual expenses are greater.

7-2. Q. *How is a crewmember who becomes ill on a layover reimbursed for expenses?*

A. Meal expenses are claimed on the Activity Record, at the applicable hourly rate as specified in Section 7, up to the time of arrival at the layover city. Meals and other expenses, on a reasonable actual basis, are submitted on a monthly expense statement form for the period following the arrival time at the layover city.

SECTION 8

MOVING EXPENSES

A. Basic Moving Expenses

When a pilot is moved by the Company at Company expense such pilot shall be eligible for Company paid moving expenses as follows:

1. En Route Expenses

- a. Automobile mileage expense for actual mileage for the most direct AAA route from point of origin to point of destination at 41¢ per mile for up to two (2) automobiles owned or leased by the pilot. Bridge, ferry, tunnel and turnpike toll expenses are also reimbursable.

In lieu of automobile mileage expense, either or both automobiles may be shipped at Company expense and is excluded from the weight limitation for household effects.

- b. Lodging as required while en route at actual and reasonable cost for the pilot, the pilot's spouse and the dependent members of the pilot's immediate family who reside with the pilot.
- c. Meals shall be allowed for the pilot, the pilot's spouse and the dependent members of the pilot's immediate family who reside with the pilot, based on either of the following:
 - (1) Actual and reasonable cost, or
 - (2) For the pilot, the pilot's spouse and dependents over twelve (12) years of age at the rates provided in [Section 7.B](#) of this Agreement, plus an additional three (3) dollars per day for each dependent under twelve (12) years of age.
- d. Tip expense at actual and reasonable cost.
- e. Taxi expenses incurred en route from residence to departure airport and from arrival airport to new residence.

- f. Documentation is required.

2. Direct Moving Expenses

- a. The pilot will receive a direct moving expense allowance of \$1,600.00 which will be paid in a lump sum.

Documentation, other than verification of the actual move, is not required.

- b. A pilot may elect to receive up to \$300.00 of the direct moving expense allowance prior to the actual move as a reimbursement of house hunting expenses. Such expenses include actual and reasonable cost of transportation, lodging and meals for the pilot, the pilot's spouse and the dependent members of the pilot's immediate family who reside with the pilot.

- (1) Documentation for house hunting expenses is required.

- (2) The direct moving expense allowance of \$1600.00 shall be reduced by any amount reimbursed for house hunting expenses.

3. Home Sale / Lease Termination Expenses

Upon the submission of required documentation, a pilot who owns and sells his primary residence or who pays a penalty associated with terminating a lease as a result of a Company paid move will be reimbursed up to \$1,200.00.

4. Shipment of Household Effects

The Company shall engage and compensate a reputable bonded furniture moving company to move the normal personal and household effects of the pilot up to a maximum of eighteen thousand (18,000) pounds. Such expense shall include packing, unpacking, shipping, all-risk transit insurance of comprehensive protection based on a valuation of \$3.50 per pound, actual weight, in five-hundred (500) pound increments, not to exceed a \$63,000, and drayage and storage of household effects for a period not to exceed sixty (60) days.

5. Self Move
 - a. A pilot may elect to accomplish the physical shipment of all personal property him- or herself. In this case the Company will pay the pilot fifty percent (50%) of what the Company would have paid to the contracted moving company. The completion of the actual move requires verification.
 - b. Documentation and/or receipts for Federal tax purposes may be required.
6. All moving expenses shall be documented and claimed on appropriate Company expense forms and, except for automobile mileage, must be supported by receipts and submitted within thirty (30) days after incurring the expense.
7. In the event that Company Regulations provide more liberal allowances for those items described above, the greater amounts shall be allowed.

B. Eligible Moves at Company Expense

1. A pilot displacing under [Section 17.D.7.b.\(3\)](#).
2. A pilot transferring to a new or reactivated base, as provided in Section 17.S.1.
3. Pilots transferring from a closed base, as provided in [Section 17.S.2](#).

C. Forfeiture of Eligibility

1. The pilot does not relocate within the allotted time.
2. Prior to relocating the pilot is awarded a position at his/her former Domicile.
3. Prior to relocating the pilot becomes eligible for relocation benefits again.
4. Prior to relocating the pilot retires, dies, or becomes inactive.

Note: In the event an inactive pilot later returns to active duty, eligibility for such paid move, if still applicable, will be retained insofar as the move can be completed within the original 18 month window of eligibility.

D. Notification Requirement

A pilot eligible for a paid move must notify the Company if he/she intends to accept a Company paid move. This notification must occur no later than 90 days following the effective date of the award. This notification does not, however, create an obligation to complete the move.

Upon notification, any lock-in associated with the move will commence on the effective date of the bid award.

In the event a pilot subsequently elects not to move, and has not been reimbursed for any associated moving expenses, the lock-in will be removed, and if the eligible paid move was because of a displacement award, the pilot will be awarded a reinstatement right to his previous bid status. Any entitlement right awarded during the lock-in period will be unaffected.

E. Time Period for Completion of Move

A pilot must complete the move within eighteen (18) months of the effective date of the bid award. Extensions to the eighteen (18) month period will be considered on an individual case basis.

F. Time off from Work

1. Paid Days for Move
 - a. A pilot will be provided one (1) paid day off from work for each 350 miles, or portion thereof, between the pilot's old and new base. This mileage is based on the standard mileage derived from Mapquest, or equivalent. The maximum number of paid days provided is four (4). These four (4) paid days can be split, but must be taken in conjunction with the actual move.

- b. A pilot will contact the Company in order to request the necessary paid days off needed in association with the actual move. The Company will make every effort to honor the pilot's request for the desired days, but may deny a pilot his/her requested days if that pilot's absence would create a significant burden to the operation of the airline.

If the Company denies a pilot his/her specific requested days off, the Company will work with the pilot to identify mutually agreeable alternative dates. In the event that the pilot ultimately completes the move on a duty free period(s)(DFP), day(s) off (DO), or planned absence, such pilot shall be paid, but not credited, for the sequence(s) he/she would have otherwise been removed and paid for had the pilot been granted the days off requested.

- c. If a pilot is removed from a sequence(s) which total a greater number of days than provided for in paragraph a., above, the pilot will be paid a prorated amount days at the average daily credit value of the sequence(s) dropped. Any remaining credit will be unpaid, uncredited and go against guarantee, if applicable.

Example: A pilot is eligible for two paid days off, but is removed from a three-day sequence. The three-day sequence is valued at 18:00 hours. The pilot will be paid and credited for 12 hours (2/3 of 18 hours). The remaining 6 hours of the sequence is removed unpaid/uncredited.

2. Unpaid Days for Move

- a. A pilot will be provided up to four (4) unpaid move days for moving-related activities. These days can be split and need not be taken adjacent to the actual move.
- b. Additional unpaid days may be requested from the pilot's local Chief Pilot.

G. Company Travel Passes

The following business travel passes will be provided to each eligible family member, as necessary, for the following purposes:

1. Two (2) round trip passes for house hunting purposes;
2. One (1) round trip pass to make arrangements for shipping household goods;
3. One (1) round trip pass to close on the sale of a home; and
4. One (1) one-way pass to report to a pilot's new location.

If more than one of the above listed activities are accomplished during the same trip the trip passes are combined. Example: A pilot makes a single trip for the purpose of making arrangements for the shipping of household goods and to close on the sale of his home. In this example a pilot has used the travel benefits of #s 2 and 3 above.

H. General

1. Except as provided for in this Section, a pilot must relocate to the applicable base in order to receive moving expense benefits.
2. Except as provided in this Section, all other moving expenses shall be borne by the pilot.

SECTION 9

VACATIONS

A. Definitions

1. "Applicable rate" as used in this section, means the rate based on rates as set forth in this Agreement for the highest paying type of equipment involved in that pilot's last trip selection award or reserve flying assignment except that for retirees compensated under paragraph [F.1.d.\(1\)](#), this applicable rate will be based on the pilot's next to the last month of flying prior to retirement.
2. A Vacation Day shall be a twenty-four hour (24:00) period awarded through the vacation bid during which the Pilot is free from all duty at the Pilot's domicile beginning at 0000 HBT and ending at 2359 HBT.
3. "Vacation Year" as used in this section is used to mean a fiscal vacation year which runs from the contractual month of March (March 2nd) thru the contractual month of February (March 1st) of the following year.
4. "Year" as used in this section is used to mean a calendar year.
5. Vacation Bank as used in this section refers to a pilot's available vacation time measured in hours and minutes.

B. Vacation Period

1. Pilots shall become entitled to and receive vacation allowances with pay in accordance with the following:
 - a. All pilots will, except as noted in b. below, be eligible for vacation based on accredited service with the Company according to the following schedule:

<u>Accredited Service As of December 31</u>	<u>Vacation Entitlement In Succeeding Vacation Year</u>
Less than 1 year	prorated in b. below
1 through 5 years	21 days
6 years	22 days
7 years	23 days
8 years	24 days
9 years	25 days
10 years	26 days
11 years	27 days
12 years	28 days
13 years	29 days
14 years	30 days
15 years and thereafter	31 days

- b. A pilot who, as of December 31 of any Year, has had less than one (1) year of accredited service with the Company will be entitled to a vacation on the basis of one and three quarters (1-3/4^{ths}) days for each month of service.
2. For purposes of computing the number of days of vacation due, fifteen (15) days or more of service in a calendar month shall be considered a full month and less than fifteen (15) days shall not be considered. Fractions of a day's vacation which equal or exceed one-half (1/2) shall be considered a full day, and other fractions shall not be considered. Vacation days due

shall be converted to vacation hours at the rate of 3 hours and 40 minutes (3:40) per vacation day and will be credited to a pilot's vacation bank.

3. Pilots will bid for and be awarded/assigned vacation periods based on the number of vacation days due.

C. Vacation Selection [See Q&A [9-4](#)]

1. Vacation periods will be awarded based on a structure of 52 separate 7-day periods.
2. Vacation weeks commence at 0000 on Monday and end at 2359 on Sunday.
3. The Company shall solicit vacation period preferences for vacations accrued during a calendar year to be taken during the succeeding vacation year. Vacation periods will be proffered and awarded within each bid status. Pilots shall be permitted to select and shall be awarded in order of system seniority a vacation period proffered for selection within the bid status which they hold during the contractual month of January preceding the vacation year.
4.
 - a. The Company shall make all weeks of the vacation year available in each bid status (minimum one (1) man-month of vacation per bid month). Pilots shall be permitted to bid for vacation weeks in any adjoining combination within a [calendar month](#).
 - b. The minimum vacation to be made available in each bid status during any month of the vacation year shall be the lesser of:
 - (1) five percent (5%) of the total vacation to be awarded (net of vacation float), but not less than a. above, or
 - (2) two and three-quarters percent (2.75%) of the total accrued vacation (net of PVDs), but not less than a. above.
 - c. (1) In each bid status, five percent (5%) or two and three-quarters percent (2.75%), as applicable, need not be applied in any month that planned ramp hours exceed the vacation year average by more than ten percent (10%) for that bid status.
(2) Exceptions under c.(1) will not exceed ten percent (10%) of total bid status-months in the system.
 - d. Temporary assignments solely due to vacation coverage will not create permanent vacancies under Section [15.M.1.f.](#), [15.M.2.e.](#) or [15.M.3.](#)
 - e. When a pilot changes bid status, the Company will honor such pilot's assigned vacation period, except when such vacation period increases the manning requirement in the new bid status in that month above the manning requirement level in the month immediately preceding or the month immediately following the vacation month. In such case, if the pilot's assigned vacation is not honored, the pilot's vacation shall be selected as provided in f. below.
 - f. When a pilot's vacation period is assigned, it will not be changed with less than thirty (30) days' notice. When a pilot's vacation period is changed, the pilot shall be permitted to make a selection of another vacation period from those available in the pilot's bid status within the same vacation year. Alternatively the affected pilot may elect to take the changed vacation as a floater not subject to the maximum number of floaters specified in paragraph F below.
5. Vacation Bidding
 - a. Vacation bidding will consist of four rounds and will be completed in a two-step bidding process as follows:
 - (1) The Company will post the schedule for vacation bidding on or before December 1st of the previous year.
 - (2) Round one vacation bids will be open for a minimum of 10 calendar days, and results will be posted no later than ten business days after bids close. At the time round one bidding opens, a pilot's estimated vacation accruals will be used for bidding purposes, since actual vacation accruals may not be finalized until after round one bidding period has commenced.

- (3) Upon completion of round one, pilots will have five calendar days to submit a single ballot for rounds two through four. Bidding rounds two through four will be conducted in one continuous process, and each round will be conducted sequentially.
 - (4) Results for rounds two through four will be posted by the Company no later than February 10th.
- b. The Company will maintain a system which:
- (1) permits a pilot to view awarded vacation periods;
 - (2) contains an automated process to re-award open vacation weeks which have been released and made available at the Company's discretion; and
 - (3) accommodates pilot to pilot trades.
6. Vacation Splits
- a. Pilots eligible for eight (8) or more days of vacation may split their vacations a maximum of three (3) times, provided that no split can result in more than one vacation of less than seven days. Any vacation period that is less than seven days will not be available for bidding purposes, but will be converted to hours and placed in the pilot's vacation bank.
 - b. Primary vacations are awarded based on seniority. Additional vacations will be selected from the remaining vacation periods available after all pilots have been awarded/ assigned their primary vacation period in accordance with paragraphs 1., 2., and 3. of this Section 9.C. Awarding/assigning of the additional splits of a pilot's vacation period will be in order of seniority within the bid status among those pilots desiring to split their vacation.
7. A pilot may request paid personal vacation days (PVDs) which the Company will grant if manning permits. Days used for personal vacation will be deducted from the vacation day accrual to be awarded in the subsequent vacation year and will be limited to the total number of vacation days in such accrual. Once granted, pilots shall have the following options: [See Q&A [9-4](#)]
- a. Hours Option
 - (1) The number of PVD days taken, when multiplied by the conversion rate in [B.2](#) above, shall be no less nor greater than the number of days required to completely offset the scheduled pay and credit for the trip sequence or days of availability from which such pilot is removed.
 - (2) Such time shall be credited to such pilot's vacation bank.
 - (3) Such pilot shall then be paid and credited for the trip sequence or days of availability from which such pilot is removed from such pilot's vacation bank.
 - b. Days option
 - (1) The number of PVD days taken shall be equal to the number of days of the trip sequence or days of availability from which such pilot is removed.
 - (2) The number of days in (1) above shall be multiplied by the conversion rate in [B.2](#) above, and such time shall be credited to such pilot's vacation bank.
 - (3) Such pilot shall then be paid and credited for the trip sequence or days of availability from which such pilot is removed from such pilot's vacation bank.
8. Pilot requests for PVDs will normally be granted through the trip trade system.
9. If a pilot who has requested and been granted time off by his supervisor is unable to make up the lost time, he will be given the option to convert the lost time to a personal vacation day(s) subject to [C.5](#) above. Unless the pilot decides otherwise, the lost time will automatically be converted to a personal vacation day(s).
10. Prior to the awarding of bid lines, a pilot, other than a pilot taking 28 or more days of vacation in a month, may slide the first day of vacation period by up to three (3) days in either direction. This provision shall not apply if the new vacation period goes outside of the bid

month or any of the following days: New Year's Day, Easter Sunday, Independence Day, Thanksgiving Day, Christmas Day. [See Q&A [9-6](#)]

11. Pilots may trade vacation periods within a four-part bid status. The traded periods must be an equivalent number of weeks although the exact number of days need not be equal. On a case by case basis, the company may elect to grant vacation period trades involving unequal weeks.

D. Deferred Vacations

Vacations shall not be cumulative and a vacation to which a pilot becomes entitled on December 31st of any year shall be treated in accordance with [F.1.f](#) and/or [F.1.g](#) of this section, unless taken during the following vacation year; provided that a pilot may be requested by the Company to forego his vacation if such request is in writing, and, in such event, if the pilot has not received his vacation by the end of the vacation year in which it is to be taken, he shall be entitled to said deferred vacation during the succeeding vacation year.

E. Floating Vacation

A pilot with eight (8) days or more vacation may float any or all vacation days in excess of seven (7) days. A pilot will notify Crew Resources prior to the bid closing date for the first round of vacation bids how many floating days of vacation will be taken. PVD's will not be deducted from a pilot's accrual prior to determining such pilot's eligibility to float a vacation day(s).

A floating vacation grants a pilot the ability to bid on future, Company designated, available floater vacation slots. Floating vacations are awarded in seven-day increments, i.e. each floating vacation slot posted by Planning will consist of seven consecutive days. The choice of whether or not to use a floater vacation rests solely with the pilot.

Monthly bidding and use of floating weeks:

1. Planning will electronically post available weekly vacation slots no later than twenty (20) days prior to the beginning of the month in which the floating vacation will be taken.
2. Pilots, with floating vacation available, may bid for an available vacation slot in their respective four part bid status.
3. Floating vacation slots will be closed and awarded in seniority order within their respective four part bid status no later than five (5) days prior to monthly bid closing. If a pilot is unsuccessful in bidding a floating vacation week, he may bid again in later bid months during that vacation year.
4. The value of floating vacation(s) not taken in the vacation year will be paid in accordance with [F.1.f](#) and/or [F.1.g](#)

F. Vacation Pay and Credit [See Q&A [9-3](#)]

1. A pilot will:
 - a. not be scheduled for flight assignment, company business, or training during a vacation period.
 - b. be paid and credited for vacation days from the pilot's vacation bank as follows:
 - (1) A pilot will receive pay at three hours and forty minutes (3:40) for each vacation day on such pilot's schedule, provided there is sufficient time remaining in the pilot's vacation bank, and
 - (2) credit for line construction or RPV purposes at the rate of three hours and forty minutes (3:40) per vacation day.
 - c. receive neither pay nor credit for any hours dropped in excess of the vacation bank provided that a pilot may utilize sufficient PVDs to be paid and credited for any such excess vacation hours used.
 - d. receive pay for the value of the hours remaining in his vacation bank and any accrued vacation, at the applicable rate if the pilot:

- (1) Retires [See Q&A [9-1](#)],
 - (2) is deceased,
 - (3) is furloughed or
 - (4) resigns with two (2) weeks' written notice.
 - (5) is granted a military leave of absence, provided the pilot may alternatively elect to reschedule his vacation in accordance with [Section 11.E.7](#).
- e. have the option to receive pay for up to five hours (5:00) from such pilots' vacation bank in any month, except for the months of May through August.
 - f. have any hours remaining in the vacation bank on January 30th paid out in the February pay period or,
 - g. have the option of applying all or part of the remaining vacation bank hours applied to the following vacation year's vacation bank to fully or partially replace a previously exercised PVD. The pilot must notify the Company prior to the end of the vacation year if exercising this option for the following vacation year.
2. A pilot shall have the option to receive pay from such pilot's vacation bank for a sequence voluntarily dropped via the Trip Trade System (TTS), provided there is sufficient time remaining in the pilot's vacation bank to cover any remaining scheduled vacation. This provision becomes effective the earlier of July 1, 2014 or the implementation of TTS.
 3. A pilot who has completed six (6) months' accredited service with the Company and resigns (with two (2) weeks' written notice), or is furloughed by the Company due to reduction in force shall receive pay at the applicable rate as of such date for all vacation accrued and unused to the date of resignation or furlough in accordance with the table below.

Years of Accredited Service	Vacation days per month of service
6 months through 5 years	1.75
6 years	1.83
7 years	1.92
8 years	2.00
9 years	2.08
10 years	2.17
11 years	2.25
12 years	2.33
13 years	2.42
14 years	2.50
15+ years	2.58

G. Effect of Leaves on Vacations

A pilot who takes a leave or leaves of absence which exceeds, or the total of which exceeds, sixty (60) calendar days during any calendar year shall have his vacation allowance to which he becomes entitled on December 31 of that year, reduced by one-tenth (1/10th) for each thirty (30) days of said leave, or total of such leaves, in excess of sixty (60) days. No deductions from vacation allowances shall be made for leaves of absence granted due to injury sustained while on duty, paid sick leave, or for leaves to represent the American Airlines pilots for grievance and collective bargaining purposes. Such grievance representatives for the purpose of this paragraph shall be System Board of Adjustment members or the representatives selected by a pilot under [Section 21](#).

H. Recall from Furlough, Return from Military or Personal Leave

A pilot who returns from furlough, military leave or personal leave shall accrue vacation allowance from the date of reemployment, to be taken during the succeeding vacation year in accordance with the table in F.3 above.

I. Vacation Scheduled During an Injury on Duty

A pilot who has a pre-selected vacation scheduled during an Injury on Duty ("IOD") leave will have the following options:

1. Receive pay for the vacation in the month it is originally scheduled in addition to Worker's Compensation payments; or
2. Move the pre-selected vacation to an open vacation slot. A pilot desiring to reschedule his/her vacation must advise his/her Chief Pilot of his/her intentions in advance of the contractual month during which the vacation is scheduled, unless the IOD leave commences in the same month as the pre-selected vacation, in which case the pilot must advise his/her Chief Pilot as soon as practicable. Moreover, the pre-selected vacation must be moved to an open vacation slot in the same vacation year. If there is no open vacation slot or if the pilot's IOD leave extends through the end of the current vacation year, the value of the vacation period, at the pilot's option, may be
 - a. credited to the pilot's PPROJ, and/or
 - b. applied to the following vacation year's vacation bank to fully or partially replace a previously exercised PVD.

J. Section 9 Questions and Answers

9-1. Q. *Is the accrued vacation pay for a retiring pilot based upon the equipment flown at retirement date?*

A. It is based on the greater of the pay rates for the equipment flown or the bid status from which withheld in the next to the last month of flying prior to retirement.

9-2. Q. *A reserve pilot who is on paid sick leave has a vacation scheduled. Do the paid sick days stop at the vacation?*

A. Yes. They commence again upon completion of the vacation.

9-3. Q. *A pilot has a vacation bank of 26:00 hours and total time of trips dropped during the pilot's vacation is 27:00 hours resulting in 1:00 hour unpaid and no credit. During the same month such pilot subsequently drops an all night sequence encompassing two calendar days worth 5:30 hours with two (2) PVDs worth a total of 7:20 hours (2 X 3:40). Can the excess time of 1:50 hour be used to offset the 1:00 of vacation deficit?*

A. No.

9-4. Q. *A pilot has a vacation bank with a zero (0:00) hour balance. Such pilot elects to drop a three (3) day fly-through sequence with three (3) PVDs. The value of this sequence is sixteen (16:00) hours, (6:00 hours in the current month and 10:00 hours in the subsequent month). How is the pilot paid and credited for this sequence for each month?*

A. Six (6) hours of the eleven hours (3 X 3:40 = 11:00) received for the 3 PVDs will pay for the first (1st) day of the sequence in the current month and the balance of five hours (5:00) pay will be applied toward the ten (10:00) hours of the subsequent month. This will result in an unpaid deficit of five hours (5:00) for the subsequent month. However, the pilot has the option to use two (2) additional PVDs (7:20) to pay the deficit.

9-5. Q. *Using the same example in 9-4 above except the fly-through sequence is scheduled to originate on March 1st and terminate on March 3rd. This sequence encompasses two (2) fiscal vacation years (the current fiscal year ending on March 1st and the subsequent fiscal year beginning on March 2nd.) How is the pilot paid and credited for this sequence for each month?*

A. In this example, the eleven hours (3 X 3:40 = 11:00) received for the 3 PVDs will be added to the contractual month of February's vacation bank. The pilot will be paid and credited for six (6) hours in February and the remaining five (5) hours will remain as a positive balance in the February vacation bank. At the end of the current fiscal vacation year (March 1st), the pilot will have the option to credit the unused PVD amount of 5:00 to his/her next year's vacation bank to replace a PVD exercised during the previous calendar year. The fly-through pay and credit of ten (10) hours will be deducted from the subsequent fiscal vacation bank (March 2nd).

9-6. Q. *A pilot has a vacation in October and is awarded a selection for September that contains a fly-through sequence at the end of September that will be paid and credited due to the October vacation. Can the pilot slide his/her vacation in October to avoid touching the September fly-through sequence?*

A. Yes, a pilot may slide the first (1st) day of vacation by up to three (3) days providing the vacation does not slide into November. The pilot must notify the Company no later than 1500 Central time the day following the close of the September bid selections at 0600 on the 17th day of the previous month. In this example the October vacation slide will have to be done by 1500 Central time August 18th.

9-7. Q. *Does a pilot have to exhaust all accrued vacation before being eligible to receive medical disability?*

A. Yes. Such pilot must exhaust all accrued vacation prior to commencing medical disability; however, any sick leave accrued during such vacation will be credited to the pilot upon return to service.

SECTION 10

SICK LEAVE

A. Rate of Accrual

A pilot shall be credited with five (5) hours of sick leave for each month of service with the Company. The accumulation for each calendar year shall be available for use the following calendar year, except that a pilot who has completed the first six (6) months of service may use up to 30 hours of accumulated sick leave in the calendar year in which the first six (6) months' service is completed.

B. Sick Leave Banks

(Effective January 1st, 2014 or such later date as the Company may determine)

Pilot sick leave will be provided through a short-term sick leave bank and a long-term sick leave bank.

1. Application of Sick Accrual Hours to Sick Banks

a. Each January 1, a pilot's sick leave hours accrued in the preceding year shall be applied first to the pilot's short-term sick leave bank, up to a maximum of sixty (60) hours in the bank. Excess hours shall be applied to replace, on a one-for-one basis, any long-term sick leave bank hours used during the prior calendar year. Then, any hours still remaining from those accrued in the preceding year will be applied under the following formula:

(1) If the long-term sick leave bank balance is greater than or equal to 470 hours, 50% of the hours still remaining from those accrued in the preceding year (as provided in the last sentence of a. above) shall be paid out to the pilot and the other 50% of hours remaining shall be placed in the long-term sick leave bank.

(2) If the long-term sick leave bank balance is less than 470 hours but greater than or equal to 235 hours, 25% of the hours still remaining from those accrued in the preceding year (as provided in the last sentence of a. above) shall be paid out to the pilot and the other 75% of hours remaining shall be placed in the long-term sick leave bank.

(3) If the long-term sick leave bank balance is less than 235 hours, 100% of the hours still remaining from those accrued in the preceding year (as provided in the last sentence of a. above) shall be placed in the long-term sick leave bank.

(4) The payouts provided for in (1) and (2) above shall not include any hours earned under the rapid reaccrual formula. Payouts provided for in (1) and (2) above shall only be for hours that were or would have been earned under the regular accrual formula in Section 10.A. above.

2. Long Term Sick Leave Access [See Q&A [10-10](#)]

A pilot may access his/her long-term sick leave bank in one of two ways:

a. If an illness or injury results in an absence exceeding fourteen (14) consecutive calendar days:

The pilot will substantiate the absence by following the Sick Verification/Proof of Illness procedures in paragraph [C.7.](#) below, and obtain medical approval from the AA Medical Department or the Company's third party contractor to use the pilot's long-term sick leave bank; or

b. If the pilot has exhausted his/her short term sick leave bank, the pilot will substantiate the absence by following the Sick Verification/Proof of Illness procedures in paragraph [C.7.](#) below, obtain medical approval from the AA Medical Department or the Company's third party contractor to use the pilot's long term sick leave bank.

3. Sick Leave Bank Caps

a. A pilot's short-term sick leave bank shall be capped at sixty (60) hours effective each January 1.

- b. A pilot's long-term sick leave bank shall be capped at nine hundred forty (940) hours.

C. Additional Sick Leave Provisions

1. Fractions Of A Month Of Service

For purposes of computing sick leave accrual under this Section 10, fifteen (15) days or more of service in a contractual month shall be considered a full month and less than fifteen (15) days shall not be considered.

2. Rapid Reaccrual of Sick Time [See Q&A [10-3](#), [10-4](#) and [10-5](#)]

If a pilot whose combined level of sick hours from both the short term and long term sick leave banks is fifty percent (50%) or more of such pilot's total accrual based on length of service, as provided in paragraphs A. and B.3. above, and the pilot is unable to report for duty on account of illness or injury for thirty (30) or more consecutive calendar days, that pilot will, upon return to duty, begin to accrue sick leave hours at the rate of seven and one-half (7 ½) hours per month. Such rapid reaccrual will continue until the pilot has accrued the number of sick hours he/she used in connection with the qualifying absence(s) triggering eligibility for rapid reaccrual. Thereafter, such pilot shall accrue at the rate provided in paragraph A. above.

Note: Former America West pilots' eligibility is handled in accordance with Letter W.

3. Beginning and Termination of Sick Leave [See Q&A [7-2](#)]

a. Regularly Scheduled Pilots

A regular scheduled pilot will be charged sick leave for any scheduled trip sequence such pilot fails to perform as a result of illness or injury, and for which pay is received in accordance with [Section 5](#) of this Agreement. Any time a regular scheduled pilot flies any portion of a scheduled trip assignment and is unable to complete such assignment due to illness or injury, such pilot will be paid and credited for the entire trip sequence. Such pilot will be charged sick leave equal to the scheduled hours remaining in the trip sequence dropped due to illness or injury.

b. Reserve Pilots

A reserve pilot will be charged sick leave at a rate of 1/18th of that pilot's awarded reserve line guarantee for each reserve day unavailable for duty/training on account of illness or injury, continuing to but not including the date medically cleared for duty provided such clearance is completed prior to 1000 local time. Such pilot will not be charged with sick leave for scheduled duty free periods. Any time a reserve pilot flies any portion of a scheduled trip assignment and is unable to complete such assignment due to illness or injury, such pilot will be paid and credited for the value of the portion of the trip sequence flown. A reserve pilot who continues on the sick list in subsequent days will be charged sick leave for each reserve day unavailable for duty. [See Q&A [10-12](#), [9-2](#)]

A reserve pilot who calls and notifies the Company that he/she is sick if needed (see Section 2.NN and Section [15.B.7]) will not be charged sick leave until such reserve pilot receives a flying assignment. Sick leave charges will commence the day such flying would have begun and will continue until such pilot clears the sick list and returns to active duty.

Note: Detailed sick clearance procedures for Reserve pilots are contained in Section [15.J.2.d.](#)

4. Credit After Furlough

A pilot laid off due to reduction in force shall have sick leave accrued prior to layoff credited in the event of recall.

5. Injury on Duty

- a. A medical certificate may be required for approval of pay for any such sick leave utilized in connection with an injury on duty.
- b. If a pilot is being treated by a network physician for a compensable injury on duty, he/she may receive sick leave pay for compensable lost time as provided under Section 5 of this Agreement (or the agreed-upon procedures governing Preferential bidding). The pilot's

sick bank will be restored upon return to work for each period of compensable lost time. Sick pay used for period of lost time deemed not compensable by the Workers' Compensation Insurance administrator will not be restored and will be subject to the provisions in Section 10.C.7. of this Agreement.

- c. If a pilot is not being treated by a network physician for a compensable injury on duty, he/she will not receive any sick leave pay for the period in which the pilot receives Weekly Indemnity Pay from Workers Compensation Insurance that is applicable to the same period of absence. [See Q&A [10-1](#), [10-7](#), [10-8](#), [10-9](#)]
- d. During a pilot's absence due to an injury compensable under the applicable Worker's Compensation Laws, the pilot's sick leave accrual shall be charged, in accordance with the provisions above, as applicable. In the event such absence exceeds seven (7) consecutive days, such sick leave credit used shall be restored to the pilot's accrual. This provision may be exercised only once for any one (1) injury.

6. Medical Self Clearance

A pilot who has reported sick may declare medically fit to fly in person or by telephone without visiting the Company's medical facilities or the Company's third party contractor provided:

- a. That the illness was not for an injury on duty; nor was the pilot hospitalized during such illness.
- b. That such self-clearance shall not apply to pilots with a previous medical history that demands a personal medical clearance, as determined by the base physician, AA Medical Department or the Company's third party contractor.

7. Sick Verification/Proof of Illness

- a. For illnesses or injuries as described in paragraph B(2) above, a pilot will be required to submit Sufficient Medical Documentation to the AA Medical Department or the Company's third party contractor in order to verify that the absence is required by the pilot's illness or injury. The first day of the verification requirement begins on the first day of a sequence, reserve available or training day for which the pilot was removed for sick. The Company will prepare and post on a website available to pilots a form that the pilot's qualified health care professional may complete in order to address the Sufficient Medical Documentation requirements described below. [See Q&A [10-10](#)]
- b. If Sufficient Medical Documentation is not received within 22 days, beginning with the first day of a qualifying absence as described in paragraph B(2) above, sick pay will cease until Sufficient Medical documentation is received and approved by the AA Medical Department or the Company's third party contractor. If the Company determines that Sufficient Medical Documentation has not been provided or is incomplete, the absence will be deemed unauthorized and the entire absence will be unpaid. Sick pay paid for the unauthorized absence shall be recouped and the pilot's sick bank credited accordingly.
- c. The term Sufficient Medical Documentation means medical documentation and information provided by the pilot's qualified health care professional(s) (i.e. an accredited and licensed healthcare professional whose expertise is appropriate to the pilot's condition) that:
 - (1) Relates to the illness(es) or injury(ies) that gave rise to the pilot's being on paid sick status as described in paragraph B(2) above, and any continuing period, and does not relate to any other medical condition(s) not relevant to the pilot's current paid sick usage; and,
 - (2) Shall address the following two (2) areas:
 - (a) Diagnosis - An explanation of the pilot's medical condition and the procedures used to make that determination;
 - (b) Expected return to work date - Identification of the estimated date that the pilot's health care provider estimates that the pilot will be able to return to work (it is understood that estimates may need later modification once FAA/FAR airmen certification standards are considered).
- d. The AA Medical Department and/or the Company's third-party contractor may, on a case-by-case basis, determine that documentation covering either of the above areas is not

necessary. (E.g., for a broken bone, the AA Medical Department and/or third party contractor may determine that X-rays and an estimated return date are sufficient).

- e. The review of the Sufficient Medical Documentation shall be conducted by the AA Medical Department and/or the third party contractor retained by mutual agreement between the Company and the Association. The Association shall not unreasonably withhold its agreement to the selection of the third party contractor.
 - f. Consistent with applicable laws, a pilot is required to execute authorization form(s) permitting the sharing of pertinent information regarding the pilot's illness or injury.
 - g. The AA Medical Department and/or third party contractor may require, when reasonable, additional medical verification if, in the determination of the AA Medical Department and/or the Company's third party contractor, the initial information provided is inadequate to substantiate a pilot's sick status.
 - h. Regardless of the length of a pilot's absence from work, the Company shall retain the ability to initiate Section 20 examinations and/or investigate the possible abuse of sick leave for cause (which includes, but is not limited to, frequency of use, sick leave patterns and sick leave use in conjunction with holidays, vacations or training).
8. Use of Sick Leave prior to Long Term Disability
- a. A pilot on long term sick may designate the number of hours for which he will be paid in a given month provided that the number of hours falls between the lower of Line Construction Window or reserve guarantee and the pilot's individual IMAX. Without a pilot designation, the pilot shall be paid 85 hours.
 - b. A pilot may choose the total number of sick hours he/she will use prior to receiving LTD benefits, subject to the following provisions:
 - (1) A Pilot who does not have a sick bank balance greater than 195 hours will be required to exhaust his accrued sick leave balance prior to receiving LTD benefits at the end of the elimination period.
 - (2) A pilot who has a sick bank balance greater than 195 hours will be required to exhaust his sick leave balance prior to receiving LTD benefits unless, no later than 60 days after the date of disability, he has designated a specific amount of sick leave to be used in order to avoid exhausting such pilot's sick bank balance.
 - (3) Such pilot who has designated a specific amount of sick leave shall commence receiving LTD benefits upon exhaustion of such designated amount and all vacation.
 - (4) The election to use a specific amount of sick leave shall not be changed once designated unless, prior to exhausting such specified amount, the pilot suffers an additional illness/disability. In such cases a pilot shall be allowed to amend his/her initial election to account for this new illness.
9. Sick Leave Exhaustion
- When a pilot exhausts his/her paid sick leave banks before the end of the calendar year and is not able to participate in the Long Term Disability Plan by December 31 of that calendar year, the pilot will be paid for the additional sick leave accrued during the portion of the year that the pilot was on the active payroll. This payment will be made following the credit to the pilot's sick leave bank(s) of time earned while on active service, which occurs on January 1 of the following calendar year.
- The pilot will not be returned to the active payroll until the pilot is able to clear and resume his/her duties
10. The Company will continue to provide eligible pilots with weekly short term disability pay in the same amounts as provided to eligible pilots prior to date of signing. Although it is the intention of the Company to make available this short term disability pay, the Company will reserve the right, in its sole discretion, to modify this provision.
11. The Company will provide positive space online deadhead travel to Domicile for a pilot who becomes sick on his/her sequence. Such pilot may contact his Chief Pilot, or the Chief Pilot on duty, for an authorization to deadhead directly to his home.

D. Section 10 Questions and Answers

10-1. Q. *Are sick leave payments offset by Worker's Compensation payments in case of injury on duty?*

A. Sick leave payments are not offset when the pilot is being treated for the compensable injury by a network provider. However, if the pilot is not being treated by a network provider for a compensable injury on duty, he/she will not receive sick leave pay for the period in which the pilot receives Weekly Indemnity Pay from Workers Compensation Insurance that is applicable to the same period of absence.

10-2. Q. *What is a pilot's right to self-clearance from a sick leave of absence?*

A. The parties reaffirm that a pilot who has reported sick may clear in person or by telephone without visiting the Company's medical facilities provided (a) that the illness was not for an injury on duty; nor was the pilot hospitalized during such illness and (b) that such self-clearance shall not apply to pilots with a previous medical history that demands a personal medical clearance, as determined by the base physician, Corporate Medical Director or the Company's third party contractor.

10-3. Q. *Does the period of time on the "sick if needed" list count as "sick" time for the purpose of qualifying a reserve pilot for "Rapid Reaccrual of Sick Time"?*

For Example: A reserve pilot on the "sick if needed" list on the third (3rd) day of the current month is assigned as junior pilot for a trip sequence on the tenth (10th) day of the month. The pilot is put on the "sick" list on the 10th and remains on the "sick" list through the end of the contractual month.

A. No. Qualification for "Rapid Reaccrual of Sick Time" requires:

1. The pilot is on the "sick" list for thirty (30) or more consecutive days.
2. The pilot's level of combined sick hours from both the short term and long term sick leave banks must be fifty percent (50%) or more of the pilot's total accrual based on length of service.

10-4. Q. *If a pilot was sick for a period of time which resulted in 300 hours being charged from his/her sick banks. Assuming that the pilot met the requirements in Section 10.C.2 for rapid reaccrual, how long will this pilot accrue sick time at the rapid reaccrual rate once he returns to flying status?*

A. The pilot will accrue sick hours at the rapid reaccrual rate until he has accrued 300 hours.

10-5. Q. *While on rapid reaccrual will any shorter term sick absences, which are not rapid reaccrual qualifying events, increase the amount of hours to which a pilot is able to rapid reaccrual.*

A. No

Example: A pilot is on rapid reaccrual and has 150 hours of sick accrual remaining at the rapid reaccrual rate. The pilot calls in sick for an 18 hour sequence. The pilot is still eligible for rapid reaccrual for only the remaining 150 hours from the earlier rapid reaccrual triggering event.

10-6. Q. *While on rapid reaccrual will another sick absence, which qualifies for rapid reaccrual per the requirements of Section 10.C.2, increase the amount of hours to which a pilot is able to rapid reaccrue?*

A Yes

Example: A pilot who is on rapid reaccrual experiences a subsequent sick absence that results in 200 hours of sick time charged from his sick bank. At the end of the 200 hour sick event the pilot returns to work and still has 75 hours of rapid reaccrual remaining from the original rapid reaccrual qualifying absence.

Assuming that the pilot met the requirement for the second absence per Section 10.C.2, going forward, the pilot is now eligible for 275 hours sick accrual at the rapid reaccrual rate. (75 hours remaining from the original sick event, and 200 hours from the subsequent sick event).

10-7. Q. *What is the process when a network physician is not available in the pilot's area to treat an Injury on Duty?*

A. The pilot is geographically precluded from using a network provider to treat an Injury on Duty if he/she lives more than forty-five (45) miles from the nearest network provider.

10-8. Q. *If a pilot is geographically precluded, can he/she still use sick time for compensable lost time related to a compensable workers' compensation claim?*

A. Yes, the pilot will be able to treat with a non-network provider, approved by the third party administrator (TPA) handling the workers compensation claim and upon return to work, will have his/her sick bank restored in accordance with Section 10.5.d. above.

10-9. Q. *What if the employer or the TPA handling the workers compensation claim directs care to a non-network provider pursuant to state workers compensation law?*

A. If the employer/TPA directs care to a non-network provider, the provider will be considered network for the purpose of this section and the pilot will have his/her sick bank restored in accordance with Section 10.C.5.d. above.

10-10. Q. *If the pilot needs to access his/her long term sick leave bank, does the pilot have to complete the Sick Verification/Proof of Illness requirements and provide Sufficient Medical Documentation before the pilot actually receives his/her sick pay?*

A. No. As long as the pilot completes the Sick Verification/Proof of Illness requirements and provides Sufficient Medical Documentation within 22 days beginning with the first day of an absence that qualifies for use of the long term sick leave bank, the pilot will receive sick pay for each long term sick leave bank hour used.

For example, if the pilot's absence starts on November 15, and continues through the day he/she is able to visit the doctor on December 3, the pilot will receive sick pay from his/her long term sick leave bank. If the pilot provides the Sufficient Medical Documentation and it is approved by AA Medical or the third party contractor by December 6, there will be no suspension of sick pay if the pilot's absence is continuing.

However, if the Company determines that Sufficient Medical Documentation has not been provided or is incomplete, the absence will be deemed unauthorized and the entire absence will be unpaid. Sick pay paid for the unauthorized absence shall be recouped and the pilot's sick bank credited accordingly.

10-11. Q. *When a pilot calls in sick what is considered the first day of absence?*

A. The first day of absence is the first day of a sequence, reserve available day or training day for which the pilot was removed for sick.

10-12. Q. *Must a reserve pilot notify the Company of an illness that could prevent such pilot's assignment to duty at a later time?*

A. The Company and the Association agree that a reserve pilot who is sick must call and so notify the Company. The pilot will not be charged sick leave until such pilot is required to fly (either by variance group or RPV). At the time the pilot is needed to fly, such pilot will be so notified and will be placed on sick leave effective that date.

Provisions To Be Included In The Implementation Letter:

A. Sick Leave Accrual Prior to the implementation of the split banks

1. Rate of Accrual

A pilot shall be credited with five (5) hours of sick leave for each month of service with the Company. The accumulation for each calendar year shall be available for use the following calendar year, except that a pilot who has completed the first six (6) months of service may use up to 30 hours of accumulated sick leave in the calendar year in which the first six (6) months' service is completed.

2. Maximum Accrual

Unused sick leave shall be cumulative up to a maximum of one thousand (1000) hours. In 2014, there will be a sick bank payout under a single bank system using the formula described in paragraph B.1.a, based upon 2013 annual sick hours accrued and used.

B. Creation of the Sick Leave Banks

To be determined when an implementation date is established.

SECTION 11

LEAVES OF ABSENCE

A. General

When the requirements of the Company will permit, a pilot may be granted a leave of absence. When such leave is granted, a pilot shall retain and continue to accrue seniority, provided that such pilot maintains at all times his required certificate or ratings. If such pilot shall permit his required certificate or ratings to lapse, he shall retain his seniority accrued at the time of such lapse. Length of service for longevity pay or salary purposes shall not accrue during leaves of absence, except leaves granted in the interest of the Company, leaves to permit attendance as representatives of the pilots at conferences with the Company, leaves granted due to sickness or injury, for duty with the military services of the United States, or for service with the Association.

B. Personal Leaves of Absence

1. A pilot during the normal vacation selection period may submit a request for a leave of absence in conjunction with such vacation preference that shall not exceed a period of thirty (30) consecutive days.
2. The Company shall consider up to thirty (30) individual requests for leaves per calendar year, not including leaves related to maternity, but will not be required to consider more than nine (9) such leaves during any one (1) period of time on a system-wide basis.
3. The Company will respond, in writing, within a reasonable time as to whether or not the pilot's request for a leave can be honored. Such requests will be honored in order of system seniority subject to availability of replacements in equipment and category at the base.
4. If the Company grants a leave, it may be canceled no later than thirty (30) days prior to the effective date of the leave or his vacation whichever occurs first, except that in cases of emergency, it may be canceled in less than thirty (30) days.
If the pilot desires to cancel his request for leave, he shall notify the Company as soon as possible, but in no event later than thirty (30) days prior to the effective date of leave or his vacation, whichever occurs first.
5. The Company may, operational requirements permitting, consider the request for pilot's leave of absence in excess of the numbers stated above.
6. In the event of a furlough, the Company will notify all pilots that it will consider all requests for Leaves of Absence in order to mitigate the number of furloughs.
7. A pilot on leave shall not, without prior written permission of the Company, engage in aviation employment, and in no case shall engage in employment, the nature of which may bring discredit upon the Company.

C. Bid Status During Leaves

1. Any pilot granted a leave of absence shall have the same bid status upon return to active flying duty.
2. A pilot who, upon return, is unable to hold the bid status held at the commencement of the leave will be placed in a lateral or lower bid status in accordance with that pilot's displacement preference list.
3. Reinstatement rights of any pilot on a leave of absence shall not be exercised while such pilot is on such leave of absence.

D. Sickness or Injury Leaves

1. When leaves are granted on account of sickness or injury, a pilot shall retain and continue to accrue his seniority irrespective of whether or not he is able to maintain his required certificates or ratings, until he is able to return to duty or is found to be unfit for such duty. A leave of absence for sickness or injury shall not commence until after a pilot has exhausted

accrued sick leave credits in accordance with Section 10.C.8 of this Agreement. Such leave of absence for sickness or injury may not exceed a total continuous period of three (3) years unless extended by mutual consent of the Company and the Association, in which case it may not exceed a total continuous period of five (5) years. Length of service for pay purposes shall accrue during leaves granted because of injury on duty, and during the first ninety (90) days of any leave granted for sickness or injury sustained off duty.

2. A pilot returning from any leave due to sickness or injury shall assume a bid status to which entitled by seniority upon return to active flying duty.

E. Military Service Leaves

1. A pilot ordered to, or who volunteers for, active duty with the military services of the United States in time of war shall be granted a leave of absence for the period of such duty and for ninety (90) days thereafter, during which time his seniority and length of service for pay purposes shall accrue.
2. A pilot who volunteers and is accepted for active duty with the military services of the United States in time of peace shall be granted a leave of absence for the period of such duty, but not to exceed a cumulative total of five (5) years, during which time his seniority and length of service for pay purposes shall accrue.
3. A pilot returning from any military leave of absence shall be permitted to return to that pilot's former bid status upon return to active flying duty.
4. A pilot who, upon return, is unable to hold the bid status held at the commencement of the leave will be placed in a lateral or lower bid status in accordance with that pilot's displacement preference list.

5. Notice And Verification

- a. Pilots must provide the Company with reasonable notice of all military leaves which conflict with their American Airlines work schedule, unless the giving of such notice is precluded by military necessity or, under all of the relevant circumstances, the giving of such notice is otherwise impossible or unreasonable.

(1) Notice of military leave shall be submitted to the Company before bidding closes for the following month, unless precluded by one of the exceptions above.

6. Verification of military duty will not normally be required by the Company.

When the Company does require verification, within a reasonable period of time the pilot must provide documentation substantiating the military duty in question.

7. Vacation

- a. A pilot may reschedule current fiscal year vacation days/hours to cover military duty provided the Company is given reasonable notice (i.e., notice must be given by the earlier of [1] the first of the month preceding the month in which the vacation is scheduled, or [2] the first of the month preceding the month in which the vacation is rescheduled). The rescheduled vacation must be taken within the current vacation fiscal year.

(1) The vacation being rescheduled must match, to the extent possible, the number of days of military leave; and

(2) The vacation must be taken in blocks as originally scheduled or, if the vacation was not originally split, it may be split in accordance with the provisions of this Agreement.

Examples of rescheduling vacation for military leave:

Military Duty Dates	Scheduled VC	Rescheduled VC
Aug. 10 - 16 (7 days)	Jan. AB	Jan. AB to Aug. AB
	Jan. AB & Mar. A	Mar. A to Aug. B
	Jan. ABC	Jan. C to Aug. B
Aug. 10 - 21 (12 days)	Jan. AB	Jan. AB to Aug. BC

	Jan. AB & Mar. A	Jan. AB to Aug. BC
	Jan. ABC	Jan. AB or BC to Aug. BC

- b. A pilot may use personal vacation days (PVD's) to cover military duty provided the total number of PVD's used, whether for military duty or not, is in compliance with the provisions of this Agreement. The pilot's vacation bank will be increased by the number of PVD's used times the daily conversion rate.
- c. For a military leave involving four (4) or more entire contractual months, current fiscal year vacation and vacation accrued but not yet credited will be paid at the beginning of such leave, unless the pilot requests not to be paid for such vacation. In no case may a pilot defer vacation into the next vacation fiscal year.
- d. A pilot who has vacation days remaining but no hours in the vacation bank may still move vacation days to coincide with military duty.

8. Guarantee

- a. A reserve pilot's guarantee will be reduced by 1/18th for each day of reserve availability missed as a result of military leave.
- b. A reserve pilot whose military leave request(s) (after bid closing and in compliance with paragraph [5.a.\(1\)](#) above) increases days of reserve unavailability may move DFPs such that they cover the increased unavailable days. In such case, the Company may move remaining DFPs to alleviate illegalities or insufficient availability periods.
- c. A reserve pilot may elect to cover the unpaid reserve available days from the pilot's vacation bank provided there is sufficient time remaining in the pilot's vacation bank to cover any remaining scheduled vacation.

9. Crediting

Absences due to military leave (removal from a trip sequence or removal from days of reserve availability) in compliance with the Notice and Verification provisions will be uncredited, unpaid.

10. Bid Status Following Military Duty.

- a. For a leave which does not exceed three (3) entire contractual months, upon the pilot's return to active flying duty with the Company, reinstatement will normally be to the same bid status the pilot held before the leave.
 - (1) A pilot with a different bid status pending at the time a military leave begins will assume the new bid status at the end of the leave if the effective date of the new bid status coincides with or is before the end of the leave.
 - (2) For a pilot being withheld from a bid status at the beginning of a military leave, the Company may continue to withhold the pilot in accordance with the AA/APA Basic Agreement and the pilot will assume the same bid status held before the leave, or the pilot may be awarded the withheld bid status. In all cases, the period of the leave will be included in determining the maximum duration of a pilot's withholding, as provided in the AA/APA Basic Agreement.
 - (3) During such leave, a pilot's bid and displacement preferences will be processed. Thus, the pilot may be awarded a different bid status during the military leave. At the end of the leave, a pilot will assume the bid status held before the leave, or be awarded the new bid status, depending on the effective date of the new status.
 - (4) A pilot's lock-in and deferral of upgrade will continue to run during such a leave.
- b. During a military leave involving four (4) or more entire contractual months, a pilot's bid and displacement preferences will not be processed. Upon the pilot's return to active flying duty with the Company, the pilot will assume a bid status in accordance with the following:
 - (1) A pilot returning from a leave who does not have a lock-in should, if possible, give the Company a minimum of forty-five (45) days notice of the bid status to which the pilot is entitled by seniority including reinstatement or entitlement rights. Any lock-in incurred will be in accordance with this Agreement.

- (2) A pilot's lock in will run during the leave.
- (3) If a pilot's lock-in has not been fulfilled, when the pilot returns to active flying duty with the Company, the pilot will assume the bid status to which the lock-in applies.
- (4) A pilot returning from a leave who does not have a lock-in will assume a bid status to which the pilot is entitled by seniority, and any lock-in incurred will be in accordance with the AA/APA Basic Agreement.
- (5) Deferral of upgrade will continue to run during such a leave, if the deferral began before the leave. If the deferral did not begin before the leave, the pilot may elect to begin the deferral following the leave.
- (6) In order to assure that a pilot has the requisite experience for the bid status awarded following a leave, the Company may require training and flying at the same base and in the same equipment but in a different category than the bid status awarded. In such case, the pilot will be paid as if withheld from the bid status which is awarded.
- (7) A pilot returning from a leave will be returned to payroll the earlier of such pilot's actual training start date or thirty (30) days from the date the pilot notifies the Company of his availability for training. In no case shall a pilot be returned to payroll earlier than such pilot's actual date of availability for training.

11. General

- a. A pilot's probation period will be extended on a day for day basis for military absences exceeding sixty two (62) days.
- b. A current and qualified pilot who will be available on the first day of the next contractual month will be eligible to bid for a trip selection.
- c. A pilot may be withheld from a bid status at the end of a leave, provided such withholding is in accordance with the terms of this Agreement.
- d. If a military leave begins in one month and extends into the following month, it will be treated under the provisions of this agreement as if it ended in the same month in which it began.
- e. Nothing in this Section shall supersede, nullify or diminish any federal or state law that establishes a right or benefit which is more beneficial to, or is in addition to, a right or benefit provided for a pilot in this Section.

F. Duty with the Association

A pilot covered by this Agreement, who is providing service for the Association on a full time basis, shall be granted a leave of absence for the duration of such tour of duty provided that the number of pilots on such leaves shall not at any time exceed three (3) in number. A pilot, who is granted any such leave of absence, shall continue to accrue seniority and length of service for pay purposes. Such a pilot will continue to participate in the Company's benefit plans available to active pilots, subject to provisions and regulations of said Plans. The Association shall reimburse the Company for the cost thereof. A pilot returning to active service with the Company, from a full time tour of duty with the Association, shall assume a bid status to which entitled by seniority. In lieu of a full time leave of absence, such pilot may elect to remain on the Company's payroll, in which case the Association will reimburse the Company for all items such as salary, pensions, insurance, sick time and vacations.

G. Physical Fitness

Any dispute arising under this Section concerning physical fitness of any pilot shall be settled in accordance with the provisions of [Section 20](#) of this Agreement.

H. Furlough While On Leave

Pilots on leave of absence whose seniority is such that they would have been furloughed had they not been on leave of absence shall be promptly notified that their rights under the Agreement have been changed to those of furloughed pilots. If there is a subsequent expansion in service, such pilots, if seniority warrants, shall again revert to leave of absence status with accompanying rights, and shall be so notified.

I. Section 11 Questions and Answers

11-1. Q. *Reserved*

11-2. Q. *Is a reserve pilot's guarantee reduced if a pilot changes his military leave request after trip selections close that result in a decrease of reserve availability?*

A. A reserve pilot who changes a military leave request after trip selections close will have his/her guarantee reduced for each additional day of reserve availability missed. Such pilot's guarantee will not be reduced for any additional day of reserve availability missed for which the pilot has offset by moving a DFP to cover.

11-3. Q. *In order to receive the pay guarantees of Section 11.E.8 is a pilot required to verify the military service in question, and if so what type of verification is required?*

A. If a pilot satisfies the conditions of Section 11.E.8.a, verification is not required. With respect to the pay guarantee in Section 11.E.8.c, the Company reserves the right to request verification in connection with military leave of absence. Upon request by the Company, an individual pilot must verify the specific military service for which the pilot received the pay guarantee under Section 11.E.8.c. A Leave and Earnings Statement, DD-214 or an endorsed copy of orders are each examples of sufficient verification for this purpose.

SECTION 12

SUPERVISORY PILOTS, CHECK AIRMEN & FLIGHT TEST

A. Supervisory or Other Duty

1. Retention of Seniority

A pilot transferred to supervisory or other duty with the Company shall retain and continue to accrue seniority, provided that such pilot maintains at all times his required certificate or ratings. If such pilot shall permit his required certificate or ratings to lapse, he shall retain his seniority accrued at the time of such lapse and shall have a period not to exceed one (1) year in which to regain such required certificate and ratings. If he does so regain such required certificate and ratings within one (1) year, his seniority shall recommence to accrue from the date such certificates and ratings are so re-gained.

2. Retention of Seniority - Sickness, Injury

When a pilot is transferred to supervisory or other duty with the Company, because of sickness or injury, or becomes sick or injured while on such supervisory or other duty with the Company, he shall retain and continue to accrue seniority during such period of sickness or injury not to exceed three (3) years, irrespective of whether or not he is able to maintain his required certificate or ratings, provided, any extension beyond three (3) years shall be by mutual consent of the Company and the Association and shall not exceed the total of an additional two (2) years.

3. Loss of Bid Status

Pilots in supervisory duty for more than six (6) consecutive months shall lose their bid status at the beginning of the seventh (7th) contractual month of such duty.

4. Return to Active Flying Duty

- a. Pilots in supervisory duty who have lost their bid status may return temporarily to line flying for up to four (4) months per year. Such pilots may fly in the bid status they last held, or a bid status for which they are currently qualified, provided their seniority will entitle them to such bid status. No pilot in such bid status will be displaced solely as a result of such temporary return to line flying.
- b. Pilots engaged in supervisory duty who have lost their bid status and who return permanently to active flying duty shall assume a bid status to which they are entitled by seniority.

5. Length of Service

Length of service for pay purposes shall accrue during assignments to supervisory or other duty.

6. Physical Fitness Disputes

Any disputes arising under this Section concerning the physical fitness of such pilot shall be settled in accordance with [Section 20](#) of this Agreement.

7. Furlough While on Supervisory or Other Duty

A pilot transferred to supervisory or other duty with the Company whose seniority is such that he would have been furloughed had he not been transferred shall be promptly notified that his rights under the Agreement have been changed to those of a furloughed pilot. If there is a subsequent expansion in service, such pilot, if his seniority warrants, shall be removed from furlough status and his former rights restored, and he shall be so notified.

B. Check Airmen

1. Definitions:

- a. Active Check Airman: An Active Check Airman is defined as a pilot who is on Check Airman salary for the month.
- b. Actual -- A Check Airman's actual time consists of:
 - (1) Actual flight hours (block to block).

- (2) Scheduled time for deadheading.
- (3) Credit for non-flight standards work, in accordance with [B.5.b.\(4\)](#) of this Section.
- (4) Credit for reporting for an additional day which cancels and is not replaced, in accordance with [B.5.b.\(5\)](#) of this Section.
- c. Blank Days: Unscheduled days on which the Company may schedule or reschedule work with the Check Airman's concurrence, or without the Check Airman's concurrence provided the Check Airman is scheduled in accordance with the provisions of this Section.
- d. Book Rates: Pay rates as published in Section 3 of the Basic Agreement.
- e. Credited Projection (PROJ) -- A Check Airman's PROJ consists of:
 - (1) The greater of (a) or (b) below for each duty period:
 - (a) The greater of scheduled or actual flight hours, plus scheduled time for deadheading, or
 - (b) The minimum credit as defined in [B.5.b.\(3\)](#) of this Section.
 - (2) Credit for non-flight standards work, in accordance with [B.5.b.\(4\)](#) of this Section.
 - (3) Credit for reporting for an additional day which cancels and is not replaced, in accordance with [B.5.b.\(5\)](#) of this Section.
- f. Flight Standards Work: All Check Airman functions other than those performed in a training facility or in a pilot trainer aircraft.
- g. Long Course Training: A training course required for crewmembers who have not been qualified on an equipment type in category during the previous 24 months.
- h. L-Type Check Airman: A Check Airman who is qualified as a "line check pilot - all seats."
- i. Pay Projection (PPROJ) -- A Check Airman's PPROJ consists of:
 - (1) The greater of (a) or (b) below for each duty period:
 - (a) The greater of scheduled or actual flight hours, plus scheduled time for deadheading, or
 - (b) The minimum credit as defined in [B.5.b.\(3\)](#) of this Section.
 - (2) Credit for non-flight standards work, in accordance with [B.5.b.\(4\)](#) of this Section.
 - (3) Credit for reporting for an additional day which cancels and is not replaced, in accordance with [B.5.b.\(5\)](#) of this Section.
 - (4) If a Check Airman elects to receive pay but no credit for one or more days of training in accordance with the provisions of this Section, credit for such days of training will be added to the Check Airman's PPROJ before total pay for the month is calculated.
- j. "R" (Requested) Days: "R" days are specifically requested days off that are part of the pre-scheduled 10 duty free periods (DFP's) required each contractual month.
- k. [Supplement O](#) Pilot: A line pilot, or Check Airman on a line rotation, who performs Check Airman functions under the provisions of [Supplement O](#) of the Basic Agreement.
- l. "W" Days: Days scheduled prior to the start of the contractual month on which an X-Type Check Airman must be available and may be required to work. "W" days are considered part of a Check Airman's monthly work schedule.
- m. X-Type Check Airman: A Check Airman who is qualified as both a "proficiency check pilot-simulator" and a "line check pilot-all seats."

2. Pay

- a. In a seventeen (17) day month, each Captain Check Airman shall receive a monthly salary based on 90:57 hours at the 12th year Captain rate for the highest bid status which the pilot's system seniority can hold.
- b. Twice each year, effective with the contractual month of January for the months of January through June and effective with the contractual month of July for the months of

July through December, the Check Airman salary level will be determined based on the seniority of line pilots in the bid vacancy awards for June and December.

- c. A Check Airman's actual monthly pay is the greater of (1) or (2) below:
 - (1) The Check Airman's monthly salary, as defined in [B.2.a.](#) of this Section,
 - (a) Adjusted downward by 1/17 if the Check Airman was voluntarily scheduled for 16 days and does not work any additional days,
 - (b) Adjusted upward by 1/17 for each additional day scheduled and each additional day worked in excess of 17 days.
 - (2) The total hours in the Check Airman's PPROJ (pay projection) multiplied by 1/90:57 of the Check Airman's monthly salary.
- d. A Check Airman's actual monthly pay cannot exceed the Check Airman's monthly salary plus the equivalent of pay for seven additional hours (7/90:57 of the Check Airman's salary), except as provided in e. below.
- e. During a month in which a Check Airman is scheduled for a recurrent, requalification, international, or D&R training program of six consecutive days or less and has elected to receive pay but no credit for one or more days of training, the calculation of the Check Airman's pay will include all additional days scheduled, all additional days worked, and all additional hours worked as a result of the Check Airman's election. The Check Airman's actual pay in such month is not subject to the limitation in d. above. (Inclusion of any other training program of six days or less will be by mutual agreement between the Company and the Association.)

3. Expenses

- a. A Check Airman performing flight standards work will be reimbursed expenses in accordance with the Basic Agreement.
- b. An X-Type Check Airman who commutes to perform Check Airman functions at the Flight Academy will be paid 36 dollars per day for expenses, and the Company's current daily contract lodging rate if the Check Airman elects not to use the hotel room provided by and arranged for by the Company.

4. Vacations

- a. A Check Airman eligible for more than one week of vacation in accordance with [Section 9](#) of the Basic Agreement may split such vacation according to Table 1, below:

Table 1

Vacation Weeks/Days	Vacation Periods	Eligible Floating Vacation Periods
2/14 - 20	2	1
3/21 - 27	3	2
4/28 - 31	4	3

- b. A Check Airman with fourteen (14) days or more vacation is allowed to take all but seven (7) days of their accrued vacation as a floating vacation(s). A floating vacation grants a pilot the ability to bid on future, Company designated, available floater vacation slots. Floating vacations are awarded in seven-day increments, i.e. each floating vacation slot posted by Flight Training will consist of seven consecutive days. The choice of whether or not to use a floater vacation rests solely with the Check Airman. PVD's will not be deducted from a Check Airman's accrual prior to determining such pilot's eligibility to float a vacation period(s).
- c. A Check Airman on vacation shall have the number of days worked and duty free periods (DFP's) prorated based on Table 2, below:

Table 2

Weeks in Vacation Period	Calendar Days in Vacation Period	Credited Days of Work During Vacation	R-days Remaining After Vacation Period	Additional DFP's Remaining After Vacation Period	Remaining Blank Days That Will Be Converted to DO's for L-Type Check Airmen*
1	7	4	4	4	2 (3)
2	14	8	3	3	1 (2)
3	21	12	2	2	0 (1)
4	28	17	1	1	0 (1)
*figures in parenthesis apply to 31-day month					

d. Vacation while on a line rotation

- (1) A Check Airman on a line rotation in a month containing a vacation award shall have such vacation days converted to hours and deposited in the Check Airman's vacation bank in accordance with [Section 9.B.2.](#)
- (2) Check Airman shall be paid salary for the month unless such Check Airman's vacation award causes more time dropped than the Check Airman has in the vacation bank. In this case, the Check Airman has the option to do additional flying to make up the time not covered, or have the uncovered time deducted from the Check Airman's salary, at such Check Airman's hourly rate. Any vacation bank remaining shall be treated in accordance with [Section 9.G1.f.](#) at such Check Airman's hourly rate.

5. Hours of Service

a. Days

- (1) A Check Airman's days worked in any contractual month are limited to the following monthly maximums:

Days	PROJ
16	90:57
17	96:18
18	101:39

- (2) Seventeen (17) days is the maximum number of days a Check Airman can be scheduled or assigned to work during a month without the Check Airman's concurrence in a non-flex month. At Company option and by fleet and CKA type, the maximum number of days a Check Airman can be scheduled or assigned in a flex month is eighteen (18) days..
- (3) Before the schedule for a given month is finalized and posted , a Check Airman may volunteer to be scheduled for 16 days (17 days in a flex month), in which case the Company shall post a 16 day schedule for the Check Airman. If the Company posts a 16 day schedule and the Check Airman does not work any additional days, the Check Airman's monthly salary shall be reduced by one day's pay in accordance with [B.2.c.\(1\)\(a\)](#) of this Section.
- (4) Once the month begins, provided the Check Airman concurs:
 - (a) A Check Airman originally scheduled for 17 days may, at Company option, volunteer to work up to three (3) additional days, in which case the Check Airman shall receive pay for each additional day worked, in accordance with [B.2.c.\(1\)\(b\)](#) of this Section.
 - (b) A Check Airman originally scheduled to work 16 days may, at Company option, volunteer to work up to four (4) additional days. The Check Airman shall receive pay for each additional day worked in accordance with [B.2.c.\(1\)\(b\)](#) of this section.

- (c) The proffering of additional days shall be done in system seniority order within equipment qualification to X-type CKA assigned to the Flight Academy that month. The Company will first attempt no-cost coverage options before proffering additional days (i.e. cancelled work days, schoolhouse reassignment, Flight Standards unused days, etc.).
- (5) In no case may a Check Airman work more than twenty (20) days in a contractual month, except during a month in which the Check Airman is scheduled for a training program of six consecutive days or less, as provided in (10) below.
- (6) All days that a Check Airman is scheduled to work in a training facility or on the line, including days on which the Company schedules the Check Airman to deadhead, are credited as calendar days worked.
- (7) For an X Type Check Airman, all "W" days will be pre-scheduled prior to the beginning of the month. The Company may cancel in advance a "W" day, or any other work day for which an X Type Check Airman is scheduled, and reschedule such day to an actual work day. Once such day(s) is moved, it may not be subsequently moved again and will be considered a day of work. An X Type Check Airman may be required to perform proficiency flying on a "W" day(s) or any other day(s) on which scheduled work is canceled and such day(s) will be credited as a day(s) of work.
- (8) A Check Airman will receive credit for the greater of the number of calendar days touched or the number of duty periods in a trip sequence, with the following exceptions:
 - (a) A Check Airman will not receive credit for a day of work on which a sequence actually terminates between 0000 and 0200 local time.
 - (b) A Check Airman will receive only one day of credit for a simulator period which starts prior to midnight and terminates after midnight.
- (9) A Check Airman in training status for six days or less shall have the training days counted toward the Check Airman's schedule of work days for that month, except as provided in (10) below.
- (10)(a) During a month in which a Check Airman is scheduled for a training program of six consecutive days or less, the Check Airman has the option to receive pay but no credit for one or more days, up to the number of days in the training program.
 - (b) A Check Airman who elects to receive pay but no credit for one or more days of training may choose either of the following options for each day of pay-no-credit training, provided the Check Airman has 10 DFP's during the month. In no event shall a Check Airman be scheduled for more than 20 days in a 30 day month, or for more than 21 days in a 31 day month.
 - (i) Before the work schedule for the month is finalized and posted, volunteer to be scheduled for additional days, or
 - (ii) Once the month begins, volunteer to work additional days.
 - (c) The calculation of the Check Airman's pay for the month will include additional pay in accordance with this Section for all additional days scheduled and all additional days worked as a result of this provision.
- (11) A Check Airman in any training course of seven days or more shall be scheduled in accordance with the provisions of the Basic Agreement for scheduling pilots in training and shall be credited with days worked in accordance with Table 3 below. If a Check Airman's combined credit of days worked during training (from Table 3) plus all scheduled days and all additional days worked, exceeds 17 days in a contractual month (18 days in a flex month), the provisions of this Section shall apply for extra pay.

Table 3

Calendar Days in Training During a Contractual Month	Credited Days of Work During Training	Additional Days to Schedule
7-9	4	13
10 - 11	5	12
12 - 13	6	11
14 - 15	8	9
16 - 17	9	8
18 - 19	10	7
20 - 21	12	5
22 - 23	13	4
24 - 25	14	3
26	15	2
27 - 31	17	0

(12) A Check Airman will not be required, but may volunteer; to do proficiency flying on a displacement basis on days off other than DFP's for no additional pay or days worked credit.

b. Hours

(1) A Check Airman's hours in any contractual month are limited to the following monthly maximums:

Days	PROJ
16	90:57
17	96:18
18	101:39

(2) For a Check Airman scheduled to work 16, 17 or 18 days, the schedule for any assignment cannot cause the PROJ or actual time to exceed their respective monthly maximums.

(3) Check Airmen performing flight standards work shall receive a minimum credit of five hours and twenty-one minutes (5:21) for each duty period, including a duty period which only involves deadheading.

(4) The credit for a day of non-flight standards work is five hours and twenty-one minutes (5:21).

(5) If a Check Airman reports for work on an additional day and the work cancels, and no other work is available, the Check Airman is credited with one day (toward days worked) and two hours (toward PROJ, PPROJ, and actual).

(6) (a) During a month in which a Check Airman is scheduled for a training program of six consecutive days or less, the Check Airman may elect to receive pay but no credit for one or more days, up to the number of days in the training program.

(b) For the number of days elected in (a) above, the daily credit of five hours and twenty-one minutes (5:21) for a day of non-flight standards work will not be applied to the Check Airman's PROJ and actual time. However, the daily credit will be applied to the Check Airman's PPROJ before total pay for the month is calculated.

(c) A Check Airman who elects to receive pay but no credit for one or more days of training may choose either of the following options for each day of pay-no-credit training, provided the Check Airman has 10 DFP's during the month. In no event

shall a Check Airman be scheduled for more than 20 days in a 30 day month, or for more than 21 days in a 31 day month.

- (i) Before the work schedule for the month is finalized and posted, volunteer to be scheduled for additional days, or
- (ii) Once the month begins, volunteer to work additional days.

(d) The calculation of the Check Airman's pay for the month will include additional pay in accordance with this Section for all additional hours worked as a result of this provision.

c. Max Duty Day for Other Than Flight Standards Work

Since simulator training periods shall not normally exceed four hours per day, a Check Airman's normal schedule shall be six and one half hours (for example, a two hour brief, four hour simulator period, and one-half hour debrief) subject to the following exceptions:

- (1) The Check Airman's duty day can be extended to 10 hours to complete simulator training with the same originally scheduled students.
- (2) The normal scheduled duty day for a Check Airman, other than a designee, who is scheduled for a simulator session of four hours or less may be extended to seven and one-half hours in order to accomplish pop up training. Such pop up training shall not exceed one hour of simulator time and, except for the purpose of maintaining or re-establishing 90-day Takeoff/Landing Currency, shall not be scheduled between 0045 and 0530 hours.
- (3) For the purpose of conducting up to a maximum of two rating rides, a designee may be scheduled for up to five hours of simulator time and a Check Airman performing pilot not flying (PNF) duties may be scheduled for up to six hours of simulator time.
- (4) No more than two orals or two rating rides can be scheduled in one duty period. Normally, an oral and a simulator rating ride will not be scheduled together in the same day.

d. Maximum Duty Day for Flight Standards Work

- (1) Normally, the scheduled duty period for a Check Airman performing flight standards work shall not exceed a maximum of 14 hours for a Domestic Sequence or 15 hours for an International Sequence, except the sign in and debrief periods may be waived as provided in (2) below.
- (2) For a duty period consisting of flight standards work and ending with a deadhead for the purpose of returning a Check Airman to Base, the Check Airman's sign in and debrief periods will not be included when calculating the length of the Check Airman's scheduled duty period.
- (3) If the exception provided in (2) above is utilized, the Check Airman shall receive 16 hours free of duty beginning at the scheduled or actual arrival time of the trip, whichever is later. The 16 hour duty free requirement shall not apply if there is an operational situation such as a cancellation or misconnect, but not including normal underfly, which makes the exception unnecessary. All other time free of duty will be in accordance with the Basic Agreement.
- (4) In addition, the max duty period in Section 15.C.5 shall be applicable to a Check Airman when performing flight standards work on an augmented sequence to which such duty period is applicable. However, the exception regarding deadheading in (2) above shall not apply to such a duty period.

6. Duty Free Periods

- a. All Check Airmen shall receive 10 prescheduled Duty Free Periods (DFP's) each contractual month. X-Type Check Airmen shall have remaining non-duty days designated as Blank Days. L-Type Check Airmen will have all days not scheduled as duty free periods or work days designated as Blank Days. and during the contractual month the L-Type Check Airman will be notified prospectively that four such days in a 30 day month and five such days during a 31 day month will be converted to DO's. DFP's will be scheduled according to the following:

- (1) CKA may request up to ten (10) prescheduled days off per month as follows:
 - (a) Six (6) "R" (requested) days off. The Company will attempt to accommodate these "R" days based on system seniority within status type.
 - (b) Four (4) "L" (like) days off.
 - (c) During the month, the Company may move prescheduled days off ("R" and "L" days) by mutual agreement.
 - (2) After Flight Standards has posted the CKA monthly schedules, each CKA assigned to Flight Standards for the month may identify up to four (4) additional days off, referred to as "Release" days.
 - (a) Release days can be moved without CKA concurrence, but must be moved prior to 1600 Central Time the day prior.
 - (b) Release days cannot be used retroactively; unless by mutual agreement.
 - (3) DFP's must be scheduled to run from midnight to midnight.
 - (4) DFP's may be moved prospectively by mutual consent. In no case shall a scheduled DFP be changed or moved retroactively.
- b. Except as provided in [5.d.](#) above, off duty rest will be in accordance with the Basic Agreement. Check Airmen shall receive an off duty period in accordance with the Basic Agreement when scheduled for non-flight standards Check Airman work after a duty period of performing line flying or flight standards duties, or when scheduled for line flying duties or flight standards work after a duty period of non-flight standards Check Airman work. For purposes of this paragraph, a Check Airman scheduled for non-flight standards Check Airman work shall be considered the same as a line pilot scheduled for training.
7. Vacancies
- a. Line Pilots seeking a Check Airman position may submit an application which must be updated annually. Interested pilots may submit an application at any time during the year to be effective until the next annual date established by the Company.
 - b. When a vacancy occurs, management will issue a notice via electronic means to all Check Airmen of the vacancy. Management will then review all applications including those submitted by line pilots and Check Airmen. Selection of pilots to be interviewed and selection of an applicant to fill the vacancy will be solely at the discretion of management.
 - c. Prior to offering a Check Airman vacancy to line pilots, management may at its discretion:
 - (1) Fill the vacancy from within the ranks of current Check Airmen, and/or
 - (2) Follow the displacement procedures in paragraph 8.
 - d. If "net" additional days (i.e., the total number of additional days less the total number of unused "W" days) equals or exceeds 17 net additional days per month for eight months in any 12 month period in a specific Check Airman work unit (e.g., 767 X-type Captain, 767 L-type Captain), the Company will appoint one additional Check Airman to that work unit. If net additional days equal or exceed 34 days, two additional Check Airmen will be appointed, and so forth, for each additional increment of 17 net additional days. The Company may appoint an additional Check Airman earlier than required by this calculation, and in such case the requirement for an additional Check Airman will be satisfied through the end of the eighth month in which net additional days exceed 17, or until such pilot is trained as a Check Airman, whichever is earlier, The Association and the Company may agree that an additional Check Airman need not be appointed if the additional days used in the calculation was the result of a long term absence which is expected to end, and would thereby result in a displacement.
8. Displacements
- a. Check Airman Status
 - (1) Check Airman positions are divided into two status types which consists of the following elements:

STATUS TYPES	
L Type	X Type
Base Category Equipment	Category Equipment

- (2) The following procedures shall apply to the displacement of Captain Check Airmen:
- (a) Check Airmen in each status will be ranked by Check Airman longevity in category.
 - (b) Prior to resolving a surplus in a given status, the Company may move Check Airmen from one status to another (e.g., from base to base, from equipment to equipment, from L-Type to X-Type and X-Type to L Type).
 - (c) If a surplus still exists, the Company will proffer any existing vacancy(s) to Check Airmen within the status where a surplus exists.
 - (d) If there are no proffers for the vacancy(s), the Company will proffer a return to the line within the status where a surplus exists.
 - (e) If there are no proffers for return to the line, the Company will, within the status where a surplus exists, return the surplus Check Airmen to the line in reverse order of Check Airman longevity in category.
- (3) Check Airmen returning to the line will not have reinstatement rights to a Check Airman position.

b. Lock-ins

- (1) A Check Airman who is displaced and not proffered another Check Airman position will not incur a lock-in upon returning to the line.
- (2) A Check Airman who returns to a line pilot bid status because of a proffer, resignation or termination as a Check Airman will incur no lock-in unless such Check Airman receives a long training course or displaces a line pilot. In such case a lock-in twenty-four (24) months will be incurred.

9. Proficiency Flying and Line Rotations

- a. X-Type Check Airmen shall fly a minimum of 73 credited hours of proficiency flying each year, except for the first 12 months following the actual introduction of a line pilot bid status on new equipment. Any line flying done prior to becoming a Check Airman shall count towards the 73 hour requirement for the calendar year in which the line flying was performed.
- b. All hours of flying in the performance of duties as a regular line pilot will be counted toward the 73 hour proficiency flying requirement, regardless of whether such flying is performed on a line rotation, on a scheduled work day, or "W" day, or on a day off. All such flying must be coordinated with the Company.
- c. A Check Airman will not be required, but may volunteer, to do proficiency flying on a displacement basis on days off other than DFP's for no additional pay or days worked credit.
- d. Line Rotations
 - (1) (1)X-Type Check Airmen shall fly a minimum of 73 credited hours for proficiency in one line rotation month per calendar year, or via fly W days, at pilot option.
 - (a) Check Airman must designate selection of line rotation or fly W days option annually and no later than October 31st of the previous year.
 - (i) Check Airman hired after October 31st in the previous year will be provided proficiency flying or line rotation, at Company option.
 - (b) Sequences contained within a CKA's line rotation month must begin and end within the contractual month.
 - (c) It is the Check Airman's responsibility to track and accomplish the hours.

- (d) If the minimum number of hours is not accomplished by years end, Check Airmen may, at Company option, be returned to the line.
- (e) The Company is not required to notify APA of Check Airmen annual proficiency flying hours.
- (2) X-Type Check Airmen who select the fly W option shall proficiency fly as follows:
 - (a) Check Airman may request up to four (4) specific consecutive work days per month as fly W days, until the annual hours is reached. The Company will allocate as available.
 - (b) At Company option, the Company may schedule fly W days with a sequence(s) from open time or posted for drop.
- (3) An X-Type Check Airman who selects the line rotation option shall line rotate at any base the Check Airman chooses, and without bidding restrictions.
- (4) A Check Airman on a line rotation month shall be paid the greater of such pilot's pay projection (PPROJ) or 90:57 hours.
- (5) The line rotation or fly W requirement does not apply to an L-Type Check Airman.
- (6) If a Check Airman's line rotation month coincides with a scheduled eighteen (18) day month in the Check Airman's fleet type, the Check Airman will be paid the greater of PPROJ or 96:18 hours, provided the Check Airman is a lineholder and works eighteen (18) calendar days in that month. A Check Airman on a line rotation month who works less than eighteen (18) calendar days shall be paid the greater of such pilot's pay projection (PPROJ) or 90:57 hours.
 - (a) A Check Airman on a line rotation may use make up, TTS, Voluntary Duty on DFP/DOs and is subject to reassignment.
 - (i) If a Check Airman's hourly projections are reduced voluntarily by the Check Airman (e.g., using TTS to drop a trip), the Check Airman's PPROJ and the hourly equivalent of the Check Airman's monthly salary (90:57 hours, 96:18 during a flex month) will be reduced by the scheduled time of the reduction.
 - (ii) Following a reduction of a Check Airman's PPROJ and monthly salary as provided in (a) above, any time which subsequently increases the Check Airman's PROJ will be added to the Check Airman's monthly salary up to a maximum of 90:57 hours (96:18 during a flex month), and to the Check Airman's PPROJ.

10. Long Term Sick and Disability

A Check Airman who is placed on long term sick leave or disabled status will be given the choice of remaining as a Check Airman or returning to a line pilot bid status which the Check Airman can hold. The Company will address special situations on an ad hoc basis.

11. Grievances

Any Check Airman having a grievance concerning any action of the Company shall be entitled to the same right of investigation, hearing, and appeal as specified in the Basic Agreement, the only exception is that the initial hearing will be conducted by the appropriate Fleet Manager.

12. Reporting Requirements

The Company will provide APA with the Monthly Check Airman Report.

C. Flight Test

1. Maintenance and Engineering may elect to have dedicated Flight Test Captains and First Officers to support ongoing maintenance programs. In such case, the Flight Test pilots shall be domiciled in the contiguous 48 United States at a location(s) designated by the Company. In the event the Company decides to establish a domicile outside of the contiguous 48 United

States, the parties will meet to discuss and establish mutually agreeable terms for such domicile.

2. Flight Test Pilot Filling of Vacancies:

Flight Test is not a pilot bid position. Management will issue a notice of the vacancy via electronic means. Selection of pilots to be interviewed and selection of an applicant to fill a vacancy will be solely at the discretion of the Company. Flight Test Captains must be able to hold a Captain position somewhere on the system.

3. Equipment Qualifications:

- a. Flight Test pilots shall maintain a minimum of two (2) aircraft qualifications. Assignment to a maximum of three (3) aircraft type qualifications must be by mutual agreement.
- b. Flight Test pilots will be assigned aircraft types to be qualified on.
- c. Flight Test Captains can fly in either or both seats for each aircraft qualification, at the Company's discretion.

4. Days of Work:

- a. Each contractual month, Flight Test pilots will be scheduled or assigned seventeen (17) work days, with Company option to flex to eighteen (18) days. Flight Test pilots may volunteer for additional days, at the Company's option. Flight Test Pilots on assignment may be proffered additional days before other Flight Test pilots.
- b. Flight Test pilots will submit four (4) NEED days and six (6) LIKE days for each contractual month. RELEASE days will be assigned by the Company as a duty free period. The Company will notify the pilot of the RELEASE day by 2100 the day prior to RELEASE. By mutual agreement, Flight Test pilots may work or fly (with appropriate buffers) on a LIKE or NEED day.
- c. Flight Test pilots may be proffered a full or partial month TDY. TDYs for an individual pilot will be limited to a cumulative total of 90 days in a rolling twelve month lookback period.
- d. Flight Test pilots may be assigned line flying.
- e. By mutual agreement, Flight Test pilots may fly line trips (with appropriate buffers) on their days off if the Company determines a need exists. A Flight Test pilot must be notified of the assignment at least twelve hours prior to the sequence, and the pilot must meet all qualification requirements for the sequence.
- f. Flight Test pilots will be assigned to train on scheduled work days when feasible in light of operational needs as determined by the Company.
- g. Flight Test pilots may be scheduled to accomplish all or part of their training on scheduled days off.
- h. During a month in which a Flight Test pilot has training less than six (6) days, the Flight Test pilot has the option to receive pay but no credit for one or more training days, up to the total number of days in training.
- i. Flight Test pilots may train by distance learning and will be compensated in accordance with the Basic Agreement.
- j. In the event a Flight Test pilot undergoes five (5) days of training or less in a contractual month, such pilot will be paid on a per day basis. Pay for training of six (6) days or more in a contractual month, will be in accordance with the table below:

Calendar Days in Training During a Contractual Month	Credited Days of Work During Training
6-9	5
10 - 11	6
12 - 13	7
14 - 16	8
17 - 18	9
19 - 20	11
21 - 23	15
24 - 25	16
26 or more	19

- k. Flight Test pilots may be assigned line flying and/or other non-flying work, duties and responsibilities.
 - l. Flight Test pilots may conduct more than one type of work on the same day. For example a pilot may, attend a meeting and fly, conduct training (excluding simulator training) and fly, deadhead and fly, provided all rest and flying requirements are met.
 - m. A Flight Test pilot will be reasonably available by surface transportation at their Flight Test domicile in order to accept an assignment on the first scheduled day of duty through the last scheduled day of duty.
5. Monthly & Vacation Bidding Procedures
- a. The final schedule for the next bid month shall be published no later than the 28th day of the current month.
 - b. A Flight Test pilot eligible for more than one week of vacation in accordance with Section 9 of the Basic Agreement may split such vacation according to Table 1, below:

Table 1

Vacation Weeks/Days	Vacation Periods	Eligible Floating Vacation Periods
2 / 14 – 20	2	1
3 / 21 – 27	3	2
4 / 28 – 31	4	3

- c. A Flight Test pilot with fourteen (14) days or more vacation is allowed to take all but seven (7) days of his/her accrued vacation as a floating vacation(s). A floating vacation grants a pilot the ability to bid on future, Company designated, available floater vacation slots. Floating vacations are awarded in seven-day increments, i.e. each floating vacation slot posted by Flight Training will consist of seven consecutive days. The choice of whether or not to use a floater vacation rests solely with the Flight Test pilot. PVD's will not be deducted from a Flight Test pilot's accrual prior to determining such Flight Test pilot's eligibility to float a vacation period(s)
- d. A Flight Test pilot on vacation shall have the number of days worked and duty free periods (DFP's) prorated based on Table 2, below:

Table 2

Weeks in Vacation Period	Calendar Days in Vacation Period	Credited Days of Work During Vacation	R-days Remaining After Vacation Period	Additional DFP's Remaining After Vacation Period	Remaining Blank Days That Will Be Converted to DO's*
1	7	4	4	4	2 (3)
2	14	8	3	3	1 (2)
3	21	12	2	2	0 (1)
4	28	17	1	1	0 (1)

* figures in parenthesis apply to 31-day month

6. Duty Limits

- a. Normally, the scheduled duty period for a Flight Test pilot performing work shall not exceed a maximum of 14 hours for a Domestic Sequence or 15 hours for an International, Sequence except the sign in and debrief periods may be waived as provided in b. below.
- b. For a duty period consisting solely of deadhead, the scheduled duty period shall not exceed 19 hours. For a duty period consisting of work and ending with a deadhead for the purpose of returning the Flight Test pilot to base, the Flight Test pilot's sign in and debrief periods will not be included when calculating the length of the Flight Test pilot's scheduled duty period.
- c. If the exception provided in b. above is utilized, the Flight Test pilot shall receive 16 hours free of duty beginning at the scheduled or actual arrival time of the trip, whichever is later. The 16 hour duty free requirement shall not apply if there is an operational situation such as a cancellation or misconnect, but not including normal under fly, which makes the exception unnecessary. All other time free of duty will be in accordance with the Basic Agreement.
- d. In addition, the maximum flight duty period for a Flight Test pilot when performing work on an augmented flight shall be 17 hours for a three pilot crew and 19 hours for a four pilot crew.

7. Compensation

- a. Flight Test pilots assigned three (3) aircraft qualifications shall be paid a monthly salary of 90:57 hours, based on a seventeen (17) day month schedule, at the appropriate 12th year rate (Captain or First Officer) for the highest bid status which the pilot's system seniority can hold.
- b. Flight Test pilots assigned two (2) aircraft qualifications shall be paid a monthly salary of 90:57 hours, based on a seventeen (17) day month schedule, at the appropriate (Captain or First Officer) 12th year rate for the highest bid status which the pilot could hold on the system.
- c. Flight Test pilots pay shall be adjusted upward by 1/17 for each additional day scheduled or each additional day worked in excess of 17 days.
- d. Twice each year, effective with the contractual month of January for the months of January through June and effective with the contractual month of July for the months of July through December, the Flight Test Pilot salary level will be determined based on the seniority of line pilots in the bid vacancy awards for June and December.
- e. Flight Test pilots assigned line flying will be compensated for the greater of the value of the sequence or 1/17th of their monthly salary for each day of line flying.

- f. A Flight Test pilot scheduled for duty in excess of 15 hours in a single duty period shall be paid for two (2) duty periods. Additionally, such duty period shall count as two (2) days of work.
8. Displacement Procedures
- a. The following procedures shall apply to the displacement of any Flight Test pilots:
 - (1) The Company will proffer return to the line to all Flight Test pilots.
 - (2) If there are insufficient proffers for return to line flying, the surplus Flight Test pilot(s) will be displaced in reverse order of Flight Test longevity.
 - (3) Displaced Flight Test pilots will assume any bid status to which they are entitled by seniority and shall not incur a lock-in.
 - (4) No pilot recall rights exist to a Flight Test position.
9. Non-revenue flying may be accomplished by any AA pilot who is appropriately qualified..

SECTION 13

SENIORITY

A. Service with Company

Seniority as a pilot shall be based upon the length of service as a flight deck operating crew member with the Company except as otherwise provided in [Sections 11](#) and [12](#) of this Agreement.

B. Seniority Date

Seniority shall begin to accrue from the date a pilot is first assigned to air line flying duty and shall continue to accrue during such period of duty except as provided in [Sections 11](#) and [12](#) of this Agreement.

C. Retention of Seniority

A pilot once having established seniority shall not lose such seniority except as provided in this Section, nor shall such pilot's relative position on the Pilots' System Seniority List be changed for any reason, including disciplinary action, except as provided in paragraph B. of this Section.

D. Basic Seniority Rule

Seniority shall govern all pilots in case of promotion, demotion, their retention in case of reduction in force, their recall from furlough, their assignment or reassignment due to expansion or reduction in force or schedules, and their choice of vacancies, provided that the pilot is sufficiently qualified for the conduct of the operation to which he is to be assigned. In the event a pilot is considered not to be sufficiently qualified, the Company shall promptly furnish such pilot written reasons therefore. This paragraph shall apply, provided that certain other rules in this Agreement stipulating specific methods and procedures of applying system seniority shall govern such application of system seniority only to the extent of the specific provisions of such rules.

E. Failure to Qualify in Turn

When a junior pilot is promoted over a senior pilot, by reason of the failure of the latter to qualify in his turn, the senior pilot shall continue to retain his position on the Pilots' System Seniority List.

F. Loss of Seniority

1. Resignations, Retirement and Discharges

A pilot who resigns from the service of the Company, retires, or is discharged for just cause, shall forfeit all seniority as a pilot.

2. Failure to Return from Furlough

When a pilot who has been furloughed is offered, by written notice from the Company, the opportunity to return to duty as a pilot and such pilot elects, by written statement to the Company, not to return to such duty, or if a recalled pilot fails to comply with the requirements of [Section 17.W.](#) of this Agreement, his seniority right of preference in re-employment shall at that time terminate, and all his seniority as a pilot shall be forfeited.

3. Duration of Recall Rights

A pilot shall retain recall rights indefinitely until refused under 2. above.

4. Retention of Company Benefits

Upon return from furlough, a pilot shall receive all Company benefits accruing by reason of his previous active service.

G. System Seniority List

1. Seniority List Supplied by Company

The Company shall make available to each pilot, within thirty (30) days after July 1st of each year, a Pilots' System Seniority List, effective July 1, which contains the names of all pilots arranged in the order of system seniority, whether active or inactive, and the seniority date of each pilot. Such list shall also reflect each pilot's normal retirement date.

2. Protests

- a. A pilot shall be permitted a period of thirty (30) days after any posting of the Pilots' System Seniority List, each year, in which to protest to the Company any omission or incorrect posting affecting his seniority.
- b. A pilot on leave or away from his base station at the time of posting of the list shall have a period of thirty (30) days from the date of his return to his base station during which to file such protest.
- c. Any incorrect posting or any other discrepancy which went unprotested on the annual list in which it first appeared shall not be protested on any subsequent annual posting except that typographical and clerical errors may be corrected at any time.

SECTION 14

PROBATION PERIOD

A pilot shall be on probation for the lesser of:

- A. Twelve (12) months active service, excluding any LOA, starting on the first day of employment as a pilot with the Company;
- B. Four hundred (400) credited hours for sequences actually flown and the successful completion of the first Continuing Qualification or non-initial Qualification training event.

No pilot shall be placed on probation after the above requirements have been met.

SECTION 15
HOURS OF SERVICE and WORK RULES

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A. General

1. Joint Scheduling Committee
 - a. The Association and the Company will form individual Scheduling Committees that together will comprise the Joint Scheduling Committee (JSC). The JSC may evaluate and make recommendations concerning:
 - (1) Sequence construction, generation, and review;
 - (2) Bid line awards;
 - (3) Training bids and awards;
 - (4) Reserve line awards, staffing and utilization;
 - (5) Trip Trade System (TTS) and trip trades with open time;
 - (6) Vacations;
 - (7) Block hour adjustment;
 - (8) PBS line construction parameters;
 - (9) Domicile and Home Base block hour allocations by equipment; and
 - (10) Fatigue mitigation recommendations from the FRC; and
 - (11) Other scheduling related issues of mutual interest agreed upon by the Association and the Company.

- b. The JSC may enter into agreements, in the form of a temporary memorandum of understanding, of no greater than two (2) consecutive bid periods in order to modify or integrate the scheduling functions in paragraph a. above. The two (2) month consecutive bid period may be extended by mutual agreement.
- c. Data Access
 - (1) The Association members of the JSC shall be provided access to and will use all methods, data, and reference materials that it determines are reasonable and necessary to affect their work. The JSC shall coordinate the timely exchange of data and reports, as well as the format, content, and media of such information. To the extent possible, the Association members shall have independent access from locations other than Company locations.
 - (2) It is understood by the parties that some information may be identified by the Company as privileged. The Association agrees to keep this information confidential until informed otherwise by the Company.
- d. Meetings
 - (1) Meetings shall be held quarterly, or more often, as deemed appropriate by the JSC, and in a place of its choosing.
 - (2) The Association and the Company will exchange, maintain, and update points of contact between their respective subcommittees. The respective committees need not physically meet as a whole to complete their work. However, both the Association and the Company must be equally engaged before recommendations are approved.
 - (3) The Company shall provide the APA JSC participants with Association leave from flying duties when the requirements of the Company permit.
- e. Recommendations
 - (1) Contemplated changes to crew resource methodologies pertinent to the future allocation and line construction process will be discussed jointly prior to their implementation.
 - (2) The Company will consider recommendations made by the JSC regarding the priority to be placed on controllable variables used in the production of allocations (i.e. sequences) and other areas reviewed by the JSC.
 - (3) The Company shall implement mutually agreed upon recommendations of the JSC in a timely manner.

2. Periodic Review of Forecast Accuracy

The JSC will develop methods for improving the usefulness and accuracy of the three and six month pilot job forecast information that is provided to pilots in accordance with Section 17.F.1.d. of the Agreement.

3. Preferential Bidding System (PBS)

- a. At the appropriate time and before implementation, but not later than June 30, 2013, the Company and the Association shall negotiate in good faith a PBS Memorandum of Understanding (MOU).
- b. Both the Company and the Association shall mutually agree on subsequent changes to the PBS MOU.
- c. The most recent PBS Memorandum of Understanding (MOU) shall govern PBS.
- d. All PBS algorithms, logic, bidding options, interface, PBS versions, etc, shall be mutually agreed upon and shall not be changed without mutual agreement. The Company shall not substitute, alter, or modify the software or hardware in a way that affects the functionality of the PBS without the prior written consent of the PBS Working Group.
- e. PBS will allow each pilot in a four part bid status to bid for and be awarded a line based on programmed award logic, FARs, the Collective Bargaining Agreement and the pilot's:
 - (1) known absences;
 - (2) bid preferences;

- (3) seniority.
- 4. Preferential Bidding System Working Group (PWG)
 - a. The PWG is a subcommittee of the Joint Scheduling Committee and shall be comprised of six voting members and others as designated below:
 - (1) Company Members: Managing Director of Operations Planning or equivalent and two additional Company representatives;
 - (2) Association Members: APA Deputy Chairman/Scheduling and two additional representatives of the Technical Analysis and Scheduling Committee (TASC);
 - (3) Additional non-voting Company and/or Association representatives may be added to the PWG as necessary by the mutual consent of the Managing Director of Operations Planning and the APA (TASC) Deputy Chairman/Scheduling.
 - b. The PWG will be responsible for the oversight of the development, training, implementation, introduction schedule, and continuing administration and operation of PBS as set forth herein. In carrying out these responsibilities, the PWG will consider both operational efficiency and pilot quality of life.
 - c. The PWG will meet at a mutually acceptable time and place to ensure this Agreement continues to provide both realistic operational efficiency and pilot quality of life as described below:
 - (1) In the first six months after PBS implementation, the PWG will meet at least monthly;
 - (2) In the second six months after PBS implementation, the PWG will meet at least bimonthly; and
 - (3) Thereafter, the PWG will meet at least quarterly unless mutually agreed otherwise.
 - d. The PWG shall have regular and timely access to the PBS vendor, PBS servers, and communications between the Company, the Association and the PBS vendor necessary to oversee and administer PBS as set forth herein.

B. Notification

- 1. The Company shall maintain a standard method of notifying pilots of the scheduled departure time of their sequences. When the scheduled departure time is appreciably delayed, pilots shall be notified as far in advance as is practicable, consistent with the circumstances. At originating stations, every effort shall be made to promptly notify pilots of any cancellation, delay or deferment of their trips.
- 2. To the maximum extent possible, electronic notification and acknowledgment between the Company and pilots will be used for open time assignments.
- 3. While on duty, pilots are expected to respond to Company attempts to notify them of changes to their current sequence.
- 4. Reserve pilots are responsible for being contactable while on Short or Long Call Duty, and are expected to respond to Crew Schedule without unreasonable delay.
- 5. The Company may notify the crewmember via ACARS of schedule changes provided that the notification can be made during non sterile periods.
- 6. Pilots shall not be required to keep the Company advised of their whereabouts on days off, while on vacation or while on layover, except that pilots on international layovers will leave contact information if they do not use the layover facilities provided by the Company.
- 7. It shall be the responsibility of pilots who are unable to report for duty to notify, as far in advance as possible, the controlling Chief Pilot or a designated representative of this fact, giving the reason for their inability to report for duty.
- 8. Pursuant to protecting a pilot's sleep, calls between 0000 and 0700 to inform a pilot of an assignment, delay or cancellation of an assigned flight should be made as late as possible.

The intent is to avoid interrupting rest with telephone calls that can be made at a different time.

9. Recording of Phone Calls

- a. Where such recordings are permissible with applicable legal and/or regulatory requirements, the Company shall create and maintain recordings of telephone calls between pilots and Crew Schedule/Tracking, Planning and Pay Compensation. Conversations shall be recorded and stored digitally.
- b. The intent of recording incoming and outgoing phone calls is to raise the level of decorum and professionalism within and between the parties, and to assist in the resolution of scheduling and pay-related issues as necessary.
- c. All parties will be notified as soon as practicable, but in no case less than thirty (30) days in advance that audio recordings will be implemented.
- d. A recording notification disclaimer shall be included on initial contact. The recording shall run continuously for the duration of each call, with no ability to selectively start and stop such recording.
- e. The Company shall retain the recorded phone calls for a period of ninety (90) days, and absent an identified request or legal requirement as specified in this paragraph, all recordings will be automatically deleted at the 90-day point. Either party may request retention of a relevant recording associated with contractual issues on pay, planning or scheduling beyond the ninety (90) day period. Such recording(s) will be retained until both parties agree that the specific issue has been resolved. Nothing in this paragraph is intended to limit the Company's ability to satisfy its legal obligations with regard to the preservation of evidence, provided that in the event the Company determines it is legally obligated to preserve any recording covered by this paragraph the Company shall promptly notify the Association of such determination and provide an explanation of the nature of the legal obligation requiring preservation and when the obligation arose.
- f. When an issue is identified by either party, the call may be reviewed by a representative of both the Company and the Association. A recorded conversation may only be copied or transcribed to hard copy with the mutual consent of all parties involved. The specific details of the recorded call shall remain confidential.
- g. Recordings, transcripts, copies, or information obtained from a recorded conversation may not be used in any disciplinary proceeding or process.
- h. The Association may terminate the telephonic recording system with a minimum of thirty (30) days' notice. Upon termination, Supplement G (Commuter Policy) shall be replaced by the May 19, 2004 version.

C. Flight Time and Duty Time Limits

1. Monthly Maximums

- a. Pilots flying Group I aircraft may pick-up as restricted only by FAR limits.
- b. Pilots flying Group II through V aircraft may pick-up to the lower of the following:
 - (1) That pilot's particular Individual Monthly Maximum ([IMAX](#)) as defined in 2. below
 - (2) The Company Limit on Voluntary Flying established by the Company for that pilot's bid status for a particular month.
 - (3) FAR limits

2. Individual Monthly Maximum (IMAX)

- a. A pilot's IMAX is calculated by subtracting the Retrospective Factor and the Prospective Factor from 1080.
 - (1) The Retrospective Factor is the total of the pilot's credited projection (PROJ) for the previous eight (8) months not counting the current month. A pilot's actual PROJ in the most recent of the previous eight (8) months will be used in determining the Retrospective Factor.

- (2) The Prospective Factor is the estimated credited projection for the next three (3) months (e.g. 246 hours assuming the PROJ is 82 hours).
 - (3) The number that remains is the current month's IMAX.
 - b. The IMAX is intended to limit a pilot to an average of ninety (90) credited hours per month in a rolling twelve (12) month period, except as provided for in [Section 15.N.](#) and [15.I](#)
 - c. The [JSC](#) will make appropriate adjustments to the Prospective Factor, if needed, to yield a result that meets the intent of b. above.
3. Limit on Voluntary Flying
- a. The Company may establish a limit on voluntary flying for any particular bid status for any contractual month. This limit will never be less than that particular bid status' MALV + 7 hours.
 - b. In any bid status in which the Company establishes a limit on voluntary flying, a pilot may exceed the limit only if the sequence to be picked up from another pilot could not be dropped into open time, and the sequence could not be dropped to another pilot in the same bid status without the pilot exceeding the limit.

4. Reserve Pilot Limits:

- a. Reserve pilots can be assigned flying up to eighty-five (85) hours. Reserve pilots may elect to fly on days off at Company option and will be paid above guarantee. Total credited hours of flying on days off and on reserve days shall not exceed the lesser of the pilot's [IMAX](#) or the greater of eighty-five (85) hours or the limit on voluntary flying established by the Company for their bid status.
- b. Flying on, into, or out of a Reserve pilot's days off will be excluded in the eighty-five (85) hour assignment maximum. In the event the Company awards a Reserve pilot a sequence on a DFP, pay for that sequence will be applied above guarantee or PPROJ (whichever is greater), no credit.

Example: The Company has placed a 90 hour limit on voluntary flying for a particular month. A reserve pilot picks-up a 15 hour sequence on his days off. The 15 hour pick-up sequence is treated as follows:

- (1) 15 hours is added to the pilot's PROJ, and the pay is applied above guarantee
- (2) The first 5 hours of the sequence is attributed to the difference between the 85 hour reserve assignment maximum and the Company Imposed Maximum, and the remaining 10 hours counts towards the 85 hour reserve assignment maximum.

5. Hours of Service

- a. Flight time limitations, duty limitations and rest requirements shall be as specified in the Federal Aviation Regulations, 14 CFR Part 117, with the following exceptions:
 - (1) Home Base Time (HBT) will be used to determine on duty periods under this Section, unless a flight crew member is acclimated, as defined in 14 CFR Part 117, in a theater that does not include his home base.
 - (2) Flight Duty Periods scheduled with flying greater than eight (8) hours and that touch the WOCL (0200-0559 HBT) require three (3) pilots.
 - (3) Flights with a scheduled block time of greater than sixteen (16) hours will be scheduled with a crew complement of two (2) Captains and two (2) First Officers. The Company is not required to crew two (2) Captains and two (2) First Officers for flights with scheduled block times of less than or equal to 16:00 hours in instances where the flight plan exceeds 16:00 hours.
 - (4) A crew bunk(s) is required for flights scheduled for greater than twelve (12) hours for each additional crewmember.
 - (5) Delays while on layover in the Long Haul environment
 - The Company may notify crews on layovers prior to:
 - (a) scheduled transoceanic international flights, or
 - (b) flights to or from Hawaii and Alaska, or

- (c) flights to or from destinations south of Equator, of departure delays via the following procedures:
- (i) At anytime prior to ten (10) hours before originally scheduled sign-in time the Company may notify the crew of the delayed departure time permitting the commencement of a new ten (10) hour rest period (twelve (12) hours rest period if the rescheduled departure time would cause the FDP to sign-in before and operate into the WOCL) and corresponding new FDP based on the delayed departure time.
 - (ii) If within ten (10) hours of the originally scheduled sign-in time, the Company is made aware of a departure delay, the Company may notify the layover crew of a departure delay provided the notification is made no later than two (2) hours before originally scheduled hotel departure time by:
 - [1] Silent insertion of delay note under hotel room door and/or silent operation of message waiting light in hotel room.
 - [2] Adjustment of any scheduled wake-up calls commensurate with the amount of the delay.
 - [3] This notification will qualify for the use of the FAR 117 short call reserve RAP/FDP provisions to provide a larger duty window within which to complete the flight by placing the pilot in a RAP starting at the originally scheduled sign-in time.
 - [4] The steps in [1] and [2] above should be accomplished as soon as possible after Company becomes aware of the delay so as to maximize crew rest.
- (6) Shifting Limits: The following provisions apply to any assignment within the 24 hours following the start of a Short Call RAP assignment that is not contained within the Short Call RAP:
- (a) A subsequent RAP or trip sequence that does not impinge on the WOCL shall not commence or sign in any earlier than nineteen (19) hours after the start time of the previous RAP.
 - (b) A subsequent RAP or trip sequence that impinges on the WOCL shall not commence or sign in any earlier than twenty-one (21) hours after the start time of the previous RAP.
- Example: A pilot in a 0700 RAP may only be shifted as early as 0400 from one day to the next (21 hours for a WOCL RAP), while a pilot in a 1100 RAP may be shifted to a RAP as early as 0600 (19 hours for a non-WOCL RAP).
- (c) A Short Call pilot may not be released from the current RAP and assigned to a later RAP or trip sequence that violates the above limits.
 - (d) When shifting to an earlier RAP as a result of DOTC processing, a Short Call Reserve pilot, during the verification process between 1500-1600 HBT, will:
 - (i) verify their current RAP's adjusted completion time and commencement time of a RAP (if any) for the following day.
 - (ii) be released from the current RAP at the adjusted completion time in order to provide a minimum of ten (10) hours rest prior to commencement of the follow-on RAP.
 - (e) The shifting limits do not apply following a DFP or other planned absence.
- (7) Upon completion of a sequence, which includes debrief, Reserve pilots shall have a 12-hour Domicile Rest period.
- b. A pilot shall not remain on duty beyond the limitations of paragraph a. above.
 - c. In the event FAR 14 CFR Part 117 is amended in a way that results in relaxing the previous standards required by the Regulations, the Company and the Association agree to review the specific provisions of Section 15 impacted by the amendment. Such relaxed standards and any related changes to Section 15 shall only be implemented by mutual agreement between the parties.

- d. A pilot's scheduled or rescheduled on duty period shall commence:
 - (1) One (1) hour prior to the scheduled or rescheduled departure time for a pilot flying the first flight of a duty period, or thirty (30) minutes prior to the scheduled or rescheduled departure time for a pilot deadheading on the first flight of a duty period, and shall continue until fifteen (15) minutes after the scheduled arrival time of the duty period's last flight assignment for Domestic Sequences and thirty (30) minutes after scheduled arrival time of the duty period's last flight assignment for International Sequences. [See Q&A [15-3](#), [15-4](#), [15-5](#)]
 - (2) Such scheduled or rescheduled on duty period shall run continuously unless broken by a scheduled or rescheduled rest period.
 - e. The required reporting times of one (1) hour, or thirty (30) minutes, and the fifteen (15) or thirty (30) minutes debriefing times, are to be considered a part of all on duty periods.
 - f. A pilot deadheading shall be considered on duty, provided that the Company may approve such pilot's request to exceed on duty limitations for the purpose of deadheading to the pilot's base. [See Q&A [15-6](#)]
 - g. In actual operations, an on-duty period shall commence at the required reporting time, specified in [C.5.d](#).(1) and C.5.e. above, but in any event not less than one (1) hour before departure and shall run continuously unless broken by a required rest period.
 - h. If sequence termination at the pilot's base is at a co-terminal other than the original point of departure, there shall be added one (1) hour to the on duty period for the purpose of allowing for the use of Company furnished transportation as set forth in Section 24.J. of this Agreement. However, this hour shall not be construed to be a part of the on duty period.
 - i. The Company, with input from the [JSC](#) and the FRC, shall establish and publish any appropriate buffers, restrictions and limitations to be used in both scheduled and actual operations in addition to the FAR Flight Time and Duty Time limitations and rest requirements. These additional requirements will be used to facilitate schedule and operational reliability and address fatigue issues as identified by the JSC and FRC.
6. Required 30 Hour Rest Period Placement
- Required 30 hour rest periods on a Duty Free Period (DFP) will be positioned to end at the later of:
- a. the end of the DFP, or
 - b. the beginning of the pre-assigned RAP, if applicable, following the DFP.
7. Fly Through Time
- Fly through time from one month to another shall be paid and credited in the month in which the sequence terminates. All fly through time on a pilot's schedule at the time the bid lines are being awarded shall be credited towards a pilot's monthly bid line maximum.
8. No pilot shall be assigned any duty with the Company during any rest period.
9. Duty aloft includes the entire period during which a pilot is assigned as a member of an airplane crew during flight time.
10. Scheduled for duty aloft means the assignment of a pilot on the basis of the flight time established in the operations schedules rather than actual flight time.
11. Flight time is the time from the moment the airplane first moves for the purpose of flight until it comes to rest at the next point of landing (block-to-block time). However, when the Captain elects to delay starting engines due to quoted takeoff delays, flight time will, at the option of the Captain, be considered to begin at the time the aircraft would normally have departed,

and such delay time shall apply for pay and credit purposes and monthly credited time, but will not be included in duty aloft time.

12. The Company will maintain a computer tracking and alert system in order to provide prospective notification to crewmembers who may require an FAR required rest period.
13. Maximum Flight Time Pay and Flight Time Credit
 - a. Except as set forth in [H.10](#) of this Section, flight time pay and flight time credits provided in paragraphs [E.](#), [E.](#) and [G.](#) of this Section are not cumulative, but only the greater will apply.
 - b. A pilot shall be entitled to only the flight time pay and flight time credit for scheduled or rescheduled time away from base, as provided in [E.1](#) of this Section, when the pilot's return to base is delayed by a strike or work stoppage which substantially affects the operation of the Company; provided, if the pilot is returned to base by the Company, in this specific case, the return deadhead transportation to the pilot's base is called "pilot's convenience", and no reschedule is involved.
 - c. The provisions of [E.1](#) of this Section shall not apply beyond the first twenty-four (24) hours of excess time away from base resulting from the delay in a pilot's return to base due to an official NOTAM which closes, for a period of twenty-four (24) hours or more, the airport at which such pilot is laying over or at which such pilot is forced to layover as the result of such airport closing, provided that such pilot is assigned by the Company to deadhead to base via the first available deadhead transportation, or assigned by the Company to deadhead to base via air transportation within six (6) hours after the first American Airlines flight operates into or out of the airport at which such pilot is laying over. In this instance, excess time away from base shall be the difference between the time such pilot actually arrives at base and the time such pilot would have arrived had there been no airport closing.

In the circumstances set forth above, when such pilot is assigned by the Company to remain at the layover station, the normal provisions of [E.1.](#), [E.1](#) and [G.](#) of this Section shall be applicable.

D. Line Construction

1. General
 - a. Lines will be built for each monthly bid period using a Preferential Bidding System (PBS). Pilots will be awarded lines based on their seniority given their individual preferences for days off, sequences, recurrent training, layover cities, and other criteria, as applicable.
 - b. The Monthly Average Line Value (MALV) will be determined by the Company for each four-part bid status as follows:
 - (1) For Group I aircraft the MALV will be no less than seventy-two (72) hours nor greater than eighty-eight (88) credited hours in any four-part bid status (Base, Equipment, Category, Division) for any contractual month.
 - (2) For Group II thru V aircraft the MALV will be no less than seventy-two (72) hours nor greater than eighty-four (84) credited hours in any four-part bid status (Base, Equipment, Category, Division) for any contractual month.
 - (3) Basing the MALV on a four-part bid status may be modified by mutual agreement of the parties.
 - c. The Line Construction Window (LCW) will be based on the MALV for each individual bid status. The LCW shall be plus / minus four (4) hours for pilots in Group I, and plus / minus seven (7) hours for pilots in Groups II - V. The LCW may be modified by mutual agreement of the parties.
 - d. The Rolling Average Line Value (RALV) is the average of the most recent twelve (12) contractual month MALVs for a particular bid status. The RALV must be maintained between:
 - (1) For Group I aircraft 74 and 86 credited hours

- (2) For Groups II through V aircraft 74 and 82 credited hours
- e. The Company has the authority to increase the upper limit of the MALV and RALV for bid statuses in Groups II through V by one (1) hour commencing with calendar year 2015 if:
- (1) Lineholder projection (including any uncredited premium flying and displacement pickup) during the "Measurement Period" (May through August), averages less than the RALV + five (5) hours, the "Measurement", then the MALV and RALV shall be increased by one (1) hour to a maximum 85 MALV and a maximum 83 RALV for the following calendar year. For purposes of the Measurement, the RALV will be calculated for each two-part bid status (Seat and Equipment) in September, looking back over the previous twelve (12) months.
 - (2) For any calendar year in which the MALV and RALV are 85 and 83 respectively, the "Measurement" (including any uncredited premium pickup and displacement pickup) shall be reduced to RALV + four (4) hours for the "Measurement Period". If the Measurement of RALV + four (4) hours is achieved, the MALV and RALV will revert to 84 and 82 respectively and the Measurement of lineholder projection for that year will be RALV + five (5) hours.
 - (3) The data for any bid status in any month of the measurement period in which pick-up was limited by the Company shall be excluded from the calculation in 1. and 2. above.
- NOTE: The Measurement Period will commence in 2014 and each year thereafter. The MALV / RALV adjustment, if required, will commence in 2015 and each year thereafter.
- f. Known Planned Absences will be credited for line construction purposes at a Daily Rate of two hours and forty-five minutes (2:45).
- g. A newly upgraded Captain assigned First Officer flying to acquire experience will be given a temporary bid to that First Officer status and will bid for trip sequences according to seniority within that First Officer status. Such pilot will be paid rates of pay according to the current status or the assigned status, whichever is greater.
2. Continuing Qualification Training - Bidding and Awarding
- a. Pilots eligible for Continuing Qualification (CQ) training will be identified on the monthly bid sheet.
 - b. CQ training sequences will be available for monthly bidding in the same manner as allocated sequences. CQ training sequences may be awarded in advance of any trip pairings either as a separate process or in conjunction with the trip pairings. In the event an eligible pilot (Grace or Due month) does not bid, such pilot will be assigned a CQ training sequence in the bidding process.
3. Line Construction - Bidding and Awarding
- a. Pilots may only select sequences from those available for their individual bid status, or the bid status to which temporarily assigned. Pilots, including pilots on full month temporary assignment, shall be awarded regular or reserve lines in accordance with their system seniority and their individual preferences ([PBS](#)).
 - b. The [PBS](#) Bid Package for each bid status will be made available to pilots electronically no later than the 8th of the month for the following month. The information shall include the Monthly Average Line Value (MALV), the Line Construction Window (LCW), the bidding deadline, the bid closing and award dates, the projected number of line holders and reserves, the available sequences and the specific pilots eligible to bid.
 - c. Available sequences for bidding may include planned charters, ferries and extra sections.
 - d. The Company will not post sequences that would require a pilot to possess dual qualifications.
 - e. The Company may make changes to published sequences up to twenty-four (24) hours prior to bid closing. Changes after that time, through the end of the line construction process, will be subject to the provisions of [Section 15.N](#).
 - f. A pilot's final bid award shall be available for review in [PBS](#), accessible through the internet, no later than the eighteenth (18th) calendar day of the month prior, except when

unforeseen circumstances prevent such deadline from being met. (Reference to PBS Section for further details)

- g. With the exception of sequences identified and selected by Flight Standards, all known flying will be available for bidding within each bid status. Sequences selected by Flight Standards will be placed in open time if and when it has been determined they will not be required.
- h. Sequences will be awarded / assigned in the [PBS](#) line construction process.
- i. Pilots may not access the Trip Trade System during the bidline awarding process (the period of time after bidding is closed when the actual PBS line construction process is active) for trips that originate in the last six (6) calendar days of the current bid period.
- j. Fly through conflicts and FAR illegalities will be prohibited in the line construction process. The JSC (or PBS Committee) will determine appropriate buffers between sequences in order to balance the risk of any illegalities with line construction quality.
- k. A pilot scheduled to complete Qualification Training and OE during any calendar month will be credited for each day in training / OE status at the Daily Rate (2:45 hrs).
- l. A pilot will not be awarded flying during designated OE days.
- m. A line holder who completes OE earlier than the days blocked for OE on his or her schedule may pick up additional sequences or trip trade during that time. A reserve pilot who completes OE earlier than the days blocked for OE on his schedule may be assigned additional reserve days in accordance with [4.h.](#) below. When assigning additional reserve days the Company will take into consideration the particular preferences of the pilot when selecting the additional days.
- n. Pilots will be able to access their personal information pertaining to the monthly bidding process electronically. Such information will include, but not be limited to:
 - (1) Fly through time from the current bid period.
 - (2) Known Planned Absences for the upcoming bid period and future bid period.
 - (3) Vacation (vacation slides and vacation trades for vacations in the next succeeding calendar month must be completed prior to the close of bidding for the upcoming bid month).
 - (4) Qualification and Continuing Qualification training days.
 - (5) Operating Experience Status - estimated completion date.
 - (6) Other Planned Absences (e.g. military leave, jury duty, union business, Company business, etc.).
 - (7) Additional information as determined by the PBS Committee.
- o. Bid lines will be constructed with a minimum of ten (10) calendar days off, prorated in the event a pilot is available for less than a full month of service. Fractions will be rounded up to the next whole number.

Days of Availability	Calendar Days Off	Days of Availability	Calendar Days Off
31	10	16	6
30	10	15	5
29	10	14	5
28	10	13	5
27	9	12	4
26	9	11	4

25	9	10	4
24	8	9	3
23	8	8	3
22	8	7	3
21	7	6	2
20	7	5	2
19	7	4	2
18	6	3	1
17	6	2	1
		1	1

- p. A pilot may keep a Standing Preference Bid on file to be used when the pilot fails to bid. In the event a pilot fails to bid and does not have a Standing Preference Bid on file, a default bid will be used to assign the bid line.
- q. A First Officer will not be awarded a sequence in the event both the Captain and the First Officer have not met the minimum experience requirements or are both age sixty (60) or older.
- r. A pilot who retires within a bid period will be credited with the Daily Rate for line construction purposes only, for each calendar day beyond his last day of service to the end of the bid month.

4. Reserve Lines - Bidding and Awarding

a. Long Call Reserve Lines

- (1) Long Call reserve lines will represent, at a minimum, twenty percent (20%) of all reserve lines awarded in a particular four-part bid status for a contractual month.

b. Short Call Reserve Lines

- (1) Short Call reserve lines will represent, at a minimum, thirty percent (30%) of all reserve lines awarded in a particular four-part bid status for a contractual month.

c. Monthly Short Call RAP bidding

- (1) Pilots awarded a Short Call reserve line in the primary monthly bidding process will participate in a secondary bidding process to determine the RAP to be associated with their Short Call reserve line. These RAPs will be awarded/assigned by four-part bid status in seniority order. The awarded/assigned RAPs will be those for the first reserve available day after a Duty Free Period (DFP) or Planned Absence.
- (2) The Company will publish the available RAPs for bidding for each four-part bid status.
- (3) Bidding for RAPs will commence no later than the 22nd of the month prior and will close no later than 2000 HBT on the 26th day of the month.
- (4) Awards will be made available no later than 1800 HBT on the 27th day of the month.
- (5) No more than thirty-five percent (35%) of Short Call Reserve pilots in any four-part bid status may be awarded/assigned RAPs with start times prior to 0700 HBT.

- d. Daily reserve requirements will take into consideration blocks of available days required for each day of the month and known planned absences that may affect reserve staffing.

- e. Except as provided for in 15.J.11.b., reserve days off will be awarded in seniority order based on a pilot's Preference Ballot, subject to any staffing requirements determined in a manner consistent with a. above.
- f. Reserve lines will be constructed with eleven (11) immovable calendar days off. In any thirty (30) day calendar month during the contract, one (1) additional moveable day off will be scheduled. In any thirty-one (31) day calendar month during the contract, two (2) additional moveable days off will be scheduled. A moveable DFP will be designated and scheduled contiguous to immovable DFP's and will not be scheduled in the middle of immovable DFP's. Moveable DFPs may be moved in accordance with Section 15.J.
- g. In a full month, unless waived by the pilot, reserve days off will be awarded or assigned with a minimum of one group of four (4) consecutive days off and no less than two (2) consecutive days off in any other group. At a pilot's option, a single day off may be scheduled in a reserve line. A pilot may designate up to three (3) consecutive days off as golden days, or, if/when manning permits, four (4) consecutive days off may be designated as golden days.
- h. In a partial month, (i.e. available less than thirty (30) or thirty-one (31) days, as applicable), the reserve days off requirements in d. above will be reduced accordingly, in a manner consistent with the required reserve days in [15.D.4.h](#).
- i. In a full month, reserve lines will consist of blocks of consecutive days of reserve availability of no less than four (4) and a maximum of twelve (12) days, as determined by the staffing requirements of the Company, except that the minimum number of available days may be reduced to two (2) days at the beginning or end of a contractual month.
- j. In a partial month, the minimum and maximum reserve days of availability in f. above may be reduced as necessary to meet the required number of available reserve days in [15.D.4.h](#).
- k. The number of reserve days will be prorated for any period that is less than a full calendar month in accordance with the following chart:

<u>Days Available</u>	<u>Reserve Days</u>	<u>Days Available</u>	<u>Reserve Days</u>
1	1	16	10
2	2	17	10
3	2	18	11
4	3	19	12
5	3	20	12
6	4	21	13
7	4	22	14
8	5	23	14
9	5	24	15
10	6	25	16
11	6	26	16
12	7	27	17
13	8	28	17
14	8	29	18
15	9	30	18
		31	18

E. Minimum Pay and Credit

1. A pilot who reports for any flight duty period (including deadheading) shall receive the greatest of the following:
 - a. Flight time pay and flight time credit actually earned.
 - b. One (1) minute flight time pay and flight time credit for each two (2) minutes of a scheduled or rescheduled on duty period as set forth in paragraph [C.5.d](#) of this Section.
 - c. One (1) minute flight time pay and flight time credit for each two (2) minutes of an actual on duty period as set forth in paragraph [C.5.g](#) of this Section.

The difference between flight time pay and flight time credit earned during such on duty period and the minimum flight time pay and flight time credit provided above shall be computed as an extension of the trip which brings the pilot to a station for an off duty break as set forth in paragraph [C.5.d](#) and [C.5.g](#) of this Section.

A flight which lands at a co-terminal for the airport of departure as the result of a mechanical interruption shall be paid and credited under this paragraph.

2. Notwithstanding the provisions of paragraph H.1. of this Section, the provisions of [E.1](#) above shall apply, except that the minimum set forth in paragraph [G](#) of this Section shall be two (2) hours' flight time pay and flight time credit if:
 - a. a pilot performs or reports to perform any flying between co-terminals which is not contained in a regular publication prepared by the Company in conjunction with each reselection of pilot flying assignments, or [See Q&A [6-4](#)]
 - b. a pilot performs or reports to perform flying as set forth below, when such flying is confined to a single airport or co-terminals:
 - (1) engine, instrument, plane, and radio test flights,
 - (2) experimental and airway aid test flights,
 - c. a pilot performs or reports to perform flying as set forth below, when such flying is confined to a single airport:
 - (1) charter, contract, or scenic,
 - (2) courtesy or publicity.

When no flying is performed under E.2.a., E.2.b. or E.2.c. above, flight time pay and flight time credit shall be based on the equipment type involved in the assignment for which the pilot was required to report.

3. Miscellaneous Taxi
 - a. An aircraft movement which is not part of, and not in conjunction with, a pilot's specific flying assignment shall be termed miscellaneous taxi. Such miscellaneous taxi shall be performed by the required crew complement for the respective aircraft.
 - b. A pilot assigned to a miscellaneous taxi shall be notified of such taxi assignment(s) in the same manner as are pilots who are notified for flying assignments.
 - c. A pilot assigned to miscellaneous taxi will be provided with a written release to operate each taxi so assigned.
 - d. A pilot performing a miscellaneous taxi assignment(s) will be covered, if applicable, for the duration of such taxi assignment(s), under the following provisions of the Basic Agreement:
 - (1) the on duty provisions provided under Section [15.C.5](#).
 - (2) The pay and credit provisions provided under Section(s) [15.E.](#), [15.F.](#), and/or [15.G](#).
 - (3) The reassignment provisions of [Section 15.N](#).
 - e. The provisions of Section 15.H. shall be applicable to any pilot who reports for, but does not perform, a miscellaneous taxi assignment.

f. Actual taxi time involved in miscellaneous taxi assignment shall be considered as if it were flight time as defined in Section [15.C.10](#). (block-to-block time), but shall not be considered flight time for the application of Section 15.C.8.

4. 1:2 Pay For Scheduled Sit Times over 2 Hours

Duty periods with scheduled sit times greater than two (2) hours shall receive one (1) minute of pay for every two (2) minutes of sit time in excess of two (2) hours. This provision applies to scheduled sit-times only (i.e. as allocated), the time is not credited and the pay only applies to the time above the first two (2) hours and will be paid in addition to any other pay earned in accordance with Section 15.E., F. or G.

F. Time Away From Base

1. A pilot who reports for any flight duty (including deadheading) which involves two (2) or more on duty periods broken by at least one (1) off duty period away from such pilot's base, shall receive the greater of the following:

- a. one (1) minute pay and flight time credit for each three and one-half (3-1/2) minutes of scheduled or rescheduled time away from such pilot's base;
- b. one (1) minute pay and flight time credit for each three and one-half (3-1/2) minutes of actual time away from such pilot's base.

The difference between flight time pay and flight time credit earned during such period of time away from base and the minimum flight time pay and flight time credit provided above shall be computed as an extension of the trip which brings the pilot back to the pilot's base for legal rest.

2. For purposes of paragraphs [E.1.](#) and [G.](#) of this Section, on duty periods and off duty periods shall be as set forth in paragraph C.5. of this Section.

G. Duty Period - Average and Minimum

A pilot who reports for any flight duty (including deadheading) shall receive a minimum of five hours and ten minutes (5:10) flight time pay and flight time credit multiplied by the number of duty periods contained in such pilot's trip sequence, provided however, that a pilot who performs two (2) or more on duty periods broken by at least one (1) off duty period away from such pilot's base shall receive, for each duty period provided in [E.1.](#) above, a minimum of three (3) hours flight time pay and flight time credit.

H. Application of Minimum Flight Time Pay and Flight Time Credit

1. The minimum flight time pay and flight time credit provided under [E.1.](#), [F.1.](#), and [G.](#) of this Section applies when a lineholder pilot reports for a duty period which begins at such pilot's base but completes no takeoff or does no deadheading, provided a lineholder complies with the applicable provisions of Section 4.C - Sequence Protection.
2. The minimum flight time pay and flight time credit provided under [E.1.](#), [F.1.](#), and [G.](#) of this Section shall not apply when a reserve pilot reports for a duty period which begins at such pilot's base but completes no takeoff or does no deadheading. In lieu thereof, such reserve pilot shall be guaranteed the greater of:
 - a. Two (2) hours' flight time pay. Pay under this provision shall be on the basis of rates of pay as provided in Section 4.B., or
 - b. One (1) minute flight time pay for each two (2) minutes of an actual on duty period as set forth in paragraph [C.5.d](#) of this Section.
3. Deadheading covered under the provisions of [E.1.](#), [F.1.](#) and [G.](#) of this Section shall include:
 - a. all deadheading by Company assignment, except in connection with route checks and training under [Section 6.D.](#);
 - b. deadheading at the pilot's request to pick up the next trip in a sequence when such action does not trigger a double deadhead;

- c. deadheading at the pilot's request as set forth in paragraph [C.5.f.](#) of this Section. Duty time spent in the accomplishment of such deadheading shall be considered an extension of the pilot's on duty period. [See Q&A [15-6](#)]

Except as noted above, deadheading at the pilot's request shall not be covered under the provisions of [E.1.](#), [F.1.](#) and [G.](#) of this Section.

4. For purposes of [E.1.b.](#) and [F.1.a.](#) of this Section, the rescheduled on duty period shall apply whenever a pilot has been rescheduled as set forth in H.5 below.
5. A pilot is considered to be rescheduled any time there is a change or cancellation in such pilot's flying assignment, including deadheading.
6. The provisions of [E.1.](#) and [F.1.](#) of this Section shall not be applicable to excess duty hours or excess time away from base resulting from the pilot's request to be rescheduled to deadhead on a flight other than that for which such pilot is legally scheduled or rescheduled by the Company.
7. The provisions of [E.1.b.](#), [F.1.a.](#), and [G.](#) of this Section shall apply, under [Sections 5](#), 6.B., 6.C., 6.D.3. and [15.L.](#) of this Agreement, to pilots who hold bid lines.
8. Computation of flight time pay and flight time credit applicable under [Section 15.N.](#) of this Agreement shall include all flight time pay and flight time credit due under the provisions of [Section 15.E.](#), [15.F.](#) and [15.G.](#)
9. When a pilot's arrival at such pilot's base or scheduled layover station is by way of surface transportation, the arrival time, for purposes of [C.5.a.](#), [E.1.](#), [F.1](#) and [G.](#) of this Section, shall be considered to be the scheduled departure time of the surface transportation to be used, plus the normal air time and debriefing time.
In this case, an off duty period shall start at the scheduled arrival time of the surface transportation used.
10. When a pilot performs or reports to perform flying set forth in [E.2.a.](#), [E.2.b.](#) and [E.2.c.](#) of this Section, before, during or after an on duty period involving flying not covered under [E.2.a.](#), [E.2.b.](#) or [E.2.c.](#), or while on layover involving an off duty break between such on duty periods, such pilot shall receive:
 - a. flight time pay and flight time credit in accordance with [E.1.](#), [F.1.](#) or [G.](#) of this Section, as applicable, for the on duty periods not involving flying covered under [E.2.a.](#), [E.2.b.](#) or [E.2.c.](#), plus,
 - b. one (1) minute flight time pay and flight time credit for each two (2) minutes of actual on duty time for the period involving flying covered under [E.2.a.](#), [E.2.b.](#), or [E.2.c.](#), but not less than the flight time pay and flight time credit actually earned and, in any event, not less than two (2) hours minimum flight time pay and flight time credit.
11. If a pilot flies from A to B, and due to the hourly limitation set forth in this Section, must be scheduled to layover and then deadhead from B to A, such pilot may request under [Section 15.C.5.f.](#) to be permitted to deadhead home in the first duty period, and the Company may, if it chooses, permit such deadheading. However, the pilot shall be paid and credited for the scheduled second duty period in lieu of the extension of the first duty period. [See Q&A [15-6](#)]

I. Premium Pay

1. In accordance with [Section 15.L.](#), the Company may designate at any time any sequence as a premium pay sequence. Such sequence(s) will pay a premium of fifty percent (50%) over the pilot's base hourly pay rate as specified in Section 3 (total is the base rate plus fifty percent of the base rate), including international override as applicable.
2. Premium pay may be applied to an entire sequence, or portion of a sequence, as applicable in the Agreement.
3. A sequence picked-up from open time (TTS) which is designated as a premium pay sequence will have the fifty percent (50%) premium applied to all flown hours including any Pay and Credit in the sequence. A pilot pay protected for a premium pay sequence who is assigned replacement flying will be pay protected for the value of a cancelled premium

sequence at the premium rate. In the event the credited time of the replacement flying is greater than the credited value of the cancelled flying, the pilot will be paid for the additional time at the regular hourly rate.

Example: If the credited value of the cancelled sequence is 8 hours, the pilot will be pay protected for 12 hours. If the credited time of the replacement flying is 10 hours, the pilot will be paid an additional 2 hours at the regular hourly rate, for a total of 14 hours.

4. A pilot awarded or assigned a premium pay sequence will be pay protected for the scheduled value of the sequence, including the fifty percent (50%) premium.
5. A premium pay sequence that is traded to another pilot will have the premium designation removed and such sequence will be paid at the base hourly pay rate.
6. Premium pay will not apply in the event a pilot does not operate the premium sequence due to any voluntary action by the pilot, i.e calling in sick, fatigued, drops or trades the sequence to another pilot. Premium pay will apply in the event a pilot does not operate the premium sequence due to Company actions such as a reassignment, displacement, or any other Company-enacted removal. Premium pay will apply to any removal that qualifies for Sequence Protection as described in Section 4.C.
7. Recovery obligation replacement flying due to sequence cancellation and reserve assignments will be paid at regular hourly pay rates. Premium pay does not apply to such assignments.
8. Premium hours flown in the same month that a pilot uses sick leave will be offset by the number of sick hours charged. Any remaining premium hours after the offset is applied will be paid at the premium rate.
Example: A pilot uses sick leave for a 10 hours during the month. In the same month, the pilot picks up 12 hours of premium sequence(s) (12 hours credit, 18 hours pay). For the purpose of calculating the net premium pay for the month, subtract the total sick hours used from the total premium hours. In this example the pilot's premium pay for the month will be the 12 hours of premium sequence(s) reduced by the 10 sick hours used, leaving 2 hours to be paid at 1.5 X, for a total of 1 hour additional pay (13 hours total pay for the premium sequence(s)).
9. Premium hours flown will be uncredited towards a pilot's [IMAX](#), but will be applied towards FAR limitations. The pilot's PPROJ will be adjusted to include the fifty percent (50%) premium.
10. Reassignment - if a pilot is reassigned outside the footprint of the pilot's original sequence, the fifty percent (50%) premium is pay only. The pilot will be credited with the greater of scheduled or what was actually flown. The premium does not apply to any additional credits under [15.E.](#), [15.F.](#) or [15.G](#) that were generated solely as a result of the reassignment.

J. Reserve Flying

1. Definitions.
 - a. Calendar Day. For the purpose of reserve assignment system, "calendar day" means 0000 - 2400 Home Base Time (HBT), and may be redefined by mutual agreement.
 - b. Calendar Day Block. For the purpose of assignment to available reserves, open time sequences within any four-part bid-status will be grouped into the following calendar day blocks, which is inclusive of the time spent for sign-in and debrief for each sequence:
 - (1) One (1) calendar day block
 - (2) Two (2) calendar day block
 - (3) Three (3) calendar day block
 - (4) Four-plus (4+) calendar day block
 - c. Domicile Rest. For a Reserve pilot a rest period of 12-hours in duration commencing at the end of debrief following a sequence.
 - d. Long Call Duty. A Reserve duty status in which a Reserve pilot is contactable and available for assignments with a minimum of twelve (12) hours notice prior to sequence sign-in or RAP start time.

- e. Short Call Duty . A Reserve status in which a Reserve pilot is contactable and available for assignments with less than twelve (12) hours notice within the RAP they are currently assigned.
- f. Reserve Group. For the purpose of determining which reserve pilots will be required to cover existing open time in their four-part bid-status, such reserve pilots will be classified by continuous, calendar-day availability, determined as follows:
 - (1) One (1) day reserve
 - (2) Two (2) day reserve
 - (3) Three (3) day reserve
 - (4) Four plus (4+) day reserve
- g. Reserve Classification:
 - (1) Long Call Reserve pilot

A Long Call Reserve pilot is a pilot who was awarded a Long Call line as a part of the monthly line award process. Long Call Reserve pilots can only be assigned sequences or RAPs with a minimum of twelve (12) hours between assignment and sequence sign-in or RAP start time.
 - (2) Short Call Reserve pilot

A Short Call Reserve pilot is a pilot who was awarded a Short Call line as a part of the monthly line award process. Short Call Reserve pilots are normally assigned sequences within a RAP with less than twelve (12) hours between sequence assignment and sequence sign-in. A short call reserve pilot must be able to promptly report for an awarded or assigned sequence.
- h. Must fly list. For purposes of reserve assignment, must fly means a list of reserve pilots who will be required to fly an open time sequence.
- i. Total Available Hours = (85 hours) - (Planned Absence Credit); includes Vacation, Training, Union Leave
- j. Hours Remaining = (Total Available Hours - Hours Flown); Hours Flown includes all credited time (Pay and Credit)

- k. Recent Work Factor - A day worked is any day where flying or training takes place for that pilot. Days recently worked are weighted as follows; where yesterday = 1, day before yesterday = 2, etc.

Days <u>Worked</u> / <u>When</u>	Recent Work <u>Factor</u>
1,2,3,4,5	0.010
1,2,3,4	0.032
1,2,3,5	0.065
1,2,3	0.097
1,2,4,5	0.129
1,2,4	0.161
1,2,5	0.194
1,2	0.226
1,3,4,5	0.258
1,3,4	0.290
1,3,5	0.323
1,3	0.355
1,4,5	0.387
1,4	0.419
1,5	0.452
1	0.484
2,3,4,5	0.516
2,3,4	0.548
2,3	0.613
2,4,5	0.645
2,4	0.677
2,5	0.710
2	0.742
3,4,5	0.774
3,4	0.806
3,5	0.839
3	0.871
4,5	0.903
4	0.935
5	0.968
None	1.000

- l. Reserve Priority Value (RPV). For purposes of determining which reserve pilots will be selected for assignment, a Reserve Priority Value (RPV) will be calculated for each reserve pilot in the four-part bid-status. The RPV calculation for a pilot will consider the percent of that pilot's credited hours remaining in the month compared to the percent of that pilot's available days remaining in the month and the number and proximity of days worked within the previous (five) 5 days. Specifically, the equation will be:

$$\text{RPV} = ((\text{Hours Remaining}) / (\text{Total Available Hours})) / (\text{Available Days Remaining} / \text{Total Available Days}) * \text{Recent Days Worked Factor}$$
 - m. Verify / Verification. The term "verify" or "verification" means an action performed by the pilot, where required in this Section, whereby the Reserve pilot accesses Company provided information for the purpose of becoming aware of a scheduled sequence, RAP or rest period placed on the pilot's schedule by the Company. Pilots are not required to affirmatively respond to the Company when the verify/verification task is accomplished, however pilots are responsible for the assignment/award.
 - n. Contactable. The term "contactable", when used in this Section, means a Reserve pilot being available to the Company for the purpose of communicating scheduling/operational information. These communication methods include, but are not limited to electronic notification (e.g., text or email) or telephone.
2. Reserve Notification Process - Sequence / RAP / 30-Hour Rest

The following procedures describe the various responsibilities of a Reserve pilot and the Company with regard to awards, assignments, notification and verification.

a. General

To the extent possible, electronic notification and verification will be used for reserve assignments. Absent electronic notification capabilities, Crew Schedule will make first person contact for all assignments outside DOTC unless verified by other means. Awards of preferences must be verified through AVRS, Personal Mode, Crew Schedule or the Internet. In all cases, if a pilot cannot be contacted, Crew Schedule shall leave messages when possible.

b. On a Duty Free Period (DFP) or Planned Absence

- (1) A pilot has no requirement to perform any duty on a DFP or Planned Absence.
- (2) Reserve pilots may voluntarily participate in DOTC for the following day while on a DFP or Planned Absence and verify assignment between 1500-1600 HBT.

Such pilots will end up with one of the following results in DOTC:

- (a) Long Call Reserve pilot - Assigned/awarded a sequence for the next day, otherwise remain on Long Call for the next day.
- (b) Short Call Reserve pilot - Awarded/assigned a sequence or RAP for the next day (the RAP may be other than awarded on the reserve line).

c. On a Reserve Available Day

- (1) On the first reserve available day following DFP or Planned Absence:
 - (a) Long Call Reserve pilots will go on duty at 0001 HBT on first reserve available day.
 - (b) Short Call Reserve pilots will assume the RAP associated with their bid line award on first reserve available day (RAP may be changed by mutual agreement by the pilot and Crew Schedule).
- (2) Following DOTC.
 - (a) Pilots on Reserve Duty and available for flying the next day will verify awards/ assignments between 1500 and 1600 HBT.
 - (b) Reserve pilots on an FAR rest period during the period between 1500 and 1600 HBT, and available for flying the next day, upon commencement of Reserve Duty will verify any awards/assignments for the next calendar day.

- (c) Absent an award/assignment made during DOTC for the next calendar day, a Short Call Reserve pilot in a RAP will exit that current RAP on Long Call Duty.
- (3) A pilot on a sequence and available for flying the next day:
 - (a) Upon block-in, Reserve pilots shall check their activity record for awards or assignments that are for the period following Domicile Rest.
 - (b) If an assignment (sequence or RAP) has been placed on the pilot's schedule that commences after Domicile Rest the pilot is released from any duty until sign-in of the sequence or RAP start time.
 - (c) If the sequence ended prior to DOTC conclusion (1500 HBT) and no next assignment (sequence or RAP) is on a pilot's schedule, that pilot's next responsibility is to:
 - (i) Verify schedule for DOTC assignment between 1500 - 1600 HBT for the next day's assignment.
 - (ii) Absent an assignment made during DOTC, the pilot will commence Long Call Duty at the end of Domicile Rest. Pilots will verify assignments made during Domicile Rest upon commencement of Long Call Duty. Such assignments must not sign-in for a sequence, or have a RAP start time, earlier than twelve (12) hours after the end of the pilot's Domicile Rest.
 - (d) If the sequence ended after DOTC conclusion (1500 HBT) and no next assignment is on a pilot's schedule, that pilot will commence Long Call Duty at the end of Domicile Rest. Pilots will verify assignments made during Domicile Rest upon commencement of Long Call Duty. Such assignments must not sign-in for a sequence, or have a RAP start time, earlier than twelve (12) hours after the end of the pilot's Domicile Rest.
 - (e) A Reserve pilot who completes an FDP that signed-in before and operates at least 2 hours into the WOCL (0200 - 0559 HBT) who finds no next activity placed on his/her schedule at the end of that sequence shall not be assigned a RAP starting prior to 0600 HBT time the next calendar day. The earliest sequence such pilot may be assigned shall not sign-in prior to 0800 HBT the next calendar day.
- (4) A pilot completing training without a post-training DFP(s):
 - (a) Shall receive at least ten (10) hours of post-training rest at the completion of a training program (including any required deadhead) prior to resuming Reserve Duty.
 - (b) Upon completion of training or completion of post training deadhead to domicile, Reserve pilots shall check their activity record for awards or assignments that are for the period following post training rest. Such assignments:
 - (i) For a Short Call Reserve pilot - must not have a sign-in for a sequence, or have a RAP start time, earlier than ten (10) hours.
 - (ii) For a Long Call Reserve pilot - must not have a sign-in for a sequence earlier than twelve (12) hours.
 - (c) If an assignment (sequence or RAP) has been placed on the pilot's schedule that commences after post-training rest, the pilot is released from any duty until sign-in of the sequence or RAP start time.
 - (d) Absent an assignment the pilot will commence Long Call Duty at the end of post-training rest.
 - (e) Pilots will verify assignments made during post-training rest upon commencement of Long Call Duty. Such assignments must not sign-in for a sequence, or have a RAP start time, earlier than twelve (12) hours after the end of the pilot's post-training rest.
- (5) During Domicile Rest
 - A pilot:

- (a) will be contacted for award or assignment while in Domicile Rest. Pilot has no obligation to respond while in Domicile Rest. Crew Schedule will, at the time of any assignment/award, forward a message to the pilot.
 - (b) may use the preference ballot to submit preferences.
 - (c) if assigned a sequence or RAP while in Domicile Rest, that pilot's next duty commences at sign-in of the sequence or RAP start time.
 - (d) electing not to respond when on Domicile Rest will be responsible for any assignments made during Domicile Rest for which a message was forwarded.
- (6) FAR required rest periods:
- (a) If assigned a 30-hour rest period during reserve available days the Company will notify the pilot via:
 - (i) Positive contact with the pilot during a period where the pilot is on Reserve Duty, for a 30-hour rest period that will commence immediately, or
 - (ii) The verification process during 1500-1600, if applicable, for a rest period beginning at 1600 or later, or
 - (iii) Upon block-in, at the completion of a sequence, in accordance with 15.J.2.c.(3)(a) above.
 - (b) Notification for a 30-hour rest period will include:
 - (i) Commencement time of the 30 hour rest period (not retrospectively)
 - (ii) Duration of the rest period (can be greater than 30 hours)
 - (iii) Assignment or award upon completion of the 30-hour rest period, otherwise the pilot exits the 30-hour rest period on Long Call duty.
 - (c) Pilots on an FAR required rest period during 1500 – 1600 HBT:
 - (i) Short Call Reserve pilot will have been assigned/awarded, prior to the rest period, a RAP or sequence to commence at the end of required rest period, otherwise the pilot exits the rest period on Long Call Duty.
 - (ii) Long Call Reserve pilots on a rest period during the 1500-1600 period, and available for flying the next day:
 - [1] May use the Preference ballot to submit preferences.
 - [2] Will not be contacted for proffer, awards or assignments while in a required rest period.
 - [3] If a pilot is assigned a sequence or RAP, while in a required rest period, that pilot's next duty commences at sign-in of the sequence or RAP start time.
 - (iii) Short Call Reserve pilots available for flying after the conclusion of the 30-hour rest period, if given an assignment/award with a sign-in within their follow-on RAP, will be contacted for any awards/assignments within that RAP.
 - (iv) Long Call Reserve pilots available for flying after the conclusion of the 30-hour rest period, upon commencement of Reserve Duty, will verify any follow-on awards/assignments.
- d. Sick Clearance for Reserve Pilots
- (1) Short Call pilots must clear sick using first person contact with Crew Schedule.
 - (2) Long Call pilots may clear sick via AVRS, other electronic means or first person contact with Crew Schedule.
 - (3) Sick Clearance at or before 1000 HBT
 - (a) A Reserve pilot who clears sick prior to 1000 HBT will not be charged sick for that calendar day.
 - (i) Short Call Reserve pilots clearing sick:
 - [1] Accept that they have had an FAR required 10-hour rest period

immediately preceding sick clearance.

[2] Clear sick with the understanding they will be assigned:

[2.1] a RAP commencing immediately, or

[2.2] a RAP commencing no less than 10-hours after sick clearance, or

[2.3] Long Call Duty.

(ii) Long Call pilots clearing sick commence Long Call Duty.

(4) Sick Clearance between 1000 and 2359 HBT

(a) A Short Call Reserve pilot shall be charged sick for that day unless assigned (by mutual agreement) a RAP commencing immediately upon sick clearance. Absent an immediate RAP assignment the Short Call pilot will:

(i) Be assigned a RAP commencing no earlier than 1000 HBT for the following day, or

(ii) commence Long Call Duty at 0001 HBT the following day.

(b) A Long Call Reserve pilot will be charged sick for that calendar day unless awarded (by mutual agreement):

(i) a sequence commencing the same calendar day.

(ii) Long Call Duty for the remainder of the calendar day.

If not assigned in accordance with (b) above, a Long Call Reserve pilot will commence Long Call Duty at 0001 the next reserve available day.

3. Reserve Assignment.

a. General

(1) Reserve assignments made during DOTC will be available for verification no later than 1500 HBT.

(2) The reserve assignment process optimizes the assignment of reserves by matching a reserve pilot's reserve classification and days of availability with the length of the open sequences, while minimizing late-in, early-out assignment of sequences.

(3) Sequences awarded or assigned at least twelve (12) hours in advance of sequence sign-in will be made to Long Call Reserve pilots. Short Call Reserve pilots can be awarded or assigned a sequence more than twelve (12) hours in advance but only in the case where there is no Long Call Reserve pilot available to be assigned such sequence. See c. below.

(4) Reserve pilots will be selected for assignment based on a Reserve Priority Value (RPV) as described in J.1.g and J.1.h.. When assigning or awarding open sequences, reserve pilots may use the preference ballot to express preferences. The preferences shall be considered for any award or assignment where seniority is considered.

b. Reserve assignment will be made as follows:

The assignment process begins with the one (1) calendar day block. Assign one (1) day reserve pilots to open time sequences in the one (1) calendar day block (i.e., n=1) in accordance with a.(1) through a.(3) below. After completion of assignments of open time sequences in n-calendar day block, proceed to the next block (n+1) and repeat the assignment process for the next block in accordance with a.(1) through a.(3) below. For purposes of assignment, open time sequences include any sequences that were dropped into that block from a prior block.

(1) If the number of n-day reserve pilots exceeds the number of open time sequences in the n-calendar day block, the reserve pilots' RPV scores will determine which reserve pilots will be assigned to the must fly list. A reserve pilot with a higher RPV score will be assigned to the must fly list before one with a lower RPV score. Pilots will be added to the must fly list until the number of pilots on the must fly list matches the number of open time sequences.

- (a) If due to equivalent RPV scores, there are more n-day reserve pilots than needed to cover the open time sequences in the n-calendar day block, such tie will be resolved by allowing the more senior of the reserve pilots on the must fly list who are "tied" to opt-out of flying any of the open time sequences (based on individual preferences, and in seniority order), provided doing so does not prevent coverage for all open sequences in that block.
 - (b) Reserve pilots on the must fly list are assigned by order of seniority, with the most senior reserve pilot, who will be assigned an open time sequence based on preference, but only to the extent doing so does not prevent coverage of all open time sequences in the block using the reserve pilots on the list.
 - (c) If not all reserve pilots on the must fly list have indicated preferences for open time sequences, then assign remaining open time sequences on a first-in, first-out basis, but only to the extent doing so does not prevent coverage of all remaining open time sequences in the block.
 - (d) In the event not all pilots are legal and qualified for all sequences, trips may be assigned out of seniority order only to the extent that the maximum number of open time sequences is covered.
- (2) If the number of n-day reserve pilots is equal to the number of open time sequences in that block, and all open time sequences can be covered by those pilots, each pilot will be added to the must fly list.
- (a) Reserve pilots on the must fly list are assigned to open time sequences by order of seniority, with the most senior reserve pilot, who will be assigned an open time sequence based on preference, but only to the extent doing so does not prevent coverage of the maximum number of open time sequences in the block using the reserve pilots on the list.
 - (b) If not all reserve pilots on the must fly list have indicated preferences for open time sequences, then assign remaining open time sequences on a first-in, first-out basis, but only to the extent doing so does not prevent coverage of the maximum number of open time sequences in the block.
- (3) If the number of open time sequences in the n-calendar day block exceeds the number of n-day reserve pilots available, then each pilot will be added to the must fly list.
- (a) Reserve pilots on the must fly list are assigned by order of seniority, with the most senior reserve pilot, who will be assigned an open time sequence based on preference, but only to the extent doing so does not prevent coverage of the maximum number of open time sequences in the block using the reserve pilots on the list.
 - (b) If not all reserve pilots on the must fly list have indicated preferences for open time sequences, then assign remaining open time sequences on a first-in, first-out basis, but only to the extent that the maximum number of open time sequences is covered.
 - (c) In the event not all pilots are legal and qualified for all sequences, trips may be assigned out of seniority order only to the extent that the maximum number of open time sequences is covered.
 - (d) In the event open time sequences from a prior block (or blocks) have been dropped into this block, and there are not enough reserve pilots in this block to cover all open time sequences due to the inclusion of the dropped open time sequences, then (1) those dropped open time sequences from the prior block(s) will be assigned only to the extent doing so does not prevent coverage of the maximum number of original open time sequences in this block; and (2) in the event the dropped open sequences are from more than one prior block, then the dropped open sequences will be assigned in the order of the block with the highest calendar days to the block with the lowest calendar days to the extent possible. All remaining uncovered open time sequences will be dropped to the next block.

- (e) All uncovered open time sequence(s) from this block are dropped to the next block (n+1). (For example, if there are not enough 2-day reserve pilots to cover all open day sequences in the 2-calendar day block, those uncovered open time sequences are dropped to the 3-day calendar block.)
 - c. The reserve assignment process for a four-part bid-status is not complete until all blocks have been processed. In the event open time sequences still remain, Crew Schedule may:
 - (1) re-run the reserve assignment process with a modified set of open time sequences in combination with earlier steps in the open time coverage process, or
 - (2) resolve the remaining open time sequences utilizing Short Call Reserve pilots via the steps described in b.(1) through b.(3) above.
 - d. The assigned reserve pilots will be notified pursuant to [Section 15.J.2.a.](#) above, once Crew Schedule has completed and accepted the open time solution for the four-part bid-status.
 - e. Reserve Availability Periods (RAPs) will be assigned at the completion of the reserve assignment process, honoring preferences and seniority to the extent possible, and in accordance with the FAR limitations on reserve rest.
 - f. Reserve pilots in their last day of reserve availability prior to a DFP or planned absence will not have a RAP assigned that commences after 1000 HBT. Reserve pilots may, however, be awarded a RAP commencing after 1000 HBT.
 - g. A Short Call Reserve pilot who is not assigned a RAP defaults to Long Call Duty for the purpose of being assigned a RAP with 12 hours notice.
4. Long Call to Short Call Duty Conversion
- a. The Company may convert a Long Call Reserve pilot to Short Call Duty with the following provisions:
 - (1) Each conversion shall be for a single RAP.
 - (2) All conversions require, at a minimum, 12 hours notice prior to commencement of a RAP.
 - (a) Pilots converted to a RAP during DOTC will remain on Long Call Duty until twelve (12) hours prior to the commencement of the RAP.
 - (b) Pilots converted to Short Call Duty outside of DOTC are released until the commencement of the RAP.
 - (3) Long Call Reserve pilots converted to Short Call Duty during DOTC (1000 – 1500 HBT) will be awarded/assigned a RAP commencing no earlier than 0300 HBT the next day.
 - (4) Long Call Reserve pilots may use their Reserve Preference Ballot (RPB) (or future equivalent) to preference for Short Call Duty conversion award.
 - (5) The Company may award / assign Long Call Reserve to Short Call Duty conversions considering the pilot's Reserve Group (days of availability).
 - (a) Long Call Reserve to Short Call Duty award will be made by Reserve Group using seniority order.
 - (b) Long Call Reserve to Short Call Duty assignment will be made by Reserve Group in inverse seniority order.
 - (6) A Long Call Reserve pilot may be assigned to Short Call Duty no more than five (5) times per contractual month. There is no limit to the number of times a Long Call Reserve pilot may be awarded Short Call Duty.
 - (7) Each time that a Long Call Reserve pilot is converted to Short Call Duty will generate thirty (30) minutes of pay, no credit, to be paid above the greater of guarantee or PPROJ for each RAP assigned/awarded. (see Q&A [15-4](#), [15-34](#), [15-35](#))

5. A reserve pilot may be assigned reserve flying up to eighty-five (85) hours (PROJ). Voluntary flying on days off is excluded in the assignment maximum, unless approved in advance by the Company (see Section [15.C.4.a. & b.](#)).
6. Release of Reserve Pilots upon Assignment
 - except as provided for in [Section 4.C.5](#) the following will apply:
 - a. Pilots awarded trips that originate during their current RAP shall be released until sign-in.
 - b. A Reserve pilot in a RAP, who is awarded/assigned a sequence that commences more than 12 hours in the future, shall remain on call in the current RAP until the end of the current RAP, but not later than 12 hours prior to sign in for the awarded/assigned sequence. If a Short Call Reserve pilot was assigned a RAP for the next day and was subsequently assigned a sequence (with at least 12 hours notice), that pilot's next duty day commences upon sign-in of the sequence. Any pre-existing RAP is removed for that next day.
 - c. A Long Call Reserve pilot awarded/assigned a trip sequence shall remain on call until 12 hours prior to sign-in.
 - d. The following procedures shall apply when a Short Call pilot is subsequently assigned a trip originating in the current RAP after being assigned a trip outside the current RAP:
 - (1) The pilot shall only be assigned/awarded a subsequent trip sequence if the pilot is the only pilot that is qualified, legal and available.
 - (2) A pilot who is legal to fly both trips shall fly both trips and receive pay and credit for both trips.
 - (3) If the assignment makes the pilot illegal for the previously assigned trip, the trip shall be returned to open time and filled in accordance with the procedures for filling of open time contained in Section [15.L](#) of the Basic Agreement.
7. Release from Current RAP

Pilots shall be automatically released from any responsibility for duty in the current RAP after 12 hours unless released earlier in accordance with [Section 15.C.5.a\(6\)\(d\)](#) above. (If on last Reserve available day see below.) Pilots shall remain contactable until the end of the RAP. If not already otherwise assigned, the pilot shall revert to long call at the end of the RAP and remain contactable.
8. Release of Reserve Pilots preceding any DFP or other Planned Absence
 - a. Pilots on Short Call Duty in their last day of reserve availability, who have not been assigned a sequence in that RAP will be automatically released from any responsibility for further duty in the current RAP six (6) hours after commencement of the RAP.
 - b. Pilots on Long Call Duty in their last day of reserve availability, who have not been assigned a sequence by 1000 HBT will be automatically released from any responsibility for further duty at 1000 HBT.
9. Reserve Flying on Days Off
 - a. Reserve pilots may elect to fly on days off at Company option. Reference Section [15.C.4.a & b.](#) for limitations.
10. Reserve Proficiency Flying
 - a. A reserve pilot, in order to maintain proficiency, may request additional flying hours not available through the normal processing of open time. Local Flight Management, in coordination with Crew Schedule, may approve such a request and arrange such flying on a displacement basis. [See Q&A [6-2](#)]
 - b. Should such request be approved, the displaced pilot will be relieved of scheduled flying in accordance with the procedures set forth in [Section 6.D.3.](#)
 - c. For the purpose of assigning reserve flying, credit time involved in such displacement flying will not be made part of the pilot's Reserve Priority Value ([RPV](#)) for determining a low on time assignment as provided for in Section 15.J.2 above and [15.L](#) (Filling of Open Time).

11. Reserve Duty Free Periods

- a. Duty Free Periods (DFPs) for reserve pilots shall be scheduled to run from midnight to midnight.
- b. Must Have DFPs for Reserve pilots are golden DFPs awarded during the monthly Line Construction process. Each pilot may designate, during the monthly bidding process, Must Have DFPs. Must Have DFPs are subject to the following requirements and conditions:
 - (1) No more than four (4) Must Have DFPs may be awarded to a pilot per calendar year.
 - (2) Must Have DFPs may be split any way the pilot chooses (four individual days, all 4 together, 2/1/1, 2/2, etc.).
 - (3) Must Have DFPs may not be awarded which create illegalities.
 - (4) Must Have DFP awards may not reduce the number of Reserve pilots available on a particular day, in a given bid status, below the Company-designated minimum number of Reserve pilots required.
 - (5) Except to meet the requirements of (4) above, Must Have Days are awarded without regard to seniority.
 - (6) Must Have DFPs are included in the Reserve pilot's normal monthly DFPs as specified in 15.D.4.f.
 - (7) This functionality may not be in the first release of PBS.
 - (8) Must Have DFPs may not be awarded on the following "blackout" dates:
 - (a) Dec 31 – 2 January
 - (b) Friday – Monday of Super Bowl Weekend
 - (c) Thurs – Monday of Easter Weekend
 - (d) July 3 – 5
 - (e) Tues – Monday of Thanksgiving Week
 - (f) December 24 – 26
 - (g) Sat – Tues of Federal Holiday Weekends
- c. By mutual agreement between the reserve pilot and the Company, DFPs may be moved in any combination.
- d. By mutual agreement between the reserve pilot and the Company, a reserve pilot may be scheduled to fly beyond noon (1200) HBT of the first day of a DFP.
- e. By mutual agreement between the reserve pilot and the Company, a reserve pilot may move a scheduled DFP to a later date if the flying to be done is after noon (1200) HBT on the first day of such DFP.
- f. Except for a golden DFP, the Company may require a pilot to change a scheduled DFP to a later date, but only if that pilot is scheduled to fly a sequence that is scheduled to terminate at the pilot's base no later than noon (1200) HBT on the first day of the DFP involved in accordance with Section [15.L.4.f](#). This provision may be exercised by the Company no more than two (2) times during each contractual month for a reserve pilot. (Q&A #'s 66, 114, 120)
- g. A pilot's scheduled DFP may not be changed retroactively, except that a pilot may drop a DFP that has already commenced.
- h. A reserve pilot who is assigned flying into a DFP shall take the required off duty break and then commence a DFP equal to the number of days of the interrupted DFP. (Q&A [15-17](#))
- i. A pilot who is temporarily assigned to a base other than the pilot's domicile for purposes other than training will be entitled to scheduled DFPs in accordance with Section 15.D.4., except that such scheduled DFPs as are normal to the trip selection or reserve flying assignment to which such pilot is assigned will be taken at the base of temporary assignment. When such temporary assignment is for more than one (1) trip or trip

sequence but less than a full month, the DFPs will be those in the reserve flying assignment which was awarded the pilot at that pilot's base. Such pilot shall be given priority pass privileges to the pilot's base, or the American Airlines station closest to the pilot's residence, to be used at the pilot's option during any scheduled DFP for two (2) days or more taken at the base of temporary assignment.

- j. Golden DFP. A golden DFP is one during which a reserve pilot will not be involuntarily scheduled for flight assignment, company business or training. A golden DFP may be moved only with the consent of the reserve pilot. (Q&A #54)
- k. Moveable DFP. The Company may move a reserve pilot's movable DFP(s) during a contractual month under the following conditions:
 - (1) A reserve pilot shall be given notice at least twelve (12) hours prior to the start of the DFP.
 - (2) Once a DFP has begun, no moveable DFP may be appended to or removed from such DFP grouping.
 - (3) A reserve pilot shall be given notice no later than 1000 HBT if the movement of a movable DFP(s) will change that pilot's days of availability.
 - (4) If a sequence becomes available after 1000 HBT and there is no pilot available for that sequence, the Company may move a reserve pilot's movable DFP(s) in order for such pilot to fly the sequence, provided the movement of such DFP is in compliance with (1) and (2) above.
 - (5) Each movable DFP may only be moved once during a contractual month.
 - (6) A movable DFP must be placed contiguous to another DFP, and not in the middle of a sequence or during a planned absence. However, the Company may, if necessary, create only one (1) stand-alone DFP in any contractual month by the movement of a movable DFP for a reserve pilot where:
 - (a) The movable DFP was in a DFP grouping of at least three (3) days, in which case the moveable DFP may stand alone; or
 - (b) The moveable DFP was moved from being contiguous with an immovable DFP to an existing DFP, in which case the immovable DFP from the original grouping may stand alone.

12. DFP Trades.

- a. A reserve pilot may trade with another pilot an equal number of DFPs under the following conditions:
- b. Movable DFPs may not be traded.
- c. Scheduled DFPs may not be traded into or out of any planned absences, or immediately before or after a movable DFP.
- d. A multiple pilot trade that includes more than two (2) pilots is not allowed. A trade that inhibits the Company's ability to maintain a pilot's qualifications is not allowed.
- e. The trade must not result in, for either pilot, a period of seven (7) or more consecutive reserve available days, or less than four (4) consecutive reserve available days, exclusive of planned absences.
- f. The trade must be submitted to the Company as soon as possible but no later than three (3) days prior to the first day of the traded DFP.
- g. The Company will process those trades timely submitted as soon as practicable, but no later than the earlier of five (5) calendar days after submission of the trade or twenty-four (24) hours prior to the first day of the traded DFPs.

K. Fatigue Events

1. General

- a. This Section K applies to all pilots. Pilots should not commence or continue any flight segment they anticipate being unable to safely complete due to fatigue. Pilots removed

for fatigue shall be removed with a designated fatigue removal code. A pilot's decision to declare fatigue shall be accepted by the Company and the pilot will advise Crew Schedule / Tracking with the time of subsequent availability following rest.

- b. The Company and the Association agree to jointly monitor the use of fatigue through the Fatigue Risk Management System (FRMS), in a cooperative effort of the Fatigue Risk Management Department, Chief Pilots and the Association's Professional Standards and Flight Time / Duty Time Committees. In the event a review indicates a suspected misuse or abuse, nothing in this Section K. shall abrogate the rights of either party pursuant to the Basic Agreement.
- c. The Company shall provide a reasonable amount of Company paid Union Leave to pilots directly involved in the FRMS, as determined by the Managing Director, Corporate Safety or designee.

2. Definitions and Functions

a. Fatigue Risk Analysis Team (FRAT):

The FRAT shall be comprised of AA FRMS Staff. The FRAT will be supplemented by a member of the APA Flight Time / Duty Time Committee. All FRAT members will be provided the appropriate fatigue training by the Company. The routine day to day functions of the FRAT will be handled by the FRMS Staff, with periodic assistance from the APA representative in a collaborative and advisory capacity.

b. Fatigue Event Review Team (FERT):

The FERT shall consist of the Chief Pilot, Line Operations, the Senior Manager, FRMS and the Association Flight Time / Duty Time Chairman or other representative designated by the Association. All members of the FERT will be provided the appropriate, and mutually agreed upon, fatigue training by the Company. The FERT will review de-identified pilot fatigue occurrences referred by the FRAT, for either further action by APA Professional Standards Committee or referral outside the Professional Standards process for an independent review. The FERT will make every attempt to reach a consensus. If a consensus cannot be reached, then the Chief Pilot of Line Operations or his designee will have the final decision on any reviews affecting pay and /or any event the FERT determines involves apparent misuse of the policy.

c. Fatigue Review Committee (FRC):

The FRC consists of fatigue stakeholders from both the Company and the APA who meet monthly to review summary reports, trends and recommendations provided by the FRAT. The FRC reviews systemic or operational causes of fatigue and oversees implementation of corrective measures. The FRC follows up with relevant departments and ensures compliance with previously requested corrective measures and elevates risk items as required through the Safety Management System (SMS).

d. Memorandum of Understanding (MOU):

The Company and the Association shall define details of the FRMS program and Association participation as well as the Fatigue Removal Event review process in an MOU.

3. Pilots shall be paid for time lost due to a fatigue subject to the following procedures:

- a. Any removal from duty or availability due to fatigue shall be termed a Fatigue Removal Event (FRE).
- b. Pilots are required to file a Fatigue Report for any FRE within 48 hours of the event or, if mid-sequence, 48 hours of return to base, providing details relevant to the fatigue call.
- c. All FREs for lineholders and reserve pilots shall be reviewed by the Fatigue Risk Analysis Team (FRAT) for appropriate use of the fatigue policy, including the length of the rest period requested by the pilot.
- d. The FERT shall review Fatigue Removal Events involving possible inappropriate use of the fatigue policy as determined by the Fatigue Review Analysis Team (FRAT).

- e. Lineholders shall be pay protected for the value of their sequence at the time a fatigue event occurs. Pay will be the greater of the original sequence value or what the pilot actually flies.
 - f. Pilots shall not be pay protected for any additional flying assigned (not part of the pilot's sequence) when declaring fatigue at the time of such assignment.
 - g. PROJ shall be reduced by the amount of any time lost as the result of a fatigue event.
 - h. When a fatigue event is the result of a non-operational matter beyond the control of the pilot or is of a personal nature, the pilot should contact their Chief Pilot or the Chief Pilot on Duty for an EO.
 - i. Any decision affecting pay following a review based on the procedures herein shall be the decision of the Base Chief Pilot.
4. Reserve Pilots - On Call
- a. When a reserve pilot declines a flight or reserve assignment due to fatigue, the pilot shall advise Crew Schedule and include an estimated time that he/she will be sufficiently rested and available for duty. At that time, the reserve pilot may be placed on a RAP subsequent to the established available time.
 - b. Crew Schedule shall not contact the pilot for any subsequent assignments until after the estimated clear time. Crew Schedule may assign the pilot to any RAP or sequence for which the pilot is legal, following the normal process for the filling of open time, once the pilot has provided notification that he/she is available for duty.
 - c. At the time of the fatigue call, a reserve pilot's guarantee will not be reduced.
5. All Pilots - Mid-Sequence Fatigue
- a. Pilots who have commenced (signed in for) a sequence and who determine that they cannot safely continue due to fatigue shall advise Crew Tracking. Once advised, Crew Tracking shall, if not releasing the pilot at home base, choose one of the following four options under which the pilot may be rescheduled:
 - (1) Deadhead the pilot to base in the same duty period, if legal, or, when not legal, if it is mutually agreeable in keeping with current procedures.
 - (2) Deadhead the pilot to base following the completion of a rest period.
 - (3) Following rest, assign the pilot to any portion of the original sequence.
 - (4) Following rest, assign the pilot to any other flying within the footprint of the original sequence (return to home base by the scheduled end of the original sequence). This in no way prohibits Crew Tracking from reassigning a pilot following the rest period
 - b. Any assignment other than the above four options shall be considered a reassignment.
 - c. The rescheduling of a pilot to any one of the four options above is at the discretion of Crew Tracking. However, reasonable consideration will be given to rescheduling a pilot back on their original sequence if practical, or, to equivalent flying within the footprint of the original sequence.
 - d. An election by Crew Tracking to deadhead a pilot back to base in the same duty period (option (1) above) must be made at the time the pilot declares fatigue. If Crew Tracking does not elect option (1) at the time the pilot declares fatigue, it must decide on one of the other three (3) options by the end of the pilot's rest period.
 - e. The pilot shall not be contacted during the rest period except for delay or cancellation information.
 - f. The rest period following a fatigue call shall be ten (10) hours, and may be increased beyond ten (10) hours at the Company's option or if the pilot requests more time to obtain sufficient rest. In the event the pilot requests additional rest beyond ten (10) hours and is subsequently deadheaded to home base at the completion of the rest period, the calculation for compensation and expense purposes shall be based on the first available deadhead following a ten (10) hour rest period.

6. All Pilots - Fatigue Prior to Sign-in for a Scheduled Sequence
 - a. Pilots who have not signed in for a scheduled sequence and who anticipate being unable to safely operate due to fatigue must advise Crew Schedule. The pilot shall be removed from the initial flight segment for Fatigue.
 - b. If, in the pilot's judgment, such fatigue is the result of a non-operational event beyond the control of the pilot or is of a personal nature, the pilot should contact the Chief Pilot on Duty for an EO.
 - c. Subsequent availability shall be based upon the time that is needed to obtain adequate rest, which shall be provided by the pilot at the time of the fatigue call. Following rest, the pilot may be assigned to:
 - (1) Any portion of the original sequence for regularly scheduled pilots.
 - (2) Any other flying within the footprint of the original sequence (return to home base by the scheduled end of the original sequence) for regularly scheduled pilots.
 - d. Any assignment beyond the end of the original sequence footprint other than the first available flight to base shall be considered a reassignment for regularly scheduled pilots.
 - e. Reserve pilots shall be handled as described in paragraphs 4. and 9. of this Section 15.K.
7. Any replacement flying assigned that extends beyond the footprint of the original sequence (or sequence at the time of the fatigue event if different) shall be handled as a reassignment and paid according to the reassignment provisions.
8. Sequence protection provisions shall apply when the scheduling of any assignment other than the original sequence as in 4. above results in a contractual or FAR illegality for any subsequent sequence on a pilot's schedule at the time of the assignment.
9. A reserve pilot who calls in fatigued after sign in but prior to departure on the first leg of a sequence shall be paid based on the time spent on duty prior to the fatigue call. Such event and resultant pay is subject to review within the FRMS and Fatigue Policy as outlined above.
10. When a pilot declares fatigue:
 - a. The identifying information in the report shall remain confidential and available only to the FRAT unless indicated otherwise by the pilot. When unusual circumstances or information contained in the Fatigue Report indicate cause for immediate concern, such situation may be discussed between the FRMS Manager and the APA FERT member to establish an agreed course of action.
 - b. Fatigue Reports and Information Slips will be forwarded to the FRAT for analysis of the fatigue event. The FRAT will classify each event depending on the likelihood of fatigue and fatigue risk, store the information in the fatigue database and recommend follow up action as appropriate to the FRC or FERT.
 - c. The Fatigue Removal Event (FRE) procedures and subsequent reviews will be governed by the process outlined herein and in the FRMS MOU.

L. Filling of Open Time

1. The Company may at its option identify and award any sequence at any time in the process as one that pays premium pay.
2. The Filling of Open Time shall be handled as much as practical via an automated process (e.g. TTS, preference ballot, text messaging for Aggressive Pick-Up) to award open sequences.
3. Filling of Open Time - Basic Rules
 - a. 08:00 home base time (HBT) - sick removals and sequences placed into open time.
 - b. 10:00 HBT - Begin Filling of Open Time for any open flying for the next day.
 - c. A pilot must be qualified, legal and available (QLA) to be awarded / assigned open time.

- d. Unless a Reserve pilot is the only QLA pilot, Reserve pilots awarded/assigned FDPs will be buffered with thirty (30) minutes from FAR 117 FDP limitations measured from the beginning of a pilot's scheduled RAP if on Short Call Duty, or from the sequence sign-in if on Long Call Duty. This provision may be waived with pilot consent.
- e. To the extent possible the Filling of Open Time should be completed no later than 1500 HBT however, the intent is to complete DOTC by 1300 HBT, or earlier. In accordance with Section 15.J.2, reserve assignments made during DOTC will be available for verification no later than 1500 HBT

Note: The times in 3.a., b., and d. may be modified by mutual agreement between the Company and the JSC.

4. Filling of Open Time - Order

- a. Sequence Protection Recovery pilots in accordance with the provisions of Section 4.C.4.
- b. Aggressive Pick-up - Within three (3) hours of scheduled or rescheduled departure Aggressive Pick-up is open on a first-come, first-served basis via a mutually agreed upon process for in base and out of base pilots, including at Company option, reserve pilots on DFPs. DFP will not be replaced. Aggressive Pick-up pilots are required to make an on time departure.
 - (1) If unable to make scheduled sign in, pilot must advise Crew Schedule of an expected sign in time that is consistent with an on time departure. In the event the pilot is unable to make an on time departure, the Company has the option to replace the Aggressive Pick-up pilot, in which case the pilot will be handled in accordance with the Commuter Policy.
- c. Pick-up in Base
 - (1) Regular Pick-up, in Division, including, at Company option, eligible reserve pilots volunteering to fly on, into or out of a DFP. DFP will not be replaced.
 - (2) Regular Pick-up, opposite Division, including, at Company option, eligible reserve pilots volunteering to fly on, into or out of a DFP. DFP will not be replaced. [See Q&A [15-33](#)]
 - (3) At Company Option: Pick-up with conflict, in Division first, then in the opposite Division.
 - (4) At Company Option: Greater of Pick-up with conflict, in Division first, then in the opposite Division.
- d. Pick-up out of Base
 - (1) Regular Pick-up, in Division, including, at Company option, eligible reserve pilots volunteering to fly on, into or out of a DFP. DFP will not be replaced.
 - (2) Regular Pick-up, opposite Division, including, at Company option, eligible reserve pilots volunteering to fly on, into or out of a DFP. DFP will not be replaced.
 - (3) At Company Option: Pick-up with conflict, in Division first, then in the opposite Division.
 - (4) At Company Option: Greater of Pick-up with conflict, in Division first, then in the opposite Division.
 - (5) Pay, credit and legalities in (1) through (4) above apply as if flown by in base pilot.
- e. At Company option, Crew Schedule may split or transfer sequences and/or reallocate flight legs and commence again, following steps a. through d. above.
- f. Reserve Assignment/Award
 - (1) Long Call Reserve Pilots

Sequences awarded or assigned at least twelve (12) hours in advance of sequence sign-in will be made to Long Call Reserve pilots except as provided for in (b) below.

 - (a) The Company shall select, at its option, one or more of the following categories in (i) through (vi) below. The pilots in the selected categories will be considered in a single pool for the purposes of this Section [15.L.4.f](#). From this single pool of

pilots, reserve assignments/awards will be prioritized in the following order: Block, [RPV](#) and Seniority in accordance with Section 15.J.3.

- (i) In Division, assign to a reserve without a DFP conflict.
 - (ii) In opposite Division, award to a reserve without a DFP conflict.
 - (iii) In opposite Division, assign to a reserve without a DFP conflict. If an International Division reserve is assigned to a sequence in the Domestic Division, International override will be paid for that sequence.
 - (iv) In Division, assign to a reserve flying into a DFP (up to 1200 HBT).
- (b) Short Call Reserve pilots may be awarded or assigned a sequence more than twelve (12) hours in advance as follows:
- (i) If there is no Long Call Reserve pilot available to be assigned such sequence.
 - (ii) In such case the Short Call Reserve pilot(s) will be selected based on RPV and shall be included in the single pool described in Section 15.L.4.f.(1).(a).
- (2) Sequences with less than 12 hours until sign-in will be awarded/assigned to pilots on Short Call Duty.
- (a) The Company shall select, at its option, one or more of the following categories in (i) through (vi) below. The pilots in the selected categories will be considered in a single pool for the purposes of this Section 15.L.4.f.(2).(a). From this single pool of pilots, reserve assignments/awards will be prioritized in the following order: Block, RPV and Seniority in accordance with Section 15.J.3.
 - (i) In Division, assign to a reserve without a DFP conflict.
 - (ii) In opposite Division, award to a reserve without a DFP conflict.
 - (iii) In opposite Division, assign to a reserve without a DFP conflict. If an International reserve is assigned to a sequence in the Domestic Division, International override will be paid for that sequence.
 - (iv) In Division, assign to a reserve flying into a DFP (up to 1200 HBT).

NOTE: Prior to proceeding to steps (g) through (i) below, all remaining open time must have been offered as premium flying in steps (b) through (d).

- g. Company option to use a CKA, Flight Test or Management pilot.
 - h. Inverse Assign (reserve pilot) in Division, then in opposite Division (premium pay (and flight time credit) paid above guarantee for flying on days off or premium pay with conflict for flying that conflicts with next month sequence, whichever is applicable).
5. Inverse Assign (regular pilot) in Division, then in opposite Division (premium pay, or premium pay with conflict, whichever is applicable).
6. At Company option, the filling of open time processes in 4. above may be bypassed to permit a qualified and legal pilot, who is in position, to be awarded an open time segment(s). Such pilot will be paid, but not credited for the greater of scheduled or actual for the segment(s) actually flown. When the company avails itself of this option, a sequence must be created which would have otherwise resolved the open segment(s) and be awarded, or assigned, to a pilot via the processes of 4. above. The pilot who is awarded, or assigned, such created sequence shall be displaced from such sequence and will be paid and credited for the value of the created sequence.
7. General rules to be followed for the coverage of open time shall include, but not be limited to, the following:
- a. Pilots awarded or assigned open time must be qualified, legal and available in respect to all limitations required by the FAA and by this Agreement. However, in accordance with Section 5.I., scheduled flying, not actually performed, for which flight time credit is applied, shall have no effect on pilots' legality for other flying. [See Q&A #9, #13, [15-2](#)]
 - b. In accordance with Section [15.L.4.](#), a pilot may volunteer for pick-up flying in Division, or in the opposite Division up to that individual pilot's [IMAX](#) or the Company designated pick-

up maximum for that pilot's particular bid status (whichever is lower). This calculation is measured against the pilot's projection (PROJ). [See Q&A #117]

- c. Pilots may not pick up open time that would create a conflict with any sequence in their monthly schedule unless such transaction is permitted by the TTS or Crew Schedule.
 - d. Lineholders may move a duty free period, if such movement is accomplished prior to the start of such duty free period. Furthermore, a lineholder may voluntarily drop any duty free period during the course of a contractual month including a duty free period that has already commenced. [See Q&A [15-31](#)]
 - e. Pilots who desire open flying time are restricted to the category in which they are serving at that time (e.g., captain not allowed to make up as a first officer).
 - f. Pilots who desire to pick-up open flying time must make proper notification via the mechanisms provided. (e.g. a TTS preference ballot, or other established means.)
8. Crew Schedule Errors
- a. If a lineholder is inadvertently bypassed for pick-up flying, the pilot will be protected for the original scheduled value of the bypassed sequence, provided the pilot promptly notifies the Company and is available for replacement flying in accordance with the Sequence Protection recovery obligations found in Section 4.C.
 - b. If a reserve pilot is assigned a trip sequence of lesser value than one which should have been assigned as a result of a seniority based preference (within the reserve assignment process), the difference in the credited value of the two trip sequences will be immediately added to the pilot's PROJ. At the end of the month, the difference in the pay value of the two trip sequences will be added to the reserve pilot's pay projection (PPROJ).

M. Temporary Assignment/Temporary Duty

1. Full Month Temporary Assignment Within a Base
 - a. If there is a temporary shortage of pilots in a bid status, the Company may create a temporary vacancy and make it available only to those currently qualified and available pilots in the opposite division in the same category, equipment and base.
 - b. Such temporary vacancy may only be bid by pilots in the opposite division in the same category, equipment and base, and the vacancy shall be awarded to the senior such bidder who is currently qualified and available to fill the vacancy.
 - c. In the event such temporary vacancy is not filled by the voluntary selection of a currently qualified and available pilot in the opposite division in the same category, equipment and base, such vacancy shall be filled by the assignment, in reverse order of system seniority, of a currently qualified and available pilot in such bid status. A pilot so assigned will be pay protected on the trip selection that the pilot could have held.
 - d. A pilot assigned in accordance with c. above who does not reside at the base shall receive the following:
 - (1) Priority transportation between the base and the American Airlines station nearest the pilot's residence.
 - (2) Expenses in accordance with [Section 7.B.2.](#) of the Basic Agreement during the assignment, except that the payment of such expenses will commence with the pilot's first flying assignment or day of reserve availability/make-up and continue through the pilot's last flying assignment or day of reserve availability/make-up. However, any time a pilot elects to leave the base while not assigned to fly or be available as a reserve shall not be compensable.
 - (3) A hotel room at Company expense during the assignment within the following parameters:
 - (a) A pilot holding a reserve selection will be eligible for a hotel room beginning the night before the pilot's first day of reserve availability and continuing through the pilot's last day of availability.

- (b) A pilot holding a regular trip selection will be eligible for a hotel room the night before and after a flying assignment and during any duty free periods and days off during which the pilot elects to remain at the base prior to the completion of such pilot's last scheduled trip sequence. For a pilot who desires make-up flying, a hotel room will be provided for additional days if authorized by a Chief Pilot.
- e. In the event a pilot in the International Division is assigned to the Domestic Division as provided in paragraph c. above, the Domestic Sequences performed by such pilot shall be paid at International rates of pay.
 - f. If a temporary vacancy in the same bid status is filled for two (2) consecutive months under the provisions of paragraph M.1., except under the provisions of [Section 9.C.2.d.](#), a permanent vacancy in the appropriate bid status shall be made available in the next bid award process in the following order
 - (1) to pilots in the opposite division in the same category, equipment and base, provided the awarding of such vacancy does not create a subsequent vacancy, then
 - (2) if not filled per (1) above, in system seniority to all pilots.
 - g. The number of vacancies which may be filled under paragraph M.1. shall not be limited.
 - h. Pilots awarded/assigned temporary vacancies in accordance with provision M.1., shall exercise system seniority among the pilots regularly assigned to the bid status to which they are temporarily assigned for the purposes of bidding trip selections and filling open time.
2. Full Month Temporary Assignment Between Bases
- a. If there is a temporary shortage of pilots in a bid status, the Company may create a temporary vacancy and make it available only to those pilots at another base, in the same category and equipment, who are currently qualified and available.
 - b. Such temporary vacancy may only be bid by pilots in the bid status to which it is made available, and the vacancy shall be awarded to the senior such bidder who is currently qualified and available to fill the vacancy.
 - c. In the event such temporary vacancy is not filled by the voluntary selection of a currently qualified and available pilot, such vacancy shall be filled by the assignment, in reverse order of system seniority, of a currently qualified and available pilot in the appropriate bid status. A pilot so assigned will be pay protected on the trip selection that the pilot could have held.
 - d. In the event a pilot in the International Division pilot is assigned to the Domestic Division as provided in paragraph c. above, the Domestic Sequences performed by such pilot shall be paid at International rates of pay.
 - e. If a temporary vacancy in the same bid status is filled for two (2) consecutive months under the provisions of paragraph M.2., except under the provisions of [Section 9.C.2.d.](#), a permanent vacancy in the appropriate bid status shall be made available in the next bid award process. The awarding of such vacancy shall be made in accordance with [Section 17](#).
 - f. The number of vacancies which may be filled under paragraph M.2. shall not be limited.
 - g. Pilots awarded/assigned temporary vacancies in accordance with provision M.2., shall exercise system seniority for the purposes of bidding trip selections and filling open time.
 - h. Pilots awarded/assigned a temporary assignment in accordance with provision M.2., will be allowed expenses while away from their regular base in accordance with [Section 7](#).
3. Vacancy Obligation
- a. In the event the provisions of paragraphs M.1. and M.2. are utilized for two (2) consecutive months for the purpose of filling a temporary vacancy in the same bid status, except under the provisions of [Section 9.C.2.d.](#), and such temporary vacancy is required in the third (3rd) consecutive month, a permanent vacancy in the appropriate bid status shall be made available in the next bid award process.

- b. Such permanent vacancy shall be awarded or assigned as provided in M.1.f. or M.2.e. as determined by the manner in which such temporary vacancy was filled in two (2) of the three (3) consecutive months.
4. Less Than a Full Month Temporary Assignment Between Bases
- a. During the course of a contractual month, the Company may proffer and then assign reserve pilots to temporary assignments at another base for the coverage of reserve flying, in accordance with [15.L.](#) in the procedures for the filling of open time.
 - (1) For temporary assignments of twenty (20) days or less, only pilots who are available for the entire period of the temporary assignment may be proffered or assigned.
 - (2) For temporary assignments of more than twenty (20) days, pilots who have a planned absence of not more than five (5) consecutive days during the period of the temporary assignment shall be proffered or assigned, in addition to pilots who are available for the entire period of the temporary assignment.
 - b. The provisions of 7. below shall apply to deadheads to or from the base of temporary duty.
 - c. Pilots who are not returned to their base when legal to do so after the completion of a trip sequence at the base to which temporarily assigned, will be considered to be on temporary assignment at such base.
 - d. The number of temporary assignments permitted under paragraph M.4. shall not be limited.
 - e. Pilots awarded/assigned temporary vacancies in accordance with provision M.4., shall exercise system seniority for the purposes of bidding trip selections and filling open time.
 - f. Pilots awarded/assigned a temporary assignment in accordance with provision M.4., will be allowed expenses while away from their regular base in accordance with Section 7.
5. Temporary Duty - One Trip Sequence Only
- a. When during the course of a contractual month, it becomes necessary to provide an additional pilot from another base for the coverage of not more than one (1) trip sequence, the Company shall follow the procedures outlined in Section [15.L.](#).
 - b. Such pilots will receive the flight time pay and flight time credit, including deadheading, for the trip sequence which is being covered. Such pilots shall be covered under the provisions of Section [15.E.](#), [15.F.](#) and [15.G.](#) from the time they leave their base until they return to their base.
 - c. Such pilots will receive expenses while away from their base in accordance with Section 7. of this Agreement.
 - d. The number of temporary duty assignments permitted under paragraph M.5. shall not be limited.
6. Limitations On Temporary Assignments
- A pilot may be assigned under the provisions of M.2. and/or M.4. of this Section, provided, however, such pilot may not be assigned in excess of one (1) month in any twelve (12) month period unless all pilots who have been subject to such assignment have been assigned once.
7. Temporary Duty Assigned - Deadheading
- a. Pilots assigned a full or partial month temporary assignment (TDY) between bases, in accordance with Section [15.M.2.](#) or [15.M.4.](#), shall have their PPROJ credited for the deadhead to and the deadhead from the base to which they are temporarily assigned.
 - b. If the deadhead to or from the assigned TDY base is not scheduled in conjunction with a flying assignment:
 - (1) The pilot's PPROJ shall be credited with the value of the average day, as provided in Section [15.G.](#), or the scheduled time of the deadhead, whichever is greater.
 - (2) The pilot's expenses for the TDY assignment, as provided in [Section 7.B.2.](#), shall begin at the scheduled departure time of the deadhead to the assigned TDY base and end at the scheduled arrival time of the deadhead from the assigned TDY base.

- c. If the deadhead to or from the assigned TDY base is scheduled in conjunction with a flying assignment:
 - (1) The pilot's PPROJ shall be credited with the value of the minimum day, as provided in Section [15.G.](#), or the scheduled time of the deadhead, whichever is greater.
 - (2) The pilot's on duty period shall be based on the flying assignment and the scheduled time for the deadhead combined.
 - (3) The pilot's expenses for the TDY assignment, as provided in [Section 7.B.2.](#), shall begin at the scheduled departure time of the deadhead to the assigned TDY base and end at the scheduled arrival time of the deadhead from the assigned TDY base.
 - (4) The computation of credited time for the flying assignment (Section [15.E.](#) and [F.](#)) will be based on the flying assignment, including report and debrief, not including the deadhead.
- d. Options for TDY Deadheads.
 - (1) A pilot scheduled to deadhead to a TDY base in conjunction with a flying assignment, or a reserve pilot scheduled to deadhead on a day of reserve availability, or a pilot who would otherwise be removed from a scheduled sequence at a TDY base because a deadhead could not be scheduled in compliance with the Basic Agreement, may not be assigned but at such pilot's option may elect to deadhead to the TDY base on the previous day, which may be a duty free period, an unscheduled day, a day of scheduled flying, or a day of reserve availability, and may also be the last day of the previous contractual month, provided such deadhead does not conflict with the pilot's scheduled flying or reserve availability on such day. In such case:
 - (a) The pilot's PPROJ shall be credited with the value of the average day, as provided in Section [15.G.](#), or the scheduled time of the deadhead, whichever is greater.
 - (b) The pilot shall be provided a hotel room.
 - (c) The pilot's expenses for the TDY assignment shall begin at the scheduled departure time of the actual deadhead.
 - (d) The only contractual requirement for performing the deadhead is to receive the minimum rest, as provided in Section [15.C.5.](#), prior to such pilot's next flying assignment.
 - (2) The provisions of d.(1) above shall also apply if a pilot, who is assigned a TDY and who holds a regular scheduled trip selection at the TDY base, elects to report to the TDY base earlier in the month than required in order to be available for additional flying.
 - (3) A pilot scheduled to return from a TDY on a deadhead to base in conjunction with a flying assignment may elect to deadhead the following day. In such case:
 - (a) The pilot's PPROJ shall be credited with the value of the minimum day, as provided in Section [15.G.](#), or the scheduled time of the originally scheduled deadhead, whichever is greater.
 - (b) The pilot shall be provided a hotel room.
 - (c) The pilot's expenses for the TDY assignment shall end at the scheduled arrival time of the actual deadhead.
- e. A pilot may be proffered, assigned, or reassigned to fly a trip sequence which would cause a double deadhead. A double deadhead is defined as:
 - (1) A normal deadhead to report to the TDY base at the beginning of the month followed by a trip sequence the first leg of which has a deadhead back to the pilot's home base; or
 - (2) A last trip sequence of the month the last leg of which is a deadhead from the pilot's home base to the TDY base followed by a normal deadhead to return from the TDY base to the pilot's home base at the end of the month.

Such pilot may elect to fly or not fly such double deadhead. If the pilot elects not to deadhead, such pilot will assume the legality of the sequence deadhead but not the

deadhead to report to/from the TDY base. In all cases, the pilot shall be paid and credited for the scheduled sequence deadhead and additionally such pilot's PPROJ shall be credited according to the provisions of M.7. for the deadhead to/from the TDY base.

- f. In the unusual circumstances where a pilot is assigned a full or partial month TDY for two or more consecutive months, the provisions in M.7. shall apply to each month as a separate TDY assignment.
 - g. In the event a pilot assigned temporary duty, in accordance with Section 15.M.5., is extended by assignment or reassignment for any reason and is thereby assigned a partial month TDY in accordance with Section 15.M.4.c., the pilot's sequence shall be reconstructed so that the provisions of M.7. apply and the actual deadhead time from the sequence will be subtracted from the pilot's pay and credit.
8. Temporary Duty Lodging
- A pilot on temporary duty, in accordance with the provisions of Section 15.M., who is eligible for a hotel, other than a pilot on temporary duty for one trip sequence only (Section 15.M.5.), shall be provided lodging in accordance with Section 7.

N. Reassignments

1. Reassignment occurs if a regularly scheduled pilot is legal in all respects for such pilot's next regularly scheduled flight(s) or sequence(s), but instead is assigned by the Company to perform other flying in lieu of such pilot's regularly scheduled flight(s) or sequence(s). The sequence footprint is the originally scheduled flight departure (OUT) time on the first day of the sequence to the end of the originally scheduled flight termination (IN) time on the last day of the sequence, as defined in [Section 4.C.2.e.](#) [See Q&A 142]
2. A pilot reassigned shall be paid and credited the greater of;
 - a. the value of the original sequence, or
 - b. the value of the reassignment sequence.
3. In addition to 2. above, when a pilot is reassigned to flying that resides outside of the originally scheduled sequence footprint that pilot shall also receive a premium of:
 - a. pay, no credit, at a rate of one-half (50 percent) times the pilot's hourly base pay rate for that time flown outside of the footprint of the pilot's regularly scheduled sequence footprint.
 - b. Any additional flight time pay and credit associated with paragraphs [E.](#), [F.](#) or [G](#) that was generated as a result of the reassignment outside the original sequence footprint does not qualify for the premium described in a. above.
4. A pilot reassigned above the pilot's Individual Monthly Maximum ([IMAX](#)) or the [Company Limit on Voluntary Flying](#), if applicable, shall be paid at a rate of 1.5 times the pilot's hourly base pay rate for time above the IMAX, or the Company Limit on Voluntary Flying, if applicable (which shall not be cumulative with the payment in Section 15.N.3).
5. A pilot who was reassigned above his [IMAX](#) or the [Company Limit on Voluntary Flying](#), if applicable, will have his credited projection (PROJ) reduced to or below his IMAX or the Company Limit on Voluntary Flying, if applicable, in accordance with the following:
 - a. Remove the pilot with pay, but no credit, from one or more whole sequences.
 - b. Remove the pilot with pay, but no credit, from a portion of a sequence, provided that the removal must be from the beginning or end of the sequence, (i.e., no mid-sequence removals.)
 - c. Following the completion of the reassignment, if the pilot has no other scheduled flying remaining in the current month, reduce the pilot's PROJ in the following contractual month by following step 5.a. and/or 5.b. above.
 - d. When reducing the pilot's PROJ in the current month, such reduction shall occur within 24-hours of the conclusion (debrief) of the reassignment sequence.

- e. When reducing the pilot's PROJ in the next month, such reduction shall occur within 24-hours of the conclusion (debrief) of the reassignment sequence or the 25th of the current month, whichever is later.

O. Substitution of Equipment

Substitution of Equipment is defined as the substitution of aircraft to a type that is different from the pilot's current bid status and/or for which the pilot is not qualified to fly. A pilot whose regular trip or trip sequence becomes subject to a Substitution of Equipment will be pay protected in accordance with the pay provisions of [Section 4](#). The pilot's Replacement Flying Window in the event of a Substitution of Equipment will be the Sequence Footprint, as defined in [Section 4.C.2.e](#).

P. Trip Trade System (TTS)

1. The current Trip Trade with Open Time (TTOT) and Schedule Enhancement Period (SEP) system will be replaced with a new Trip Trade System (TTS).
2. The TTS shall be developed by the Company, with APA oversight from the TTS Development sub-committee. The new system will be based upon the "proof-of-concept" that was completed in 2011 by the Company with the participation of APA.
3. Desired features of the new system to be included in the Requirements Document are:
 - a. Honor Seniority in turn (as defined in the proof-of-concept, or modified by mutual agreement)
 - b. Comply with FAR/CBA/Qualification Limitations
 - (1) Legalities based upon [FAR 117](#)
 - (2) Buffers defined by mutual agreement between the Company and APA, and consistent with buffers defined under [PBS](#)
 - c. Trip Trade System acts as an agent to complete the following types of trades:
 - (1) Multiple pilot trades
 - (2) Conditional (if then ballot)
 - (3) Pick-up, trade or drop with other pilots or open time (subject to Company control of open time)
 - d. The capability for pilots to execute manual trades.
 - e. A preference ballot which will:
 - (1) Contain pilot preferences for trip trades, drops and pick-ups;
 - (2) Be updatable at any time.
 - f. Reviewable reporting with transparency
 - g. Communication
 - (1) Variable mediums (email, text messaging, phone)
 - (2) Robust (automated phone contact)
 - h. TTS will run on a schedule mutually agreed to by the Association and the Company.

4. The full development of a new TTS will be phased in order to provide value as quickly as possible and to provide time for integration of ballot functionality with other systems (primarily, [PBS](#) and DOTC).
5. Phase 1 will focus on multiple pilot trading on a daily (or more frequent basis) prior to DOTC. This was the focus of the proof-of-concept. Communication requirements should be minimal in this phase.
6. Work will begin no later than 2 months after a contract has been signed for [PBS](#). Development time will be dependent upon the complexity of requirements and the availability of resources. The initial target for implementation is 1Q14 (post-PBS and post-FAR 117 implementation). An updated target date will be anticipated at start-of-work + 2 months.
7. Subsequent phases will integrate Phase 1 functionality with processes that control trip-trading much closer to departure time (i.e., DOTC and real-time)

Q. Section 15 Questions and Answers

- 15-1. Q. *At what time is a pilot legal to report for a pick-up sequence following displacement?*
- A. (1) If the pilot was displaced from a Domestic Sequence it is legal to report 15 minutes after the scheduled arrival of the trip from which displaced.
- (2) If the pilot was displaced from an International Sequence it is legal to report 30 minutes after the scheduled arrival of the trip from which displaced.
- 15-2. Q. *When removed from a trip sequence, under what circumstances does a pilot not have to be "paper legal"?*
- A. A pilot relieved from flying duties shall not assume the legality of a sequence(s) from which removed for the purpose of F.A.R. limitations or rest provisions of the Agreement except when deadheading to base earlier than scheduled in accordance with Section 15.C.5.f and 15.H.11. (removal code RA/AA).
- If a pilot performs flying following the sequence from which removed under this provision, the actual on-duty period may not begin until after the scheduled debrief time associated with the sequence from which removed.
- In the event that a pilot performs flying prior to the sequence from which removed under this provision, the debrief period associated with such sequence must be scheduled to be completed prior to the scheduled sign-in associated with the sequence from which removed.
- 15-3. Q. *May the thirty minute (:30) report for deadhead be extended as a result of an operational necessity?*
- A. Yes, with proper notification, pilots may be required to report in excess of thirty minutes (:30) and the on-duty period shall be adjusted accordingly.
- 15-4. Q. *A Long Call Reserve pilot is converted to Short Call Reserve Duty and assigned a RAP. During the RAP the pilot is assigned/awarded a sequence. Is this pilot still entitled to the 30 minutes (:30) of conversion pay?*
- A. Yes. The conversion pay is paid above the greater of guarantee or PPROJ for each RAP assigned/awarded and cannot be offset by the assigned/awarded sequence.
- 15-5. Q. *What is the required debrief for an International Division pilot at the completion of a Domestic Sequence?*
- A. The required debrief is fifteen (15) minutes.

15-6. Q. *If a pilot is scheduled to fly out and deadhead back on a turn-around basis, is the pilot paid the original duty period if permission is requested to return on an earlier or later flight?*

A. Yes. Section 15.H.11. applies.

15-7. Q. *What is the guarantee of a reserve pilot returning from a leave of absence effective on the twenty-fifth (25th) day of a thirty (30) day contractual month?*

A. The pilot has 6 days remaining in the contractual month. According to the chart in Section 15.D.3.q, this pilot will receive four (4) days of reserve availability and two (2) days of duty-free periods. Each day of Reserve availability is valued at 4:03 per day for a Long Call Reserve pilot and 4:13 per day for a Short Call Reserve pilot. This pilot's guarantee will be:

(1) 16:12 (4:03 times 4 days) for a Long Call Reserve, or

(2) 16:52 (4:13 times 4 days) for a Short Call Reserve.

Note: A reserve pilot with no previously awarded Reserve line returns from a leave of absence as a Long Call Reserve pilot.

15-8. Q. *May the Company displace and assign reserve pilots for qualification purposes, e.g., take-offs and landings, line check, and Hit Cities when they are not the junior reserve available?*

A. Yes

15-9. Q. *Can the Company assign a reserve pilot to fly over the monthly maximum of eighty-five (85:00) hours PROJ?*

A. No. The Company may not assign a reserve pilot to exceed the monthly maximum (85:00) based on the pilot's PROJ.

15-10. Q. *What is the maximum number of hours that a reserve pilot can be awarded for flying on his days off?*

A. A reserve pilot may be awarded flying on days off up to the lesser of

(a) the pilot's IMAX or,

(b) the Company Limit on Voluntary Flying, if applicable.

However, the Company retains the option to restrict a reserve pilot's flying on days off in order to preserve the ability of a reserve pilot to be assigned 85:00 hours of flying on his actual reserve available days.

The following examples show how reserve flying on days off is counted against the 85:00 hour reserve assignment maximum.

Example 1.: The Company has placed a 90:00 hour limit on voluntary flying for a particular month. A reserve pilot picks-up a 15:00 hour credited sequence entirely on days off. The 15:00 hour pick-up sequence is treated as follows:

(1) 15:00 hours is added to the pilot's PROJ, and the pay is applied above guarantee.

(2) The first 5 hours of the sequence is attributed to the difference between the 85:00 hour reserve assignment maximum and the Company Imposed Maximum, and the remaining 10 hours counts against the 85:00 hour reserve assignment maximum.

Example 2.: The Company has no Company Voluntary Limit and the pilot's IMAX is 98:00. The reserve pilot picks-up a 10:00 hour credited sequence entirely on days off. The 10:00 hour pick-up sequence is treated as follows:

(1) 10:00 hours is added to the pilot's PROJ, and the pay is applied above guarantee.

(2) All 10:00 hours of the sequence falls between the 13:00 hour difference between the 85:00 hour reserve assignment maximum and the 98:00 hour IMAX. The Company retains full access to the 85:00 hour reserve assignment maximum.

Note: In this example 2, should the pilot subsequently acquire additional flying on days off, the first 3:00 hours of the additional flying would not count against the Company's ability to assign reserve flying. The flying above 3:00 hours would count against the 85:00 hour assignment maximum.

15-11. Q. *Prior to the implementation of the new Reserve Assignment System, which pilots are considered when forming variance groups in accordance with Section 18.G.6.d.?*

A. All reserve pilots in the four part bid status are considered for the purpose of forming variance groups. Once variance groups are formed only qualified, legal and available (QLA) reserves are eligible for coverage of open time, short call or long call assignments.

15-12. Q. *What is the Company's policy with respect to the assignment of reserves to open time in conjunction with the availability of reserves?*

A. Prior to implementation of the new Reserve Assignment System, when a reserve pilot is the senior pilot in the appropriate variance group, legal and available for open flying and such pilot is denied such open flying in order to be available to cover a future trip shown on the open time list, such reserve pilot shall receive flight time pay and credit for the scheduled flight time of the trip sequence denied, including applicable credits, or flight time pay and credit for the future trip sequence, if flown, whichever is greater. In all cases, the future trip on the open flying list is still open flying and must be proffered to pilots by Variance Group and GTD during the normal time period for the filling of such open trip.

15-13. Q. *If a reserve pilot is bypassed for an open trip sequence but does other flying on the days the bypassed sequence was scheduled to operate, does the other flying affect the pilot's GTD credit or reduce the amount of time to be added to the reserve pilot's pay projection (PPROJ) at the end of the month?*

A. The entire scheduled value of the bypassed trip sequence is always added to the reserve pilot's pay projection (PPROJ) at the end of the month, regardless of other flying, whether by proffer or by assignment, which the reserve may have performed on the days the bypassed sequence was scheduled to operate. Any time in the PPROJ above the monthly maximum will be placed in the pilot's CPA at one for one. If the pilot's actual flight time worked was more than was credited on the days the bypassed trip was scheduled to operate, the additional flight time worked is also added to the pilot's GTD.

15-14. Q. *Reserved*

15-15. Q. *Can a reserve pilot be assigned a trip that originates after 2400 but terminates prior to noon on the first day of a forty-eight (48)?*

A. No. The flight must originate prior to 2400.

15-16. Q. *A reserve pilot is available for only one day because of a duty free period that starts at midnight. To what length trip could this pilot be assigned?*

A. In this case, the reserve pilot could only be assigned a trip that was scheduled to terminate at the pilot's crew base no later than midnight. However, if no other pilots were available, the above pilot could be assigned a trip that flew the pilot into the duty free period, as long as it returns the pilot to the pilot's crew base no later than 1200 local base time on the first day of the duty free period. No pilot can be assigned to fly into a duty free period as long as there is a pilot available that can be assigned the trip and not flown into their duty free period. A pilot can only be assigned to fly into two (2) duty free periods per month.

15-17. Q. *When is a reserve pilot who completes a Domestic Sequence legal again if such pilot is scheduled and arrives at 0300 the first day of a 72 hour duty-free period which is scheduled in the current month?*

A. 0300 + 0:15 debrief + 12 hours + 72 hours.

15-18. Q. *Reserved*

15-19. Q. *How is a "Short Notice" open sequence awarded/assigned?*

A. When an open sequence is considered a "Short Notice" assignment, Crew Schedule will first identify and contact the appropriate QLA Reserve pilot on Short Call Duty in accordance with the reserve assignment process to establish the time needed for final notification in order to make the scheduled departure of the sequence. During this designated established period of time until final notification, Crew Schedule will proffer the open sequence per the rules of Section 15.L (Filling of Open Flying Time) to as many pilots as possible until reaching the notification deadline of the identified reserve pilot.

15-20. Q. *May a reserve pilot move a Duty Free Period (DFP)?*

A. A reserve pilot's DFP's may be moved by mutual consent between the pilot and the Company in any combination.

15-21. Q. *How does the Company schedule a free standing 24 hour DFP for a reserve pilot?*

A. The bid sheet cannot include a free standing 24 hour DFP for a reserve pilot. Once the month begins, the Company may either (1) move a moveable DFP and place it contiguous to an existing DFP leaving 24 hours of the original DFP as a stand alone 24, or (2) move a moveable 24 and place it as a free standing 24 leaving a minimum of 48 hours in the original DFP. In no case may the Company create more than one free standing 24 hour DFP in any one contractual month by the movement of moveable DFP's.

15-22. Q. *Can the Company schedule a normal duty free period (DFP), or a moveable DFP, contiguous to the beginning of a reserve pilot's golden DFP?*

A. Yes. However, a normal DFP scheduled contiguous to a golden DFP must be treated the same as the golden DFP; that is, the Company cannot schedule or assign any flying into the normal DFP. A moveable DFP can be scheduled contiguous to a golden DFP, or contiguous to a normal DFP which is contiguous to a golden DFP. A moveable DFP scheduled this way can be moved in accordance with Section 15.D.2.c. However, if the moveable DFP is not moved, it too must be treated the same as the golden DFP; that is, the Company cannot schedule or assign any flying into the moveable DFP. Once the month begins a moveable DFP can be moved and placed contiguous to a golden DFP, in which case it must also be treated the same as the golden DFP.

15-23. Q. *Can a pilot trade a golden DFP?*

A. Yes. However:

A golden DFP that is traded contiguous to a normal or moveable DFP reverts to a normal DFP.

An entire golden DFP that is traded for a normal DFP will no longer be considered a golden DFP and the normal DFP received will revert to a golden DFP unless it is contiguous to a normal or moveable DFP.

A portion of a golden DFP that is traded will no longer be considered a golden DFP unless the trade is for another golden DFP and is not contiguous to a normal or moveable DFP.

- 15-24. Q. *A pilot in pick-up is eligible for a trip that requires a supervisory pilot but due to Company requirement (not FAR) is denied such trip due to lack of availability of a supervisory pilot. Is the pilot entitled to pay and credit for the trip?*
- A. No, a pilot must be qualified legal and available in order to be awarded a trip in pick-up.
- 15-25. Q. *A pilot on reserve needing a twenty-five hour (25:00) line check with a supervisory pilot is bypassed for an open trip due to the unavailability of a supervisory pilot. Is the reserve entitled to pay and credit for the trip?*
- A. No.
- 15-26. Q. *May the Company schedule regular layovers (off-duty periods) of less than 10 hours?*
- A. No. In accordance with Section 7.A.5.b., all regularly scheduled layovers (off-duty periods) must be no less than ten (10) hours plus one (1) hour reporting and fifteen (15) minutes debriefing (11 hours 15 minutes -- 11 hours 30 minutes International)
- 15-27. Q. *Is a pilot allowed to use pick-up and fly to that pilot's IMAX or the Company Limit on Voluntary Flying when retiring on the 25th or should the month be prorated?*
- A. Yes, the pilot may pick-up and fly to that pilot's IMAX or the Company Limit on Voluntary Flying.
- 15-28. Q. *A pilot in pick-up was proffered and awarded a trip sequence via the Daily Open Time Coverage (DOTC) process. The pilot subsequently advised the Company he/she was sick and would not be able to fly the awarded pick-up sequence. Is the pilot entitled to the pay for this pick-up sequence?*
- A. No. A pilot removed from a trip sequence due to an illness will only be paid for sequences acquired via a PBS line award, SEP, TTS or a trip-trade with another pilot.
- 15-29. Q. *Is a pilot (pick-up or reserve) who is qualified, legal and available in the current contractual month entitled to proffer a sequence that will create a conflict with scheduled recurrent or requalification training consisting of six (6) days or less?*
- A. Yes. The pilot must be paper legal, in accordance with Section 5.I., for the awarded sequence in conjunction with the first (1st) scheduled sequence in the next contractual month. The Company will have the option to reschedule the training or remove and pay the pilot for the fly through trip sequence. If the training is moved, the pilot will be paid for the sequence(s) actually flown or displaced from, if applicable.
- 15-30. Q. *A pilot in pick-up proffered and was awarded a trip sequence. Such pilot reported and signed in for the pick-up sequence. Prior to departure of the first (1st) flight of the sequence, the pilot advises the Company he/she is sick and will not be able to fly the awarded pick-up sequence. Is the pilot entitled to the pay for this pick-up sequence?*
- A. Yes. A pilot is considered on duty one (1) hour prior to the scheduled or rescheduled departure time of the first flight of a duty period, or thirty (30) minutes prior to the scheduled or rescheduled departure time of a deadhead flight. Once a regular scheduled pilot commences a duty period and is unable to fly due to an illness, such pilot is entitled to the pay of this pick-up sequence.
- 15-31. Q. *Is a regularly scheduled pilot entitled to open time for the next day's flying if the pilot arrives at base and is scheduled for a forty-eight (48) on arrival?*
- A. Yes, provided the pilot changes or drops such duty-free period before the start of DOTC. After the start of DOTC the pilot must contact Crew Schedule to be eligible for remaining open time.

15-32. Q. *Reserved*

15-33. Q. *May a pilot in the International Division accept a proffer of open time in the Domestic Division or vice-versa? How would the pilot be paid?*

A. Yes, provided the pilot's PROJ would not exceed the lower of that pilot's IMAX or the Company Limit on Voluntary Flying for that pilot's four-part bid status, if applicable. The pilot would be paid at their hourly base pay rate plus International override for flying actually performed when applicable.

15-34. Q. *If a Long Call Reserve pilot does not exceed his guarantee of 73:00 hours for the month, and was converted from Long Call Duty to Short Call Duty three times during the month, how would the conversion pay be applied?*

A. The conversion pay of one hour thirty minutes (30 minutes for each conversion) is added to the guarantee.

15-35. Q. *If a Long Call Reserve pilot exceeds his guarantee of 73:00 hours for the month, and was converted from Long Call Duty to Short Call Duty twice during the month, how would the conversion pay be applied?*

A. The conversion pay of one hour (30 minutes for each conversion) is added to the PPROJ.

15-36. Q. *May a pilot trade a trip if it would increase the pilot's Projection (PROJ) over the pilot's IMAX or the Company Limit on Voluntary Flying for the month?*

A. No, a pilot may not trade a trip if the trade would result in the pilot exceeding the lower of his/her 1.) IMAX or 2.) the Company Limit on Voluntary Flying for the month.

15-37. Q. *May a pilot in the International Division trade sequences within a contractual month with a pilot in the Domestic Division and vice versa?*

A. Yes, within category, provided the pilots are QLA and the trade does not result in either pilot's PROJ exceeding the lower of the pilot's IMAX or the Company Limit on Voluntary Flying for that pilot's four-part bid status. Such trades are limited to pilot-to-pilot trades only.

15-38. Q. *I attempt to travel to work. I am unable to make my departure time. Am I covered by the Commuter Policy?*

A. Yes.

15-39. Q. *Reserved*

15-40. Q. *Does pay and credit apply to delays at stations where deicing is performed on the gate (Miscellaneous Code 59)?*

A. No. However, at those stations where Company aircraft are being deiced at a location other than the gate, pay and credit is applied to cover delays at the gate awaiting pushback, powerback or taxiout due to aircraft or vehicular traffic congestion at the deicing location by filing a Miscellaneous Code 59 through ACARS.

15-41. Q. *Prior to the implementation of PBS, how does the Company determine a trip selection award commensurate with seniority when a pilot fails to submit a trip selection preference for a given month or fails to submit a trip selection preference containing a sufficient number of selections (bids)?*

A. In this event, the Company will utilize the trip selection preferences of the next most senior pilot in the appropriate bid status who has already been awarded a trip selection, and continue the awarding process from the point of the more senior pilot's award until such time as the more junior pilot is awarded a trip selection. If the more junior pilot is

unable to be awarded a trip selection (other than reserve) after exhausting all of the more senior pilots' preferences, such pilot will be awarded:

- The highest paying trip selection available.
- A vacation relief selection.
- A second round trip selection which is available.
- A reserve trip selection.

15-42. Q. *at is the Company's policy with respect to the assignment of reserves to open time in conjunction with the availability of reserves after the implementation of the new Reserve Assignment System?*

A. Reserve pilot assignments will be handled in accordance with Section 15.L.4.f.

AGREED TO UNDERSTANDINGS OF THE BASIC AGREEMENT

A. FUEL LANDING

When a landing for fuel is required for the operation of a Domestic Sequence, and such landing is pre-planned in the flight release prior to the departure of the crew from a station, the additional time of such fuel landing shall not be considered a reassignment under the provisions of Section 15.N. However, if such assignment causes a pilot's PROJ to exceed the lower of that pilot's IMAX or the Limit on Voluntary Flying, such excess time created as a result of the fuel landing will be paid to such pilot at the rate of one and one-half (1-1/2) minutes for each one (1) minute.

B. DEADHEAD - FIRST AVAILABLE

If a pilot is canceled or misconnects away from base, and is legal and available to deadhead to his base on the next AA flight operating, but no space is available on such flight, and as a result of a later deadhead is illegal for his next regularly scheduled sequence, such pilot shall be protected under Section 15.N. only for the sequence missed.

SECTION 16

CERTIFICATES AND RATINGS

A. Eligibility for Certificates and Ratings

Any pilot who has been in the service of the Company for an aggregate of sixty (60) months as a first officer shall, as hereafter provided, be eligible for training for an Airline Transport Pilot Certificate and equipment rating necessary for advancement to the status of captain on at least one type of airplane currently operated by the Company in regular schedule. To establish eligibility for such certificates and ratings, such pilot must possess the minimum certificated flight time required by FAR and may be required to have had one hundred (100) hours of flying as a first officer on the type airplane on which to be qualified within sixty (60) days prior to checkout for such certificates. The Company may, in addition, afford the opportunity to receive such certificates and ratings to pilots with a lesser length of service. In the latter case, pilots with a lesser length of service shall be grouped in accordance with system seniority and such groups shall be afforded, in accordance therewith, the opportunity to acquire such certificates and ratings. A pilot who has been afforded the opportunity and who has received such certificates and ratings will be designated by the Company as an "ATPC Pilot".

B. Qualifying Out of Order of Seniority

A pilot who has been given the opportunity to qualify for advancement in status, or promotion to captain, and is unable to so qualify at that time, shall not hold up the promotion of more junior pilots, provided that pilots unable to so qualify shall be governed by the provisions of [Section 13.C](#) of this Agreement.

C. ATPC Certificates Concurrent with Upgrading to Captain

The Company may extend to pilots with less than sixty (60) months of service as a first officer training for the purpose of obtaining ATPC certificates concurrent with upgrading to captain.

SECTION 17

FILLING VACANCIES, DISPLACEMENTS, REINSTATEMENTS, FURLOUGHS, AND RECALLS

A. Bid Status

1. All pilot positions are identified by their bid status which consists of four elements:
 - a. Base
 - b. Category
 - c. Equipment
 - d. Division
2. Each bid status is ranked according to its elements. Bases have no ranking. Within a base, all Captain positions are higher than all First Officer positions. Within a base and category, bid status is ranked by equipment on the basis of certificated gross weight -- the higher the certificated gross weight, the higher the ranking. If two or more models exist within an equipment type, the average certificated gross weight of the models is used to determine the ranking. Within a base, category and equipment, a bid status is ranked according to division with International being higher than Domestic.

B. Change in Bid Status

A pilot's bid status can only change as follows:

1. A pilot may bid for and be awarded a vacancy in a different bid status, which may be higher, lower or lateral (lateral meaning the same category and equipment -- different division and/or base) than such pilot's current bid status.
2. A pilot who is displaced from a bid status, because the pilot's position was eliminated or because such pilot was displaced by a more senior pilot, may displace a more junior pilot.
3. A pilot may proffer and be awarded a displacement which would have otherwise affected a junior pilot.
4. A pilot who is displaced from a bid status may later be reinstated to a vacancy in that bid status.
5. A pilot may be awarded a vacancy as a result of an entitlement which was awarded while serving a lock-in.
6. A pilot may be assigned to a bid status by the Company.

C. Qualifications Required for Bidding and Filling a Vacancy

1. All pilots may bid for and be awarded any vacancy with the following exceptions:
 - a. A probationary pilot cannot bid for a Captain vacancy.
 - b. In order to be eligible to be awarded a bid status that requires or results in an Airline Transport Pilot Certificate, a pilot must possess such certificate or have previously entered the date of the successful completion of the required written examination for said certificate into the Company's computer database.
 - c. As provided in L. of this Section, a pilot serving a lock-in may, at the Company's discretion, only be awarded an entitlement to fill a future vacancy.
 - d. A pilot who is being withheld from occupying a bid status position in accordance with M.1.b. or c. of this Section, may only bid for a bid status lateral to (same category and equipment -- different division and/or base) or higher than the bid status from which withheld.
 - e. If a pilot is awarded a different bid status, either as a result of bidding for or being assigned to a vacancy or as a result of being displaced, such pilot's bid(s) for other

vacancies processed prior to the effective date of the pending bid status award will be given consideration as follows:

- (1) For a pilot who will be required to fulfill a lock-in in the pending bid status award,
 - (a) If such pilot is the successful bidder for a vacancy which is lateral (same category and equipment -- different division and/or base) to the pending bid status award, the pilot's bid for the lateral vacancy will be awarded, or
 - (b) If such pilot is the successful bidder for a vacancy in a bid status which is higher or lower than the pending bid status award, such pilot may only be awarded an entitlement to such bid status, in accordance with [Section 17.L.5](#).
 - (2) If a pilot will not be required to fulfill a lock-in in the pending bid status award, such pilot may bid for and be awarded a vacancy in any other bid status.
2. A pilot who is awarded a different bid status, either as a result of bidding for or being assigned to a vacancy or as a result of being displaced, shall be afforded the opportunity to acquire the necessary route qualifications, equipment qualifications or ratings within a reasonable period of time.

D. Displacements

1. A pilot shall be considered displaced if any one of the following occurs:
 - a. The Company eliminates all positions in a bid status, in which case all pilots holding a position in such bid status shall be considered displaced.
 - b. The Company reduces the number of positions in a bid status, in which case, to the extent necessary to accomplish the reduction, the pilots within the bid status being reduced who have the least system seniority shall be considered displaced.
 - c. A pilot who has been displaced under any provision of this section may displace a more junior pilot in accordance with 7. below, in which case the more junior pilot may then also be considered displaced.
2. Proffer of Displacements
 - a. When a junior pilot is to be displaced from a bid status, the displacement shall be proffered in seniority order to all pilots in that bid status.
 - b. Displacement into another bid status is based upon the junior pilot's seniority. (For example, junior pilot A would otherwise be displaced; senior pilot B in the same bid status proffers the displacement; senior pilot B displaces into a bid status indicated on senior pilot B's bid preference list based on junior pilot A's seniority. Once senior pilot B is in the new bid status, bidding trip selections, vacations, etc. will be done with pilot B's own seniority.)
 - c. A pilot is eligible to proffer displacement provided:
 - (1) The pilot must fulfill a lock-in in accordance with [Section 17.L.1.](#), unless waived at the Company's discretion, except that the lock-in for a pilot who displaces to a lower bid status and only requires a short requalification training program shall be the same as a pilot bidding to a higher bid status.
 - (2) The pilot can fulfill the lock-in in [c.\(1\)](#). above prior to normal retirement unless waived at the Company's discretion.
 - (3) A pilot fulfilling a lock-in may only proffer displacement to a lateral bid status (same category and equipment -- different division and/or base) unless released from the lock-in at the Company's discretion.
 - (4) A probationary pilot cannot proffer displacement to a Captain bid status.
 - (5) In order to be eligible to be awarded a bid status that requires or results in an Air Transport Pilot certificate, a pilot must possess such certificate or have previously entered the date of the successful completion of the required written examination for said certificate into the Company's computer data base.

- (6) The pilot has not begun, or is not within five (5) days of beginning training for another bid status as a result of a previous award.
- d. A pilot proffering displacement does not have a reinstatement right.
3. Each pilot shall have access to and shall be responsible for maintaining a displacement preference list as a part of his or her standing bid list. On the displacement preference list a pilot may list in order of preference any bid status to which the pilot would prefer to displace in the event such pilot is displaced. A pilot may add to, delete from, or rearrange the order of displacement preferences at any time prior to the date on which the bid award procedure is implemented.
4. Displacements may be processed during each vacancy bid run; simultaneously with reinstatements, entitlements and bid preferences for vacancies.
5. Displacements shall be effective on the published bid effective date, however a pilot displacing to a bid status with a higher pay rate, who completes OE prior to the published effective date, will be paid the higher rate commencing with the completion of OE.
6. The Company shall provide at least fifteen (15) days advance notice of the date on which displacements will be processed. Between the date on which advance notice is given and the date on which displacements are processed, pilots may continue to access and make changes to their displacement preference lists.
7. A displaced pilot may fill a vacancy or displace a more junior pilot. The vacancy or the position to which such pilot is displacing may be in a higher, lateral, or lower bid status than the bid status of the position from which such pilot was displaced. The order of awarding a new bid status to a displaced pilot is as follows:
- a. A displaced pilot shall fill a vacancy from such pilot's bid preference list.
- b. From such pilot's displacement preference list, the pilot shall be awarded the highest preference to which entitled by seniority.
- (1) Such pilot shall have a reinstatement right to the bid status from which displaced, and
- (2) Shall not incur a lock-in in the bid status awarded.
- (3) Such pilot who is awarded, from the displacement preference list, a bid status at a base other than the one from which displaced, will be eligible for moving expenses as provided in [Section 8](#), provided:
- (a) Such pilot was not senior enough within his former base to have been awarded:
- (i) a lateral (same category and equipment - different division) displacement, or
- (ii) a displacement to a bid position of equal or greater pay;
- (b) Such pilot relocates to the base to which displacing;
- (c) Such pilot incurs a lock-in in the bid status to which displacing equal to the down-bid lock-in specified in [Section 17.L.1.b](#); and
- (d) Such pilot forfeits any reinstatement right to the bid status from which displaced.
- (4) When such pilot is awarded a bid status from the displacement preference list, the junior pilot who held that bid status may then be considered displaced.
- c. If the seniority of a displaced pilot does not entitle such pilot to a bid status from either the bid preference list or the displacement preference list, such pilot shall be assigned to a different bid status at that pilot's base.
- (1) Such assignments shall be made in the following order:
- (a) The displaced pilot will be assigned a vacancy in the highest bid status above the displaced status to which entitled by seniority at that pilot's base.
- (b) The displaced pilot will displace a more junior pilot in the highest bid status above the displaced status to which entitled by seniority at that pilot's base.

- (c) The displaced pilot will be assigned a vacancy in the next lower bid status if available at that pilot's base. If no vacancy is available, the pilot will displace a more junior pilot in that same next lower bid status at that pilot's base.
- (d) Step (c) will be repeated at each successively lower bid status until the displaced pilot is assigned a bid status at that pilot's base.
- (2) A pilot so assigned shall have a reinstatement right to the bid status from which displaced, and
- (3) Shall not incur a lock-in in the bid status to which assigned.
- d. If a displaced pilot cannot be awarded a vacancy at that pilot's base and there is no more junior pilot at that base, such pilot may be proffered those vacancies in the system for which there are no bidders, and then, if necessary, be assigned to such a vacancy.
 - (1) Such pilot shall have a reinstatement right to the bid status from which displaced, and
 - (2) Shall not incur a lock-in in the bid status awarded or to which assigned.
- 8. A pilot can only be displaced once in any contractual month, but a pilot who has been displaced may be displaced again in a later month. A pilot who has been displaced more than once may hold multiple reinstatement rights in accordance with E. of this Section.

E. Reinstatement Rights

1. A reinstatement right provides a displaced pilot with the right to be reinstated to a vacancy in the bid status from which displaced before such vacancy is awarded to any other pilot who does not have a reinstatement right.
2. When a pilot is displaced and is awarded another bid status, such pilot shall have a reinstatement right, unless the pilot is either awarded a bid status which was on the bid preference list or the pilot is entitled to receive moving expenses in accordance with [D.7.b.\(3\)](#) of this Section. As provided in [D.2.d.](#) of this Section, a pilot proffering displacement does not have a reinstatement right.
3. Duration of Reinstatement Rights
 - a. Any reinstatement right existing prior to January 1, 2013 shall not have an expiration date.
 - b. Any reinstatement right created on or after January 1, 2013 shall expire 36 months after the effective date of the event that created the reinstatement right. If, on the effective date of such event, the longest FAA-required training course for re-qualification to that reinstatement bid status is triggered in a period shorter than 36 months, then the reinstatement right will expire at the end of the shorter period (e.g., If the FAA requires the longest training course after a 30-month absence from the bid status, the reinstatement right will expire at the end of the 30th month following the effective date of the event that created the reinstatement right).
 - c. For purposes of this section, a furloughed pilot's reinstatement right, if any, is awarded and effective on the date of recall.
4. When two (2) or more pilots have a reinstatement right to the same bid status, their reinstatement rights will be honored in seniority order.
5. A pilot who has a reinstatement right to a bid status will automatically be reinstated if a vacancy becomes available in that bid status.
6. A pilot shall lose a reinstatement right to a bid status if reinstated to that bid status or if awarded any bid status which is on such pilot's bid preference list, except when awarded a lateral bid.
7. If a pilot has a reinstatement right, it will be included on the standing bid list and will be identified as a reinstatement right.
8. A pilot who has a reinstatement right may choose to forfeit such right at any time by deleting it from the standing bid list. If a pilot has more than one reinstatement right, such pilot may

choose to forfeit one or more such rights in this manner without affecting any other reinstatement rights.

9. A pilot who has been displaced more than once may have a reinstatement right to more than one (1) bid status. The reinstatement of such a pilot shall terminate reinstatement right(s) to any bid status which the pilot has ranked lower than the one to which reinstated but shall not affect reinstatement right(s) to any bid status which the pilot has ranked higher than the one to which reinstated. However, if such a pilot is awarded any bid status which is on such pilot's bid preference list, that pilot shall forfeit all reinstatement rights, except when awarded a lateral bid.

F. Advance Notice of Vacancies to be Filled [See Q&A 17-8]

1. At least fifteen (15) days before implementing the bid award procedure, the Company shall provide notification of the following:
 - a. The date on which the bid award procedure will be implemented.
 - b. The number of known vacancies identified by bid status.
 - c. The effective date of all known vacancies.
 - d. A forecast of the total number of positions in the system for the first, third and sixth months, with the first month being the first month in which the vacancies are effective.
 - (1) The forecasts for the first and third months will be by bid status at each base or satellite base.
 - (2) The sixth month forecast will be for the system by category, equipment and division.
2. The forecasts required in 1. shall be the best estimates which the Company can provide, but they shall be made available solely as a guide and shall not, in any way, represent a commitment that the number and/or distribution of forecasted bid status positions will actually develop or be maintained.
3. Following the notification required in 1., pilots may continue to access and make changes to their standing bid lists at any time prior to the date on which the bid award procedure is implemented.

G. Bid Award Procedure

1. When there are known vacancies and/or displacements, the Company shall, no less than three (3) times per calendar year, simultaneously award bids for vacancies, and process displacements, reinstatements, entitlements, and also process displacements and vacancies resulting from such awards. All awards shall be based on system seniority giving first priority to reinstatement rights, second priority to entitlements and then bids for vacancies. Only those bids or displacement preferences indicated on pilots' standing bid lists will be considered in the bid award procedure. [\[See Q&A 17-7\]](#)
2. With the exception of V. (Furloughs) and W. (Method of Recall) of this Section, none of the procedures in Section 17. (bidding for vacancies, displacements, etc.) shall apply to the Flight Test pilot positions.
3. The Company may accelerate the effective date of a bid to a given month if a pilot is scheduled to complete training during that month.
4. In the case of a change of bid status to a higher paying position, the Company will offer training in seniority order. In the event the Company chooses to bypass a pilot for a more junior pilot, then on a one-for-one basis, each bypassed pilot will be pay protected to the same effective date. [\[See Q&A 17-3\]](#)
5. In the case of a change of bid status due to a displacement, the Company will assign training in inverse seniority order.

H. Standing Bid List

1. Each pilot shall indicate preferences for any change in bid status on a standing bid list. A pilot's standing bid list shall be the only method of bidding for vacancies or expressing

preferences for bid status positions should such pilot be displaced. Each pilot's standing bid list may include any or all of the following:

a. Bid Preference List

- (1) A pilot's bid preference list shall include all of that pilot's bids for any other desired bid status positions, listed in order of preference by the pilot. [See Q&A [17-4](#)]
- (2) The bid status positions listed need not be vacant at the time they are placed on a pilot's bid preference list.
- (3) If a pilot is displaced, such pilot shall be awarded the highest preference on his or her bid preference list to which such pilot is entitled by seniority, provided the position is vacant.

b. Displacement Preference List

- (1) A pilot's displacement preference list shall include all of that pilot's preferences for bid status positions to which such pilot would displace in the event of displacement from his or her present bid status position.
- (2) Displacement preferences shall be listed in order of preference by the pilot.
- (3) If a pilot is displaced and a vacant bid status position cannot be awarded from such pilot's bid preference list, such pilot will displace to the highest preference on his or her displacement preference list to which entitled by seniority.
- (4) If pilots are displaced and have expressed no bid or displacement preferences, or they are not entitled by seniority to a position on either their bid preference lists or their displacement preference lists, such pilots shall be assigned to positions by the Company in accordance with [Section 17.D.7.c.](#) or [d.](#)

c. Reinstatement Rights

- (1) If a pilot has a reinstatement right to a bid status from which displaced, it shall appear on such pilot's bid preference list but it shall be identified as a reinstatement right.
- (2) A pilot who has been displaced more than once may have more than one reinstatement right, in which case all such rights shall appear on such pilot's bid preference list.
- (3) A pilot may arrange bid preferences and reinstatement right(s) in any order on the bid preference list.
- (4) A pilot may forfeit a reinstatement right by deleting it from the bid preference list.

d. Entitlements

- (1) If a pilot has an entitlement which was awarded while serving a lock-in, the entitlement shall appear on such pilot's bid preference list but it shall be identified as an entitlement.
 - (2) A pilot may have only one entitlement.
 - (3) A pilot serving a lock-in who already has an entitlement may be awarded another entitlement, in which case the previous entitlement will automatically be deleted from such pilot's bid preference list.
 - (4) Pilots may arrange their entitlements and bid preferences in any order on their bid preference lists.
 - (5) A pilot may forfeit an entitlement by deleting it from the bid preference list.
2. A pilot may add, delete, or otherwise alter the preferences on the standing bid list at any time prior to the date on which the bid award procedure is implemented. All preferences on a pilot's standing bid list on the date the bid award procedure is implemented shall be considered, and any resulting change in bid status shall be binding on the pilot.

I. Notice of Bid Status Positions Awarded

1. Following the implementation of the bid award procedure, the Company shall expeditiously provide electronic notification of all bid status positions which were awarded.

2. Each pilot whose bid status changed as a result of the bid award procedure shall be individually notified of such change.
3. Following the award/assignment of training associated with the results of the bid award procedure, the Company shall provide electronic notification of the dates of all such training awarded/assigned.

J. Effective Date Of Bid Status

1. The effective date of a bid status position shall be on the date the pilot completes OE training or the published bid effective date, whichever is earlier, except as provided in R. and S. of this Section for the introduction of new equipment or the opening or reactivation of a crew base.
2. A pilot not trained in seniority order in accordance with Section 17.G.4 above, will, on a one for one basis, be considered withheld for pay purposes. The withheld pilot shall be pay protected upon the OE completion date of the applicable junior pilot. In the event such junior pilot is removed or delayed in training the pay protection shall begin on the junior pilot's original estimated completion date. The withheld pilot will be paid in accordance with Section 17.M.4 below.
3. A pilot will be paid the applicable rates of pay for a bid status commencing with the effective date of such bid status. However, a pilot who is scheduled to fly or flies in more than one (1) bid status during a contractual month as the result of a fly through trip sequence shall be paid and credited on the basis of the bid status contained in the fly through trip sequence until the fly through sequence terminates.

K. Reporting To A Different Base

1. A pilot who receives a bid status award which involves transferring from one base to another, shall normally be given a period of not less than fifteen (15) days to report to such new base from the date on which notification of the bid award was made.
2. A pilot under 1. above who is required by the Company to report to another base in less than fifteen (15) days shall be afforded reasonable time off at a later date, not to exceed fifteen (15) days, at the time of such pilot's household move, to facilitate completing moving arrangements. The pilot's schedule will be so arranged at the new base as to minimize, insofar as is possible, loss of flying time during such reasonable time off in which moving arrangements are being completed. Such pilot shall be allowed actual reasonable expenses for himself or herself only at the new base station for the number of days equivalent to the difference between the standard fifteen (15) day reporting date and the date on which such pilot was actually required to report. Where Company Regulations or any provision of this Agreement provides additional moving expenses for specific moves, such expenses shall be in addition to, but not in duplication of, the expense provisions of this paragraph.

L. Lock-Ins

1. A pilot awarded a bid status from the bid preference list or who is assigned a bid status as provided in [Section 17.N.1.](#), [2.](#), [3.](#), [4.](#), or [5.](#), shall be subject to the following period of lock-in:
 - a. If awarded/assigned a higher paid bid status -- twenty four (24) months,
 - b. If awarded/assigned a lower paid bid status -- twenty four (24) months,
 - c. If awarded/assigned a lateral bid status (same category and equipment -- different division and/or base) -- no new lock-in, but such pilot shall continue to serve the balance of any existing lock-in.
 - d. A pilot awarded to a different bid status for aircraft operated with a common type rating will not incur a lock-in.
 - e. A pilot who is serving a lock-in shall not be awarded a higher or lower bid status but may be awarded a lateral bid status (same category and equipment -- different division and/or base). However, a pilot who is serving a lock-in shall be released to initially upgrade to the next higher category after fulfilling six (6) months of such lock-in.

- f. A pilot who is displaced from a bid status while serving a lock-in shall, if later reinstated to that same bid status, resume the lock-in and serve the balance which remained at the time of displacement. However, upon reinstatement, such pilot shall be credited with any time served in the same category and equipment while displaced.
 - g. A pilot who is displaced from a bid status shall not be required to serve a lock-in in the bid status assumed after displacement unless such bid status is awarded from the bid preference list.
 - h. A pilot who proffers a displacement from a bid status shall be required to serve a lock-in in the bid status assumed after displacement.
 - i. If a pilot, who is awarded/assigned a position in a lower bid status and is subject to the twenty four (24) month lock-in in b. above, is withheld from such bid status in accordance with M. of this Section, the lock-in shall be reduced by one (1) month for each month such pilot is withheld beyond the third (3rd) month after the effective date of the position from which withheld.
 - j. A pilot awarded/assigned a bid status on "new equipment" or at a newly opened or reactivated base shall be subject to the lock-in provisions of R. or S. of this Section, as applicable.
2. A newly hired pilot shall serve a six (6) month lock-in in the bid status of initial assignment. Such pilot may be awarded/assigned a lateral bid status (same category and equipment – different division and/or base), in which case the pilot shall not incur a new lock-in but shall continue to serve the balance of the existing lock-in.
 3. Lock-ins shall become effective as follows:
 - a. A lock-in shall not commence prior to the effective date of the award.
 - b. A pilot who completes required training prior to the effective date of an award shall begin any applicable lock-in on the effective date of such award.
 - c. A pilot who completes required training after the effective date of an award shall begin any applicable lock-in on the first day of the contractual month following the completion of training, but no later than the first day of the second (2nd) contractual month following the commencement of training.
 - d. Any lock-in required for a pilot who has been withheld, shall begin when the pilot's period of withholding ceases, irrespective of when the pilot trains.
 4. Lock-ins are a function of a change in bid status and are not mitigated or satisfied by previous or current qualifications or previous lock-ins.
 5. A pilot who is serving a lock-in may bid for vacant bid status positions; however, if such pilot is the successful bidder such pilot may, at the Company's discretion, only be awarded an entitlement to the bid status. After such pilot has served the lock-in the entitlement may be exercised only when there is a vacancy in the bid status. Entitlements to a vacancy are awarded immediately after reinstatement rights. A pilot with an entitlement to a bid status will be awarded a vacancy before any pilot who does not have a reinstatement right or an entitlement. If more than one pilot has an entitlement to the same bid status, a single vacancy is awarded to the most senior.
 6. Nothing herein shall prevent the Company from terminating a pilot's lock-in at its discretion.

M. Withholding From A Bid Status Position

1. A pilot who is eligible to be awarded a bid status position may, at the Company's discretion, be withheld from occupying such position under the following circumstances:
 - a. Consideration of age,
 - b. Anticipated eligibility for and commitment to occupy a higher bid status than that from which such pilot is being withheld, as indicated on that pilot's bid preference list at the time such pilot is withheld,
 - c. Operational reasons, such as manning requirements or availability of training or equipment.

2. Withholding Time Limits - General

- a. If it is necessary to withhold a pilot from a bid status preference the following rules apply:
 - (1) a first year pilot's withholding period from a lateral position is limited to a total of two (2) months.
 - (2) A non-first year pilot's withholding period from a lateral position is limited to a total of six (6) months.
 - (3) All other withholding periods shall be no greater than twelve (12) contractual months from the effective date of the bid status award. This twelve (12) month limit shall not apply to the following exceptions:
 - (a) A pilot being withheld from a bid status preference in consideration of the pilot's age.
 - (b) If fleet specific training facilities that are owned, leased, or operated by the Company or an affiliate are fully utilized for American Airlines pilot training and no contract training capacity exists at any outside training facility.
 - (c) If necessary due to extraordinary circumstances, the Company and the Association will meet and agree on an appropriate duration for such withholding. Extraordinary circumstances, include but are not limited to:
 - An act of God,
 - A strike by any other Company employee group,
 - A national emergency,
 - Involuntary revocation of the Company's operating certificate(s),
 - Grounding of a fleet type or a substantial number of the Company's aircraft,
 - A reduction in the Company's operation resulting from a decrease in available fuel supply caused by either governmental action or the suppliers being unable to meet the Company's demands,
 - The unavailability of aircraft scheduled for delivery,
 - Start up of a new division (e.g., South America),
 - Elimination of a fleet type.

3. Withholding From A Displacement Preference

- a. A pilot may be withheld from a displacement preference bid status if, the Company projects the pilot will subsequently be displaced from the displacement preference, that the pilot is entitled to by seniority, within three (3) contractual months of the effective date of the displacement. If the pilot is withheld from a displacement preference and is assigned a displacement preference at the same base as the withheld displacement preference, the Company may, if the original three (3) month estimate is in error, extend the withhold period for up to three (3) additional months if the Company projects that the pilot will be displaced in that time period. For each bid status from which a pilot is withheld, the three (3) month limitation and the three (3) month extension provided for in this paragraph will apply beginning on the effective date of the pilot's withhold from each such bid status.
- b. A pilot who is withheld from a displacement preference, and is assigned a displacement preference at a different base from the withheld displacement preference, shall receive priority passes for travel between the pilot's base and the AA station nearest the pilot's residence to cover any flying obligation while that pilot is being withheld. The pilot does not qualify for priority passes after the pilot is either awarded a bid status preference, or is subsequently displaced from the withheld displacement preference.
- c. If a pilot does not have sufficient displacement preferences listed to indicate a displacement preference to a bid status other than from what the pilot would be withheld, the Company shall contact that pilot and obtain additional displacement preferences.
- d. A pilot withheld from a displacement preference shall be entitled to a reinstatement right to each displacement preference from which such pilot is being withheld. Multiple

reinstatement rights are permitted. Such pilot shall be paid for the highest four part bid status from which that pilot is being withheld.

- e. If a pilot can occupy the withheld bid status position at the end of the time period outlined in Paragraph a. above, the pilot shall assume the bid status effective with the next contractual month.
4. Effective Date Of Withholding Pay
 - a. A pilot will be considered withheld commencing with the effective date of the bid status position from which withheld, and shall as of that date, be paid the highest equipment rate of pay for the bid status from which withheld or the rate of pay for the flying actually performed, whichever is greater.
 - b. Such pilot shall be advised at the time of withholding the reason for withholding and the estimated duration of withholding.
 - c. Pilots being withheld shall retain their current bid status.
 5. Termination Of Withholding/Withholding Pay
 - a. Withholding pay protection shall cease:
 - (1) When a pilot withheld under 1.a. above:
 - (a) No longer has a more junior pilot flying in the withheld status, or
 - (b) Is awarded a different bid status from the bid preference list.
 - (2) When a pilot under 1.b. above:
 - (a) Is assigned to a position in the withheld bid status, or
 - (b) Is assigned to a position in the higher bid status which such pilot had committed to accept when withheld, or
 - (c) No longer has a more junior pilot flying in the withheld bid status, or
 - (d) Is awarded from the bid preference list a position in a bid status lateral to or higher than that from which withheld.
 - (3) When a pilot under 1.c. above:
 - (a) Is assigned to a position in the withheld bid status, or
 - (b) Is awarded from the bid preference list a position in a bid status lateral to or higher than that from which withheld, or
 - (c) Has a more senior pilot displaced from the bid status from which withheld.
 - b. (1) When a pilot's period of withholding ceases in accordance with [\(1\)\(a\)](#), [\(2\)\(c\)](#), or [\(3\)\(c\)](#) above, the pilot will be considered displaced from the withheld bid status.
 - (2) (a) Such pilot will then be awarded a bid status position in accordance with D. above (Displacements), or withheld from such bid status position in accordance with M. above (Withholding From A Bid Status Position).
 - (b) The provisions of [D.2.](#) above (Proffer of Displacements) do not apply when a pilot is displaced from a withheld bid status, i.e., the displacement is not proffered to other pilots.
 - (3) In accordance with E. above (Reinstatement Rights), such pilot will be eligible for a reinstatement right to the bid status for which withholding ceased.
 6. When a pilot's period of withholding ceases, such pilot shall, as of that date begin serving any lock-in which may be required by the provisions of [L.](#) of this Section. If a pilot has been withheld from a lower bid status, the provisions of [L.1.h.](#) may apply.

N. Assignment to a Bid Status

The Company may assign a pilot to a bid status in the following circumstances:

1. If there are no bidders for a Captain vacancy, the Company will again proffer the Captain vacancy. If there are still no bidders for the Captain vacancy, the Company will assign the most junior qualified First Officer in that base to the Captain vacancy.
2. In accordance with the provisions of [17.D.7.c.](#) and [d.](#), the Company may assign displaced pilots to a bid status.
3. Except for a newly hired pilot, a pilot assigned in accordance with 1. above shall serve a twenty-four (24) month lock-in in accordance with [L.1.a.](#) of this Section.
4. A newly upgraded Captain may be assigned First Officer flying to acquire experience. Such pilot will be given a temporary bid to that First Officer status and will bid for trip selections according to seniority within that First Officer status. Such pilot will be paid rates of pay according to that pilot's current status or the assigned status, whichever is greater.
5. Each month the Company shall provide the Association with information detailing the initial bid status assignments of all newly hired pilots and all pilots who were withheld from such bid status.

O. Reserved

P. Failure to Qualify

1. When a successful bidder fails to qualify for an awarded bid status within thirty (30) days from the effective date of the award -- subject to weather, equipment availability, or extent of qualification requirements -- such pilot shall forthwith return to his or her former bid status at such pilot's own expense. The unfilled vacancy shall then be considered a new vacancy.
2. The Company may, at its discretion, extend the thirty (30) day window to accommodate the continuation of training course already begun.
3. It is recognized that a pilot who has been awarded a bid status may be unable to commence or complete training to qualify for that new bid status due to circumstances beyond the pilot's control. In this case the following provisions apply:
 - a. The pilot will be returned to his/her previous status and paid in accordance with that previous status.
 - b. When the pilot is able to again commence training for the awarded bid status, or when such date can be reasonably determined, the pilot will notify the Company. Upon such notification, the pilot will be awarded a reinstatement right to the new bid status for a future vacancy award.

Q. Cancellation Of Vacancy

If the Company awards a pilot a bid status and then cancels that award prior to its effective date, the pilot shall be considered to have been displaced from the bid status awarded. If, as a result of such displacement, a pilot is awarded a vacancy from the bid preference list, the determination of any lock-in shall be based on the bid status the pilot held at the time the future award was canceled.

R. Introduction of New Equipment

1. When new equipment is introduced at a base, it will be considered "new equipment" for the first twelve contractual months following the effective date of the first vacancy, and the Company may award vacancies on such new equipment up to six (6) months in advance of their effective dates. However, if the Company makes no vacancies available on the new

equipment for any three (3) consecutive months, it will no longer be considered new equipment.

2. Vacancies on new equipment will be filled using pilots' standing bid lists and the regular bid status award procedure.
3. Pilots awarded or assigned a bid status on new equipment will serve a lock-in of twenty-four (24) months. A lock-in of twelve (12) months applies to those pilots who may have held a lateral bid status (same category and equipment -- different division and/or base).
4. Pilots who are serving a lock-in at the time the Company announces the introduction of new equipment may bid for vacancies on the new equipment. If they are awarded a bid status on the new equipment, their existing lock-in will terminate and they will begin a lock-in on the new equipment.
5. Once the Company has announced the introduction of new equipment, pilots who begin training or begin a lock-in not associated with a bid status on the new equipment can not bid for the new equipment until they complete their lock-in, unless they are bidding for the new equipment from a lateral bid status (same category and equipment -- different division and/or base). If such pilots are awarded a lateral bid status on the new equipment, their existing lock-in will terminate and they will begin a lock-in on the new equipment.
6. With respect to bid status on new equipment, as with all other bid status, the Company may terminate pilots' lock-ins at its discretion, and the Company has the option to withhold pilots from a bid status.

S. Opening, Reactivating, or Closing a Base

1. Opening or Reactivating a Base
 - a. When a base is reactivated or a new base is opened, these procedures will be in effect for the first twelve contractual months following the effective date of the first vacancy.
 - b. Vacancies at a new or reactivated base will be filled using pilots' standing bid lists and the regular bid status award procedure. However, pilots will be able to qualify their bids by indicating the lowest seniority position which will be acceptable to them in the status for which they are bidding, and the Company may award vacancies at such new or reactivated base up to six (6) months in advance of their effective dates.
 - c. Pilots awarded or assigned a bid status at a new or reactivated base will serve a lock-in of twenty-four (24) months. A lock-in of twelve (12) months applies to those pilots who may have held a lateral bid status (same category and equipment -- different division and/or base). While serving a lock-in at a new or reactivated base, pilots may not assume a lateral bid status at a different base.
 - d. Pilots who are serving a lock-in at the time the Company announces a new or reactivated base may bid for vacancies at the new or reactivated base. If they are awarded a bid preference at the new or reactivated base, their existing lock-in will terminate and they will begin a new lock-in.
 - e. Once the Company has announced a new or reactivated base, pilots who begin training or begin a lock-in not associated with the new or reactivated base may not bid for the new or reactivated base until they complete their lock-in, unless they are bidding for a lateral bid status (same category and equipment -- different division and/or base). If such pilots are awarded a lateral bid status at the new or reactivated base, their existing lock-in will terminate and they will begin a new lock-in.
 - f. With respect to bid status at a new or reactivated base, as with all other bid status, the Company may terminate pilots' lock-ins at its discretion, and the Company has the option to withhold pilots from a bid status.
2. Closing of a Base
 - a. The Company will announce the closing date of a base at least six (6) months prior to the closing; except that such notice is not required when a base is closed due to unforeseeable circumstances.

- b. During the period between the announcement of closing and the closing of the base, the Company will maintain the level of earnings of all pilots assigned to such base.
- c. During the period between the announcement of the closing and the closing of the base, a pilot may bid and be awarded a position in another bid status, but such pilot may be withheld from such bid status.
- d. Once the base closing is announced, each pilot assigned to such base should indicate to the Company, using the standing bid list, preferences for bid status assignment at a different base.
- e. When vacancies and displacements are processed for the month in which the base will close, each pilot assigned to such base will indicate to the Company, using the standing bid list, preferences for bid status assignment at a different base.
- f. The moving expenses of pilots who transfer to other bases in accordance with this provision will be paid by the Company in accordance with [Section 8](#) of this Agreement.

T. Voluntary Mutual Bid Status Exchanges [See Q&A [17-2](#), [17-6](#)]

The purpose of the Mutual Bid Status Exchange program (“Program”) is to provide pilots at a base to be awarded their three-part bid status (category, equipment, division) at a different base.

The Association administers the Program solely as an accommodation to the Company. The Association assumes no special or new responsibility or liability to the Company, any pilot, or any other person or entity, as a result of its administration of the Program. The Company retains its authority and responsibility as employer under the Agreement.

A pilot, acting on his or her own behalf or through the Association as currently provided in the Agreement, has access to the existing grievance and arbitration processes set forth in Sections 21,22 and 23 of this Agreement, provided, however, that in any such grievance proceeding an arbitrator is without jurisdiction to enter relief against the Association.

After the normal monthly bid award process has been completed the Association will administer the Program subject to the following provisions and constraints:

- 1. Pilots who have indicated a preference to occupy their three-part bid status (category, equipment, division) at a different base will be identified. Pilots with pending bid statuses will not be included.
- 2. These pilots will be grouped by three-part bid status (category, equipment, division) and be sorted by seniority.
- 3. Pilots will be eligible for a mutual bid status exchange provided that each pilot is senior to the most junior pilot in their new respective bid status prior to the exchange. i.e. The mutual bid status exchange cannot result in a new more junior pilot in either one of the two statuses involved in an exchange.
- 4. Within each group, beginning with the most senior pilot, the Association will attempt to accommodate a mutual exchange with the next most junior pilot (or pilots, in the case of "Multi-Base" Exchanges), on the list, proceeding down the list and removing accommodated pilots until no further matches exist.
- 5. At the Company’s option, mutual exchanges may be allowed based on a pilot’s two-part bid status (category, equipment).
- 6. Pilots who are successfully matched in (4) above are awarded the respective bid status without incurring a lock-in.

E.g.

Seniority #	Base	Proffers:	Matched With:	Result
1	LAX	CLT	5	Awarded CLT
2	ORD	CLT	3	Awarded CLT
3	CLT	ORD	2	Awarded ORD
4	DFW	CLT	None	Remains DFW
5	CLT	LAX	1	Awarded LAX

6	LGA	CLT	9	Awarded CLT
7	LAX	CLT	8	Awarded CLT
8	CLT	LAX	7	Awarded LAX
9	CLT	LGA	6	Awarded LGA

7. APA will normally provide Crew Resources with the list of bid status exchanges by the 6th of the month preceding the effective date of the new bid statuses.

U. Change of Base Due to Hardship

The Vice President-Flight of the Company and the President of the Allied Pilots Association will consider each request for a change of base due to hardship on a case-by-case basis, giving due consideration to the particular circumstances involved.

V. Furloughs

1. When a curtailment of operations results in fewer pilots being employed by the Company, the most junior pilots in the system, irrespective of their bid status or any rights that have accrued to them, shall be furloughed on a system-wide basis in reverse order of system seniority.
2. In the event of a furlough, the Company will notify all pilots that it will consider all requests for Leaves of Absence in order to mitigate the number of furloughs.
3. Pilots to be furloughed will be given thirty (30) days' notice before the effective date of the furlough. Such notice will not be applicable in cases of emergency which include, but are not limited to acts of God or a strike by employees of the Company.
4. A pilot furloughed by the Company due to a reduction in force shall continue to accrue seniority during the period of such furlough. Length of service for pay purposes shall not accrue during such period of furlough.
5. Furlough Pay
 - a. A pilot who has completed one (1) or more years of service with the Company as a flight deck crewmember and who is furloughed shall receive furlough pay based upon such pilot's earnings for the last full month prior to the announcement of furlough, but not less than the average of Long Call and Short Call Reserve guarantee for the bid status such pilot held that month, for the period of time specified below, except that no furlough pay will be paid when furloughs are caused by an act of God, a national emergency, involuntary revocation of the Company's operating certificate(s), a strike by any Company employee group, or a reduction in the Company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the Company's demands.

If a pilot has completed:

1 year of service	1 month furlough pay
2 years of service	1-1/2 month's furlough pay
3 years of service	2 month's furlough pay
4 years of service	2-1/2 months' furlough pay
5 years of service	3 months' furlough pay
6 years of service	3-1/2 months' furlough pay
7 years of service	4 months' furlough pay
8 years of service	5 months' furlough pay
9 years of service and thereafter	5-1/2 months' furlough pay

- b. A pilot eligible for furlough pay shall receive such pay starting at the time of furlough and such payments for the amounts due shall be at regular pay periods and continue until all furlough pay credit is used, except that in no event shall any such pay be due after the effective date of recall or, if such pilot elects to defer recall in accordance with W.3. of this Section, the effective date of such deferral.

W. Method of Recall

1. All pilots furloughed from the Company shall file proper addresses with the Vice President-Flight of the Company at the time of furlough. Any changes in address must be supplied promptly to the Vice President-Flight of the Company. A pilot shall not be entitled to preference in re-employment if such pilot does not comply with the foregoing requirements.
2. Furloughed pilots who are recalled to the employ of the Company shall be allowed a period of twenty-one (21) days to return to the service of the Company after date of postmark of reply-requested telegram or cablegram, or certified return-receipt-requested letter, of such pilot's reassignment to duty with the Company, sent to the last address on file with the Vice President- Flight of the Company.
3. Furloughed pilots referred to above who are recalled to the employ of the Company must respond to such recall in accordance with paragraph 2. above, provided, however, such recalled pilot may defer return to the active flight payroll for a period not to exceed two (2) years from the date of postmark on the notice of recall or the date the least senior furlougee is recalled, whichever date comes first, provided further that such deferring pilot may cancel such deferral, in writing, and become eligible for recall at the next recall date. When a pilot's deferral period has expired, such pilot will be eligible for recall and such pilot will be recalled when the needs of the Company require such recall. Pilots electing to defer their return to the Company in accordance with the above must notify the Company by telegram, cablegram, or certified letter, return-receipt-requested, of their decision and length of requested deferral, within twenty-one (21) days of postmark on their recall notice. Pilots electing to defer their return to active flight duty will continue to accrue occupational seniority, but length of service for pay purposes shall not accrue during such deferral period.
4. When a furloughed pilot is recalled and placed on active pilot status with the Company, such pilot shall have no prior right or claim to any vacancy or vacancies that have been filled during the period of such furlough. However, if the pilot had a reinstatement right at the time of furlough, the pilot may reclaim such reinstatement right. If more than one reinstatement right was held, the pilot may select one such reinstatement right.

X. Number of Bid Status Positions

1. The minimum number of monthly positions in each bid status shall be no less than:
 - a. Total regularly scheduled flight time, plus
 - b. Total scheduled flight time credit, plus
 - c. Total charter and extra section flight time, plus
 - d. Ten percent (10%) of the total of a., b., and c. above (reserve), plus
 - e. Total anticipated hours of vacation, plus
 - f. Total anticipated hours of training,
 - g. Divided by the monthly average line value (MALV).
2. The above formula shall not prohibit the Company from increasing the number of pilot positions in a bid status above the minimums determined above.
3. By the fifteenth day of the month, the Company shall forward the Association a report of all flying planned and flown in the previous month.

Y. Pilot Status Listing

The Company shall publish a list each month on which shall appear the names and status of all of the pilots in the employ of the Company and the stations at which they are currently based. Such list shall include the bid status of pilots, their seniority numbers, the bid status for which reinstatement rights are held, entitlements, lock-ins, and deferrals. Three (3) current copies of such list shall be distributed monthly to the Flight Department offices at each base, one (1) additional current copy of such list shall be posted on the Bulletin Board at all bases and co-terminals, and one (1) current copy shall be furnished to the Chairman and Vice Chairman of each Domicile and the President of the Association. Such lists shall be made available at all times for examination by pilots, and no such list shall be removed from Company property.

Z. Section 17 Questions and Answers

17-1. Q. *Can a newly hired pilot be assigned to a vacancy for which more senior pilots are bidding?*

A. Yes. More senior pilots who have bid preferences for the bid status to which a newly hired pilot is assigned, and who are not awarded the vacancy, may be fulfilling a lock-in (for example, a 24 month lock-in as a 767 first officer), or they shall be withheld from the bid status to which a newly hired pilot is assigned. If the pilot is denied the vacancy as a result of a lock-in, such pilot shall be given an entitlement right to the position.

17-2. Q. *While serving a lock-in a pilot is awarded a bid status for the same equipment, seat and division via the "Voluntary Mutual Base Exchange Program". Is such pilot released from the existing lock-in?*

A. No. The pilot will continue to serve the balance of the existing lock-in.

17-3. Q. *May a pilot request specific training dates?*

A. Yes. A pilot will be assigned to training in system seniority order, however, pilots may request to defer training to a different available training class. All deferral requests will be considered and may be honored if manning permits. If a pilot voluntarily requests and receives a later training date the effective date of the bid for that pilot will be based on the earlier of the date the pilot completes OE or the published bid effective date.

17-4. Q. *The Company has published a bid with an effective date of April 1. A pilot is awarded a vacancy yet a more junior pilot is assigned to training prior to the senior pilot. What is the status of the senior pilot?*

A. The senior pilot will be pay protected from the date the junior pilot completes OE, or April 1, whichever is earlier. In the event such junior pilot is removed from or delayed completing training the pay protection shall begin on the junior pilot's original estimated completion date.

17-5. Q. *Can a junior pilot fill a vacancy via a displacement preference ahead of a more senior pilot with the same bid listed as a bid preference?*

A. Yes. If the junior pilot referred to above has the seniority to displace into the four (4) part bid status where the vacancy exists, such pilot will be awarded the displacement preference bid thereby eliminating the vacancy.

17-6. Q. *Does a pilot awarded a bid status for the same equipment, seat and division via the "Voluntary Mutual Base Exchange Program" lose a previously awarded "Entitlement" or "Reinstatement Right(s)"?*

A. No.

17-7. Q. *What is the interpretation of the word "simultaneously" as it relates to the Bid Award Procedure in Section 17.G.1.?*

A. The interpretation of the word "simultaneously" as written in Section 17.G.1. means "within the same bid run." The order of filling of positions are displacements, reinstatements, entitlements and preferences.

17-8. Q. *Without a monthly bid award run how will pilots know when a vacancy bid run will occur and when training will be offered?*

A. Section 17.F governs the Company's notification requirements for filling of vacancies. The Company is required to have three (3) or more vacancy runs per calendar year. The Company will provide notice prior to those vacancy runs. As an example, the Company may give notice in December for a vacancy run that will have an effective date of April 1. The vacancy bid will be run and awarded in December. Training will occur prior

to April 1. Some pilots may begin training shortly after the bid is awarded while others may not attend training until closer to the effective date of April 1.

SECTION 18

HOME BASES

A. Purpose

The Home Base concept is intended to capitalize upon unique opportunities to allocate flying that originates from specific, non-crew base airports and award that flying to pilots who reside in the vicinity of those airports.

The success of a Home Base will be judged on the following:

1. Located in an area of sufficient pilot population to easily cover all allocated flying.
2. Ability to operate successfully without dedicated reserves.
3. Ability to maintain a reliable and dependable operation out of the airport(s) associated with the Home Base.

B. Definitions

1. Home Base: An airport, or airports, separate and distinct from a Satellite Base as defined in [Section 2.JJ](#) and [Supplement U](#), from which allocated flying shall be crewed.
2. Home Bid Status: A four-part bid status within a Home Base.
3. Home Base sequence: A sequence originating and terminating at the same Home Base.

C. Establishment and Ongoing Viability of a Home Base

1. The Company and the Association shall mutually agree to the establishment of a Home Base(s). Consideration shall be given to the number of eligible pilots within a given geographical area and the nature of the flying that would be allocated to the Home Base.
2. Home Base bid status vacancies will only be awarded. Pilots will not be displaced into or otherwise involuntarily assigned such bid status.
3. Reinstatement rights to a base that has been closed will apply to a Home Base that has been established in its place.
4. There shall be no reserves assigned to a Home Base. Upon the implementation of [PBS](#), [TTS](#) and [DOTC](#), it is expected that no more than 5% of sequences assigned to the Home Base will be covered by reserves or reassignments from other bases.
5. The expectation is that a Home Base shall be no less dependable than a regular crew base and materially less expensive to operate as a result of its unique community nature.
6. In the event that for any consecutive three (3) month period, or any three (3) months in any consecutive six (6) month period, more than 5% of sequences assigned to the Home Base are covered by reserves or reassignments from other bases, the Company and Association shall meet and agree upon appropriate solutions.
7. The Company shall provide pilots with a minimum of six months' prior notice of any decision to reduce the number of positions at, or to close, a Home Base. This notice requirement to reduce the number of positions will not apply in circumstances where there are insufficient

bidders to fill vacancies in a Home Base bid status (i.e. the Company's need to maintain an equal number of positions in each Category).

8. The provisions of [Section 8](#) (Moving Expenses) and [Section 17.S](#). (Opening, Reactivating or Closing a Base) will not apply to Home Bases.

D. The Company and the Association Joint Scheduling Committee (JSC) shall include a review of Home Base flying at JSC meetings.

1. All Home Base sequences must originate and terminate at the same Home Base airport(s).
2. The number of allocated sequences available for bid at a Home Base shall be determined by the Company.
3. Temporary vacancies at a Home Base may be offered for bid during periods of increased seasonal frequency. The duration for such temporary positions shall be dependent upon the specific schedule, but will be no less than two (2) months and no more than five (5) months in duration. The applicable duration shall be published at the same time as the vacancies. Pilots awarded such vacancies shall be committed to the Home Base for the duration of the temporary vacancy. At the conclusion of the assignment, temporary Home Base pilots shall revert to their permanent bid status. In the event there are insufficient bidders for the temporary vacancies, such vacancies shall not be filled.
4. A temporary Home Base pilot may participate in the vacancy run process while serving in the temporary Home Base bid status. If awarded a different bid status, such pilot will be withheld from the new bid status until the temporary assignment is completed.

E. Eligibility for Trip Selection Awards and Assignments

1. Only pilots in the Home Base four-part bid status may bid for Home Base bidlines.
2. Pilots awarded Home Base trip selections shall be responsible for their own transportation to and from the Home Base.
3. A pilot in a Home Base bid status who fails to submit a monthly bid shall be awarded a bidline in accordance with such pilot's standing bid.

F. Home Base Bidlines

1. All sequences within any Home Base bidline must originate and terminate at the same Home Base.
2. A Home Base sequence that cannot be included in a bidline may, at the Company's option, be left in open time or transferred to an alternate Crew Base, and shall be excluded from the calculation in [C.4](#). above.

G. Filling of Open Time

1. Pick-Up (Make-Up) Flying
 - a. For the purposes of pick-up (make-up) flying, all Home Base open time sequences shall be awarded in accordance with the procedures outlined in [Section 15.L](#). (Order of Filling of Open Time).
 - b. A pilot who voluntarily accepts an open time Home Base sequence shall be responsible for his/her own transportation to and from the Home Base at which the sequence originates and terminates.
2. Other Flying

Any other open sequences shall be covered in accordance with the provisions of [Section 15.L](#). for the Filling of Open Time.

H. Trip Trade with Open Time (TTOT) / Trip Trade System (TTS)

1. Home Base sequences may be dropped into open time or traded pilot to pilot via TTOT / [TTS](#).
2. Non Home Base pilots who trade for or pick up any Home Base sequences using TTOT or TTS shall be responsible for their own transportation to and from the Home Base.

I. Administrative Support

1. Appropriate administrative support for each Home Base shall be mutually agreed to by the Company and the Association prior to the start-up of any Home Base. Parking availability, flight manual and checklist revision support will be defined as part of the specific Home Base establishment process.

SECTION 19

MISCELLANEOUS FLYING, JUMPSEAT, DEADHEAD, and TRAVEL

A. Miscellaneous Flying

Pilots shall receive applicable pay in accordance with the pay outlined in this Agreement on scheduled and extra section flights and for the following non-scheduled flights: publicity, charter, contract, scenic, attempts, courtesy flights, ferries, engine, instrument, plane and radio test flights, experimental and airway aid test flights.

B. Pilots Serving in Lower Categories

A Captain, who accepts an assignment by the Company to serve as First Officer on any flight stipulated in paragraph A. of this Section, shall receive Captain rates of pay. Any First Officer displaced from a trip by such Captain shall receive flight time pay and flight time credit on a scheduled basis for the trip or trip sequence from which displaced.

C. Cockpit Jumpseat

The luggage for the one or two pilots issued a Flight Deck Jumpseat boarding pass (1W, 2W) shall be secured:

1. In the flight deck, or
2. If the jumpseat occupant's crew luggage cannot be accommodated in the flight deck, Jumpseat occupants will be allowed to use available cabin overhead bins for storage of crew luggage.
3. If the jumpseat occupant's crew luggage cannot be accommodated in either (a) or (b) above:
 - a. For American Airlines Pilots, the pilot may check such pilot's crew baggage (Gate Valet or similar) for retrieval on the jet bridge at destination. If a Pilot's baggage is lost, the Pilot shall be subject to the Company's policy regarding lost luggage applicable to revenue passengers.
 - b. For off-line Jumpseat occupants, luggage shall be gate checked for pick up in baggage claim at the destination.

D. Deadheading

1. Pay
 - a. A pilot, who deadheads to or from any station for the purpose of covering any of the flights specified in [paragraph A.](#) of this Section, shall be paid and credited for such deadheading at one (1) hour pay and flight time credit for each hour of such deadhead time on the type equipment covered on the basis of the scheduled flight time of the deadhead trip at Captain or First Officer rates according to the category in which serving. Deadheading at pilot's request will not be paid under this paragraph.

The above provisions covering air transportation shall apply when deadheading is by surface transportation and made in lieu of air transportation, as though the deadheading were performed by air transportation. This shall not apply between co-terminals served by the same pilot base.

- b. Deadheading on Company Aircraft

Pilots who are scheduled (allocated or rescheduled/reassigned) to deadhead on transoceanic International flights, on flights to or from Hawaii and Alaska, and on flights south of the equator (as defined below) will be provided business class accommodations (or first class accommodations if the aircraft is not configured with business class). Such pilots will not be required to deadhead in economy. If a pilot scheduled to deadhead to base on the last leg of a sequence chooses to deviate from the scheduled deadhead in order to deadhead to the pilot's residence or designated city, business class accommodations will be provided, if available at the time of booking. If business class is unavailable, such pilot will be booked in economy. The countries that qualify as flights

south of the equator are Chile, Brazil, Argentina, Bolivia, Peru, Ecuador, Uruguay and Paraguay.

c. Deadheading on Other Airlines

Pilots who deadhead on transoceanic International flights and on flights south of the equator (as defined above) will be provided business class accommodations, if available. If business class is unavailable, seats will be provided in economy.

2. General

- a. At the time sequence allocations are published, the Company shall book seats for all deadheading pilots.
- b. A deadheading pilot's record locator shall be available to the pilot prior to or at the time of check-in.

Notwithstanding the above, in an irregular operation, the Pilot may not be provided with a record locator number and shall be provided any positive-space seat available at the time the Pilot reports to the gate for the deadhead. For purposes of this, an irregular operation shall be defined as any deadheading flight that has been assigned subsequent to the normal assignment of deadheads as provided in a. above. Nothing in this paragraph lessens the deadhead benefits provided in paragraphs D.1.b. and c. above.

- c. A Pilot scheduled to deadhead on the first leg of a sequence shall notify Crew Schedule of the Pilot's intention to no-show that deadhead at least two hours (2:00) prior to the scheduled departure of the deadhead leg. Such notification shall be considered the Pilot's check-in.

A pilot may request to deadhead to the station of actual flying origin. The deadhead will occur under the same travel pass classification as the originally scheduled deadhead. The current reassignment practices for pilots deadheading from home to a station of actual flying origin other than their domicile will remain in effect. The displacement of revenue for pilots wishing to deadhead from their city to the station of actual flying origin will only be approved in the event revenue would also be displaced on the originally scheduled deadhead from the commuter's domicile.

- (1) The Pilot shall receive full pay and credit for the originally scheduled deadhead.
 - (2) The Pilot must contact Crew Schedule as soon as possible if the Pilot encounters any delays that might affect the Pilot's check-in time (for the operational leg).
 - (3) A Pilot may be required to report to domicile if that Pilot has been rescheduled or reassigned.
 - (4) The Pilot is responsible for reporting to the Pilot's scheduled operating (non-deadhead) flight on time and for reviewing all pertinent safety and administrative material prior to commencing the flight.
- d. A Commuter who is scheduled to deadhead to base on the last leg of a trip sequence may request permission from Crew Tracking to be released for purposes of deviating from the scheduled deadhead, utilizing the appropriate Business travel pass classification. Such permission will not be unreasonably withheld.
 - e. Pilot-requested alternate deadhead legs per c. and d. above shall be to/from domestic locations only on American and/or any Company owned affiliate.
 - f. A deadheading Pilot may pre-board the aircraft.
 - g. If overhead bins are full, the deadheading Pilot may gate check such pilot's crew bag (Gate Valet or similar). If a Pilot's luggage is lost, the Pilot shall be subject to the Company's policy regarding lost luggage applicable to revenue passengers.
 - h. Deadheading on Other Airlines - Upon request, the parties shall meet to consider information and recommendations that the Association may have regarding the suitability of a foreign carrier for deadheading.

E. Travel

1. The Company will provide a Positive Space Pass for one (1) D1/D2 qualified and registered dependent of a retiring pilot on the last sequence of the pilot's career.
2. One Association staff representative (could be outside counsel/advisor) will be provided positive space transportation over the Company's system for the purpose of attending negotiations with the Company.

SECTION 20

PHYSICAL EXAMINATIONS

- A.** The purpose and object of any Company physical examination for a pilot shall be to diagnose the true and actual physical condition of the pilot, and the pilot or his duly designated personal physician will be furnished with an exact duplicate copy of all medical examiner's reports affecting him.
- B.** Physical standards for Company physical examinations will be those standards set forth in the FAA Regulations as being required to maintain a First Class FAA Medical Certificate with Statements of Demonstrated Ability (waiver) for Air Line Pilots. Physical examination procedures shall be determined by the Company.
- C.** Any information obtained by, or a result of, a Company physical examination shall be strictly confidential between the Company, the Company's doctor, and the pilot, and shall not be divulged to any other person without the written permission of the pilot.
- D.** A pilot shall not be required to submit to any Company physical examination in excess of two (2) in any twelve (12) month period without the pilot's consent, unless it is the Company's opinion that his health or physical condition is appreciably impaired, in which case the following procedure shall apply:
1. The Company shall notify the pilot, in writing, specifying the nature and extent of its concern.
 2. Any pilot hereunder who, in the Company's opinion, fails to pass a Company physical examination, may, within thirty (30) days, at his option, have a review of his case in the following manner:
 - a. He may employ a qualified medical examiner of his own choosing and at his own expense for the purpose of conducting a physical examination for the same purpose as the physical examination made by the medical examiner employed by the Company.
 - b. A copy of the findings of the medical examiner chosen by the employee shall be furnished to the Company, and in the event that such findings verify the findings of the medical examiner employed by the Company, no further medical review of the case shall be afforded.
 - c. In the event that the findings of the medical examiner chosen by the employee shall disagree with the findings of the medical examiner employed by the Company, the Company will, at the written request of the employee, ask that the two (2) medical examiners agree upon and appoint a third qualified and disinterested medical examiner, preferably a specialist, for the purpose of making a further physical examination of the employee.
 - d. The said disinterested medical examiner shall then make a further examination of the pilot in question and the case shall be settled on the basis of his findings. The said disinterested medical examiner will be given a copy of the findings of the two (2) physicians previously mentioned prior to making his examination.
 - e. The expense of employing the disinterested medical examiner shall be borne one-half (1/2) by the pilot and one-half (1/2) by the Company. Exact duplicate copies of such medical examiner's report shall be furnished to the Company and to the pilot.
- E.** When a pilot is removed from flying status by the Company as a result of his failure to pass the Company's medical examination and appeals such action under the provisions of this Section, he shall, if such action is proven to be unwarranted, as provided in paragraph **D.** of this Section, be paid retroactively for all time lost in an amount which he would have ordinarily earned had he been continued on flight status during such period; providing further that in no case shall he be paid for a period in excess of ninety (90) days from the date of his removal from flight status.

SECTION 21

DISCIPLINE, GRIEVANCES, HEARINGS, AND APPEALS

A. Discipline

In recognition of the mutual interest by the Association and the Company to assure that the very highest standards of pilot conduct and performance are maintained, and acknowledging the Company's obligation to timely investigate allegations of misconduct while balancing the Association's obligation to fairly represent the pilots, the Company and the Association have reached the following understanding regarding the Company's disciplinary program for pilots and the Association's rights of representation.

1. Disciplinary Program

- a. It is understood and agreed that the Company will have the right to maintain and administer a disciplinary program for pilots and that the Company may in the future revise, modify, rename, or otherwise change its disciplinary program, solely at its discretion, provided prior written notification is given to the Association and such changes are not in violation of the provisions of the Agreement.
- b. It is understood and agreed that the Company's disciplinary program will not contain any procedure or step which will require a pilot to waive the contractual right to grieve an action taken by the Company, as provided under the Agreement. The parties recognize that the initial discussion, as defined in [21.A.1.g](#) below, with an employee does not constitute discipline or a step in the disciplinary procedure.
- c. In response to the Association's expressed concerns relative to the disciplinary letters in pilots' files, the Company agrees that disciplinary letters or advisories issued to pilots under the provisions of the disciplinary program will be removed from the affected pilots' files not later than two (2) years following the date of issue.
- d. It is understood and agreed that discussion records, which are currently referred to as Personnel Employment History (PEH) entries, would be entered in and will be maintained as a permanent part of a pilot's Company personnel file; however, no advisory or disciplinary letter will refer to any adverse PEH entries in the discussion record entry which was made more than two (2) years prior to the issuance of said advisory or disciplinary letter.
- e. In accordance with [Section 24.B](#) of the AA/APA Agreement, the Company will notify a pilot each time an entry is made on the pilot's discussion record and the discussion record will be available for inspection by the pilot during business hours. Further, in response to any discussion record entry, a pilot may provide a written rebuttal which will be attached and become a part of the discussion record.
- f. The purpose of any Company discipline is to correct a pilot's behavior and/or performance.
- g. The Company will not normally impose discipline upon any pilot until a step process effort has been made to correct a pilot's behavior and/or performance. An entry in the discussion record (currently a PEH entry) of a non-disciplinary verbal advisory will include a record of the pilot meeting and specific information concerning the behavior or performance in question, but not such detail as would constitute a written advisory. The Pilot or the Association may, at either's option, provide a written response, rebuttal or addendum. The discussion record and the pilot's or the Association's response, rebuttal, or addendum can be referred to for no more than two (2) years from the date of the issuance of said discussion record.
- h. The following steps will constitute the disciplinary program for pilots:
 - (1) The first step will be a written advisory which will include specific information concerning the behavior or performance in question, any corroborating evidence, and a record of the pilot meeting. The pilot or the Association may, at either's option, provide a written response, rebuttal or addendum. The written advisory and the pilot's or the Association's response, rebuttal, or addendum will be considered part of the first step, which will reside in the personnel file or record for no more than two (2) years.

- (2) The second step will be a Letter of Discipline which will include specific information concerning the behavior or performance in question, any corroborating evidence, and a record of the pilot meeting. The Company may proceed to the second step should the pilot have another occurrence documented under [A.1.h.\(1\)](#) of this Section during the time in which a first step written advisory as described in [A.1.h.\(1\)](#) is still in the personnel file or record. The Company may consider and implement other forms of corrective action. The pilot or the Association may, at either's option, provide written response, rebuttal or addendum to the Company's file or record.
- (a) The parties recognize that there are certain serious infractions that may result in termination or other discipline without prior steps.
 - (b) The Company will weigh the positive attributes of the pilot's employment history when considering whether or not a pilot should be disciplined, suspended, or terminated.
- i. The Company will maintain no more than one discussion record in a pilot's personnel file and will maintain no more than one (1) personnel file or record for any pilot that can be used for disciplinary purposes. A pilot will be advised immediately if any material, notation, entry, or otherwise is placed in or removed from such personnel file or record. Such file or record will be available for inspection by the pilot at the pilot's domicile during normal business hours. At the pilot's request, an Association representative may be present and be permitted to view the pilot's file.
 - j. Nothing in this Section shall be construed as requiring or otherwise forcing the Company to impose discipline upon a pilot at any time.

B. Investigation and Rights of Representation

1. A pilot shall not be disciplined or dismissed from service with the Company without an investigation and written notification of such action, including the precise charge(s) and an explanation for any action taken. A pilot shall be provided with an opportunity to meet with that pilot's Flight Department supervisor prior to the rendering of the Company's decision with regard to discipline or dismissal.
2. A pilot shall be entitled to Association representation, or the pilot may elect to be represented by another Company employee of the pilot's choice, at any meeting with the Company for the purpose of (1) investigating a matter which may result in discipline or dismissal, or (2) at which a written statement may be required, or (3) of sufficient importance for the Company to have a witness or more than one supervisor present. In any case, if a pilot does not wish to have Association representation, the Association reserves the right to have an observer present and the Company has an affirmative obligation to inform the Association in a timely manner about such meeting.
3. The Company will advise the pilot that s/he is entitled to Association representation at the time the investigative meeting/hearing is scheduled.
4. Prior to any investigation, the Company will notify the pilot and the Association of the purpose of the investigation, and make available relevant documentation including the specific charges and statements. The Company may in cases involving harassment allegations require employees of the Company to sign non-retaliatory confidentiality statements prior to reviewing statements. Further, the Company may redact names and other personal identifiers at the preliminary investigative proceeding. It is understood that should the matter proceed to the System Board, the Company will provide the Association such statements without redactions.
5. Investigations will be conducted expeditiously.
6. Meetings or investigations will be scheduled at mutually convenient times to the extent possible. The parties recognize that this provision may not be utilized to frustrate the process of conducting timely and appropriate investigations or meetings. If no mutually agreeable time can be established, the meeting will be established between 10:00 am and 3:00 pm local time; however, meetings will not be scheduled during a pilot's DFP. Once scheduled, the hearing should commence within 15 minutes of schedule and proceed as expeditiously as possible. In the event either party is unwilling or unable to commence the meeting within 15 minutes of the scheduled start time, the meeting will be rescheduled, unless mutually agreed

otherwise. The pilot will not be paid for any meeting that is rescheduled due to either the pilot's or the Association's delay.

7. Only those participants appropriate and necessary for the conduct of the investigation will be present. Only one (1) Chief Pilot/Company supervisor/Company representative will conduct and oversee any pilot meeting. Only that Chief Pilot/Company supervisor/Company representative will be designated to ask questions or direct any question to be asked of any pilot during the meeting. At no time will there be more than two (2) Chief Pilots/Company supervisors/Company representatives present during any meeting. This will not prevent either the Company or the Association from having an observer present for note taking or training. Nothing in this paragraph will preclude the Company or the Association from having those deemed necessary to the investigation present, but in no case will there be more than one (1) witness to the incident or event or one (1) expert witness present at the same time during any pilot meeting or hearing.
8. The parties agree that participants in investigations shall be free to discharge their duties in an independent manner, without fear that their individual relations with the Company, the employees of the Company, or the Association, may be affected in any manner by any action taken by them in their capacity as a participant.
9. Investigations involving TUL pilots will be conducted by their pilot supervisor, in the appropriate location. If necessary, the Company will provide the pilot Company business travel to and from that meeting.
10. The subject pilot(s) will be paid for investigative hearings at the rate of :15 minutes flight pay (no credit) for each hour or fraction thereof required.
11. Following the conclusion of the investigation at each level, the Company will provide a written statement to the pilot and to the Association outlining the results of the investigation. If the pilot and/or the Association elect(s) to provide a position statement, it will become a permanent part of the record.

C. Corporate Security Interviews

Interviews conducted by the Corporate Security Department may not result in discipline or discharge of a pilot. The Association will be notified and may have a representative attend the investigation as an observer. Pilots will be entitled to Association representation at such interviews, where the pilot is the person being investigated.

D. Grievances

1. Discipline and Discharge Grievances
 - a. A pilot may protest the Company's action(s) imposing discipline or dismissal by filing a grievance and a request for a hearing of the matter in writing within thirty (30) days of the pilot's receipt of the written notification of such action. The grievance shall be addressed to the pilot's Flight Department supervisor, with a copy provided to the Vice President-Flight and the President of the Association or his/her designee.
 - b. A pilot may be held out of service with pay by the Company, pending an investigation, hearing, appeal, or Substance Abuse Professional evaluation after a confirmed positive breath alcohol test, provided that if the pilot is charged with insubordination, criminal charges or verified positive drug test results, the pilot may be held out of service without pay. If, in the case of criminal charges or verified positive drug tests, the charges are subsequently not pursued or proven, s/he will be returned to duty without a loss of seniority, shall be paid for any time or earnings lost which the pilot would have received but for the withhold from service, and the Company shall ensure that all personnel and other records so reflect that fact.
2. Contractual Grievances
 - a. Any pilot, or group of pilots, covered by this Agreement having a grievance concerning any action by the Company, shall be entitled to the same rights and privileges as provided for in this Agreement and may protest the Company's action(s) by filing a grievance within the following time limits:
 - (1) Ninety (90) days from the date of the occurrence being grieved by an individual; or

- (2) One hundred eighty (180) days from the date of the occurrence being grieved by the President of the Association as a Presidential grievance, or by a Domicile Chairman as a Base grievance.
 - (3) The President of the Association, with respect to Presidential grievances, may waive both the Chief Pilot Initial and the Vice-President Appeal grievance levels and proceed either to the Pre-Arbitration Conference, as described in [Section 22](#) of this Agreement, or pursuant to [Section 21.D.3](#), to the System Board of Adjustment, as described in [Section 23](#) of this Agreement.
- b. The Company shall have the right to file a grievance concerning any action by the Association or any matter involving the application or interpretation of this Agreement within the time limits set forth in [Section D.2.a.\(2\)](#) above. Company grievances shall proceed immediately to the Pre-Arbitration Conference as set forth in [Section 22](#).
 - c. The time limits set forth in this provision shall begin to run from the point of the occurrence or, if the party did not know about the occurrence, the earlier of the date when the party knew or should have known about the occurrence.
3. Expedited Grievances: A party submitting a Presidential or Company grievance may, upon written request at the time of submission, demand an expedited arbitration of such grievance and may proceed directly to the System Board of Adjustment, as described in [Section 23](#).

E. Grievance Hearing Guidelines

1. In recognition of the mutual interest by the Association and the Company to assure that grievances are timely processed and acknowledging that communications and the exchange of documents supporting the party's specific positions at the earliest opportunity promotes quicker resolution at the lowest grievance level, the Company and the Association have reached the following understanding regarding grievance hearings.
2. Prior to an Initial or Appeal hearing, a grievant or the Association shall be given the necessary time, not exceeding twenty (20) days, in which to secure the presence of witnesses and prepare for the hearing. The grievant shall have the right to be represented by a Company employee of the grievant's choice, or by the grievant's Association representative(s). In any case that a grievant does not wish to have Association representation, the Association reserves the right to have an observer present and the Company has an affirmative obligation to inform the Association in a timely manner about such hearing. However, if the grievant did not receive the notification of the hearing in time to have had the twenty (20) days required above, if requested, the hearing will be rescheduled to provide the required twenty (20) days.
3. Prior to an Initial or Appeal hearing, the parties shall exchange documents supporting their respective positions including (a) for discipline/discharge grievances, documents to support the discipline issued, statements and the grievant's personnel file; and (b) for contractual grievances, documents that support the party's position.
4. Should any pilot(s) or the Association elect to do so, submissions will become a part of the investigation document, specifically those emanating from the initial hearing, and in response to any Company investigation disclosure.

F. Chief Pilot Initial Grievance Hearing

1. The Initial hearing shall be held by the grievant's Base Chief Pilot, or his designated representative within forty-five (45) days following the receipt of the grievant's written grievance and request for that hearing. In the event that a grievance is not scheduled within

the 45 day time frame, it shall be deemed to be denied and the grievant shall have the right to proceed to the next step in the grievance process.

2. For those pilots based at the Maintenance and Engineering Center at Tulsa, Oklahoma, the hearing shall be held by the pilot's supervisor at the appropriate location.
3. The Initial hearing may be waived at the grievant's option, and the grievance will proceed to the Appeal hearing level with the Vice President-Flight in accordance with the procedures of this Section.
4. Within thirty (30) days following the Initial hearing, the Company shall render its decision, in writing, and shall furnish the grievant, and APA Legal, a copy of the decision. The Company will provide the specific reason(s) for the decision. In the event that a decision is not rendered within the thirty (30) day time frame, then the grievance shall be deemed to be denied and the grievant shall have the right to proceed to the next step of the grievance process.

G. Vice-President Appeal Grievance Hearing

1. A decision by the Company in the Initial hearing which is unsatisfactory to the grievant may be appealed to the Vice President-Flight. The written appeal request must be signed by the grievant and filed by the grievant, or his Association representative, within thirty (30) days following receipt of the Company's decision by the President of the Association or his/her designee.
2. The Vice President-Flight, or his designated representative, shall hold the appeal hearing within forty-five (45) days after the receipt of the grievant's written request. In the event that a hearing is not scheduled within the forty-five (45) day time frame, it shall be deemed to be denied and the President of the Association shall have the right to proceed to the next step in the grievance process.
3. The Appeal documentation shall include the results of the Initial Hearing, including any position statement filed by the grievant or the Association. If a decision by the Chief Pilot has not been issued at the time the appeal is filed, the absence of the Chief Pilot's decision should be noted on the appeal notification. The Appeal documentation may be filed at or before the Appeal hearing.
4. The Vice President-Flight, or his designated representative, shall consider all pertinent information, render his decision, in writing, and shall furnish the grievant, and the President of the Association or his/her designee, with a copy of the decision within thirty (30) days after the close of the grievance hearing. The Vice-President-Flight or his designee will provide the specific reason(s) for the decision, citing factual findings and where applicable any contractual reference or past practice supporting the decision. In the event that a decision is not rendered within the thirty (30) day time frame, then the grievance shall be deemed to be denied and the President of the Association shall have the right to proceed to the next step in the grievance process.
5. After the appeal provisions of this Section have been exhausted, the President of the Association shall have the right to appeal either to the Pre-Arbitration Conference, as described in [Section 22](#) of this Agreement, or pursuant to [section 21.D.3](#), to the System Board of Adjustment, as described in [Section 23](#) of this Agreement. Appeal to either the Pre-Arbitration Conference or the System Board must be made within thirty (30) days from the date of the receipt by the President of the Association or his/her designee of the appeal decision of the Vice President-Flight. The written appeal request must be filed by the Association to the Company with a copy to the System Board Coordinator.

H. General

1. All decisions not appealed within the time limits described herein are final and binding as to the grievant but without precedent unless otherwise agreed.
2. The rights afforded in [Sections 21, 22, and 23](#) are extended to probation pilots for contractual grievances, but not for discipline and discharge grievances.
3. Time limits for hearings, decisions and appeals, established in this Section shall be considered as maximum periods. Every effort will be made to expedite all hearings,

decisions and appeals. In cases where extenuating circumstances dictate, the time limits may be extended by mutual agreement, provided that the agreement to extend is in writing and is for a specified time period.

4. A transcript recorded by a third-party certified court reporter may be taken at an investigation or hearing, with the cost to be divided equally by both parties to the dispute. In the event it is not mutually agreed that such a transcript be taken, the party requesting the transcript shall be responsible for its cost. If the other party subsequently requests a copy of that transcript, it shall be provided upon receipt of that party's payment of one-half the transcript's cost.
5. The filing of all grievances, notices, decisions and appeals provided for in [Sections 21, 22](#) and [23](#) of this Agreement and all required copies thereof shall be accomplished by hand delivery with receipt or by deposit in U.S. mail, postage prepaid, certified mail to the last known address of the party to whom the notice is being given, or by other delivery means that provide a receipt.
6. All documents which are required to be provided to the Company or the Association in writing, as described in Sections 21, 22, and 23 of the Basic Working Agreement, shall be sent to the Company's designated Grievance Coordinator and the Association's Legal Department in accordance with Section 21.H.5. above. The Company shall notify the Association of the identity of its Grievance Coordinator and shall notify the Association in writing in the event of a change in that position.

SECTION 22

PRE-ARBITRATION CONFERENCE

A. Establishment

The Association and the Company desire to implement a method of grievance resolution that will afford the parties an opportunity to resolve pending grievances prior to arbitration proceedings before the System Board of Adjustment. The parties agree that grievances may usefully be evaluated at a Pre-Arbitration Conference ("PAC") to determine if there can be a satisfactory resolution by negotiation or mediation. The parties further desire to use the PAC as a procedure to discuss their respective positions and identify and agree on the issue(s) of genuine disagreement. To this end, the parties agree to act in good faith at the PAC to discuss settlement and exchange relevant documents.

The parties may mutually agree to include a recognized mediator / arbitrator to act as a facilitator at any PAC. The facilitator shall be selected from a mutually approved list of PAC facilitators. In the event a facilitator is unavailable from the approved list for a particular PAC, the parties shall mutually agree to an alternate selection for that particular Conference only.

B. Participants

The parties shall select a minimum of two (2), but no more than five (5) representatives to serve as participants in the PAC. The Association and the Company shall each appoint a principal spokesperson for the PAC. In addition, each party must be represented by an authorized settlement agent in an effort to settle the cases.

C. Jurisdiction

1. The PAC shall have jurisdiction over disputes growing out of grievances or out of interpretation or application of any of the terms of this Agreement. The jurisdiction of the PAC shall not extend to proposed changes in hours of employment, rates of compensation, or working conditions covered by this Agreement.
2. The settlement of grievances resulting from the PAC shall be documented in writing, shall be final and binding on the parties, and shall constitute a precedent, unless the Association and the Company agree otherwise. All cases not resolved at the PAC will be so documented and may be submitted to the System Board of Adjustment.

D. Responsibility

All grievances must be submitted for a PAC prior to a hearing by the System Board of Adjustment unless otherwise provided under this Agreement. Unless mutually agreed, a grievance will only be heard at one (1) PAC.

1. The PAC will review each grievance before it to determine if there is a resolution to the grievance which is mutually acceptable to both parties; and,
 - a. Resolve the grievance in a manner mutually acceptable to both parties, or
 - b. Forward the grievance for scheduling at a Mediation Panel, or
 - c. Determine that the grievance cannot be resolved and submit the grievance to hearing by the System Board of Adjustment.

The grievant shall be notified of the PAC result, but need not be personally present during any PAC, Mediation Panel, or System Board of Adjustment.

2. The Company will provide the Association at the PAC with its position regarding any grievance scheduled for that PAC including its factual findings, and where applicable, any contractual reference or assertion of past practice supporting its position.
3. The Association and the Company will provide position statements and relevant documents no less than five (5) business days prior to the PAC, including: (a) for discipline/discharge grievances, documents to support the discipline issued, statements and the grievant's

personnel file; and (b) for contractual grievances, documents that support the party's position.

E. Scheduling of Pre-Arbitration Conferences

1. The Association and the Company shall mutually agree to schedule and convene a PAC during the months of January, April, July, and October, or as otherwise agreed to by the parties. The parties further agree that the location of the PAC shall be at either the headquarters of the Association or the Company, or at an alternate site mutually agreed upon by the parties.
2. Thirty (30) days prior to a PAC, the Association and the Company will exchange a list of its outstanding grievances that it plans to address at the next PAC. The Company may only submit one grievance to each PAC unless otherwise agreed upon by the Association. Conferences shall be scheduled so as to allow a thorough discussion of the cases submitted. When the parties mutually agree to use a facilitator for a PAC, four (4) cases per day will be scheduled. The parties may limit or extend the time requirements on a particular case by mutual agreement.
3. In the event that the Association and Company are unable to resolve a grievance at the PAC, then they may mutually seek the participation of a Mediator to sit as a member of a Mediation Panel.
4. All cases referred to the Mediation Panel must be scheduled for consideration by the Mediation Panel within thirty (30) days of the date the referral is made at the PAC.
5. In the event that the Association and the Company are unable to resolve a grievance at the PAC and the parties do not mutually seek the participation of a Mediator, the grievance may be appealed to the System Board of Adjustment, as described in [Section 23](#), within thirty (30) days from the date the grievance was discussed at the PAC.

F. Mediation Panel

1. The Mediation Panel shall consist of an equal number of Association and Company representatives, not exceeding three (3) representatives for each party, and a Mediator.
2. The Association and the Company shall select a Mediator from a mutually agreed to list of potential Mediators, and the Mediator shall serve until removed upon the request of either party. The Association and the Company will equally share the fee and expenses for the Mediator selected.
3. Upon the request of either the Association or the Company, the list of Mediators will be reviewed annually for additions or deletions.
4. The representatives of the parties shall, no later than five (5) business days prior to the scheduled date of the Mediator's participation in a Mediation Panel, present the Mediator with a brief written statement containing the issue(s) in dispute, and the arguments in support of their position. If the statement is not provided in written form, it may be provided orally at the beginning of the Mediation Panel. However, oral statements shall not exceed thirty (30) minutes in duration.
5. Proceedings before the Mediator will be informal in nature, shall last no more than one-half ($\frac{1}{2}$) day per grievance, unless otherwise agreed by the parties, and the rules of evidence will not apply.
6. No record of a Mediation Panel will be made except by mutual agreement between the Association and the Company. Any written material that is presented to the Mediator will be returned to the party presenting that material at the termination of the Mediation Panel.
7. The Mediator will have the authority to meet separately with either the Association or the Company during the Mediation Panel proceedings.
8. The Mediation Panel will not have the authority to compel a resolution of the grievance.
9. If the Mediation Panel has been unable to resolve the grievance, the Mediator will immediately provide the parties with an oral advisory decision, unless the Association and the

Company mutually agree that no advisory decision will be provided. When rendering an oral advisory decision, the Mediator will state the grounds for the advisory decision.

10. In the event that either the Association or the Company does not agree to the Mediator's advisory decision, the grievance may be submitted for hearing to the System Board of Adjustment upon notice from the President of the Association or in the case of the Company, the Vice President-Flight, to the System Board Administrator within ten (10) days after consideration by the Mediation Panel. Failure to give timely notice will constitute withdrawal of the grievance.
11. No Mediator participating in the consideration of a grievance during a Mediation Panel may serve as a member of the System Board with respect to that grievance. During the System Board proceeding on such grievance, no reference shall be made to the discussion of the parties, the comments, observations or advisory ruling of the Mediator, or to the fact that the grievance had been submitted to and was not settled by a Mediation Panel.
12. All cases proceeding to the System Board of Adjustment must be scheduled for hearing as provided in [Section 23](#).

G. General

Time limits established in this Section shall be considered as maximum periods. Every effort will be made to expedite all hearings, decisions and appeals. In cases where extenuating circumstances dictate, the time limits may be extended by mutual agreement, provided that the agreement to extend is in writing and is for a specified time period.

SECTION 23

SYSTEM BOARD OF ADJUSTMENT

A. Establishment

In compliance with the Railway Labor Act, as amended, the parties establish the American Airlines System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and which are properly submitted to it. The System Board of Adjustment may be constituted as either a Four Member Board or a Five Member Board. All grievances properly submitted to the Board will be heard by a Four Member Board, unless the President of the Association, or in the case of a Company grievance, the Vice-President Flight, elects to proceed directly to a Five Member Board.

B. Membership

1. A Four Member System Board shall consist of four (4) members, two (2) of whom shall be selected and appointed by the President of the Association, and two (2) by the Company. A Five Member System Board shall consist of five (5) members, two (2) of whom shall be selected and appointed by the President of the Association, two (2) by the Company, and a neutral Arbitrator. For a Five Member System Board, the parties shall select an Arbitrator by mutual agreement, as provided for in this Section, to serve as that Board's Chairman with respect to any case or cases scheduled before that System Board. In some cases, by agreement between the Association and the Company, each party shall appoint only one (1) member each to serve on the System Board with an Arbitrator.
2. The Association shall provide a System Board Coordinator who will determine the availability of the Arbitrators, coordinate their selection, and schedule arbitrations by the procedures contained in [sections C.](#) and [D.](#) of this Section. The System Board Coordinator shall be the contact point for all communications with Arbitrators, except when System Boards are in session. The System Board Coordinator shall coordinate the various dockets, meetings, and so forth, necessary to administer the System Board. The System Board Coordinator shall not be a participant in any capacity in any hearing, appeal, PAC, Mediation Panel, or System Board of Adjustment, except as may be necessary to testify as to the System Board Coordinator's duties.

C. Selection of Arbitrator

1. The Association and the Company shall, by mutual agreement, establish a list of Arbitrators to serve as the neutral member of the Five Member System Board. Arbitrators will be categorized as suitable for Disciplinary/Discharge hearings, and/or Contractual Dispute hearings. There shall be a minimum number of ten (10) Arbitrators on each list with the understanding that an Arbitrator can be on both lists.
Every July, the Association and the Company shall disclose to each other the names of the Arbitrators that they want to either strike from or add to the list of acceptable Arbitrators. Every, August, the Association and the Company will meet to review and formally amend, if necessary, the list of acceptable Arbitrators. At the end of the August meeting, both lists of acceptable Arbitrators will be populated with ten (10) acceptable Arbitrators. The Association and the Company shall retain the right to add to (by mutual agreement) or delete from (unilaterally) the list of acceptable Arbitrators on an ad hoc basis at any time.
2. Either the Association or the Company, by written notice to the other, may at any time and without cause, remove any of the named Arbitrators. The Arbitrator so removed shall complete any pending matters in accordance with the Basic Working Agreement. If future arbitration dates have been reserved with the removed Arbitrator pursuant to the Agreement, the System Board Coordinator shall cancel those future dates, and the party requesting the removal of said Arbitrator will be responsible for any cancellation fees that may be incurred as a result of the cancellation of future dates. Upon the removal of any Arbitrator, the System Board Coordinator shall contact the remaining Arbitrators, to obtain additional dates. The

removed Arbitrator will be replaced in accordance with C. 1. above during the parties' annual review of the Arbitrators list.

3. Upon request of either the Association or the Company, the list of acceptable Arbitrators will be reviewed annually for additions or deletions.

D. Scheduling of Arbitrations

1. The scheduling of Four Member System Board arbitrations shall be as follows:
 - a. The System Board Coordinator will contact the parties, coordinate and schedule the System Board hearing, and notify all parties of the time, date and location. The Association and the Company agree that the location of System Boards shall be at either the headquarters of the Association or Company, or at an alternate site mutually agreed upon.
2. The scheduling of Five Member System Board arbitrations shall be as follows:
 - a. The System Board Coordinator will contact the Arbitrators on the agreed to list to determine scheduling availability for the next annual arbitration dates.
 - b. Upon receipt of all Arbitrator's annual available dates, the System Board Coordinator shall provide to the Association and the Company a list of the Arbitrators' annual availability, and the Association and the Company shall attempt to mutually agree upon Arbitrators and annual arbitration dates from the list prepared by the System Board Coordinator. Once the Company and the Association agree upon Arbitrators and annual arbitration dates, the System Board Coordinator will contact the Arbitrators and confirm the arbitration dates.
 - c. If a need arises for additional arbitration dates, then the System Board Coordinator will contact the Arbitrators on the agreed to list to determine availability and provide the parties a list of available Arbitrators and dates. The parties shall then attempt to mutually agree upon an Arbitrator and arbitration date from the list prepared by the System Board Coordinator.
 - d. The System Board Coordinator will schedule the System Board hearing and notify all parties of the time, date and location. The Association and the Company agree that the location of System Boards shall be at either the headquarters of the Association or Company, or at an alternate site mutually agreed upon.
3. The President of the Association (submitting a Presidential grievance) or the Company Vice President-Flight may submit a grievance to the System Board and, upon written request at the time of submission, demand an expedited arbitration of such grievance. The scheduling of expedited arbitrations shall be as follows:
 - a. The grieving party (the Company or the Association) may elect to either (1) substitute the expedited grievance in the place of any of its other scheduled grievances, provided that the Arbitrator is suitable to hear the expedited grievance as provided in [Section 23.C.1](#), or (2) schedule an additional arbitration in accordance with [23.D.2.c](#) above. The parties shall select an Arbitrator who can schedule, hear, and render a decision within one hundred twenty (120) days following the submission of the dispute to the System Board. In cases where extenuating circumstances dictate, the one hundred twenty (120) day limit may be extended by mutual agreement, provided that the agreement to extend is in writing and is for a specified time period not to exceed an additional thirty (30) days.
 - b. If additional arbitration dates have been requested pursuant to [23.D.2.c](#) above and if within seven (7) calendar days after the parties' receipt of the System Board Coordinator's list, the parties cannot mutually agree upon an Arbitrator, then the parties shall attempt to agree upon an Arbitrator that is not on the standing list.
 - c. If the parties cannot mutually agree upon an Arbitrator under [23.D.2.c](#) and [23.D.3.b](#) that is not on the standing list within fifteen (15) calendar days, then either party may proceed to the National Mediation Board to obtain a list of not less than seven (7) additional Arbitrators. The parties shall attempt to select a mutually agreeable Arbitrator from the National Mediation Board list, and if the parties fail to do so within fifteen (15) calendar days after receipt of the National Mediation Board's list of Arbitrators, then they shall proceed to select an Arbitrator by the alternating strike method within the following seven (7) calendar days.

4. With the exception of expedited grievances in Section 23.D.3. above, the Company and the Association shall make every reasonable effort to submit grievances to the System Board on a timely basis. To the extent possible, cases not scheduled to be heard by the System Board within two (2) years of filing, will be scheduled so as to be heard within twenty-eight (28) months of the original filing.

E. Jurisdiction

1. The System Board shall have jurisdiction over disputes between any employee covered under this Agreement or between the Association and the Company growing out of grievances, or out of the interpretation or application of any of the terms of this Agreement. The jurisdiction of the System Board shall not extend to proposed changes in hours of employment, rates of compensation, or working conditions covered by this Agreement.
2. For cases not scheduled to be heard within the twenty-eight (28) month timeline in accordance with 23.D.4., the Arbitrator may consider and determine appropriate offsets to backpay or additional remedy due to delays beyond the twenty-eight (28) months.

F. Submission of Disputes

All petitions properly referred to the System Board for hearing shall be served upon the Company and the Association, with a copy to the System Board Coordinator, including all papers and exhibits in connection therewith. The System Board Coordinator shall promptly docket the case. Each case submitted shall include a System Board Petition containing:

1. Question or questions at issue;
2. Statement of facts;
3. Position of their party or parties; and
4. Specific reasons for their positions.

When possible, joint submissions should be made. Upon the moving party's submission to the System Board, the non-moving party shall either join in the moving party's submission or it must provide its separate submission to the moving party, with a copy to the System Board Coordinator, no later than fourteen (14) days after receipt of the moving party's submission to the System Board. The non-moving party must submit a separate submission during this period; otherwise the arbitrator, in the case of a Five Member System Board, or the System Board members, in the case of a Four Member System Board, will be notified of the non-moving party's failure to submit and of the importance of a timely submission to the System Board.

G. Representation

1. Both the Association and the Company may permit employees covered by this Agreement to be represented at Board hearings by such person(s) as they may choose and designate. In any case, if a pilot does not wish to have Association representation, the Association reserves the right to have a representative participate in the Board hearings. Evidence may be presented either orally or in writing or both.
2. The Board acting as a whole, or the Arbitrator, or the Association or Company representative(s) may summon witnesses or documents that are requested by the parties to the dispute. This [Section 23](#) shall not restrict any additional rights granted under applicable law.
3. No later than twenty-one (21) days prior to the date set for the hearing, the parties must exchange all documents that they intend to enter in support of their respective positions and make available, in writing, the names of all witnesses they intend to summon. Nothing herein shall require the representative(s) of either party to present the aforementioned documents, or summon the aforementioned witnesses, during the course of the hearing. Representatives of either party shall not be restricted from entering documents or summoning witnesses that become known subsequent to the twenty-one (21) day exchange, provided timely notice is given to the opposing party. To the extent a party fails to disclose a document(s) or witness(es) pursuant to the above and seeks to introduce the evidence as direct or rebuttal evidence during the course of the hearing, the arbitrator, in the case of a

Five Member System Board, or the System Board members, in the case of a Four Member System Board, may take such action as appropriate to ensure that: (a) the other party is not prejudiced by the late disclosure of the document(s) or witness(es); (b) the proceedings are not unduly delayed; or (c) additional expense is not incurred.

4. The number of witnesses summoned at any one time shall not be greater than the number which can be spared from the operations without interference with the services of the Company.

H. Majority Decision is Final

All decisions of the Board shall be made by majority vote. Decisions of the Board in all cases properly referred to it shall be final and binding upon the parties. In the case of a Four Member System Board, the Board's decision shall be deemed final after at least three (3) concurring board members agree that no further Executive Board session(s) are appropriate and after the three (3) concurring board members have signed the final decision. In the case of a Five Member System Board, the Board's decision shall be deemed final after the Arbitrator and two (2) concurring board members agree that no further Executive Board session(s) are appropriate and after the Arbitrator and the two (2) concurring board members have signed the final decision.

I. Deadlock

If a deadlock occurs in a case properly submitted to a Four Member System Board, it shall be the duty of the Board to endeavor to reach a decision. In the event that the deadlock cannot be resolved or if a majority is not reached, then the grieving party (the Association or the Company) shall have the right to appeal to the Five Member System Board of Adjustment within thirty (30) days from the date the case is declared deadlocked. Failure to give timely notice will constitute withdrawal of the grievance.

J. Rights and Privileges of the Parties

Nothing herein shall be construed to limit, restrict, or abridge the rights or privileges accorded either to the employees, the Association, or the Company, or their duly accredited representatives, under the provisions of the Railway Labor Act, as amended, and the failure to decide a dispute under the procedure established herein shall not, therefore, serve to foreclose any subsequent rights which such law may afford or which may be established by the National Mediation Board by orders issued under such law with respect to disputes which are not decided under the procedure established herein.

K. Records

Unless otherwise agreed by the parties, a transcript of the hearings will be recorded by a third-party certified court reporter. The Board shall maintain a complete record of all matters submitted to it for its consideration, and all findings made by it.

L. Expenses

1. The Association and the Company shall equally share the expenses incurred by the Arbitrator except as otherwise set forth in this section.
2. Each of the parties shall equally share the expenses incurred by the court reporter in preparing the transcript of the hearing.
3. Each of the parties shall equally share expenses incurred to secure meeting rooms to hear arbitrations at locations other than at the headquarters of the Association or the Company.
4. Each of the parties will assume the compensation, travel expense, and other expenses of the Board members selected by the respective parties. Either party causing a postponement or cancellation of any part of an arbitration session will bear all Arbitrator costs associated with

the postponement or cancellation. If the parties mutually agree to a postponement or cancellation, the costs will be split evenly between the two parties.

5. Board members who are employees of the Company shall be granted necessary leaves of absence for performance of their duties as Board members. So far as space is available, Board members who are employees of the Company shall receive free transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as Board members and return, to the extent permitted by law.

M. Expenses - Witnesses

Each of the parties will assume the compensation, travel expenses, and other expenses of the witnesses called by the respective party. So far as space is available and in accord with Company policy and/or past practice, witnesses who are employees of the Company or former employees who are grievants in the case of discharge proceedings shall receive free transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

N. Freedom to Discharge Duties

It is understood that each and every Board member shall be free to discharge their duty(ies) in an independent manner, without fear that their individual relations with the Company, or the employees of the Company, may be affected in any manner by any action taken by them in their capacity as a Board member.

O. Protocol for Arbitrators and System Board Members

The Association and the Company will maintain, and amend as necessary, a mutually agreed upon protocol outlining the duties and responsibilities of Arbitrators and System Board Members.

The System Board Coordinator shall ensure that the applicable protocol letter shall be sent to the Arbitrator and System Board Members once the details of each pending case have been finalized.

SECTION 24

GENERAL

A. Bulletin Board

The Company shall provide a glass covered bulletin board at each station where pilots are based for the posting of matters of Association business. Such Association bulletin boards will be of comparable size and location as Company bulletin boards. Association material posted shall bear the signature or initials of the Domicile Chairman, and shall not contain anything of a defamatory or personal nature attacking individuals or groups.

B. Personnel File

An individual electronic personnel file shall be maintained on each pilot in the employ of the Company. The electronic personnel file shall contain reports and orders. The entire contents of the personnel file shall be available for individual inspection by the pilot during regular business hours, under the supervision of a Company representative and at a mutually agreeable time. It is the Company's intent to have an electronic personnel file system that provides the ability to produce and save an electronic copy of personnel file contents onto portable electronic storage media. As such capability becomes available, a pilot may be provided a soft copy of requested personnel file contents, onto portable electronic storage media provided by the pilot. A pilot shall be advised by way of electronic notification any time a performance related entry is added or deleted.

The Company and the Association shall periodically review the level of security in place to satisfactorily maintain the integrity of the electronic personnel file system.

In accordance with Section 21.E.3, a pilot may authorize a union representative to review his/her personnel file without the employee present by submitting original written authorization from the employee to the Company.

C. Training Records

A pilot's training record is kept by the Training Department and shall be available for individual inspection by the pilot during regular business hours, under the supervision of a Company representative and at a mutually agreeable time.

D. Proficiency and Line Check Notification

The Company will post at least fourteen (14) days in advance the names of all pilots due a proficiency or a line check.

E. Copies of Agreement

The Company shall post a downloadable copy of this Agreement on the Flight Department website.

F. No pilot shall be required to pay for the use of any Company equipment required for training.

G. Abrogation of Rights

It is understood and agreed that the rights of any pilot covered by this Agreement shall not be abrogated in any way by the provisions of any other labor agreement and no such pilot shall be permitted to accrue rights in abrogation of the terms of this Agreement.

H. Air Transportation

Pilots transferring from one base to another shall be provided free transportation passes over the routes of the Company for themselves and members of their immediate family, subject to space available, to the extent permitted by law.

I. Orders to be in Writing

1. All orders to pilots involving a change in status or leave of absence shall be stated in writing, except that temporary assignment of pilots shall not be construed as requiring a written order other than the necessary flight forms.
2. All orders to pilots involving a change in status shall stipulate manner and amount of expenses, if any, in connection with such change in status.

J. In the event a pilot's trip originates at one terminal and terminates at another terminal at the pilot's base, said pilot shall be furnished transportation one way between one terminal and the other at the pilot's option.

K. Policies and Procedures

It is the Company's current practice to place its Policies and Procedures on JetNet. The Company will use its best efforts to communicate any changes to its Policies and Procedures specific to Pilots via the Flight Department website (AAPilots.com). As an accommodation, the Company will endeavor to provide electronic notification via email to APA Legal whenever any new or revised rule or policy impacting pilots is posted on JetNet and/or AAPilots.com.

L. No Discrimination

The Company and the Association agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Association, the provisions of this Agreement will apply equally to all pilots hereunder, regardless of color, race, sex, creed or national origin.

M. Electronic Deposit Of Payroll Checks

To the extent permitted by law, the Company shall provide each pilot the option of having pay checks electronically deposited to the pilot's account on the same dates on which pilot payroll checks are issued.

N. Professional Flying Service

This Agreement contemplates that pilots shall devote their entire professional flying service to the Company, except that nothing in this Agreement shall be construed to prevent any pilot from affiliating with the military service of the United States.

O. Uniforms

1. The Company may make reasonable changes to the pilots' uniform and appearance standards after giving every consideration to the recommendations of the Association.
2. Six (6) months notice shall be given of any required uniform change and an additional six (6) months to accomplish the changeover.
3. The Company will provide, at no cost to the pilot, the below listed items for all new-hire pilots.
 - a. One jacket and two pairs of trousers
 - b. One hat with emblem
 - c. One tie
 - d. Six (6) shirts
 - e. One set of epaulets
 - f. One overcoat
 - g. One set of wings

4. If the Company initiates a change in the style or color in any, or all, of the required uniform components, the Company shall make the initial purchase of such modified component(s) for each Pilot.
5. On an ongoing basis, the Company shall provide the tie, epaulets, braiding, emblem, wings and any other Company emblems as may be reasonably needed.
6. The Company shall provide a Captain's hat, if a required wear item by the Company, to each pilot upon initial upgrade to Captain.

P. Crew Base Support

1. Primary Domicile Operations areas require all items listed below, as well as Wi-Fi access and dedicated quiet room / rest room facilities.
2. The Company shall provide appropriate and suitable facilities, equipment and administrative support at each satellite crew base, including the following:
 - a. Tablet computer device replacements and equipment support will be the responsibility of the domicile Flight Administration Department.
 - b. Furnished crew lounge, including TV. All items and operations areas to be kept clean and in good repair. Additionally, the Company shall provide adequate seating for pilots so long as the expense incurred is not unreasonable.
 - c. Restrooms, drinking water and vending machines.
 - d. Crew mailboxes.
 - e. Adequate kit bag (as applicable) and luggage storage in compliance with TSA security requirements.
 - f. Access to Company mail and any revisions to required paper manuals and checklists.
 - g. Convenient and priority access to equipment necessary for flight planning and administration, such as, but not limited to, Company telephones, computers and printers.
 - h. Equipment and facilities for viewing Company programs.
 - i. Company and Union Bulletin Boards.
 - j. Where the Company can obtain the right to provide the locks to operations areas and jet bridges, etc., the Company will furnish keys and/or combinations to crewmembers, where applicable.
 - k. Crewmembers will have parking available with transportation, if required, from parking to the AA facility. By mutual agreement between the Company and the Association, contract parking or parking in a designated airport pay lot will be authorized and reimbursement will be provided by the Company.
 - l. Base Chief Pilots will make themselves available for an in-person walk-around with an Association representative upon request to ensure operations areas meet the standards of this letter.
3. Within the physical limitations of the facility, American Airlines will make every reasonable effort to complete these requirements, or will provide an agreed upon completion date, prior to the first operational date of a satellite crew base at that location.
4. Prior to the first operational date of a satellite crew base, representatives of American Airlines and the Allied Pilots Association shall jointly inspect the facility to judge satisfactory compliance with the foregoing provisions.

Q. Life Insurance Advance

After a pilot's death, and upon request, the Company will promptly provide a \$10,000 advance of the Company Provided Life Insurance Benefit to the pilot's beneficiary of record.

SECTION 25

AGENCY SHOP AND DUES CHECKOFF

A. Requirements

Each pilot of the Company covered by this Agreement will be required, as a condition of employment, beginning sixty (60) days after the effective date of this Agreement, or sixty (60) days after the completion of his or her probationary period, whichever will last occur, to either (1) be, or become a member of the Association, or (2) to pay to the Association a monthly service charge for the administration of this Agreement and representation of the pilot. Such monthly service charge will be an amount allowed by law.

B. Exceptions

This Section will not apply to any employee covered by this Agreement to whom membership in the Association is not available upon the same terms and conditions as are generally applicable to any other member, or to any pilot to whom membership in the Association was denied or terminated for any reason other than the failure of the pilot to pay initiation (or reinstatement) fees, dues and assessments uniformly required by the Association. Nothing in this Section will require the payment of any initiation fee by any pilot not required to make such a payment pursuant to the Association's Constitution and Bylaws.

C. Notice of Delinquent Payments

1. If any pilot of the Company covered by this Agreement becomes delinquent in the payment of his or her dues, assessments or service charge, the Association shall notify such employee by Certified Mail, Return Receipt Requested, copy to the Vice President of Flight Operations of the Company, or his designee, that the pilot is delinquent in the payment of such dues or service charge as specified in paragraph A., above. Such letter will notify the pilot of the following:
 - a. the total amount of money due;
 - b. the period for which he or she is delinquent;
 - c. that he or she is subject to discharge as a pilot of the Company; and
 - d. that he or she must remit the required payment within a period of fifteen (15) days or be discharged.
2. The notice of delinquency required under this paragraph will be deemed to be received by the pilot, whether or not it is personally received by him or her, when mailed by the Treasurer of the Association by Certified Mail, Return Receipt Requested, postage prepaid to the pilot's last known address, or to any other address which has been designated by the pilot.
3. Every pilot covered by this Agreement shall notify the Association's Secretary Treasurer of every change in his or her home address, or of an address where the notice required by this paragraph can be sent and received by the pilot, if the pilot's home address is at any time unacceptable for this purpose.

D. Notice of Discharge From the Company

If, upon the expiration of the fifteen (15) day period, the pilot still remains delinquent, the Association will certify in writing to the Vice President of Flight Operations, copy to the pilot, both by Certified Mail, Return Receipt Requested, that the pilot has failed to remit payment within the grace period allowed and is to be discharged. The Vice President of Flight Operations will then take the steps necessary to discharge such pilot from the service of the Company.

E. Protests and Appeals

A protest by a pilot who is to be discharged as a result of an interpretation or application of the provisions of this Section shall be subject to the following procedures:

1. A pilot who believes that the provisions of this Section have not been properly interpreted or applied as they pertain to him or her, may submit a request for review in writing within ten (10)

days from the date of receipt of the notification by the Vice President of Flight Operations that is set forth in paragraph [D](#). The request must be sent by Certified Mail, Return Receipt Requested, to the Vice President of Flight Operations, or his designee, who will review the protest and render his decision in writing not later than ten (10) days following receipt of the protest.

2. The Vice President of Flight Operations, or his designee, shall forward his decision to the pilot, with a copy to the Association, both by Certified Mail, Return Receipt Requested. This decision shall be final and binding on all interested parties unless appealed pursuant to the following provisions.
3. If the decision is not satisfactory to either the pilot or the Association, then either may appeal within ten (10) days from the receipt of the decision, by filing a notice of appeal sent to the other party and to the Company, by Certified Mail, Return Receipt Requested.
4. The appeal shall go directly to a neutral referee who will be agreed upon by the pilot and the Association within ten (10) days after receipt of the notice of appeal. If the parties cannot agree on a neutral referee, a referee will be chosen from the panel supplied by the National Mediation Board. The alternate strike method shall be used to select a neutral referee with the pilot initiating the first rejection. Such final selection of a neutral referee shall be accomplished within ten (10) days after receipt of the list of neutral referees. If the parties have not reached agreement by the alternate strike method within the ten (10) day period, the first name listed on the panel provided by the National Mediation Board shall be designated the neutral referee.
5. The hearing before the neutral referee will occur as early as practicable, and the decision of the neutral referee will be requested within thirty (30) days after the hearing. The decision of the neutral referee will be final and binding on all parties to the dispute. The fees and charges of such neutral referee will be borne equally by the pilot and the Association.

F. Appeal Period

During the period a protest is being handled under the provisions of paragraph [E](#)., and until a final award by the Vice President of Flight Operations, his designee or the neutral referee, the pilot will not be discharged from the Company nor lose any seniority rights.

G. Discharge

1. A pilot discharged by the Company under the provisions of this Section shall be deemed to have been "discharged for cause" within the meaning of the terms and provisions of this Agreement and the provisions of [Sections 21](#) through [23](#) shall not apply.
2. It is agreed that the Company will not be liable for any time or wage claims of any pilot discharged by the Company pursuant to a written order by an authorized Association representative under the terms of this Section.
3. The Association agrees to indemnify and hold the Company harmless against any suits, claims, and or liabilities that arise out of compliance with this [Section 25](#) by the Company pursuant to a written request from an authorized Association representative.

H. Calculation Of Payments

1. The Association shall treat members and nonmembers alike in establishing the due date of payments and in determining whether a pilot's account is delinquent.
2. The Company shall provide the Association with a listing of all pilot's annual W-2 Income for the prior year for the purpose of determining if proper dues have been or are being collected.

I. Dues Assignment and Authorization

1. During the life of this Agreement, the Company agrees to deduct from the pay of each pilot covered by this Agreement and remit to the Association the membership dues and assessments uniformly required by the Association as a condition of acquiring or retaining membership, and in accordance with the provisions of the Railway Labor Act, or a service charge provided such pilot voluntarily executes the following agreed upon form. This form,

"Assignment and Authorization for Payment of Association Dues or Service Charge," will be prepared and furnished by the Allied Pilots Association.

2. When a pilot properly executes such Dues or Service Charge Form, the Treasurer of the Association shall forward an original copy to the Company Vice President of Flight Operations. A Dues or Service Charge Form that is incomplete or improperly executed will be returned to the Treasurer. Any notice of revocation as provided for in this Agreement or pursuant to the Railway Labor Act shall be in writing, signed by the pilot and delivered by Certified Mail, Return Receipt Requested, and addressed to the Company Vice President of Flight Operations, with a copy to the Association. The Dues or Service Charge Forms and notices received by the Company shall be date stamped upon receipt.
3. When a Dues or Service Charge Form is received by the Company Vice President of Flight Operations, on or before the first day of the month, deductions shall commence with the second payday of the month following, and will continue thereafter until revoked or canceled as provided in this Section. The Company shall remit to the Association a check in payment of all dues, service charges and assessments collected on a given payday, on or as soon after the payday as possible. These remittances will be subject to normal accounting practice with respect to adjustments necessary because of the methods involved in the deduction procedure. The Company remittance of Association membership dues, service charges and assessments to the Allied Pilots Association shall be accompanied by a list showing names, payroll numbers and amounts deducted for pilots for whom deductions have been made in that particular period.
4. No deductions of Association dues, service charges or assessments will be made from the wages of any pilot who has transferred to a job not covered by this Agreement, who is on furlough, or who is on leave without pay. Upon return to work, as a pilot covered by this Agreement, deductions will be automatically resumed.
A pilot who has executed a Dues or Service Charge Form and who resigns or is otherwise terminated from the Company will be deemed to have automatically revoked his assignment, and, if he is reemployed, will require execution and receipt of a new Dues or Service Charge Form.
5. Collections of any back dues, service charge or assessments owed at the time of starting deductions for any pilot and collection of dues missed because the pilot's earnings were not sufficient to cover the payment for a particular pay period will be the responsibility of the Association and will not be the subject of payroll deductions.
6. Deductions of dues, service charges or assessments will be made monthly provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the pilot or required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect these monies will not extend beyond the monthly period in which his last day of work occurs.

**ASSIGNMENT AND AUTHORIZATION FOR
PAYMENT OF
ASSOCIATION SERVICE CHARGE AND DUES**

TO: AMERICAN AIRLINES

I, _____, hereby authorize and direct American
(Print Initials and Last Name)

Airlines to deduct from my pay such monthly dues and assessments as are now or may hereafter be established in accordance with the Constitution and Bylaws of the Association, or a service charge in an amount equal to such dues for remittance to the Allied Pilots Association.

I agree that this authorization shall be irrevocable for one year from the date of that I sign this authorization or until termination of the check-off agreement between American Airlines and the Association, whichever occurs sooner. If the check-off agreement is terminated, this authorization will be automatically terminated. In the absence of a termination of the check-off agreement, this authorization may be revoked effective as of any anniversary date of the signing hereof by written notice given by me to American Airlines and the Association by Certified Mail, Return Receipt Requested, during the ten (10) days immediately preceding any such anniversary.

Signature of Pilot _____ Date _____

Address of Pilot _____

Employee Number _____ Domicile _____

SECTION 26

**AMENDMENTS TO AGREEMENT,
EFFECT ON PRIOR AGREEMENTS,
AND DURATION**

A. Amendments to Agreement

Either party hereto may at any time propose, in writing, to the other party any amendment which it may desire to make to this Agreement, and if such amendment is agreed to by both parties hereto, such amendment shall be stated, in writing, signed by both parties and the amendment shall then be deemed to be incorporated in and shall become a part of this Agreement.

B. Effect on Prior Agreements

This Agreement, including the Supplemental Agreements and Letters attached hereto, shall supersede and take precedence over all Agreements, Supplemental Agreements, Amendments, Letters of Understanding and other documents concerning the same subjects executed between the Company and the collective bargaining representative of the pilots in the service of American Airlines, Inc. prior to the signing of this Agreement. All rights and obligations, monetary or otherwise, which may have accrued because of services rendered prior to the effective date of this Agreement shall be satisfied or discharged.

C. Duration

This Agreement shall become effective on January 30, 2015, except as otherwise stated herein, and shall continue in full force and effect until January 1, 2020, and shall renew itself without change until each succeeding January 1 thereafter, unless written notice of intended change is served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party hereto at least thirty (30) days prior to January 1, 2020, or January 1 of any subsequent year.

D. Early Opener

If written notice is provided by either party at least thirty (30) days prior to January 1, 2019, the parties agree to commence negotiations in January 2019, in accordance with Section 6, Title I, of the Railway Labor Act, as amended.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this the 30th day of January, 2015.

WITNESS:

FOR THE AIR LINE PILOTS
IN SERVICE OF
AMERICAN AIRLINES, INC.
AS REPRESENTED BY
THE ALLIED PILOTS ASSOCIATION

FOR AMERICAN AIRLINES, INC.

/signed/ _____
Captain Keith Wilson
President

/signed/ _____
Paul Jones
Senior Vice President & General Counsel

/signed/ _____
Norman G. Miller
Negotiating Committee Chairman

/signed/ _____
Beth Holdren
Managing Director Labor Relations, Flight

/signed/ _____
Charles Hairston
Director, Pilot Contract Negotiations

/signed/ _____
Todd Jewett
Senior Manager Labor Relations, Flight

/signed/ _____
David C. Brown
Negotiating Committee Member

/signed/ _____
Keith Austin
Manager, Labor Relations, Flight

/signed/ _____
Dean Colello
Negotiating Committee Member

/signed/ _____
James Eaton
Senior Manager - Pilot Negotiations

/signed/ _____
Carrie Giles
Negotiating Committee Member

/signed/ _____
Lyle Hogg
Vice President, Flight Operations, US Airways Inc.

/signed/ _____
Ken Holmes
Negotiating Committee Member

/signed/ _____
Brian Smith
Negotiating Committee Member

/signed/ _____
Jeff Thurstin
Negotiating Committee Member

SUPPLEMENT A

INTENTIONALLY LEFT BLANK

SUPPLEMENT B

INTENTIONALLY LEFT BLANK

SUPPLEMENT C

AGREEMENT
Between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by
ALLIED PILOTS ASSOCIATION

THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN AIRLINES, INC. ("American" or the "Company") and the AIR LINE PILOTS in the service of AMERICAN AIRLINES, INC., as represented by the ALLIED PILOTS ASSOCIATION ("APA" or the "Association").

WHEREAS, the Company filed Chapter 11 proceedings under the United States Bankruptcy code in the Southern District of New York on November 29, 2011, and

WHEREAS, the Court subsequently approved the Company's request to abrogate the Collective Bargaining Agreement then in existence between American and the APA on September 5, 2012, and

WHEREAS, part of that abrogated Collective Bargaining Agreement was Supplement CC, a provision governing the seniority integration of the TWA Pilots and AA Pilots, and certain exceptions to the Agreement and certain fences and bidding rights for the TWA Pilots and AA Pilots, and

WHEREAS, the Company and the Association entered into a new Collective Bargaining Agreement ("CBA") which was ratified by the membership and became effective on January 1, 2013, and

WHEREAS, that CBA includes a provision known as LOA 12-05 which establishes a dispute resolution procedure to determine what alternative contractual rights should be provided to TWA Pilots as a result of the termination of Supplement CC, and the potential closing of the STL pilot base, and

WHEREAS, that dispute resolution procedure is a final and binding interest arbitration pursuant to Section 7 of the Railway Labor Act, and WHEREAS, the Award of the interest arbitration panel (the "Board") was issued on July 22, 2013 providing for certain alternative contractual rights for the TWA Pilots,

WHEREAS, LOA 12-05 and the Award provide for the parties to enter implementing provisions to be made part of the CBA,

NOW, THEREFORE, the parties hereby agree to the following terms, provided that the provisions of the CBA shall apply except as modified herein, and in the event of a conflict, the provisions herein shall apply:

A. Definitions

1. For purposes of this Supplement, the terms "American" and "the Company" mean American Airlines, Inc. or its successor, including as provided in the Memorandum of Understanding among American Airlines, US Airways, APA, and USAPA.
2. For purposes of this Supplement, the term "TWA Pilot" means any American Airlines pilot on the System Seniority List who was hired by TWA with a date-of-hire on or before April 10,

2001, who had not left the employ of TWA prior to April 10, 2001, and who still retains seniority with the Company on the effective date of this Supplement.

3. For purposes of this Supplement, the term "AA Pilot" means any American Airlines pilot on the System Seniority List who was hired by American with a date-of-hire on or before April 10, 2001, who had not left the employ of American prior to April 10, 2001, and who still retains seniority with the Company on the effective date of this Supplement.
4. The "effective date" of this Supplement shall be the first day of the contractual month after the date the language of this Supplement is approved by the Board under LOA 12-05.
5. For purposes of this Supplement, the term "CBA" means the Agreement between American and APA, effective January 1, 2013, as amended, including all Supplements, Appendices and Letters of Agreement.
6. For purposes of this Supplement, the term "small wide-body aircraft (SWB)" means an Equipment Group III aircraft operated by the Company, and a "protected" SWB position means a position on a B767-200, B767-300, or B-757 designated for priority award to a TWA Pilot.
7. For purposes of this Supplement, the term "narrow-body aircraft (NB)" means an Equipment Group II aircraft operated by the Company, and a "protected" NB position means a position on a MD-80, (or Airbus 319/320/321 as provided for in Paragraph C.5 or 6), designated for priority award to a TWA Pilot.
8. For purposes of this Supplement, the term "large wide-body aircraft (LWB)" means an Equipment Group IV or Group V aircraft operated by the Company.
9. For purposes of this Supplement, a TWA protected Captain position means one of 260 (or as adjusted by the provisions of Paragraphs C.6.a., D.4.a, F.2, or F.3) narrowbody Captain positions, or one of the 86 small widebody Captain positions designated by the Company as a protected position and subsequently awarded and occupied by a TWA Pilot using his/her system seniority in accordance with Paragraph B. or Paragraph C. of this Supplement.
10. For purposes of this Supplement, a First Officer position "protected" for the TWA Pilots means one of the First Officer positions, on narrowbody or small widebody aircraft designated by the Company as a protected position in accordance with Paragraph B. or Paragraph C. of this Supplement. The number of such First Officer positions shall be equal to the number of protected narrowbody and small widebody Captain positions minus the number of large wide body First Officer positions occupied by TWA Pilots, as provided in Paragraph D.
11. For purposes of this Supplement, "counted position" means a non protected Group II through V Captain position, or a Group IV or V FO position, awarded by the exercise of system seniority to a TWA Pilot (and in the case of the LWB CA or FO position, awarded to a TWA Pilot senior to B.D. White) without any preference under this Supplement.
12. For purposes of this Supplement, the terms "STL" and "SLT" are interchangeable. Except as otherwise may be provided in this Supplement, the parties intend that terms be defined in accordance with their meaning under the CBA.

B. Transition Implementation Provisions

1. This Paragraph B addresses the process for reducing the size of the STL base and the implementation of protected positions for TWA Pilots at locations other than STL.
2. The Company shall have an obligation to establish, and fill through vacancy bidding, protected NB and SWB Captain and First Officer positions, in the number and on the specific aircraft types provided by the Award and this Supplement that are designated protected for award to TWA Pilots. The number of protected positions shall continue for the duration of this Supplement, provided that the number of positions protected for bid by TWA Pilots may subsequently be reduced according to the terms of the Award and this Supplement, and

provided further, that protected positions not bid by TWA Pilots may be filled by other pilots on the System Seniority List in accordance with the CBA.

3. The Company in its discretion will determine, based on available information and schedules, the number of positions to remain based in STL, if any. Any flying allocated to STL on Group II or Group III aircraft while these protections remain in effect will be protected for vacancy bid by TWA Pilots and, when filled by TWA Pilots, will be counted toward the number of positions protected to TWA Pilots.
4. The Company in its discretion will also determine, based on available information and schedules, the crew bases to which the CA and FO positions protected for bid by the TWA Pilots will be assigned, and the number of protected positions to be assigned to each base.
5. Prior to implementation through displacement and vacancy bids, the Company will inform the airline's pilots and the Association of the anticipated distribution of positions protected for bid by TWA Pilots. The information provided will also be available electronically and will include, at a minimum, base, category, and equipment type. Based on that projected distribution, the TWA Pilots will have an opportunity to bid, using system seniority:
 - a. to remain in the STL base, for the number of positions anticipated for a reduced base or Home Base or
 - b. to participate in the vacancy run process to be awarded one of the protected positions at a different base,
 - c. to bid using system seniority to a position not designated as a protected vacancy. Pilots awarded positions to vacancies that are not designated as "protected" shall be counted as follows:
 - (1) Pilots awarded a Group II CA position will be counted toward the 260 NB CA protected positions.
 - (2) Pilots awarded a Group III CA position will be counted toward the 86 SWB CA protected positions.
 - (3) TWA Pilots senior to B.D. White awarded a Group IV or V FO position will be counted toward the 260 NB CA protected positions.
6. Except for the initial implementation of the TWA Pilot protected positions at STL with the reduction at that base, no AA Pilot will be displaced from a base or bid status to accommodate a TWA Pilot moving to a new protected position in a base.
7. The Company will consider all pilots currently based in SLT, who are changing bid status from SLT as a result of the implementation of Paragraph B of this Supplement, as qualified for moving expense provisions of Section 17.S.2 and Section 8 of the CBA. Pilots who complete a Company paid move under this paragraph will retain reinstatement rights to SLT and will not be subject to a lock in period. Furthermore, the affected pilots will have a period of one year, from the effective date of their non-STL bid status, to complete the Company paid move.
8. All pilots who leave a STL bid status, whether through preference or displacement award, will be provided a reinstatement right to their previous STL category status. STL pilots will also be provided a reinstatement right to the STL MD80 CA and FO bid statuses. Furthermore, TWA Pilots with reinstatement rights will have preference to vacancies in STL over other pilots on the system seniority list for Group II and III aircraft.
9. Other than at STL, pilots will utilize their system seniority for all contractual provisions, including monthly schedule bidding, pick-up, TTOT/TTS and vacation bidding purposes. At STL, provided STL Group II or Group III aircraft flying remains protected for vacancy bid pursuant to the provisions of this Supplement, any other pilot holding such a position will bid for monthly line schedules in seniority order, but subordinate to all TWA Pilots in the same bid status.
10. Nothing herein shall prevent the Company from using a phased process to appropriately size the STL base, transition STL based aircraft to other locations, or to designate the locations and number of the protected positions elsewhere in the system. The Company may also implement these provisions by processing STL as a base closing for bidding purposes, or by performing a "Master Shuffle" or similar approach that allows all TWA Pilots to bid their

preferences followed by a phased implementation. As a part of any "Master Shuffle" the Company will provide all TWA Pilots an opportunity to participate in a "trial run" in advance of the actual Master Shuffle in order to give those pilots a forecast of the "Master Shuffle" results.

While the Company anticipates a transition to a reduced STL base or Home Base, there is no assurance that any pilot positions will remain based in STL for the longer term.

C. Filling of Future Vacancies in Protected Positions

1. This Paragraph C addresses the process for maintaining the required number of TWA protected positions after the transition of aircraft and pilots from STL to other bases and for the continued duration of this Supplement.
2. The Company shall have a continuing obligation to maintain, establish and fill through vacancy bidding, protected NB and SWB Captain and First Officer positions, in the number and on the specific aircraft types provided by the Award and this Supplement.
3. In the event of
 - a. a future vacancy in a protected position,
 - b. the Company continues to designate that position as protected, consistent with the terms of the Award, this Supplement, and the CBA, and
 - c. the number of protected and counted positions does not exceed the guaranteed number of positions for the relevant fence, thenTWA Pilots will have priority to be awarded such a protected position using system seniority.
4. The Company shall determine the number, location, and aircraft type of such protected positions, consistent with the terms of the Award, this Supplement, and the CBA prior to filling any vacancy.
5. If, because of MD80 aircraft retirements, there are insufficient positions available to maintain the necessary number of protected positions on the MD80, the Company shall provide a sufficient number of Airbus Group II domestic CA positions to meet the necessary number of protected positions.
 - a. In order to provide for an efficient training and operational transition, the Company may transition protected TWA Pilot positions from the MD-80 to Airbus Group II aircraft at the time that the MD-80 fleet size is forecast to be 120% (a 20% buffer) of that necessary to provide the required number of MD-80 protected CA positions.
6. If insufficient SWB domestic flying is available to meet the necessary number of protected SWB CA, the Company shall provide the TWA Pilot(s) with their choice of an International SWB protected position or a NB CA protected position. There need not be a vacancy available in either of those offered protected positions for a TWA Pilot to be awarded such. The choice of the affected TWA Pilot(s) will be made via the provisions of Section 17 of the CBA.
 - a. In the event a pilot elects the NB CA position, the SWB CA guarantee will be reduced accordingly and the NB CA guarantee will be increased accordingly, such that the total of 346 combined CA positions remains constant.
7. Over time, after all TWA Pilots have been offered a protected pilot position, the number of available TWA Pilots will become insufficient to fill all of the FO positions protected for TWA Pilots – both in the NB and SWB bid statuses. The required number of TWA protected FO positions offered will not be reduced. Any unfilled protected positions will be available to all pilots and filled via the provisions of Section 17 of the CBA.
8. Any Group I flying assigned to STL will be filled in accordance with the CBA. There shall be no preference for TWA Pilots for such flying. Group I CA positions will not be counted toward

the protected CA positions, and the provisions of B.9 with respect to monthly bidding at STL shall not apply.

9. If the Company determines to continue STL as a smaller domicile or a Home Base, the relevant terms of the CBA will apply to that operation, except in so far as provided in Paragraph B.9. above for bidding at STL.
10. Nothing in this Supplement shall preclude a TWA Pilot from exercising his or her system seniority to bid for and be awarded any vacancy if eligible under the CBA.

D. Counting of Protected Positions

1. This Paragraph D sets forth the counting methodology with respect to protected positions that shall apply for all purposes under this Supplement, except as superseded by Paragraph B.
2. Any TWA Pilot holding a
 - a. CA position on a Group II aircraft, or
 - b. a FO position on Group IV or V aircraft, provided that the TWA Pilot is senior to AA Pilot B.D. White, DOH 4/9/01 (or in the event that B.D. White ceases to be on the System Seniority List, the remaining AA Pilot immediately senior to B. D. White)

while the NB protected position obligation remains in effect, will count toward the required number of narrowbody protected CA positions, regardless of whether the position was obtained by virtue of bidding for a protected position or through the use of system seniority in a vacancy bid.

3. Initially, the Company will establish the required number of protected NB First Officer positions in the same bases and numbers of protected NB CA positions.
4. Any TWA Pilot holding a CA position on a 767-200, 767-300, or 757, while the SWB protected position obligation remains in effect, will count toward the required number of protected SWB CA positions, regardless of whether the position was obtained by virtue of bidding for a protected position or through the use of system seniority in a vacancy bid.
 - a. In the event that there are insufficient domestic SWB CA positions to fulfill the required number of protected positions, the protected SWB CA(s) will be given a choice of either an international SWB CA position(s) designated by the Company, (to the degree such a bid status exists), or a NB CA protected position(s). The choice will be effected using the system vacancy process. In the event that he/she elects NB CA, the required number of NB CA protected positions will be increased, and the required number of SWB protected CA positions will be decremented accordingly. No current NB CA will be displaced as a result of this election.
5. Initially, the Company will establish the required number of protected SWB First Officer positions in the same bases and numbers of protected SWB CA positions.
6. TWA Pilot holding a protected CA position who exercises system seniority to an unprotected FO position, on other than a Group IV or V aircraft for a TWA Pilots senior to B.D. White, will no longer count toward satisfying the number of protected CA positions.
7. In the event that the actual number of counted protected positions exceeds the guaranteed number, no displacement will be automatically effected to bring the number back to the guaranteed number of protected positions. However, the pilots in a protected bid position, where the actual number of counted protected positions exceeds the guaranteed number, are subject to the normal displacement provisions of Section 17 of the CBA, but only to the extent that the displacement(s) brings the number back to the guaranteed number of protected positions. Attrition in the protected positions, where the actual number of counted protected positions exceeds the guaranteed number, will not result in vacancies being offered exclusively to TWA Pilots until the actual number of protected positions is less than the guaranteed number of protected positions.

TWA Pilot Counted Positions Applicability Chart		
TWA Pilot bid status	NB CA	SWB CA
CA Group I aircraft		
CA S80	✓	
CA 737	✓	
CA 320	✓	
CA 767		✓
CA Group IV aircraft		✓
CA Group V aircraft		✓
FO Group IV aircraft	✓	
FO Group V aircraft	✓	

E. Duration

1. The alternative protections awarded as a result of the LOA 12-05 Arbitration shall continue in effect for the same period as the current AA/APA agreement. The “current AA-APA agreement” includes the Merger Transition Agreement (MTA) and the Joint Collective Bargaining Agreement (JCBA) as specified in the Memorandum of Understanding Regarding Contingent Collective Bargaining Agreement (“MOU”).
2. This Supplement may not be amended prior to January 1, 2019, and may be changed thereafter in accord with the procedures for changing the terms of the AA-APA Agreement as set forth in that Agreement and the Railway Labor Act.
3. All guarantees and preferences related to SWB positions will end as of the date Morgan Fischer, DOH 9/28/90 (or, in the event that Morgan Fischer ceases to be on the System Seniority List, the remaining TWA Pilot immediately senior to Morgan Fischer) has sufficient seniority to hold a four part bid status as CA on a Group III aircraft anywhere in the AA system.
4. All guarantees and preferences related to the NB CA positions (MD-80 or domestic Airbus Group II aircraft) will end as of the date that Magnus Alehult, DOH 7/17/97 (or, in the event that Magnus Alehult ceases to be on the System Seniority List, the remaining TWA Pilot immediately senior to Magnus Alehult) has sufficient seniority to hold a four part bid status as CA on any aircraft.
5. In the event that the guarantees related to the NB CA positions terminate under Paragraph 4 above, while the protected positions related to SWB CA remain in effect, the total number of remaining protected CA positions shall revert to 86. In this event the senior most 86 TWA Pilots holding SWB CA, NB CA, and/or LWB FO positions shall be those pilots who count towards the remaining 86 protected positions. All guarantees and preferences related to these remaining 86 protected CA positions will end as of the date Morgan Fischer (described in E.3 above) has sufficient seniority to hold a bid position held by any the 86 pilots.

F. Other Considerations

1. There will be no system flush following the date(s) on which the guarantees and preferences provided for in this Supplement end. All vacancies will be filled thereafter in accord with the procedures contained in the CBA.

2. In the event that MD80 aircraft are retired without sufficient replacement Airbus Group II domestic aircraft to support the required number of protected NB CA positions, and there is a reduction in force of AA pilots in CA positions on Group II aircraft from that which existed on the Effective Date, there will be made, on a proportionate basis, a reduction in the number of protected NB CA positions for TWA Pilots.

In the event that additional Group II CA positions are created thereafter during the life of the guarantees and preferences directed by the Award and outlined in this Supplement, then until the required number of protected NB CA positions is reached, any new CA positions in Group II aircraft will also be awarded on a proportionate basis between TWA and AA pilots.

All other provisions of the CBA regarding reductions in force will remain applicable.

3. In the event that B757/767 as well as MD80 aircraft are retired without sufficient replacement Airbus Group II domestic aircraft to support the required number of protected SWB CA positions, and there is a reduction in force of AA pilots in CA positions on Group III aircraft from that which existed on the Effective Date, there will be made, on a proportionate basis, a reduction in the number of protected SWB CA positions for TWA Pilots.

In the event that additional SWB CA positions are created thereafter during the life of the guarantees and preferences directed by the Award and outlined in this Supplement, then until the required number of protected SWB CA positions is reached, any new SWB CA positions in eligible aircraft will also be awarded on a proportionate basis between TWA and AA pilots.

All other provisions of the CBA regarding reductions in force will remain applicable.

4. The Company shall be free to utilize limited pay protection for transitional situations, in accordance with the provisions of the CBA.

G. Force Majeure

1. If the Company is unable to satisfy the protected positions due to conditions beyond the Company's control, then the Company will be exempted from the requirement to provide the number of protected and guaranteed positions for the period of time necessary to rectify the situation, if the Company is taking all practicable steps to restore operations, including by repairing or replacing the affected aircraft.
2. "Conditions beyond the Company's control" shall include, but not limited to, the following:
 - a. an act of God,
 - b. a strike by any other Company employee group or by the employees of Commuter Air Carrier, operating pursuant to Section 1.D. of the CBA.
 - c. national emergency,
 - d. involuntary revocation of the Company's operating certificate(s),
 - e. grounding of a substantial number of the Company's aircraft,
 - f. a reduction in the Company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the Company's demands,
 - g. the unavailability of aircraft scheduled for delivery.

H. American Airlines / US Airways Merger

1. The Memorandum of Understanding among American Airlines, US Airways, APA, and USAPA provides at Paragraph 10.i that: "Nothing in this paragraph 10 shall modify the decision of the arbitration panel in Letter of Agreement 12-05 of the 2013 [2012 sic] CBA." Accordingly, any subsequent agreement or arbitration with respect to integration of seniority or a collective bargaining agreement covering all pilots at any merged operation will not serve to modify the alternative guarantees and preferences awarded in this matter by the Panel.

I. Reporting

1. During the period this Supplement is in effect, the Company will prepare a compliance summary report each month, showing TWA Pilots who represent a protected and/or counted

pilot bid position in accordance with this Supplement. The report will be made available electronically and will identify each pilot by name, employee number, system seniority number and four-part bid status.

J. Dispute Resolution

1. Pursuant to the terms of LOA 12-05, the Board shall continue to have jurisdiction of any disputes arising under LOA 12-05 and the interim terms with respect to the STL operation that applied prior to the effective date of this Supplement. The Board shall have jurisdiction to review and approve the language of this Supplement and to determine whether such language conforms with the meaning of its Award.

All other disputes following approval of the language of this Supplement will be handled in accordance with the CBA, Sections 21, 22, and 23. If available, Richard Bloch shall sit as the neutral member of the System Board for disputes arising under this Supplement. If Richard Bloch is unable or unwilling to serve, the parties will select the first available date from either Stephen Goldberg or Ira Jaffe, the other two members of the LOA 12-05 Interest Arbitration Panel. In the event that neither of them is willing or able to serve, the arbitrator selection procedures of Section 23 of the CBA will be utilized to select an arbitrator.

SUPPLEMENT D

MTA SCOPE SUPPLEMENT

The protections in Paragraphs 1 through 15 below begin on December 9, 2013 and last until the earlier of eighteen (18) months after US Airways, Inc. ("US Airways") and American Airlines, Inc. ("American Airlines" or "American") obtain a single operating certificate, or the date on which the joint collective bargaining agreement ("JCBA") contemplated by the parties' Memorandum Of Understanding Regarding Contingent Collective Bargaining Agreement ("MOU") and an integrated seniority list are in effect.

1. American Airlines pilots and US Airways pilots will perform work in accordance with the MTA, including flying and training, and neither airline will interchange pilots between their operations. Neither American Airlines nor US Airways may utilize in its flight operations or flight training operations a pilot employed by the other airline, except: (i) for pilots hired from one airline by the other pursuant to Paragraphs 9 and 10, below; (ii) as may be needed to comply with conditions prescribed by the Federal Aviation Administration for the purpose of transition to, and eventual operation under, a single operating certificate; or (iii) to train pilots who will make up the initial cadre of check airmen for a new fleet type. APA and USAPA, as applicable, shall support the efforts of US Airways and American Airlines to obtain issuance of the single operating certificate.
2. Except for the circumstances described in Paragraph 1, above, no pilot of American Airlines or US Airways will fly as a crewmember on an aircraft in the Fleet of the other airline. The "Fleet" of each airline shall be defined to include all aircraft in the service of or stored by the airline, or on order or option by the airline, on February 13, 2013. A list of all aircraft in the respective Fleets of American and US Airways as of that date was included as Attachment A to the MOU. All orders, options, and anticipated returns set forth in the airlines' fleet plans as of February 13, 2013 were included as Attachment B to the MOU.
3. In the event that American Airlines or US Airways acquires aircraft not listed in Attachments A or B as a replacement for an existing aircraft, that aircraft shall be designated as American Airlines or US Airways based upon the aircraft being replaced. For purpose of this section, "replacement" means that the newly acquired aircraft can be matched, on a one-to-one basis, to an aircraft that has left or will leave the service of the airline within six (6) months before or after the new aircraft enters service.
4. With respect to new aircraft not listed on Attachments A or B and not assigned under Paragraph 3, above, the pilots of each airline will operate any of their respective unique aircraft types. As to all other aircraft, the following procedure will be applied: the airline will provide notice to APA and USAPA, if applicable, of its intent to acquire any such aircraft not less than 270 days prior to such aircraft entering service, and will inform the organization(s), to the extent known, of the type, model and number of such aircraft, the type of engines on them, their ETOPS capability, if any, and the extent to which such aircraft will be used as replacements for other aircraft then or previously operated. The representative(s) of the American Airlines and US Airways pilots will promptly determine which pilot group will operate such aircraft or will implement binding arbitration, if necessary, to determine the allocation of such flying; the pilot representative(s) shall notify the airlines of the results of this process no later than thirty (30) days after receiving notice from the airlines. If the airlines do not agree with the position of the labor representative(s), the dispute will be resolved pursuant to final and binding interest arbitration with a decision issued no later than 120 days prior to the date when the aircraft is scheduled to be placed in service. The standard to be applied by the arbitrator will be the fair and equitable allocation of flying between the two pilot groups giving due consideration to the airline business plans. Nothing in this Supplement will delay or prevent the planned implementation of such aircraft into revenue service.
5. The total number of aircraft block hours scheduled to be flown by mainline US Airways East pilots (excluding Group I aircraft) during any rolling 12-month look-back period shall be no less than 664,426. The total number of aircraft block hours scheduled to be flown by mainline US Airways West pilots during any rolling 12-month look-back period shall be no less than 436,850. The number of wide body positions, either maintained or pay protected, for US Airways pilots shall be no less than 291 US Airways widebody captain positions and

475 US Airways wide body first officer positions. A pay-protected pilot under this Paragraph 5 shall not be eligible for additional pay protection under MOU Paragraph 12(a). In the event a pilot is eligible for pay protection under both this Paragraph 5 and MOU Paragraph 12(a), such pilot shall be entitled to whichever pay protection produces the higher pay and shall also fulfill one of the minimum number of wide body positions required herein.

6. The total number of aircraft block hours scheduled to be flown by mainline American Airlines pilots (excluding Group I) in any rolling twelve month look back period shall be no less than 1,995,663 hours.
7. Commencing when the total number of US Airways aircraft in Equipment Group I equals 31, subsequent Group I aircraft shall be delivered on a ratio of two (2) Group I aircraft to American Airlines for every one (1) Group I aircraft to US Airways.
8. For purposes of this Supplement, block hours scheduled to be flown for a given month shall be determined by reference to an airline's flight schedule as published for sale 30 days prior to the first day of the month. US Airways shall furnish the block hour data to USAPA, if applicable, and APA no later than 30 days prior to the first day of each month.
9. American Airlines will not hire new pilots if pilots at US Airways are on furlough unless the most junior pilot on the American Airlines Pilots' System Seniority List has been offered a position at American Airlines.

Effective when the most junior pilot on the American Airlines Pilots' System Seniority List has been offered a position at American Airlines, future positions at American Airlines will be offered to furloughed US Airways pilots to the extent consistent with the terms of the April 9, 2010 Opinion and Award in FLO-0108 and September 14, 2011 Preferential Hiring Agreement entered into pursuant to that Award. Prior to making offers under this provision, US Airways, American Airlines and the pilot representative(s) shall agree to the order in which any such offers shall be made to US Airways pilots. A furloughed US Airways pilot who declines a position as an American Airlines pilot retains the right to be offered a position in a future American Airlines new-hire class and also retains the right to be recalled to, or otherwise offered a position with, US Airways.

A US Airways pilot who accepts a position at American Airlines:

- a. will be treated as junior to all pilots who are on the American Airlines Pilots' System Seniority List on December 9, 2013, but pilots on a US Airways seniority list employed by American Airlines under this provision will be ranked among themselves in the order of their acceptance of positions with American Airlines, and
 - b. will be considered an employee of American Airlines during the period prior to the expiration of the protections in Paragraphs 1-15 of this Supplement and be subject to the MTA, and
 - c. will retain, accrue and be entitled to use his/her combined longevity at both airlines for all purposes, including but not limited to, pay (excluding furlough pay, which will be calculated based on time at American Airlines only), benefits, vacation accrual, and eligibility towards retirement contributions and health and welfare participation, and
 - d. cannot return to US Airways for up to eighteen (18) months from the date of employment as a pilot for American Airlines, and
 - e. will retain his/her position on the applicable US Airways seniority list, and
 - f. will not be required to serve a probation period as a pilot for American Airlines, and
 - g. will not receive furlough pay from US Airways with respect to the period of service as a pilot for American Airlines, and
 - h. will be subject to any applicable background checks and employment requirements for American Airlines pilots returning from furlough.
10. US Airways will not hire new pilots if pilots at American Airlines are on furlough unless the most junior US Airways pilot has been offered recall or another position with US Airways and all American Airlines pilots on furlough have been offered a position at US Airways. Effective when the most junior US Airways pilot has been offered recall or another position with US Airways, future positions at US Airways will be offered to furloughed American Airlines pilots

in seniority order. A furloughed American Airlines pilot who declines a position as an US Airways pilot retains the right to be offered a position in a future US Airways new-hire class and also retains the right to be recalled to American Airlines in accordance with his/her American Airlines seniority.

An American Airlines pilot who accepts a position at US Airways:

- a. will be treated as junior to all pilots who are on the applicable US Airways seniority list on December 9, 2013, but pilots on the American Airlines Pilots' System Seniority List employed by US Airways under this provision will be ranked among themselves in seniority order, and
 - b. will be considered an employee of US Airways during the period prior to the expiration of the protections in Paragraphs 1-15 of this Supplement and be subject to the terms and conditions set forth in the MTA (as provided in Paragraphs 17-18 below), and
 - c. will retain, accrue and be entitled to use his/her combined longevity at both airlines for all purposes, including but not limited to, pay (excluding furlough pay, which will be calculated based on time at American Airlines only), benefits, vacation accrual, and eligibility towards retirement contributions and health and welfare participation, and
 - d. cannot return to American Airlines for up to eighteen (18) months from the date of employment as a pilot for US Airways, and
 - e. will retain his/her position on the American Airlines Pilots' System Seniority List, and
 - f. will not be required to serve a probation period as a pilot for US Airways, and
 - g. will not receive furlough pay from American Airlines with respect to the period of service as a pilot for US Airways, and
 - h. will be subject to any applicable background checks and employment requirements for US Airways pilots returning from furlough.
11. Neither American Airlines nor US Airways will establish TDY positions at a pilot domicile of the other airline.
 12. All Shuttle flying between DCA, LGA and BOS shall be performed by US Airways pilots.
 13. All existing flying between PHX and Hawaii shall be performed by US Airways pilots. The parties understand and agree that flights between PHX and Hawaii that are performed by US Airways pilots when the restrictions in this Paragraph 13 are in effect shall not count toward the ten (10) flights per day provision in Section 1.G.1.c. of the MTA.
 14. All Trans-Pacific (Asia) flying shall be performed by pilots on the American Airlines Pilots' System Seniority List.
 15. The provisions in Paragraphs 1-14 of this Supplement shall not apply in circumstances where the Company's non-compliance is caused in substantial part by Conditions Beyond The Company's Control. "Conditions Beyond The Company's Control" shall include, but not be limited to, the following: (1) an act of God; (2) a strike by any other company employee group or the employees of a Commuter Air Carrier operating pursuant to an authorized codeshare arrangement with the company; (3) a national emergency; (4) involuntary revocation of the company's operating certificate(s); (5) grounding of a substantial number of the company's aircraft; (6) a reduction in the company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the company's demands; and (7) the unavailability of aircraft scheduled for delivery.
 16. Subject to the provisions of the MOU and Paragraphs 1-15 above, as of December 9, 2013, US Airways and American Airlines may move forward with obtaining and utilizing a single operating certificate, and otherwise combining the operations of the two carriers, except for those measures that are dependent upon implementation of an integrated seniority list.
 17. Beginning on December 9, 2013, pilots employed by US Airways shall be paid in accordance with the provisions of the MTA that are generally applicable to pilots employed by American Airlines. The eligibility of US Airways pilots for a defined contribution plan accrual shall commence on December 9, 2013, and US Airways' contribution to the retirement plan beginning on that date shall be calculated by multiplying an eligible pilot's eligible

compensation under the applicable retirement plan by the percentage contribution made by American Airlines to its pilots' defined contribution retirement plan.

18. It is the intent of the parties that, as of December 9, 2013, the terms and conditions of employment for pilots employed by American Airlines and US Airways will be set by the MTA. The parties further understand, however, that it will take some period of time for those terms to be implemented. Accordingly, except for those terms specifically identified in Paragraph 17 above, the parties agree that each term of the MTA shall be applicable to all US Airways pilots at the earliest practicable time for each such term, and such terms, when applicable, shall govern and displace any conflicting or wholly or partially inconsistent provision of the former US Airways pilot agreements or the *status quo* arising thereunder. Once the MTA has been fully implemented, it shall fully displace and render a nullity any prior collective bargaining agreements applicable to US Airways pilots and any *status quo* arising thereunder.

Except as incorporated into the MTA (including this Supplement), all provisions of the MOU shall continue in full force and effect.

SUPPLEMENT E

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SUPPLEMENT F (1)

James G. Sovich
President
Allied Pilots Association
P. O. Box 5524

Arlington, Texas 76005-5524

Dear Captain Sovich:

The Company has made and will make the following revisions to the Pilot Retirement Benefit Plan:

1. Fixed Income Benefits

For pilots retiring on or after April 1, 1977, the Fixed Income Benefit formula will be replaced by the following:

- (a) 1.25% of the pilot's final salary times years and completed months of service less one year for all years from the date of hire as a flight deck operating crewmember. Where a pilot has participated in another defined benefit plan of the Company and has a pension benefit payable from the other defined benefit plan, the years and completed months of participation under the other defined benefit plan will be excluded from service under the Pilot Retirement Benefit Plan for purposes of benefits produced by the final average salary formula.
- (b) Final average salary will be equal to one fifth (1/5) of the sum of the pilot's earnings in the sixty (60) consecutive months in the last 120 months preceding the pilot's Normal, Early or Disability Retirement Date (whichever is applicable) which produces the highest amount. For this purpose, earnings during any calendar year will be considered to be earned equally during each month in the year. Earnings received by a retiring pilot after his retirement date, such as his final month's pay or accrued vacation pay, may be used in conjunction with his earnings in the immediately preceding sixty (60) months of the calculation of his final average salary. If the retiring pilot's final months' pay exceeds a month's pay at the beginning of the sixty (60) month period, it will be included in the calculation of his final average salary in place of the month's pay at the beginning of the sixty (60) month period. If the retiring pilot received accrued vacation pay for thirty (30) days or more and such pay for thirty (30) days exceeds a month's pay at the beginning of the sixty (60) month period, the vacation pay for each thirty (30) days will be included in the calculation of his final average salary in place of a month's at the beginning of the sixty (60) month period. If the vacation pay for any remaining days under thirty (30), exceeds the pay for a comparable period of a thirty (30) day month at the beginning of the sixty (60) month period, such pay will be included in the calculation of his final average in place of the comparable period of a thirty (30) day month at the beginning of the sixty (60) month period. To the extent a retiring pilot received accrued vacation pay after his retirement, it will first be used to complete his last partial month of flying. The balance of his accrued vacation time may then be used in substitution for full or partial months of wages at the beginning of his sixty (60) month period. [See Q&A [9-1](#)]
- (c) Effective for all pilots retiring on or after April 1, 1991 a minimum annual benefit equal to the following amount will be payable if such amount is greater than the benefit produced in (a) above: \$1,500.00 times the number of years and completed months of service as an active pilot employee, less one year. Service as an active pilot employee will be calculated as Credited Service (less one year) less periods of disability and other non-active status as identified in [Paragraph 8 of Supplement F\(1\)](#).
- (d) The benefit produced in (a) or (c) above will be payable at Normal Retirement Date. If the benefit is to commence on an Early Retirement Date, it will be actuarially reduced.

2. Disability Retirement Minimum

- (a) For a pilot who accepts disability retirement on or after April 1, 1977, the provisions of the Plan will remain the same, except the average monthly salary used in the computation of the monthly benefit will be based on the higher of:
 - (i) the average monthly salary that the pilot received during the twelve (12) months prior to the exhaustion of his paid sick leave and/or vacation time, or
 - (ii) the average monthly salary during the pilot's highest paid calendar year out of his last five calendar years prior to the exhaustion of his paid sick leave and/or vacation time.
 - (b) The Fixed Income Benefit which will be payable to the pilot at Normal Retirement Date, who is on disability retirement and is still on the Pilot Seniority List as of April 1, 1977, or later, in accordance with [Supplement F](#), will be determined under [Section 1](#), above, based on his final average salary to his Disability Retirement Date and years and completed months of service, less one (1) year. Included in such service will be the period between the pilot's Disability Retirement Date and his Normal Retirement Date.
3. (a) Survivor benefit payable upon death of pilot who has attained at least age 50 and for whom benefit payments have not begun on an Early or Normal Retirement basis. This benefit in the Plan is modified as follows:
- (i) Upon the death of a pilot employee who has attained at least age 50 and for whom benefit payments have not begun on an Early or Normal Retirement basis, a survivor's benefit shall be payable to the pilot employee's legal spouse of at least one year on his date of death. In the event there is no legal spouse surviving the deceased pilot employee, the survivor's benefit shall revert to the lump sum payable from both the Fixed and Variable portions of the Plan as if death had occurred prior to age 50.
 - (ii) The survivor's benefit under the Fixed Income Benefit portion of the Plan shall equal 50% of the benefit determined under Section 1 where the final average salary is determined as of the death of the pilot and years and completed months of service less than one year. Included in such service will be the period between the pilot's date of death and his Normal Retirement Date. Such benefit shall become payable to the surviving spouse effective with the first day of the month coincident with or next following the pilot's death.
 - (iii) The survivor's benefit payable under the Variable Annuity portion of the Plan to the surviving spouse shall continue to be equal to what the pilot would have received had he retired early at death and had elected a 2/3 joint annuitant option.
- (a) Survivor benefit payable upon death of a pilot who has not attained age 50
- (i) The Fixed Income Plan is modified to include for the pilot who is vested the qualified pre-retirement survivor annuity required by the Retirement Equity Act as an optional alternative to the current death benefit (i.e., payment of the Basic Accumulation).
 - (ii) The Variable Income Plan is modified to vest immediately the Company Units and pay a participant's entire account balance to a surviving spouse (or to an alternate beneficiary with the spouse's consent).
4. Effective September 1, 1979 the designated beneficiary of a pilot employee or pilot receiving a disability pension or a pilot on an unpaid sick leave of absence who dies after attaining age 50 without a surviving legal spouse of at least one year as of his date of death, shall receive, at Company expense, an amount of Term Life Insurance equal to 150% of the pilot employee's Basic Life Insurance coverage. The designated beneficiary shall be the beneficiary of record under the Pilot Retirement Plan unless the pilot employee has designated a specific beneficiary for this benefit on Form C-438. Any other agreement to the

contrary, the designated beneficiary for this benefit shall not be eligible for the Spouse's Survivor Benefit of [Supplement F](#) and the Pilot Retirement Benefit Plan.

5. Disability Retirement

- (a) An illness and/or injury which has been verified through qualified medical authority and which prevents a pilot from acting as a cockpit crewmember in the service of the Company shall constitute a medical disability and shall make such pilot eligible for benefits according to the provisions set forth in this Supplement. The benefits shall commence ninety (90) days after the onset of the disability or related disability or on the expiration of paid sick leave and/or vacation, whichever occurs later; provided that there has been and continues to be qualified medical care consistent with the nature of the illness or injury. Disability pension benefits are not payable to furloughed pilots, whether furlough date occurs prior to or during a period of disability. [See Q&A [9-7](#)]
- (b) The verification of a disability as it relates to this Supplement shall be established by the Corporate Medical Director through claim procedures set up by the Company and the Allied Pilots Association. Once established, the disability, when appropriate, may be subject to verification every ninety (90) days.
- (c) For purposes of the Supplement, a disability will cease to exist whenever health is restored so as not to prevent a pilot from acting as a cockpit crewmember in the service of the Company; whenever verification of a disability can no longer be established; or whenever appropriate medical care is wantonly disregarded. It is recognized by the Association and the Company that there shall be exclusions which are not entitled to disability benefits; these are: fear of flying syndrome, unless there is a pre-eminent psychiatric diagnosis; chemical dependency showing no progress toward recovery after two years.
- (d) A pilot shall retain and continue to accrue his seniority for the purposes of this Supplement F only for a period of five (5) years commencing at the expiration of his paid sick leave. In the event such a pilot member recovers and returns to the Company as a pilot, during the five (5) year period in which he has not lost his seniority, his monthly disability pension shall cease. He will again become a participant in the Plan for the accrual of additional Basic and Variable Annuity benefits payable at Normal Retirement Date, subject to the eligibility provisions of the Plan. In the event such a pilot member works for the Company in a capacity other than as a pilot, his pilot benefits shall not be paid while he is employed in such a capacity. However, during such period he shall be eligible to participate in the pension programs applicable to his job category.
- (e) At Normal Retirement Date such monthly disability pension shall cease. The pilot member shall then receive the monthly Basic and Variable Annuity pension (including that provided by his optional contribution still remaining in the Variable Annuity Trust) which had been accrued under the Basic Annuity portion of the Plan and contributed for under the Variable Annuity portion of the Plan up to the date of the exhaustion of his sick pay, to be payable at Normal Retirement Date.
- (f) In the event the actuarially reduced benefits for an early retirement under the Plan exceed the monthly disability pension which would otherwise be payable to such a pilot member, he may elect to receive such benefits and still be considered a disability retirement. A pilot employee who was a member of the Pilot Plan as it existed on the day before the effective date of the signing of the Agreement pertaining to current negotiations shall not lose any accrued rights as a result of these amendments.
- (g) Furthermore, effective April 1, 1973, in lieu of extending the Pilot Retirement Benefit Plan death benefit for a pilot member who dies after his 50th birthday to a pilot member who had not attained age 50, the Company, at its expense, will provide such active pilot member with an amount of Term Life Insurance equal to 150% of his Basic Life Insurance coverage under the Group Insurance Plan. Such additional coverage shall cease as of the active pilot member's 50th birthday. In the event such active pilot member becomes disabled and is placed on a sick leave of absence, and/or retires on a disability pension, the additional

coverage as well as his Basic Life Insurance coverage under the Group Insurance Plan will be continued, at Company expense, up to his 50th birthday.

Optional Life Insurance Plan may be continued by the disabled pilot member, at his expense, up to his 50th birthday. At his 50th birthday, all such coverage shall cease. The pilot member shall then be considered a retired employee for purposes of the Group Insurance Plan and will be covered under the Retired Employee Life Insurance schedule. In the event a pilot member is totally and permanently disabled in the sense that he is completely unable to perform any and every duty pertaining to any occupation or employment for remuneration or profit, his additional coverage will continue as long as he is so disabled. Unless otherwise indicated by the pilot member, the beneficiary of record under the Pilot Retirement Plan shall be the beneficiary of record for this additional coverage.

- (h) Any disputes arising as to the clinical validity of a claim or as to the continuation of disability defects, once commenced, shall be referred to a mutually agreed-to clinical source, whose findings regarding the nature and extent of the condition shall be final and binding upon the parties. The cost involved in such proceeding shall be equally shared by the Association and the Company.
- (i) Effective November 1, 1979, for a pilot diagnosed as chemically dependent on or after November 1, 1979:
 - (i) A pilot shall be entitled to a lifetime maximum of up to twenty-four (24) months of payments from the point in time he is diagnosed chemically dependent but not beyond his Normal Retirement Date.
 - (ii) The payments shall be a combination of accrued sick time and/or disability pension payments.
 - (iii) The twenty-four (24) months of payments are not necessarily consecutive. They may be broken for periods if the pilot returns to active status, or does not apply for disability pension payments. However, they are cumulative.
 - (iv) The twenty-four (24) months of payments shall be extended to pay the pilot any accrued sick time he may have remaining at the end of the twenty-four (24) months of payments.
 - (v) Any accrued vacation pay shall not be counted in the twenty-four (24) months of payments.
 - (vi) If, at the end of the twenty-four (24) months of payments, the pilot has not shown progress toward recovery as determined by the Corporate Medical Director, all disability pension payments terminate. If the pilot is showing progress toward recovery, as determined by the Corporate Medical Director, he shall continue to receive disability pension payments until he is returned to active flying status. Any disputes with a pilot's physician arising as to a pilot's recovery or showing progress toward recovery under this sub-paragraph (vi), shall be referred to a mutually agreed-to clinical source, whose findings regarding the nature and extent of the condition of the cockpit crewmember shall be final and binding upon the parties. The cost involved in such proceeding shall be equally shared by the Association and the Company.
- (j) A pilot diagnosed as chemically dependent after August 20, 1982 shall be entitled to the greater of:
 - (i) a lifetime maximum of eighteen (18) months of combined sick time and disability pension payments including not more than twelve (12) months of disability pension payments; or
 - (ii) the balance of accrued sick time payments.

The eighteen (18) months of payments under (i) above are not necessarily consecutive. They may be broken for periods when the pilot returns to active status or does not apply for disability pension payments. However, they are cumulative.

Any accrued vacation pay shall not be counted in the eighteen (18) months of payments under (i) above.

6. Variable Annuity
 - (a) Effective January 1, 1973, the actuarial interest assumption shall be 6% interest per annum. Pilots retired prior to January 1, 1973 will have their variable benefits converted to the new 6% interest assumption as of January 1, 1973.
 - (b) Effective January 1, 1990, Company Contributions to the Variable Income Plan of the Pilot Retirement Benefit Program will be eleven percent (11%) of compensation earned on or after January 1, 1990 for all pilot employees.
7. Maximum/Minimum Disability Retirement
 - (a) Effective November 1, 1979, a pilot member of the Pilot Retirement Benefit Plan who accepts disability retirement on or after November 1, 1979, because he is medically unable to continue as a pilot, shall be eligible for a monthly disability pension equal to 55% of his average monthly salary. The maximum monthly payment shall be \$4,700.
 - (b) Effective January 1, 1992, the maximum monthly payment in a. above is increased to \$6,000. Such maximum monthly payment is applicable to those currently receiving disability retirement benefits and those who qualify for such benefits in the future.
8. As provided in the Pilot Retirement Benefit Plan, on and after April 1, 1977, Credited Service shall not include any period of unpaid leave of absence or furlough after that date except for the following:
 - (a) an emergency leave of absence generated by the strike of another organized group which causes the Company to suspend operation; credited service shall not be granted for a period of suspension of operations caused only by pilot employees in connection with the strike of another organized group;
 - (b) a leave of absence at Company request to avoid the furlough of other pilot employees;
 - (c) an approved disability whether disability benefit is paid or unpaid; or unpaid sick leave of absence which has been requested by the pilot and approved by the Corporate Medical Director;
 - (d) with respect to the Spouse's Survivor Benefit, the period from the pilot employee's date of death to his Normal Retirement Date;
 - (e) with respect to the Fixed Income Benefit payable at Normal Retirement Date to a pilot on disability retirement the period from the pilot's Disability Retirement Date to his Normal Retirement Date;
 - (f) a leave of absence for Association business for which period the Association reimburses the Company for the cost of the Pilot Retirement Benefit Plan;
 - (g) a military leave of absence after the pilot employee has become a member of the Plan.

Neither the Company nor the Association shall modify or change the above during the period of this collective bargaining agreement and the next subsequent collective bargaining agreement.

9. Effective September 1, 1979, in the computation of a pilot employee's Final Average Compensation for his highest 60 consecutive months out of his last 120 months, the period and applicable wages, if any, from items [8\(a\)](#), [8\(b\)](#) and [8\(c\)](#) above, which would normally fall in such 60 month period shall be excluded. The Final Average Compensation shall be based on wages for such reduced 60 month period, e.g., 58 months. For example, if wages for the 58 month period amounted to \$300,000, the Final Average Monthly Salary would be \$5,172.41. However, in the computation of his Fixed Income Benefit, such period shall continue to be included in his Credited Service.
10. For purposes of the Disability Retirement Benefit, in the computation of a pilot employee's average monthly compensation during either the 12 consecutive months next preceding the date of expiration of his paid sick leave, vacation, or both, or the highest calendar year out of the five consecutive years preceding the date of expiration of his paid sick leave, vacation, or both, whichever produces the highest average, the period and applicable wages, if any, from

items [8\(a\)](#), [8\(b\)](#) and [8\(c\)](#) above, which would normally fall in such 12 month period shall be excluded. The average monthly compensation shall be based on wages for such reduced 12 month period, e.g., ten months. For example, if wages for the 10 month period amounted to \$60,000, the average monthly compensation would be \$6,000. However, in the computation of his Fixed Income Benefit, such period shall continue to be included in his Credited Service.

11. Lump Sum Option under the Fixed Income Plan

For all pilots retiring after January 1, 1989, the Company will reinstate the lump sum option under the Fixed Income Plan of the Pilot Retirement Benefit program as it existed on January 1, 1989, modified only to comply with Internal Revenue Service requirements in order to maintain the continued qualification of the plan.

The above may only be changed or modified as required by the Internal Revenue Service to maintain the qualification of the Plan under the Internal Revenue Code or the Department of Labor under the Employee Retirement Income Security Act of 1974.

The Company will provide all necessary data and will cooperate fully with the Connell Company to produce pilot statements by March 31st of each year.

Very truly yours,

/signed/

J. G. Allen
Vice President
Employee Relations

Agreed:

/signed/

J. G. Sovich
President

ALLIED PILOTS ASSOCIATION

SUPPLEMENT F(2)

Captain John E. Darrah

President

Allied Pilots Association

14600 Trinity Boulevard, Suite 500

Fort Worth, TX 76155

Dear John:

This is to inform you that the following administrative changes will be made to the Pilot Retirement Benefit Program effective as of September 1, 1979:

1. (a) In the event a pilot employee at normal retirement elects to withdraw the value of his optional contributions to the Variable Annuity Trust or elects a Lump Sum Distribution from the Variable Annuity Trust, the moneys contributed since the most recent determination of the December 31 unit value by the Plan Actuary (employee contributions in the case of any Optional Withdrawal; Company and employee contributions, if any, in the case of the Lump Sum Distribution) will be treated in the following manner:

Such contributions shall be converted into units at the last published December 31 unit value. Such units will be disbursed at the last published December 31 unit value adjusted by the Index Of Change which shall be the Index for the third month preceding Normal Retirement Date. For example, in the case of a pilot retiring April 1, 1980, the unit value published for December 31, 1978 adjusted by the Index of Change for January 31, 1980 would be used.

Optional contributions for all pilot employees shall be discontinued three (3) months before Normal Retirement Date. This procedure will be implemented for retirements on and after February 1, 1980, in order to allow for the three (3) month interval. For retirements prior to February 1, 1980, optional contributions will be discontinued for the remaining months prior to retirement commencing with November, 1979.

- (b) In the event a pilot employee elects to withdraw the value of contributions to the Variable Annuity Trust during employment or for retirements prior to February 1, 1980, the moneys contributed since the most recent determination date of a December 31 unit value by the Plan Actuary (employee contributions in the case of any optional withdrawal; Company and employee contributions, if any, in the case of a Lump Sum Distribution at early retirement) will be treated in the following manner:

Such contributions shall be converted into units at the last published December 31 unit value. Such units will be disbursed at the last published December 31 unit value adjusted by the Index of Change for the month in which such withdrawal request is received by Pension & Group Insurance Administration. For example, in the case of a pilot whose notice of withdrawal of optional contributions is received by Pension & Group Insurance Administration on March 15, 1980, the unit value published for December 31, 1978 adjusted by the Index of Change for March 31, 1980 would be used.

- (c) To avoid the problem of non-availability of a unit value for the Variable Plan during the first quarter, the unit value is to be determined as of December 31 by the Plan Actuary and used for the period March 31 to March 31. The unit value determined as of December 31, 1978 would be operative from January 1, 1979 to March 30, 1980. This unit value will be used for all annuity payments and, adjusted by the Index of Change, will also be used for optional withdrawals and lump sum distributions.
- (d) To reflect more frequently the investment performance of the Trust, variable annuity payment will change as of each April 1 and October 1, effective with the 1987 Plan year. The Plan Actuary will determine the annual audited unit value as of each December 31 which unit value will determine annuity payments for the following April 1, to September 30 period (instead of the March 31 to March 31 period under (c) above). This unit value,

adjusted by the Index of Change for the month of July (i.e., July 31 value), will determine annuity payments for the following October 1 to March 31 period.

2. For purposes of computation of final compensation only, to facilitate the determination of retirement benefits at normal retirement for a retiring pilot, wages for his last two months of flying shall be computed at an hourly rate (one-half day/one-half night) prior to May 1, 2003 and day rate effective May 1, 2003 for two and one-half hours per day based on the category and equipment determined by his trip selection award for his next to the last month of flying prior to retirement provided such pilot did not use any unscheduled vacation credit or failed to use scheduled vacation credit during his last full month and/or partial month of service. In such event, his benefit will be recalculated based upon the actual vacation schedule which will result in a delay in benefit payment. This will be implemented as soon as procedures can be established to collect the necessary data from the Payroll Department. For benefit purposes, the computation of such benefits is final and binding on the Company and pilot. The Company will contribute to the trust funds on the basis of actual wages paid. [See Q&A [9-1](#)]
3. In the case of early retirement with notice to Pension & Group Insurance Administration of less than 120 days, the rules of Item 2 above will not apply. Final Average Compensation will be determined by using actual earnings for his last two months of flying. Any distribution of units from the Variable Annuity Trust will be determined under the rules set forth in [1\(b\)](#) above, using the Index of Change for the month in which the notice of early retirement is received by Pension & Group Insurance Administration.

The above may only be changed or modified as required by the Internal Revenue Service to maintain the qualification of the Plan under the Internal Revenue Code or the Department of Labor under the Employee Retirement Income Security Act of 1974. [See Q&A [15-27](#)]

Very truly yours,

/signed/
Mark L. Burdette
Director, Employee Relations, Flight

Agreed to:

/signed/
John E. Darrah
President
Allied Pilots Association

SUPPLEMENT F(3)

February 26, 1991

Captain F. R. Vogel
President
Allied Pilots Association
P. O. Box 5524

Arlington, Texas 76005-5524

Dear Captain Vogel:

This will confirm our agreement that [Supplement F\(2\)](#) of the current American/APA Agreement will be modified for retirements on or after August 1, 1987 as follows. Such modifications will allow a pilot to defer receipt of his benefit under the Variable Annuity Trust (i.e., "B" Fund) to a later date up to age 70½.

1. Any retiring pilot may irrevocably elect to defer receipt of his retirement benefit from the "B" Fund by providing written notification to Pension Plan Administration of such at least sixty (60) days prior to retirement.
2. In the event the Pilot irrevocably elects to defer receipt of his benefit from the "B" Fund to a later date, all contributions to the "B" Fund (both employee and Company) will be based on actual earnings. The units in the account shall continue to participate in the "B" Fund until a withdrawal notice is received by Pension Plan Administration. The distribution of the units in the account shall be as follows:
 - (a) In the event the pilot elects to have his account paid as an annuity from the "B" Fund, the payment of the benefit shall be effective on the first day of the month following the month in which such written election is received by Pension Plan Administration. Payment of the benefit will commence no later than the first of the month following thirty (30) days of receipt of the completed retirement forms.
 - (b) In the event the pilot elects to receive payment of his account in the form of a lump sum payment, the units in the account shall be disbursed using the last published December 31 unit value adjusted by the Index of Change for the month in which such withdrawal request is received by Pension Plan Administration.
3. In the event that notice to defer is not received by Pension Plan Administration at least sixty (60) days prior to retirement, the pilot will receive payment on his benefit commencement date in accordance with the provisions of [Supplement F\(2\)](#).
4. The Surviving Spouse of a pilot who has completed at least ten (10) years of service and dies after age 50 and for whom benefit payments have not begun shall receive a benefit equal to the benefit that the pilot would have received had he retired on the date of his death and had elected the two-thirds (2/3) joint annuitant option. In lieu of any other death benefit, the Surviving Spouse may elect to receive a lump sum payment of the deceased pilot's account under the Variable Annuity Trust.
5. This agreement does not affect distributions from the Fixed Income Plan (the "A" Fund).

The preceding may only be changed or modified as required by the Internal Revenue Service to maintain the qualification of the Plan under the Internal Revenue Code or the Department of Labor under the Employee Retirement Income Security Act of 1974 or other governmental restrictions or changes preventing or adversely affecting this modification.

Very truly yours,

/signed/

R. P. Craviso

Vice President

Employee Relations

Agreed to:

/signed/

F. R. Vogel, President

ALLIED PILOTS ASSOCIATION

SUPPLEMENT F(4)
August 20, 1996

Captain James G. Sovich
President
Allied Pilots Association
P.O. Box 5524
Arlington, TX 76005-5524

Pension Plan Amendments

Dear Captain Sovich:

This letter confirms an agreement between the Allied Pilots Association (the "Association") and American Airlines, Inc. (the "Company") regarding the American Airlines, Inc. Pilot Retirement Benefit Program (the "Plan"). The definitions in Section 2.1 of the Plan shall apply to this letter. Nothing herein shall affect any right that the Company or the Association, either on its own behalf or on behalf of the pilots it represents, has under the Collective Bargaining Agreement.

The Company expects to continue the Plan indefinitely but it necessarily reserves the right to amend the Plan, in whole or in part, at any time or from time to time, under the procedure described in Section 14.2, and to suspend or terminate the Plan, in whole or in part, at any time, by action of the Board of Directors, or its designee, provided that the Plan will not be amended, suspended, or terminated for the duration of the Collective Bargaining Agreement between the Company and the Association unless the Association agrees to the amendment, suspension, or termination.

Notwithstanding the foregoing, unless the parties otherwise agree, the Company reserves the following specific rights:

- (i) to amend any provision of the Plan that concerns the Company's funding of any benefit provided under the Plan (including, but not limited to, funding policy, assumptions, methods, timing, amounts, and asset strategies) other than a benefit funded through the Variable Annuity Trust;
- (ii) to amend any provision of the Plan that affects the composition, operation, rights, or responsibilities of the Pension Benefits Administration Committee and the Pension Asset Administration Committee;
- (iii) to amend any provision of the Plan that concerns the Company's right to name the Administrator and named fiduciary of the Plan;
- (iv) to amend any provision of the Plan that concerns the corporate structure of the Company, including, but not limited to, the definitions of Company, Employer, and Board of Directors;
- (v) to amend any provision of the Plan in which the amendment is required by the Act, the Code, any other federal law, or is necessary to maintain the tax qualified status of the Plan. If a federal law is enacted that requires that the Plan be terminated or suspended, the Company may terminate or suspend the Plan, provided that there is no alternative to termination or suspension. If there are alternative ways to amend, suspend or terminate the Plan, the Company will meet with the Association within a reasonable period of time before the date that the Company is required to comply with the change in the law for the purpose of discussing the alternative ways to amend, suspend or terminate the plan. Following these discussions, the Company may make the changes when required by the law, but in no event shall the Company be relieved of its obligations, if any, under the Collective Bargaining Agreement.

Within a reasonable period before the earlier of adoption or implementation of an amendment to the Plan, the Company shall provide the Association with a copy of the proposed amendment (or, should the Company desire to implement an amendment prior to a change in Plan wording, a complete description of the change) and meet with the Association to discuss the proposed amendment. Disputes under this letter agreement shall be subject to the grievance and arbitration procedures

provided by the parties in the Collective Bargaining Agreement.

Very truly yours,

/signed/
Jane G. Allen
Vice President
Employee Relations

Agreed:

/signed/
James G. Sovich
President
Allied Pilots Association

SUPPLEMENT F(5)

INTENTIONALLY LEFT BLANK

SUPPLEMENT F(6)

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

January 1, 2013

Retirement Income Benefits

Dear President Wilson:

This letter confirms certain agreements between American Airlines, Inc. ("Company") and the Allied Pilots Association ("Association") regarding the Variable Income Plan ("Pilot B Plan") and the Fixed Income Plan ("Pilot DB Plan") of the American Airlines, Inc. Pilot Retirement Benefit Program ("Program") and regarding Super Saver - A 401(k) Capital Accumulation Plan for Employees of Participating AMR Corporation Subsidiaries ("Super Saver"). This Supplement F(6) is effective September 7, 2012.

1. The parties agree that Supplements [F\(1\)](#) through F(4) reflect the manner in which pensions were determined prior to the freeze dates described herein and shall continue in effect except to the extent inconsistent with or modified by this Supplement F(6).
2. The parties agree to eliminate Supplement [E\(5\)](#) and the non-qualified pension plan alternative described therein.
3. The Company shall have no obligation, contractual or otherwise, that is inconsistent with its right under this Supplement F(6) to modify or eliminate Pilot DB Plan and Pilot B Plan benefits by plan amendment and/or implement the plan freezes and terminations under this Supplement F(6), including but not limited to, elimination of the lump sum option and the installment option in the Pilot DB Plan.
4. Pilot B Plan. The Company shall freeze the Pilot B Plan effective November 1, 2012 and thereafter terminate the Pilot B Plan effective November 30, 2012. On and after November 1, 2012:
 - a. No new participants will be added to the Pilot B Plan.
 - b. No contributions will be made for compensation earned on and after November 1, 2012.
 - c. When the Pilot B Plan is subsequently terminated effective November 30, 2012, the Company will:
 - (1) Contribute, prior to the plan termination date, on behalf of pilots on a military leave of absence on November 1, 2012, contributions based on estimated pay that the pilot would have earned for periods on military leave from the date the military leave commenced through October 31, 2012. For the purpose of this subparagraph (1), estimated pay shall be determined using the methodology for estimating pay for pilots returning from a military leave of absence prior to November 1, 2012.
 - (2) Provide the Association with a copy of the final actuarial valuation from the Pilot B Plan actuary, the information reasonably necessary for the Association and its consultants to verify the actuarial valuation (e.g., de-identified demographic information, account values, 2012 contributions, actuarial assumptions) and a copy of all expenses charged to the B Plan relating to the termination of the B Plan.
 - (3) Provide each participant with a final Pilot B Plan benefit package detailing the number of units, the unit value upon which the final distribution will be made and the available forms of distribution.
5. Pilot DB Plan. The Company shall take the following actions with regard to the Pilot DB Plan:
 - a. Freeze the Pilot DB Plan effective November 1, 2012, to ensure that the Company is not required to provide for future benefit accruals under the Pilot DB Plan on and after November 1 2012. On and after November 1, 2012:

- (1) No new participants will be added to the Pilot DB Plan.
 - (2) No further benefits will accrue under the Pilot DB Plan.
 - (3) Benefits for current pilots who are participants in the Pilot DB Plan will be determined based upon their pension accrual calculated as of October 31, 2012.
 - (4) Compensation earned on and after November 1, 2012, will not be counted for benefit accrual.
 - (5) Service performed on and after November 1, 2012, will not be counted for benefit accrual; however, service performed on and after November 1, 2012, will be counted solely for the purpose of determining vesting and eligibility for Early Retirement.
 - (6) The benefits accrued as of October 31, 2012, will remain obligations of the Pilot DB Plan and its related trust and will be paid in accordance with the terms of the Pilot DB Plan.
- b. Amend the Pilot DB Plan to eliminate the lump sum option and installment option, through the procedures set forth in a final regulation published by the U.S. Treasury Department and Internal Revenue Service, if and when it becomes lawful to do so.
 - c. Subject to the Association's rights set forth in subpart 5.d, below, seek to terminate, and terminate if such motion is granted, the Pilot DB Plan by filing a distress termination motion with respect to the Pilot DB Plan if:
 - (1) The U.S. Treasury Department and Internal Revenue Service do not publish a final regulation that the Company determines, in its sole discretion, will enable the Company to resolve, on a timetable satisfactory to the Company, structural issues under the Pilot DB Plan relating to the elimination of the lump sum option and installment option forms of benefits, or
 - (2) The U.S. Treasury Department and Internal Revenue Service do publish such final regulation, but the Company is unsuccessful in using the procedures set forth in such final regulation in receiving a determination that it is lawful to amend the Pilot DB Plan to eliminate the lump sum option and installment option.
 - d. If the Company files a distress termination motion with respect to the Pilot DB Plan at any time, the Association retains the right to oppose that motion on the grounds that the requirements of 29 U.S.C. section 1341(c)(2)(B)(ii) are not met for any reason.
 - e. The Pilot DB Plan shall be amended as soon as practicable following Company's emergence from Chapter 11 to provide that a participant may waive all spousal death benefits and designate a non-spouse beneficiary (subject to Spousal consent as required by the Pilot DB Plan) to receive a pre-retirement death benefit equal to the Basic Accumulation credited to date of the freeze, plus interest to date of distribution.
6. Super Saver, or its successor. Assuming ratification by the Association's membership of a new collective bargaining agreement by December 10, 2012 and bankruptcy court approval by December 31, 2012, the Company will:
 - a. Amend the Super Saver plan document to incorporate the provisions for Eligibility Service as defined in the Pilot DB Plan immediately prior to November 1, 2012 solely for purpose of determining eligibility for the contribution in paragraph c. below.
 - b. Enroll each pilot who is not already enrolled in Super Saver after the pilot earns one year of Eligibility Service. Eligibility Service prior to November 1, 2012 counts toward this requirement.
 - c. For each pilot who has earned one year of Eligibility Service (as defined in Super Saver) on or after November 1, 2012, the Company will contribute an amount equal to fourteen percent (14%) of the pilot's Eligible Compensation (as defined in Super Saver) for service performed on or after November 1, 2012 through December 31, 2013. Any 14% contribution under this Paragraph (6) shall be reduced by any discretionary contributions the Company has made to pilots' Super Saver accounts in anticipation of a ratified and Court approved new collective bargaining agreement. Effective January 1, 2014, for each pilot who has earned one year of Eligibility Service (as defined in Super Saver) the Company will contribute an amount equal to sixteen percent (16%) of the pilot's Eligible Compensation (as defined in Super Saver) for service performed on or after January 1,

2014. Such Company contributions shall be made as soon as administratively practicable following the date the pilot is paid.

- d. Union Leave. For Pilots on a union leave on or after November 1, 2012, the Company will contribute an amount equal to fourteen percent (14%) (sixteen percent (16%) effective January 1, 2014) of the pilot's Flight Pay Loss for service associated with a union leave performed on and after November 1, 2012. For the purposes of providing contributions to pilots on union leaves, there are two (2) types of Flight Pay Loss:

- (1) Type 1 Flight Pay Loss. Type 1 Flight Pay Loss covers union paid leave, which consists of regularly scheduled work assignments missed by pilots due to service performed for the union. For Type 1 Flight Pay Loss, the Association will reimburse the Company each month for the pay and the 14% contribution associated with union leaves on and after November 1, 2012.

- (2) Type 2 Flight Pay Loss. Type 2 Flight Pay Loss covers pay for pilots on union leave beyond regularly scheduled work assignments missed. Each month, the Association will provide the Company with a record of the Type 2 Flight Pay Loss compensation to be paid to pilots on union leave along with payment to the Company for the Type 2 Flight Pay Loss compensation plus the 14% (sixteen percent (16%) effective January 1, 2014) contribution and the payroll taxes associated with this pay. Upon receipt of payment, the Company will include the Type 2 Flight Pay Loss and the 14% (sixteen percent (16%) effective January 1, 2014) contribution in the Company's next normal pilot payroll cycle. Type 2 Flight Pay Loss will not be considered for purposes of the Company's other employee pay and benefit plans and programs.

Notwithstanding the provisions above in this paragraph 6.d, no contribution will be made to Super Saver if a pilot is on union leave and receiving LTD benefits from the 2012 Pilot LTD Plan or the 2004 Pilot LTD Plan or retirement disability benefits from the Pilot DB Plan.

- e. The Super Saver contributions made under this paragraph 6 shall be fully vested when made.
 - f. Pilots returning from a military leave of absence after November 1, 2012, will receive Company contributions under Paragraph 6.c for estimated pay while on military leave that would have been earned after October 31, 2012, based on the estimated pay methodology used prior to November 1, 2012 updated to reflect contractual changes.
 - g. If the Internal Revenue Code's limits reduce the Company contribution to be made under this Paragraph 6, the Company shall pay the portion that otherwise would have been contributed to Super Saver, to the pilot as a cash payment in the next regular paycheck, provided that such payments can be made in a manner that complies with the requirements of Internal Revenue Code and other applicable rules, and structured to avoid negative consequences to the pilots as a result of Internal Revenue Code section 409A, and further provided that such payments shall not be treated as "Compensation" for any purpose, including for purposes of contributions to Super Saver.
 - h. The Company will retain the right to amend Super Saver from time to time in its sole discretion, provided that no such discretionary amendment shall change the Company contribution or other requirements as set forth in this Supplement F(6), absent the Association's consent. The Company shall also retain the right to amend Super Saver in its sole discretion for the purpose of maintaining the plan's tax-qualified status or to otherwise comply with applicable Federal law. Within a reasonable period before the earlier of adoption or implementation of an amendment to Super Saver, the Company shall provide the Association with a copy of the proposed amendment.
 - i. The Company shall meet quarterly with the Association for the purpose of discussing Super Saver investment options, participation and account statistics, expenses, administrative concerns and overall operational information as it relates to pilot participation.
7. Disabled Pilots. Pilot DB Plan benefit accruals and contributions to any defined contribution plan or 401(k) plan sponsored by the Company for or on behalf of disabled pilots who are

receiving LTD benefits or disability retirement benefits will be handled in accordance with Letter KK(2).

8. Pension Statements.

- a. The Company shall provide an individual pension statement to each participant whose benefits are not in pay status showing accumulations under the Pilot DB Plan as of the date of the freeze in the same format used for the annual pension statement issued as of December 31, 2011, except that the statement shall include the annual Compensation amounts for the 10-year period used in determining the Final Average Compensation.
- b. The statement in Paragraph a. shall be provided as soon as practicable after the date of freeze of the Pilot DB Plan.
- c. Following the issuance of this statement, the Company will provide participants with additional statements reflecting their pension benefits only at such times as required by law.

Very truly yours,

_____/signed/_____
Laura A. Einspanier
Vice President
Employee Relations

Agreed:

_____/signed/_____
Keith Wilson
President
Allied Pilots Association

SUPPLEMENT G

Commuter Policy - Supplement G

The following sets forth the Commuter Policy for all (regular and reserve) pilots when circumstances prevent them from reporting for duty as previously planned or scheduled:

1. Pilots are expected to exercise prudent judgment and planning to avoid commuting problems, and are responsible for reporting for all assigned trip sequences with sufficient time and with adequate rest prior to beginning scheduled duty.
2. The pilot will notify Crew Schedule as soon as possible when it is known that a scheduled sign-in is no longer possible.
3. Pilots who commute by other means (e.g. automobile, train, bus, etc.) shall also be covered under this policy for unforeseen events, provided they notify Crew Schedule as soon as such events become known, and the scheduled sign-in is no longer possible. Examples of such events include but are not limited to severe unforecasted weather conditions, vehicular accidents and mechanical breakdowns.
4. Commuting pilots who arrive at their domicile after the first flight of their sequence has departed, or another pilot has been assigned to cover the flight, shall be subject to any of the following, at the discretion of Crew Schedule:
 - a. Deadheaded down line to rejoin his/her scheduled sequence, or
 - b. Assigned to any sequence by mutual agreement between the pilot and Crew Schedule, or
 - c. Assigned to another sequence which is scheduled to terminate no later than the same calendar day, or first available the following day, or
 - d. Removed from the scheduled sequence, or available day if on reserve, without pay.
5. For pay purposes under this Policy, the following shall apply:
 - a. Flight time missed will be unpaid and uncredited (see Paragraph 9).
 - b. Deadhead flights to join a new sequence, or the original sequence, will be unpaid (except for scheduled sequences that begin with a deadhead).
 - c. Flying assigned other than as scheduled on the original sequence will be treated as a reschedule.
6. It is expected that a pilot will utilize the provisions of this Policy on a rare basis. Each event involving the use of this Policy will be considered independently and judged on its own unique circumstances. However, repeated use of this Policy may be considered in evaluations of a pilot's overall attendance/reliability and may require flight documentation going forward. Such documentation may include, but not limited to, the following:
 - a. Adequate actual seat availability within twenty-four (24) hours of departure for online flights, or
 - b. Scheduled to operate twenty-four (24) hours prior to departure for off line flights, and/or
 - c. Flight scheduled to arrive at the pilot's domicile at a reasonable time before scheduled sign-in.

Additionally, the flight time lost may be changed to credited if the Chief Pilot determines that the intent of this Policy was not followed.
7. Nothing in this Supplemental Agreement shall be construed or interpreted as a change or modification to the past practice of a reserve pilot being "reasonably available by surface transportation" to the airport.
8. In the event the FAA amends its policies to treat commuting time as a break in a pilot's rest period:
 - a. This Commuter Policy shall be suspended on the effective date of such change, and

- b. The Company and the Association shall seek agreement on a suitable amendment to, or replacement for, this Commuter Policy, and
- c. Such meetings shall commence promptly upon the announcement by the FAA.

SUPPLEMENT H(1)

AmericanAirlines®

January 6, 2004

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

Dear John:

This letter will confirm our mutual agreement that:

1. During the negotiations that concluded with the May 1, 2003 Agreement, a new Supplement H: CRAF Operations was included.
2. Since it is possible that during future CRAF Operations, this Supplement might or might not be appropriate, within thirty (30) days after the Company signs a Civil Reserve Air Fleet Standby Contract with the Government of the United States, the Company shall meet with the Association representatives for the purpose of determining whether or not the current CRAF agreement covers the operations under such Contract for the purposes of pilot pay, rules and working conditions.
3. If it is determined that the current CRAF agreement does not cover the operations planned under the contract, then within an additional forty-five (45) days, the Company shall meet with the Association representatives for the purpose of negotiating pilot pay, rules and working conditions covering operations under such Contract.
4. In the event of a National Emergency requiring the Company's participation in an Overseas and Foreign Operation, the Company shall meet with Association representatives, without delay, for the purposes of negotiating pilot pay, rules and working conditions covering such operations. Rates of pay, work rules, and other benefits negotiated in such Agreement shall be retroactive to the first day of such operation, to the extent it is possible. The American Airlines pilots and the Association will cooperate fully with the Company in implementing such operations without delay.

Sincerely,

/signed/
Mark Burdette
Director, Employee Relations

Agreed and Accepted:

/signed/ _____
John Darrah, President
Allied Pilots Association

SUPPLEMENT H (2)

SUPPLEMENTAL AGREEMENT concerning Civil Reserve Air Fleet (CRAF) Operations

THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN AIRLINES, INC., hereinafter known as the "Company" and the AIR LINE PILOTS in the service of AMERICAN AIRLINES, INC., as represented by the ALLIED PILOTS ASSOCIATION hereinafter known as the "Association."

WHEREAS, the Company maintains an ongoing commitment to the Government of the United States to provide aircraft and crews as part of the Civil Reserve Air Fleet (CRAF), and

WHEREAS, the Company and the Association recognize that CRAF operations are of National interest and must be performed without delay, and

WHEREAS, the Company and the Association desire to supplement and make certain exceptions to their Basic Agreement with respect to CRAF operations to be conducted by the Company,

NOW, THEREFORE, the Company and the Association hereby agree to the following terms applicable to CRAF operations, provided the provisions of the Basic Agreement shall apply to CRAF operations except as modified herein, and in the event of a conflict the provisions herein shall apply:

A. Definition and Application of CRAF Flying

1. When the United States Government activates CRAF (Stage 1,2 or 3), that flying shall include all flights flown at the direction of, or on behalf of, the U.S. Government, plus all necessary ferry flights and all deadheading related to such flying.
2. The Company and the Association intend that the exceptions to the Basic Agreement and Supplement I as described herein shall be utilized in performing CRAF missions.
3. Area of interest (AOI) is a geographic location for military personnel and/or equipment that are transported under the CRAF agreement that may expose American Airlines aircraft and/or crews to potentially hazardous situations. It is mutually agreed that it is in the best interest of the Company and the APA that aircraft and crews shall not overnight in these areas.
4. Overseas Staging Point (OSP) is a point outside the continental United States from which CRAF missions are conducted to and from an area of interest.
5. Point of Aerial Embarkation (PAE) is a point inside the continental United States from which American Airlines aircraft and crews pick up military personnel and/or equipment for delivery either to the OSP or an AOI.
6. CRAF aircraft are American Airlines aircraft specified by tail number by the Government of the United States for use in CRAF operations, or substitute aircraft approved by the responsible governmental authority.

B. CRAF Operations

1. Qualifications for CRAF Flying
 - a. Cockpit crewmembers awarded or assigned CRAF flying must meet the qualifications/requirements in the D.O.D. CRAF contract. These include being a U.S. citizen, possessing a valid passport and not being subject to Reserve or National Guard activation for the duration of the CRAF mission.
 - b. To be eligible for international CRAF flying, a cockpit crewmember must be current and qualified to fly such International Sequences.
 - c. Cockpit crewmembers awarded or assigned CRAF lines must be available for the full month.

2. CRAF Volunteers
 - a. At each base where there are bid statuses on equipment which is committed for CRAF operations, the Company shall solicit a list of volunteer cockpit crewmembers to perform CRAF operations. Such volunteers shall be utilized whenever exceptions to the Basic Agreement, as described in this Supplement, are required to either complete the CRAF mission or the mission is scheduled to operate into an area(s) of interest. Non-volunteers may be utilized on all other CRAF flights.
 - b. Cockpit crewmembers in the above bid statuses may volunteer for CRAF flying, and the number of such cockpit crewmembers who volunteer shall not be limited.
 - c. A pilot who volunteers for CRAF flying may elect to remove his/her name from the CRAF volunteer list without prejudice or penalty. A pilot who has been contacted for a CRAF assignment can no longer change his/her volunteer status for that assignment.
3. CRAF Duties
 - a. In the absence of a Company designated Pilot-in-Command (management pilot or Check Airman performing check airman duties), the Pilot-in-Command will be the most senior Captain
 - b. The Pilot-in-Command will be responsible for the assignment of duties in accordance with Flight Department guidelines.
 - c. The Company shall provide the Pilot-in-Command with contingency plans for any unforeseen layovers.
4. Posting and Filling CRAF Flying
 - a. The Company shall post sequences for all CRAF flying as soon as practicable after the creation of the sequence. The Company shall determine the appropriate four part bid status in which such sequences shall be posted.
 - b. The Company shall allocate known sequences prior to the bidsheet publication.
 - c. (1) Open trip sequences for all CRAF flying scheduled within the flight time limitations in the Basic Agreement, including Supplement I, and not scheduled to operate into an AOI will be filled using the basic rules for the filling of open time, to both volunteer and non-volunteer crewmembers.
(2) All other open trip sequences for CRAF flying shall be proffered in seniority order and assigned in reverse seniority order to the CRAF volunteers, using the basic rules for the filling of open time.
 - d. After completing the steps in [15.L.](#) of the Basic Agreement through step I and there are insufficient reserve volunteers who would otherwise be legal and available for such flying, the sequence may be assigned to a management pilot or Check Airman without incurring the obligation of apportionment pay. In the event that there are no reserves who are legal and available, apportionment pay will be provided.
 - e. The first CRAF mission sequence for each aircraft type to an AOI may be assigned to management pilots or Check Airmen without incurring the obligation for apportionment pay.
 - f. Each month for which the Company has committed aircraft to CRAF operations, and for which a sufficient level of activity in CRAF operations is anticipated, the Company may post as part of the monthly trip selections for such month a minimum of four (4) CRAF lines per category per aircraft committed to CRAF operations. The Company shall determine the appropriate four part bid status in which such lines shall be posted. The maximum number of CRAF lines that may be posted shall not be limited.
5. Duty Free Periods – CRAF Lines
 - a. Each CRAF line shall contain duty free periods awarded based on where the pilot is to serve his/her CRAF obligation. If the obligation is to be served at a location within the continental United States, each pilot shall receive duty free periods in accordance with [Section 15.D.3.g](#) of the Basic Agreement.
 - b. If the CRAF obligation is to be served at an OSP, each CRAF line shall contain seven (7) preplanned consecutive periods of twenty-four (24) hours free from all duty;

- (1) Provided a cockpit crewmember is given eighteen (18) hours notice prior to the scheduled commencement of such duty free period, such duty free period may be rescheduled prospectively, provided the crewmember is scheduled to fly a trip that is scheduled to terminate not later than 1200 local time on the third day of such block of duty free periods.
 - (2) If such crewmember is scheduled to fly a trip which terminates after 1200 local time on the first day of the duty free period, the crewmember will be given a rest period of twenty-four (24) hours free from duty prior to commencing a duty free period equal to that for which originally scheduled.
 - (3) An additional five (5) periods of twenty-four (24) hours free from all duty in a 30-day month or six (6) periods of twenty-four (24) hours free from all duty in a 31-day month shall be scheduled by the Company at any time after the month begins. Such additional duty free periods shall be scheduled in any combination provided there is no stand alone twenty-four (24), shall contain no golden or moveable days and may be moved by mutual agreement.
6. Monthly Maximum – CRAF Lines
 - a. The monthly maximum for a cockpit crewmember who is awarded/assigned a CRAF line shall be 85 credited hours (PROJ).
 - b. For each cockpit crewmember awarded/assigned a CRAF line, each hour over seventy-five (75) hours shall be placed in the pilots PPROJ account at 1-1/4 for 1 for time above 75 hours and 1-1/2 for 1 for time above 80 hours.
 - c. A cockpit crewmember will be legal to fly and complete a trip sequence provided his/her accumulated credited time prior to departure of the trip sequence plus the scheduled time for the trip sequence, within the month, does not exceed eighty-five (85) hours (PROJ).
 7. Pay
 - a. Guarantee for all cockpit crewmembers awarded or assigned CRAF lines shall be 85/MMAX of reserve guarantee.
 - b. Pilots performing Domestic Sequence CRAF flying will be paid Domestic rates of pay. Pilots performing International Sequence CRAF flying will be paid international rates of pay.
 8. CRAF Staging Points
 - a. Cockpit crewmembers holding CRAF lines and/or CRAF volunteers may be staged at a PAE and/or at an OSP.
 - b. Staging assignments can be for a full month or for a partial month.
 - c. Staging assignments for a full month will be proffered in seniority order among crewmembers holding CRAF lines and then, if necessary, assigned in reverse seniority order among those holding CRAF lines. In the absence of CRAF lines, staging assignments for a full or partial month will be filled from CRAF volunteers who do not hold CRAF lines in the following order:
 - (1) Proffer to reserves in seniority order
 - (2) Assign to reserves in reverse seniority order
 - (3) Proffer to regularly scheduled pilots in seniority order
 - (4) Assign to regularly scheduled pilots in reverse seniority order
 - d. Cockpit crewmembers staged in accordance with this provision shall receive transportation, lodging and expenses as if assigned TDY in accordance with the Basic Agreement.

C. On-Duty Periods

1. The on-duty periods for CRAF operations shall be in accordance with the Basic Agreement. In the event the U.S. Government fails to provide adequate notification which would allow the

Company to schedule such on duty periods within those limitations or, if the on-duty period includes CRAF segments to the area(s) of interest, the Company may utilize the following:

Crew Complement	Scheduled for Duty Aloft	On Duty Periods	
		Scheduled	Maximum
Crew of Four: Two Captains and Two First Officers	Over 12 Hours (2 Scheduled Landings)	18 hours	20 hours

In actual operations, the duty time maximum may be extended by the Pilot-in-Command only to complete the scheduled operation.

2. On-duty periods for the purpose of deadheading to cover CRAF operations shall be in accordance with the provisions of the Basic Agreement, as applicable.
3. When the Company's CRAF operation involves on duty periods flown under the provisions of Paragraph C. of this Agreement, and when the aircraft for such operations are not equipped with onboard sleeping accommodations, two (2) adjoining fully reclining first class seats shall be used as rest seats by the cockpit crewmembers.

D. Required Rest Period

1. A pilot who is scheduled to perform CRAF flying that is an exception to the Basic Agreement must be given a minimum layover rest period equal to twice the scheduled or actual flying time, whichever is greater, not to exceed twenty-four (24) hours.
2. The layover rest period following a duty period under this Agreement, and preceding a duty period in which only deadheading is performed, shall be a minimum of twelve (12) hours. This rest period may be waived by the pilot to deadhead.
3. The minimum rest period preceding a duty period involving eight (8) or more hours of duty aloft shall never be less than twelve (12) hours.

E. Deadheading

Deadheading to cover CRAF operations will be paid and credited in accordance with the Basic Agreement.

F. Reduction/Termination of CRAF Operations

1. Cockpit crewmembers holding CRAF lines who are no longer required for the CRAF operation may be removed from their CRAF lines and assigned according to the following:
 - a. If the CRAF line is cancelled within the first 15 days of the contractual month, the pilot may choose from the following options:
 - (1) To have the Company construct a secondary trip selection for the remainder of the month. To the extent possible the Company will honor pilot requests in seniority order in the construction of the secondary trip selections. Such pilot's guarantee will be prorated for the portion of the month spent on CRAF availability using the CRAF line guarantee and the secondary portion of the month using line guarantee.
 - (2) To be placed on reserve by choosing a published reserve line, with DFPs adjusted to account for DFPs used to that point in the month. Such pilot's guarantee will be prorated for the portion of the month spent on CRAF availability using the CRAF line guarantee and the portion of the month on reserve using the applicable reserve guarantee.
 - b. If the CRAF line is cancelled after the first 15 days of the contractual month, the pilot shall be placed on reserve by choosing a published reserve line adjusted by the procedures in (2) above. Such pilot's guarantee will be prorated for the portion of the month spent on CRAF availability using the CRAF line guarantee and the portion of the month on reserve.

- c. For the purposes of guarantee proration, any duty free period that has started before the company could legally return a pilot to his crew base will be counted toward CRAF line guarantee.
2. Such cockpit crewmembers will be removed from their CRAF lines in the following order:
 - a. Seniority order among those assigned CRAF lines.
 - b. Seniority order among those who proffered CRAF lines and who volunteer to be removed from their CRAF lines.
 - c. Reverse seniority order among those who proffered CRAF lines and who do not volunteer to be removed from their CRAF lines.
3. The monthly maximum of such cockpit crewmembers will be reduced to the monthly maximum for their bid status.

G. Insurance

1. The coverages provided by all contributory and noncontributory Company insurance programs or the equivalent of such coverages will be applicable to all cockpit crewmembers while performing any CRAF flying provided, however, that [Supp Z](#) and [Supp I](#) will not be applicable to the extent coverage is afforded under this Agreement.
2. In the event of the death of a pilot while the pilot is engaged during the course of his duties with the Company on a CRAF Mission, the Company shall pay or cause to be paid through insurance, subject to the conditions set forth in Exclusions below, one million dollars (\$1,000,000) to his designated beneficiary under the Company's Group Insurance Plan.
3. In the event of the permanent and total disability of a pilot, or the loss by a pilot of sight of both eyes, or the loss of both hands, or both feet, or one hand and one foot, or one hand and sight of one eye, or one foot and sight of one eye, resulting from injury or illness incurred while the pilot is engaged during the course of his duties with the Company on a CRAF mission, subject to the conditions set forth in Exclusions below, the Company shall pay or cause to be paid through insurance, an Accidental Disability and Dismemberment benefit of \$500,000 to be paid at the rate of 1% per month for 100 months for a covered disability. There will be no offset for the employee's VPAI coverage.

"Permanent total disability" shall mean the complete inability of the pilot to exercise his/her airmen certificate for at least one (1) year, and at the end of said period, the expectation to be that the disability shall continue for the remainder of the pilot's life. "Loss", with respect to hands and feet, shall mean actual severance through or above the wrist or ankle joints; with respect to eyes, shall mean entire and irrecoverable loss of sight. In the event the pilot becomes eligible for benefits under more than one (1) of the eventualities cited above, the maximum payment under this Section shall be five hundred thousand dollars (\$500,000).

4. OCCUPATIONAL DISABILITY BENEFITS

In the event an illness or injury, which arises out of or is suffered while a pilot is engaged during the course of his duties with the Company on a CRAF mission, results in the occupational disability of a pilot, subject to the conditions set forth in Exclusions below the Company shall pay for the period of disability, up to a maximum of twelve (12) months, the minimum guarantee for the pilot's bid status (no less than the average of Long Call and Short Call Reserve guarantee). Such payments will be less weekly indemnity benefits received under applicable Workers Compensation Laws. Notwithstanding the provisions of [Section 14](#) of the Basic Agreement, such pilot will not be charged sick leave during such twelve (12) month period.

5. APPLICABILITY

The provisions of [2.](#), [3.](#), and [4.](#) above shall be applicable to a pilot only when (i) death, (ii) total permanent disability, (iii) dismemberment or loss of sight, (iv) occupational disability, as applicable, which leads to such casualty occurs during the period of time that such pilot is on flight duty or paid layover on a CRAF mission.

6. EXCLUSIONS

The provisions of 2., 3., and 4. above shall not be applicable to a pilot when death or injury, as applicable:

- a. is the result of or consists of addiction to drugs, or
- b. is contracted, suffered or incurred while such pilot was engaged in a criminal enterprise or results from having engaged in a criminal enterprise, or
- c. is intentionally self-inflicted.

7. WORKERS COMPENSATION BENEFITS

A pilot will be covered for Workers Compensation benefits while on a CRAF mission in amounts not less than those prescribed by the state in which such pilot's base is situated. These benefits shall be in addition to (i) any basic or optional life insurance benefits available under the Company's Group Insurance Plan, (ii) the death benefits provided under the Company's Pilot Retirement Benefit Plan and (iii) the death benefits provided under 2. above.. It is understood that an injury or illness while on a CRAF mission which would be compensable under Workers Compensation if it occurred during normal duty will still be compensable under Workers Compensation, and would therefore not impact a pilots lifetime medical maximum.

8. MISSING, INTERNMENT, PRISONER OR HOSTAGE BENEFITS

- a. A pilot who is missing because of acts of terrorism or sabotage committed against such pilot while on flight duty or paid layover shall be paid the minimum guarantee for the pilot's bid status for a period of twelve (12) months after disappearance or until death is established, whichever first occurs. When such pilot has been missing for twelve (12) months, the Company will aid the beneficiary in obtaining legal proof in order that death benefits under Company plans (including the Pilot Retirement Benefit Plan) can be paid consistent with applicable state law.
- b. A pilot who is interned or taken prisoner or hostage as a consequence of terrorism or sabotage while on flight duty or paid layover shall be paid the minimum guarantee for the pilot's bid status for the period during which known to the Company to be interned or held prisoner or hostage. Such payments will cease, however, when death is established. In the absence of knowledge on the part of the Company as to whether the pilot is alive or dead, the pilot will be considered missing starting with the time last known to the Company to have been interned or held prisoner or hostage and will be covered under the provisions of a. above.
- c. When, under the provisions of a. or b. above, a pilot has been missing for a period of twelve (12) months, the death benefits provided under 2. above shall be paid. If such pilot is later found to be alive, the minimum guarantee for the pilot's bid status will be paid retroactively to the time such payments ceased, less any death benefits which were paid to the beneficiary. Any death benefits not recovered by this offset will be repaid by the beneficiary to the Company upon its demand.

9. BENEFIT ASSIGNMENTS

The monthly compensation allowable under 8. above to a pilot interned, held as a hostage or prisoner, or missing, shall be credited to such pilot on the books of the Company and shall be disbursed by the Company in accordance with written directions from him. The Company shall require each pilot to execute and deliver to the Company a written direction in the form hereinafter set forth. The Company shall, as soon as practicable, require all pilots to execute and deliver to the Company such a written direction. The direction referred to shall be in substantially the following form:

"To American Airlines, Inc.

"You are hereby directed to pay all monthly compensation allowable to me under the provisions of the Agreement between American Airlines, Inc. and the Air Line Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association, while interned, held prisoner or hostage, or missing, or resulting from death or any other condition which causes direct payment to me to be impossible, as follows:

\$.....per month to.....

(Name)

.....
(Address)

as long as living, and thereafter to.....

(Name)

.....
(Address)

as long as living,

"The balance, if any, and any amounts accruing after the death of all persons named in the above designations shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

"The foregoing direction may be modified from time to time by letter signed by the undersigned and any such modification shall become effective upon receipt of such letter by you.

"Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payment with respect thereto.

....."
(Pilot's Signature)

Any payments due to any pilot under this provision which are not covered by a written direction as above required, shall be held by the Company for such pilot and, in the event of death, shall be paid to the legal representative of his estate.

The monthly compensation allowable under this Section shall be in lieu of all compensation provided for by any law in respect to persons interned, held prisoner, or missing, and shall also be in lieu of all salary and subsistence during periods in which a pilot is interned, held hostage, held as prisoner, or missing.

Pilots shall maintain and continue to accrue seniority and longevity for pay purposes during periods in which they are interned, held hostage, held prisoner, or missing.

H. Duration

The Company and the Association anticipate that this agreement will meet the requirements for future CRAF operations; however, in the event of unforeseen circumstances, the parties agree to meet within seven (7) days and attempt to expeditiously resolve such issues as may be necessary to enable the Company to meet its CRAF and regularly scheduled operations.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this the 7th day of March, 2003.

WITNESSES:FOR AMERICAN AIRLINES, INC.

/signed/ _____

J. J. Brundage
Vice President – Employee Relations

/signed/ _____

R. P. Kudwa
Vice President – Flight

WITNESS:

FOR THE AIR LINE PILOTS IN THE

SERVICE OF AMERICAN AIRLINES, INC
AS REPRESENTED BY
THE ALLIED PILOTS ASSOCIATION

/signed/ _____

J. E. Darrah
President

SUPPLEMENT I

between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by the
ALLIED PILOTS ASSOCIATION

THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN AIRLINES, INC., hereinafter known as the "Company" and the AIR LINE PILOTS in the service of AMERICAN AIRLINES, INC., as represented by the ALLIED PILOTS ASSOCIATION, hereinafter known as the "Association".

WHEREAS, the Company and the Association desire to supplement and make certain exceptions to their Basic Agreement with respect to operations to be conducted by the Company for International Operations.

NOW, THEREFORE, the parties hereby agree to the following terms applicable to the pilots flying International Sequences, provided the provisions of the Basic Agreement shall apply to the International Sequences, except as modified herein, and in the event of a conflict, the provisions herein shall apply:

SECTION 1 - DEATH, PERMANENT TOTAL DISABILITY, DISMEMBERMENT AND INJURY BENEFITS

- A.** In the event a hostile or military action by any government while a pilot is engaged overseas in the course of his duties with the Company, or the assignment of a pilot in connection with a flight operation requiring a waiver of 49 CFR Part 175, results in:
1. the death of a pilot flying International Sequences due to injury from such action or assignment, or
 2. the permanent and total disability of a pilot assigned to the International Sequences due to injury from such action or assignment, or
 3. the loss, by a pilot assigned to an International Sequence, of sight of both eyes, or the loss of both hands, or both feet, or one hand and one foot, or one hand and sight of one eye, or one foot and sight of one eye, due to injury from such action or assignment, the Company shall pay or cause to be paid, subject to the conditions set forth in Section 1.C. and 1.D hereof, one hundred thousand dollars (\$100,000) to such pilot if he is alive, otherwise to his designated beneficiary under the Company's Group Insurance Plan. "Permanent total disability" shall mean the complete inability of the pilot to perform any and every duty pertaining to any occupation or employment for remuneration or profit for at least one (1) year, and at the end of said period, the expectation to be that the disability shall continue for the remainder of the pilot's life. "Loss", with respect to hands and feet, shall mean actual severance through or above the wrist or ankle joints; with respect to eyes, shall mean entire and irrecoverable loss of sight. In the event the pilot becomes eligible for benefits under more than one (1) of the eventualities cited above, the maximum payment under this Section shall be one hundred thousand dollars (\$100,000), and such benefits shall be in addition to the benefits provided in other Company plans.
- B.** In the event a hostile or military action by any government while a pilot is engaged overseas in the course of his duties with the Company, or the assignment of a pilot in connection with a flight operation requiring a waiver of 49 CFR Part 175, results in the occupational disability of a pilot, the Company shall pay for the period of disability, up to a maximum of twelve (12) months, the minimum pay set forth in Section 4 of the Basic Agreement, subject to the conditions set forth in [Section 1.C](#) and 1.D hereof. Such payments will be less weekly indemnity benefits received under applicable Workers Compensation Laws. Notwithstanding the provisions of Section 10 of

the Basic Agreement, such pilot will not be charged sick leave during such twelve (12) month period.

- C. The provisions of [Section 1.A.](#) and [1.B.](#) hereof shall be applicable to a pilot assigned to an International Sequence only when (i) death, (ii) total permanent disability, (iii) dismemberment or loss of sight, (iv) occupational injury, as applicable, which leads to such casualty occurs during the period of time that the provisions of [Section 15.F.](#) of the Basic Agreement are in effect for such pilot in connection with an International Sequence.
- D. The provisions of [Section 1.A.](#) and [1.B.](#) hereof shall not be applicable to a pilot assigned to an International Sequence when death or injury, as applicable:
 - 1. is the result of or consists of addiction to drugs, or
 - 2. is contracted, suffered or incurred while such pilot was engaged in a criminal enterprise or results from his having engaged in a criminal enterprise, or
 - 3. is intentionally self-inflicted.
- E. The disability exclusion set forth in paragraph III.O.(5) of the 2012 Pilot Long Term Disability Plan Document shall not apply to a pilot assigned to an International Sequence for a disability resulting from such assignment.

SECTION 2 - WORKERS COMPENSATION BENEFITS

A pilot who is assigned to an International Sequence will be covered for Workers Compensation benefits in amounts not less than those prescribed by the state in which such pilot's base is situated. These benefits shall be in addition to (i) any basic or optional life insurance benefits available under the Company's Group Insurance Plan, (ii) the death benefits provided under the Company's Pilot Retirement Benefit Plan and (iii) the death benefits provided under [Section 1.A.](#) of this Supplement I.

SECTION 3 - MISSING, INTERNMENT, PRISONER OR HOSTAGE OF WAR BENEFITS

- A. A pilot who, while engaged overseas in the course of his duties for the Company, becomes or is reported missing as a result of a hostile or military action by any government shall be allowed compensation as set forth in [Section 4](#) of the Basic Agreement for a period of twelve (12) months after his disappearance or until death is established, whichever first occurs. When such pilot has been missing for twelve (12) months, the Company will aid the beneficiary in obtaining legal proof in order that death benefits under Company plans (including the Pilot Retirement Benefit Plan, provided such pilot was a participant in the Plan) can be paid.
- B. A pilot who, while engaged overseas in the course of his duties for the Company, becomes or is reported interned or taken prisoner of war shall be allowed compensation as set forth in Section 4 of the Basic Agreement hereof for the period during which he is known to the Company to be interned or held prisoner of war. Such payments will cease, however, when death is established. In the absence of knowledge on the part of the Company as to whether the pilot is alive or dead, he will be considered missing starting with the time he was last known to the Company to have been interned or held prisoner of war and will be covered under the provisions of [Section 3.A.](#) hereof.
- C. When, under the provisions of [Section 3.A.](#) or [3.B.](#) hereof, a pilot has been missing for a period of twelve (12) months, the death benefits provided under [Section 1.A.](#) hereof shall be paid. If such pilot is later found to be alive, compensation under Section 4 of the Basic Agreement hereof will be paid retroactively to the time such payments ceased, less any death benefits which were paid to the beneficiary.

SECTION 4 - BENEFIT ASSIGNMENTS

- A. The monthly compensation allowable under [Section 3](#) hereof to a pilot interned, held as a hostage, or held prisoner of war or missing, shall be credited to such pilot on the books of the Company and shall be disbursed by the Company in accordance with written directions from him. The Company shall require each pilot hereafter assigned to an International Sequence to

execute and deliver to the Company prior to such employment or assignment, a written direction in the form hereinafter set forth. The Company shall, as soon as practicable, require all pilots assigned to International Sequences to execute and deliver to the Company such a written direction. The direction referred to shall be in substantially the following form:

"To American Airlines, Inc.

"You are hereby directed to pay all monthly compensation allowable to me under the provisions of this Supplement I between American Airlines, Inc. and the Air Line Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association, while interned, held prisoner or hostage of war, or missing, or resulting from death or any other condition which causes direct payment to me to be impossible, as follows:

\$.....per month to (name).....

(address).....as long as living,

and thereafter to (name).....

(address).....as long as living

"The balance, if any, and any amounts accruing after the death of all persons named in the above designations shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

"The foregoing direction may be modified from time to time by letter signed by the undersigned and any such modification shall become effective upon receipt of such letter by you.

"Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payment with respect thereto.

.....
(Pilot's Signature)

- B.** Any payments due to any pilot under this Section which are not covered by a written direction as above required, shall be held by the Company for such pilot and, in the event of his death, shall be paid to the legal representative of his estate.
- C.** The monthly compensation allowable under this Section shall be in lieu of all compensation provided for by any law in respect to persons interned, held prisoner of war, or missing, and shall also be in lieu of all salary and subsistence during periods in which a pilot is interned, held in hostage, held as prisoner of war, or missing.
- D.** Pilots shall maintain and continue to accrue seniority and longevity for pay purposes during periods in which they are interned, held as a hostage, held prisoner of war, or missing.

SECTION 5 - DURATION

This Supplement I shall run concurrently with the Basic Agreement and subject to the provisions of [Section 26](#) thereof.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this the 30th day of January, 2015.

:

FOR AMERICAN AIRLINES, INC.

:

Beth Holdren
Managing Director
Labor Relations - Flight

FOR THE AIR LINE PILOTS
IN THE SERVICE OF
AMERICAN AIRLINES, INC.
AS REPRESENTED BY THE
ALLIED PILOTS ASSOCIATION

Captain Keith Wilson
President

SUPPLEMENT J(1)

February 17, 1993

James G. Sovich
Chairman - Negotiating Committee
Allied Pilots Association
P. O. Box 5524
Arlington, Texas 76005-5524

Re: Brake Release Agreement

Dear Jim:

Enclosed is a signed original of the Brake Release Agreement and the side letter on that issue.

Sincerely,

/signed/
John C. Russell
Managing Director
Employee Relations

enclosures
[Supplements J(2) and J(3)]

SUPPLEMENT J(2)

AGREEMENT
between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by the
ALLIED PILOTS ASSOCIATION

This will confirm our agreement concerning the captain's authority and responsibility for the establishment of actual out times, as defined in [Section 15.C.10.](#), and those departure delay situations in which the captain is authorized to begin flight time pay and credit prior to the commencement of flight time as defined below.

The Company and the Association reiterate their agreement that flight time (block-to-block time) is defined in [Section 15.C.10](#) of the Basic Agreement as the time from the moment the aircraft first moves for the purpose of flight (out time) until it comes to rest at the next point of landing (in time).

[Section 15.C.10](#) of the Basic Agreement also provides that when the captain elects to delay starting engines due to quoted ATC take off delays, flight time will, at the option of the captain, be considered to begin at the time the aircraft would normally have departed. In this situation, the out time will still be established at the moment the aircraft first moves for the purpose of flight, and the block-to-block time will not include the delay time (that time between the captain establishing the aircraft ready for departure and the out time). This delay time shall apply for monthly pay and credit purposes, will not be included in duty aloft time, and shall reflect on the affected crewmembers' monthly activity report.

Further, the Company and the Association agree that, in the event of a delay at the gate awaiting pushback, powerback or taxiout due to airport congestion caused by other aircraft or vehicular traffic, flight time pay and credit will begin at the time the aircraft was ready for immediate departure in all respects except for clearance from ramp or ground control. In this situation, the out time will still be established at the moment the aircraft first moves for the purpose of flight, and the block-to-block time will not include the delay time (that time between the captain establishing the aircraft ready for departure and the out time). This delay time shall apply for monthly pay and credit purposes, will not be included in duty aloft time, and shall reflect on the affected crewmembers' monthly activity report and active sequence report.

In both of the above described delay situations, flight time pay and credit for affected crewmembers will begin prior to the actual out time based on the time established by the captain as provided above, and the affected crewmembers will receive the greater of the scheduled block to block time or the delay time plus actual block time.

In witness whereof, the parties hereto have signed this agreement this 10th day of December 1992.

FOR THE AIRLINE PILOTS IN
THE SERVICE OF AMERICAN
AIRLINES, INC. AS
REPRESENTED BY THE ALLIED
PILOTS ASSOCIATION

FOR AMERICAN AIRLINES, INC.

/signed/
Richard T. LaVoy
President

/signed/
Jane G. Allen
Vice President
Employee Relations

/signed/
W. A. James
Vice President Flight
and Chief Pilot

SUPPLEMENT J(3)

January 20, 1993

Jane G. Allen
Vice President Employee Relations
American Airlines, Inc.
P. O. Box 619616 MD 5235
DFW Airport, TX 75261-9616

Dear Jane:

In consideration of the attached Letter of Agreement the APA agrees to withdraw the presidential grievance filed February 5, 1992 concerning the issue of brake release procedures.

Further, it is understood and agreed that nothing in the attached Letter of Agreement shall alter or waive a pilot's rights or protections as provided in the Basic Agreement, including but not limited to Sections [21](#) and [Letter C\(1\)](#); however, it is understood and agreed that the restrictions in [Letter C\(1\)](#) do not prevent the Company from continuing to audit in times, out times, and delay times due to quoted ATC take-off delays and airport congestion, as provided in the attached Letter of Agreement.

[Supplement J(2).]

It is also agreed that the Company will meet with APA representatives prior to developing the administrative procedures for inputting and processing delays due to airport congestion. Such meeting(s) will be for the purpose of receiving input and comments from the APA representatives in order to develop effective and efficient administrative procedures. It is agreed that the final procedures will not require the input of a delay code by station personnel in order for pilots to receive fight time pay and credit for such delays.

Sincerely,

/signed/
Richard T. LaVoy
President

Agreed:

/signed/
Jane G. Allen
Vice President Employee Relations
American Airlines, Inc

SUPPLEMENT J(4)

March 18, 1994

Ralph J. Hunter
Chairman - Negotiating Committee
Allied Pilots Association
P. O. Box 5524
Arlington, Texas 76005-5524

Dear Ralph:

In December of 1992 the Company and the Association entered into an agreement to pay and credit pilots for delays at the gate due to airport congestion caused by other aircraft or vehicular traffic.

The 1992 agreement was not intended to cover delays at the gate while awaiting deicing. However, the Association has, on a number of occasions, raised the issue of pay and credit for delays at the gate caused by congestion at a deicing operation which is being performed away from the gate.

Recognizing the spirit of cooperation which the Association has adopted over the past few months, The Company will agree to expand the application of the 1992 agreement to include such delays.

Specifically, at those stations where, and on those occasions when, Company aircraft are being deiced at a location other than the gate, application of the agreement dated December 10, 1992, is expanded to cover delays at the gate awaiting pushback, powerback or taxiout due to aircraft or vehicular traffic congestion at the deicing location. This expansion of the 1992 agreement does not apply to delays at stations where deicing is performed on the gate.

Sincerely,

/signed/
John C. Russell
Managing Director
Employee Relations

cc: J. G. Allen
C. D. Ewell
S. D. Nason
R. C. Keyt
B. J. Singh
All Chief Pilots

SUPPLEMENT K

January 1, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd, Suite 500
Ft. Worth, TX 76155-2512

Re: Medical Coverage for Active and Retired Pilots As Of January 1, 2013

Dear President Wilson:

This letter confirms an agreement between American Airlines, Inc. ("Company") and the Allied Pilots Association ("Association") regarding the terms of the medical coverage provided to: (i) eligible active pilots under The Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries ("Medical Plan") (with said medical coverage being referred to herein as "Active Medical Coverage"); and (ii) pilots retiring on or after November 1, 2012, under The Group Life and Health Benefits Plan for Retirees of Participating AMR Corporation Subsidiaries ("Retiree Medical Plan") (with said medical coverage being referred to herein as "Retiree Medical Coverage").

This letter replaces and supersedes Supplements K(1), K(2) and K(3), Letter G, and Section 24(J) in the May 1, 2003 collective bargaining agreement, as well as all inconsistent agreements, past practices, and arbitration awards between the parties, and shall be effective [date of signing] unless otherwise indicated.

1. Active Pilot Medical Coverage Effective January 1, 2013

- a. The Company will offer two medical options in the Medical Plan: (i) the Standard medical option (contractual) and (ii) the Core medical option which is the Health Savings Account-compatible (non-contractual) medical option. All Medical Plan provisions are subject to change at the Company's sole discretion with the exception of:
 - (1) the Standard medical option design features in the Chart of Active Medical Coverage Option Design Features in subparagraph (I) below,
 - (2) the employee contribution methodology for the Standard and Core medical options described in subparagraphs (B) and (E) below,
 - (3) changes noted in subparagraph (D) below,
 - (4) the right to purchase dental coverage on similar terms as provided to eligible pilots prior to January 1, 2013,
 - (5) the provisions of Supplement F(1) paragraphs 4 and 5(g), and
 - (6) the provisions of Supplement Z.

Advance notice and a copy of any Medical Plan changes will be provided to the Association prior to implementation. To the extent the Company is offering the Value medical option in any plan year to employees, employees eligible to enroll in the Standard or Core medical options will be eligible to enroll in the Value medical option. The Company, at its sole discretion, may change design and contributions in the Value medical option or otherwise amend or eliminate the Value medical option.

- b. Aggregate employee contributions for the Standard and Core medical options for 2013 will be 18%, 2014 will be 19%, 2015 will be 20% and 2016 and thereafter will be 21% of the total projected cost of each forecasted year of healthcare expenses for these two medical options (which include medical/prescription and administrative expenses) as calculated by the Company. Employee contributions for the Standard and Core medical options will increase with medical inflation with employee contributions set as explained above. The Value medical option inflation and employee contributions will be calculated

separately from the Standard and Core medical options. Employee contributions for the Active Medical Coverage shall be made as pretax contributions, as long as: (i) pretax contributions are permitted by law; and, (ii) the Company incurs no financial hardship as a result of the pretax contributions.

- c. At least 30 days prior to the distribution of the Active Medical Coverage annual enrollment materials, the Company will provide the Association with a copy of the data, assumptions and methodologies used to calculate employee contributions under the Standard and Core medical options.
- d. The Standard medical option annual In-Network Deductible will increase by \$50 in 2015 and 2017 until the In-Network Deductible reaches \$850 for single coverage and the family In-Network Deductible will increase by \$150 in 2015 and 2017 until it reaches \$2,550 for family coverage.
- e. Chart of Coverage Tiers:

Current Coverage Tiers under May 1, 2003 CBA	New Coverage Tiers	Contribution Multiplier
Employee Only	Employee Only	1.0
Employee + 1	Employee + Spouse/ Domestic Partner	2.6
	Employee + Child(ren)	1.8
Employee + 2 or more	Employee + Family	3.5

The multiplier for the New Coverage Tiers is based on the Employee Only coverage tier.

- f. The \$150, \$250, \$500, \$1000 standard medical options in the May 1, 2003 Collective Bargaining Agreement are eliminated. All of the provisions of the Carey Award dated December 3, 1991 that relate to the Medical Plan, including the inflation formula described therein, are also eliminated.
- g. New employees eligible for healthcare coverage will default to the Core medical option for Employee Only coverage on their eligibility date, unless another option or level is elected by the employee during the initial enrollment period.
- h. To the extent the Company is offering incentives in any plan year to employees for participating in the wellness program (currently Healthmatters), employees enrolled in the Standard and Core medical options will be eligible for those incentives provided they meet the criteria (as established by the Company at its sole discretion) for earning the incentive.

i. Chart of Active Medical Coverage Option Design Features:

Option Design Features	Standard Contractual Features	Core Non-Contractual
Health Spending Accounts	HRA	
HRA Funding (2013 only)	\$375 employee & \$375 spouse/ domestic partner	
In-Network Deductible (Single/ Family)	\$750/\$2,250	
Out-of-Network Deductible (Sin- gle/Family)	\$3,000/\$9000	
Coinsurance (In/Out)**	20%/40%	
In-Network Out-of-Pocket Max (Single/Family)	\$2,000/\$5,000	
Out-of-Network Out-of-Pocket Max (Single/Family)	\$6,000/\$15,000	
Primary Care Physician Copay(In Network only)	\$30*	
Specialist Copay (In/Out)	20%/40%	
Retail Clinics Copay (In/Out)	20%/40%	
Preventive Care (In-Network only)	\$0	
Emergency Room	Deductible/Coinsurance/\$100 Copay	
Pharmacy (Retail)		
Generic	20% (\$10 min/\$40 max)	
Formulary Brand	30% (\$30 min/\$100 max)	
Non-Formulary Brand	50% (\$45 min/\$150 max)	
Pharmacy (Mail)		
Generic	20% (\$5 min/\$80 max)	
Formulary Brand	30% (\$60 min/\$200 max)	
Non-Formulary Brand	50% (\$90 min/\$300 max)	
2013 Monthly Contributions		
EE Only	\$70.69	\$57.40
EE + Spouse/Domestic Partner	\$183.81	\$149.25
EE + Child(ren)	\$127.25	\$103.33
EE + Family	\$247.43	\$200.91

* Deductibles and Coinsurance apply if provider is Out-of-Network.

** (In/Out) when used in the chart means In-Network and Out-of-Network, respectively.

The following provisions apply to the Standard medical option:

- (1) Deductibles do not apply toward Out of Pocket maximum.
 - (2) Medical Coinsurance applies to the Out of Pocket maximum
 - (3) Pharmacy Coinsurance (and min/max amounts) do not apply towards deductibles, but do apply towards Out of Pocket maximums.
- j. The Company will also retain the right to amend any provision in the Medical Plan for the purpose of complying with applicable laws and regulations. The Company will provide the Association with advance notice and a copy of any amendment to the Medical Plan.
2. Other Benefit Coverage for Pilots
- The Company shall continue to provide eligible pilots with the following, in the same amounts as provided to eligible pilots prior to January 1, 2013: (i) basic term life insurance coverage; and, (ii) accidental death and dismemberment coverage.
3. Retiree Medical Coverage For Pilots Retiring On or After November 1, 2012
- a. Notwithstanding any provisions to the contrary in any prior collective bargaining agreements and all other prior agreements, past practices, and arbitration awards between the parties, the Company is not required to maintain, fund, or provide for retiree medical or retiree life insurance benefits, except for the Health Retirement Accounts described in [Letter 15-03](#).
 - b. Retiree Medical Coverage For Pilots Ages 50 through 64 Who Retire On or After November 1, 2012. Pilots retiring on or after age 50 and through age 64 will have access to a Company-sponsored retiree medical option. Retiree contribution rates for this coverage will be 100% of projected annual expenses (which includes administrative expenses) using data, assumptions, and methodologies for calculating future retiree healthcare costs. For the remainder of 2012, the Company will offer the pre-65 plan design (which includes a provider network) offered to management retirees. Although it is the Company's intention to continue to make available access to medical coverage for retirees from age 50 through age 64, the Company reserves the right to modify, amend, or terminate the Retiree Medical Plan at any time.
 - c. Retiree Medical Coverage For Pilots Age 65 and Older Who Retire On or After November 1, 2012. Retiree Medical Coverage shall cease when the pilot retiree attains age 65. These retirees will be offered access to purchase, at the retiree's expense, a guaranteed-issue Medicare supplement plan through a third party administrator, to the extent available.
 - d. At least 30 days prior to the distribution of the Retiree Medical Coverage annual enrollment materials, the Company will provide the Association with a copy of the data, assumptions and methodologies used to calculate the medical inflation rate and retiree contributions under the Retiree Medical Coverage.
4. Retired Pilot Life Insurance
- Retiree life insurance benefits are discontinued for pilots retiring on and after November 1, 2012.

5. Very truly yours,
- 6.
- 7.
8. Laura A. Einspanier
9. Vice President - Employee Relations
- 10.
11. Agreed:
- 12.
13. _____
14. Keith Wilson
15. President
16. Allied Pilots Association
- 17.

SUPPLEMENT L

SUPPLEMENTAL AGREEMENT

between

AMERICAN AIRLINES, INC.

and

THE AIR LINE PILOTS

in the service of

AMERICAN AIRLINES, INC.

as represented by

ALLIED PILOTS ASSOCIATION

DRUG AND ALCOHOL TESTING AGREEMENT

THIS AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN AIRLINES, INC., hereinafter known as the "Company" and the AIR LINE PILOTS in the service of AMERICAN AIRLINES, INC., as represented by the ALLIED PILOTS ASSOCIATION, hereinafter known as the "Association."

The parties hereby agree to the following specific terms to be incorporated into the Company's Drug and Alcohol Testing Program, effective January 1, 2013, and recognize and agree that this Agreement is a complete and final agreement concerning drug and alcohol testing as it applies to pilots in its employ.

1. DEFINITIONS:

- a. "Accident" means an occurrence associated with the operation of an aircraft which takes place between the time any person boards the aircraft with the intention of flight and the time all such persons have disembarked and in which any person suffers death or serious injury or in which the aircraft receives substantial damage.
- b. "Adulterant" means any substance used to tamper with a specimen, including nitrites or other foreign substances.
- c. "Adulterated specimen" means a specimen that contains a substance that is not expected to be present in human urine, or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine.
- d. "Alcohol use" means the drinking or swallowing of any beverage, mixture, or preparation (including any medication) containing alcohol.
- e. "Confirmed positive alcohol test result" means testing that reveals the presence of alcohol after a screening by Evidential Breath Testing (EBT), and a confirmation test also by EBT.
- f. "Confirmed positive drug test result" means a LC/MS/MS confirmed positive drug test result from an HHS certified laboratory.
- g. "Dilute specimen" means a urine specimen with creatinine and specific gravity values that are lower than expected for human urine.
- h. "DOT regulations" means the Department of Transportation's publication entitled: "Procedures for Transportation Workplace Drug Testing Programs" (49 CFR Part 40) effective October 1, 2010, and/or the procedures set out in 49 CFR Part 40 that address alcohol testing.
- i. "EAP" means Employee Assistance Program.
- j. "EBT" means Evidential Breath Test, a device used for administering breath alcohol tests (commonly called a breathalyzer).
- k. "HHS" means Department of Health and Human Services which certifies drug testing laboratories under the National Laboratory Certification Program.

- l. "Illegal drug(s)" includes, but is not limited to any of the following drugs or classes of drugs or their metabolites: 1) Marijuana, 2) Cocaine, 3) Opiates, 4) Phencyclidine (PCP), or 5) Amphetamines.
- m. "Immunoassay test" means the technique utilized for drug screening.
- n. "LC/MS/MS" means a liquid chromatography / mass spectrometry / mass spectrometry drug confirmation test.
- o. "Meeting" means any in-person or telephonic interaction between a Company representative and a pilot as prescribed in [Section 21](#) of the Basic Agreement.
- p. "MRO" means Medical Review Officer, a licensed physician, knowledgeable about substance abuse disorders who is responsible for receiving and reviewing laboratory results and evaluating medical explanations for certain drug test results.
- q. "MDSB" means medical disability benefits.
- r. "Notifier" means a representative of Company management, or its designee, who informs the pilot that he/she has been selected for random drug and/or alcohol testing.
- s. "Other drugs of abuse" means those families of drugs (or their metabolite) specified in [Appendix A](#). Should the Company desire at any time to expand the list of drugs specified in [Appendix A](#), the Company and the Association will meet to discuss such desire, with expansion subject to Association concurrence.
- t. "Over-the-counter drug" means a drug that may be purchased without a prescription in the United States and/or Canada.
- u. "Permanent Disqualification" or "Permanent Bar" means permanent preclusion from performing the safety-sensitive function the individual performed prior to the alcohol / drug policy violation.
- v. "Prescription drug" means a drug(s) producing a pilot's confirmed positive test result which was legally prescribed for such pilot's personal use by his personal physician. Such pilot will be required to produce written proof of his/her prescription, which has caused the confirmed positive test result, if required by the MRO.
- w. "Prescription drug of abuse" means a drug(s) that has produced the pilot's confirmed positive test result which was prescribed by a licensed medical doctor for a person other than such pilot.
- x. "Pilot(s)" means Captain and/or First Officer.
- y. "SAP" means Substance Abuse Professional, a licensed and/or certified professional, experienced and knowledgeable in the diagnosis and treatment of disorders related to drug and alcohol use and abuse who evaluates employees who have violated a drug or alcohol regulation and makes recommendations concerning education, treatment, follow-up testing and after care.
- z. "Substituted specimen" means a specimen with creatinine and specific gravity levels that are so diminished that they are not consistent with human urine.
- aa. "Verified positive drug test result" means a test that reveals the presence of a drug(s) after 1) a screening by immunoassay, 2) a confirmation test by LC/MS/MS, 3) a final determination by an MRO that there is no legitimate medical explanation for the positive test, and 4) if eligible and requested in writing within 72 hours of the MRO's notification to the employee of a positive result, a test of the split sample by LC/MS/MS.

2. RIGHTS (GENERAL)

- a. In accordance with the Basic Agreement, a pilot is entitled to union representation in any meeting with a Company Representative regarding a positive alcohol or drug test as well as any meeting regarding any other drug and/or alcohol related matter that may possibly result in discipline or termination. A pilot has the right to speak to an APA representative once contacted by the MRO regarding the results of his/her drug test. The pilot may speak to an APA representative prior to discussing his/her test results. However, he/she must reestablish contact with the MRO within twelve (12) hours to complete the discussion. This time period may be extended at the discretion of the MRO. Regardless

of these contractual provisions, the MRO will follow the appropriate Federal guidelines to verify a positive drug test result.

- b. In accordance with the Basic Agreement, the pilot reserves the right to file a grievance concerning any disciplinary action, letter, or documents issued as a result of alcohol and/or drug testing or any violation of the terms of this Agreement.
- c. Should the Company desire at any time to expand the list of drugs specified in [Appendix A](#) of this Agreement, the Company and the Association will meet to discuss suggested changes, with expansion subject to Association concurrence.
- d. In the event the FAA disapproves any aspect of the Company's mandated drug and alcohol testing program, and the Company determines that corrective action is required to obtain the FAA's approval which necessitates a change in the terms of this Supplement, the parties agree to meet promptly to discuss that corrective action.
- e. Pursuant to any changes in DOT or FAA Drug and/or Alcohol Testing Regulations or the administration of the regulations requiring immediate compliance, the Company may enact temporary procedures to comply with such changes until the parties can promptly meet to discuss the impact of such action and the change(s) in regulations on this Agreement and resolve any dispute accordingly.
- f. Provisions of this Agreement apply to both drug and alcohol unless otherwise designated.

3. PERSONNEL

a. Medical Review Officer (MRO):

- (1) The Company's Corporate Medical Director or equivalent, or his designee(s), will act as its MRO. Designees will be limited to licensed medical doctors employed by the Company on a full time basis. The MRO will have a knowledge of substance abuse. The parties recognize the importance of the MRO to the overall success of the Company's drug testing program. In the event of a change in the person of the Company's Corporate Medical Director, or if the Company chooses to appoint as MRO a doctor other than the Corporate Medical Director, the Company agrees to give notice to the Association of the change and to discuss the new MRO's qualifications and experience in identification of and treatment of substance abuse prior to such appointment. The parties agree that, in this event, they will meet and, in good faith, work to arrive at a mutually acceptable MRO, giving due consideration to the Association's concerns and recommendations. Nothing herein restricts the right of the Company after giving such notice and after holding such discussion from selecting the MRO of its choosing.
- (2) The MRO, or his designee(s), will exercise his/her responsibilities in conformity with DOT and FAA regulations which include:
 - Acting as independent and impartial "gatekeeper" and advocate for the accuracy and integrity of the drug testing process;
 - Providing quality assurance review of the drug testing process for specimens under his/her purview;
 - Determining whether there is a legitimate medical explanation for confirmed positive, adulterated, substituted, and invalid drug test results from the laboratory;
 - Providing medical review of pilots' test results without establishing a doctor-patient relationship with the pilot whose test he/she reviewed;
 - Investigating and correcting problems where possible and notify appropriate parties (e.g. HHS, DOT, the Company) where assistance is needed (e.g. cancelled or problematic tests, incorrect results, problems with blind specimens);
 - Ensuring timely flow of test results and other information to the Company;
 - Protecting the confidentiality of the drug testing information; and
 - Performing all MRO functions in compliance with DOT and FAA regulations.

b. Substance Abuse Professional (SAP)

- (1) An SAP must have one of the following credentials:
 - Licensed physician (Doctor of Medicine or Osteopathy);
 - Licensed or certified social worker;
 - Licensed or certified psychologist;
 - Licensed or certified employee assistance professional; or
 - Drug and alcohol counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) or by the International Certification Reciprocity Consortium/Alcohol and Other Drug Abuse (ICRC).
- (2) An SAP is not an advocate for the pilot or the Company. An SAP's function is to protect the public interest in safety by professionally exercising his/her responsibilities in conformity with DOT regulations that include:
 - Making face-to-face clinical assessments and evaluations to determine what assistance is needed by the pilot to resolve problems associated with alcohol and/or drug use;
 - Referring the pilot to an appropriate education and/or treatment program;
 - Conducting a face-to-face follow-up evaluation to determine if the pilot has actively participated in the education and/or treatment program and has demonstrated successful compliance with the initial assessment and evaluation recommendations;
 - Providing the Company with a follow-up drug and/or alcohol testing plan for the pilot;
 - Providing the pilot and the Company with recommendations for continuing education and/or treatment;

4. TESTING PROCEDURES

All drug and alcohol testing methodology, including but not limited to collection procedures, chain of custody, and shipment of specimens, will comply with DOT regulations.

- The Company's Medical facilities will be utilized for collection of urine and/or breath specimens for drug and/or alcohol testing when collection is at a location that contains such a facility and the facility is open.
- When collection of a urine and/or breath specimen is necessary at a location that does not contain a Company medical facility or the Company medical facility is closed, the Company will retain the services of a specimen collection service to perform that service.

a. Drug Testing Procedures

- (1) The Company will utilize an independent, HHS certified laboratory to perform pilot drug testing covered by this Agreement.
- (2) The Company will utilize an express shipment company to transport all urine specimens to its selected HHS certified laboratory. Provided, however, all urine specimens collected in the geographic area in which the laboratory is located may be transported to the laboratory by a secure ground courier in that area. Should the Company elect at any time to utilize its internal mail system for transportation of urine specimens, the Company and the Association will meet to discuss the reasons and desirability of such a decision. The Company will not implement such decision without the concurrence of the Association.
- (3) Drug tests conducted under this Agreement for drugs (or their metabolite) prohibited by DOT and FAA regulation will be done in accordance with DOT regulations.
- (4) A urine specimen will first be subject to immunoassay and validity screening. If a negative result occurs, the specimen will be considered to be free of drugs.
- (5) If a positive result occurs on the immunoassay screen, a LC/MS/MS process will be used for confirmation. Both the immunoassay screening and the LC/MS/MS process

must indicate the presence of drugs for the specimen to be a confirmed positive drug test result. All specimens with confirmed positive results will be retained for possible retesting at the laboratory in properly secured, long-term frozen storage for a one-year period.

- (6) Drug tests conducted under this Supplement for other drugs of abuse (or their metabolite) will be in accordance with the DOT's regulation; provided, however, LC/MS/MS confirmation cut-off levels for such drug tests will be those levels set by [Appendix A](#) to this Supplement.

b. Alcohol Testing Procedures

- (1) A breath specimen will be subject to EBT screening (breathalyzer) administered by a Breath Alcohol Technician (BAT). If a breath alcohol concentration of less than 0.02 is received, the test result will be considered negative.
- (2) If a positive test result occurs (a breath alcohol concentration of 0.02 or greater), an EBT confirmation test using a new mouthpiece will be performed after a waiting period of at least 15 minutes after the screening test. The result of this confirmation test will determine any actions taken under the rule as a consequence of the test.
- (3) The accuracy of the testing device(s) will be verified following a positive test using one (1) bottle for both devices.

5. TESTING OCCASIONS

a. Pre-Employment / Re-Entry Drug Testing

- (1) All pilot applicants for employment must successfully complete drug testing prior to employment. If an applicant refuses to be tested or has a verified positive, adulterated, or substituted drug test result, the Company may deny or withdraw the offer of employment. Applicants will not be allowed to begin work until a negative result is received.
- (2) Employees transferring from a non-safety sensitive position in the Company into a position as a pilot must successfully complete a DOT pre-employment drug test and will not be allowed to begin work until a negative result is received.
- (3) If an employee is reinstated from a termination, or from a suspension, which involves payroll transaction activity (PTR), the employee will not be placed on active status until a negative DOT pre-employment drug test result is received by the Company. The Company will offer several drug testing alternative dates in an effort to minimize a delay to a pilot's return on the pilot's reinstatement date. Dates may be offered prior to or during suspension and promptly upon receipt of an arbitration decision that results in a pilot's reinstatement from termination.

b. Random Drug and/or Alcohol Testing

- (1) All pilots will be subject to random drug and/or alcohol testing.
- (2) Drugs to be tested for will be those drugs (or their metabolite) specified in DOT and FAA regulations.
- (3) Pilots will be selected for random drug and/or alcohol testing in accordance with a random selection computer model devised by the Company and approved by the FAA.
- (4) The Company will conduct random drug testing of a pilot at the conclusion of his/her sequence at his/her home base or satellite or co-terminal. Random alcohol testing may be conducted at any airport and may occur pre-flight, mid-sequence, or post-flight. A pilot selected to undergo a random drug and/or alcohol test who terminates his/her sequence at a co-terminal will be required to provide his/her specimen and/or breath sample at such station, notwithstanding the fact that such test may delay the departure of scheduled surface transportation or prevent him/her from taking such scheduled surface transportation. If the pilot is prevented from taking scheduled surface transportation due to a required drug and/or alcohol test, he/she will contact crew schedule to arrange for alternate transportation that will be provided at no cost to the pilot.

- (5) The Company will notify affected pilots of their selection for random drug and/or alcohol testing by the following means:
- (a) **Post-Sequence Drug and/or Alcohol Testing.**
A representative of Company management (notifier) will meet the flight of any pilot who has been randomly selected for a drug and/or alcohol test. "Meeting the flight" means the notifier will make contact with the pilot within the following parameters -- 1) a pilot will not be considered notified for random selection if the notifier contacts the pilot after he/she disembarks past the arrival gate area into any other part of the airport terminal or beyond, and 2) for international flights the notifier, who is not authorized to enter the restricted area, will meet the pilot outside of the customs screening area but not further than the entry into the rest of the terminal or beyond
 - (b) **Pre-Flight and Mid-Sequence Alcohol Testing**
The notifier will not be restricted to where he/she meets a pilot who has been randomly selected for a pre-flight or mid-sequence alcohol test.
 - (c) The notifier, after presenting positive identification, will obtain positive identification from the pilot at the time he/she presents himself/herself to the notifier.
 - (d) Once the selected pilot's identification has been confirmed, the pilot will be given written notification of his/her selection for random drug and/or alcohol testing along with the exact location of the collection site. The notification form will direct the pilot to immediately report to, and give a urine specimen at the Company's collection site in the case of drug testing and/or provide a breath sample in the case of alcohol testing.
 - (e) The Company representative will date and note the time and location the pilot was given the written notification of his/her selection for random testing. The pilot will be required to sign the written notification, acknowledging his/her receipt of notification.
 - (f) The pilot will receive two copies of the notification form, one for his/her records, and one that he/she will present to the collection person.
- (6) A pilot who is selected for random drug and/or alcohol testing will be required to report to the Company's Medical facility (or report to the representative of the specimen collection service retained by the Company if there is no Company Medical facility or it is closed) immediately after the receipt of his/her notice of random testing. Once notified, only Flight Management may release a pilot from his/her random drug and/or alcohol test.

c. Post-Accident Testing

Flight Department Management will investigate the circumstances surrounding an accident including soliciting the pilot's comments in an in-person or telephonic meeting. After the investigation, Flight Department Management will then determine if a pilot will be required to undergo a post accident drug and alcohol test if the pilot's performance has either contributed to the accident or cannot be completely discounted as a contributing factor. In cases of significant injuries to a pilot to be tested, obtaining necessary medical assistance will take priority over drug and/or alcohol testing, however such testing will be accomplished as soon as medically reasonable.

- (1) **Post-Accident Drug Testing**
Post-accident drug tests must be completed as soon as possible after any aircraft accident. If unusual circumstances unavoidably delay testing, attempts to test must continue for up to 32 hours but no later than that time frame. Drugs to be tested for will be those drugs (or their metabolite) specified in FAA regulations and other drugs of abuse (or their metabolite).
- (2) **Post-Accident Alcohol Testing**
Post-accident alcohol testing must be accomplished within 2 hours after an accident. If unusual circumstances unavoidably delay testing, attempts to test must continue for

up to 8 hours but no later than that time frame. The FAA requires the Company to document the reasons if the 2-hour and 8-hour limits were not satisfied.

d. Reasonable Cause Drug / Reasonable Suspicion Alcohol Testing

- (1) Pilots are subject to reasonable cause drug testing and/or reasonable suspicion alcohol testing. Observations may occur during, just preceding, and/or just after flight duty. Reports of observations must be documented. Indications that reasonable cause / reasonable suspicion to test exist include, but are not limited to, the following:
 - Use or possession of alcohol or drug
 - Slurred speech
 - Unsteady standing or walking
 - Inability or difficulty doing routine tasks
 - Disorientation or confusion
 - Erratic or unusual behavior
 - Odor of alcohol and/or drugs on the body or breath
- (2) The Company and the MRO will make reasonable efforts to maintain confidentiality of the events surrounding a reasonable cause drug / reasonable suspicion alcohol testing directive, pending the results of the test. This commitment in no way limits the Company from taking appropriate disciplinary action, or from defending itself against grievances or other actions commenced by the pilot and/or the Association against the Company, or from providing information in response to a subpoena or other legal process.
- (3) Pilots who may be directed by Flight Management to undergo a reasonable cause drug and/or reasonable suspicion alcohol test may, upon request, consult with an Association representative prior to testing. Such consultation, whether in person or by telephone, will not unduly delay the administration of the drug and/or alcohol test.
- (4) Pilots tested for reasonable cause drug and/or reasonable suspicion alcohol will be withheld from service with pay pending notification of the test results. However, if the confirmed alcohol test is 0.02 or greater, the pilot will be withheld with pay pending results of the drug test.
- (5) For Reasonable Cause Drug Testing Only
 - (a) Flight Management may direct a pilot for reasonable cause testing only after two members of Company management, one of which will be a supervisor from the Flight Department, have concurred in the decision to test the pilot. At least one of the two members of Company management, preferably the one from the Flight Department if practical, will have personally observed the pilot who is reasonably suspected of using drugs. If personal observation of the pilot reasonably suspected by Flight Management of using drugs is not practical, Flight Management will make reasonable attempts to confer by telephone with local station management and the pilot suspected of using drugs. The purpose of such conference will be to ascertain the relevant facts before Flight Management directs the drug testing of a pilot. The member of Company management personally observing the pilot will have received training regarding detecting the symptoms of drug use (see list above).
 - (b) Drugs to be tested for will be those drugs (or their metabolite) specified in FAA regulations and other drugs of abuse (or their metabolite).
 - (i) Two urine specimens will be collected.
 - (ii) One urine specimen will be tested for those drugs (or their metabolite) specified in the FAA's regulation. Collection, shipment and testing will be in accordance with the DOT's regulation.
 - (iii) The second urine specimen will be tested for other drugs of abuse (or their metabolite) in accordance with the DOT's regulation; provided, however, LC/MS/MS confirmation cut-off levels for such drug tests will be those levels set by [Appendix A](#) to this Letter of Agreement.

(6) For Reasonable Suspicion Alcohol Testing Only

Reasonable suspicion alcohol testing occurs when at least one member of Company management, in consultation with a supervisor from the Flight Department determines that reasonable suspicion exists to test an employee. The observing member of management must have been trained in detecting the indicators of alcohol use.

Reasonable suspicion alcohol testing must be accomplished within 2 hours after a reasonable suspicion determination. If unusual circumstances unavoidably delay testing, attempts to test must continue for up to 8 hours, but not beyond that time limit. It is necessary in all cases to document the reasons the 2-hour and 8-hour limits were not satisfied.

e. Return to Duty Testing

(1) Drug Testing - A pilot who returns to duty following a verified positive drug test result must pass a drug test prior to his/her return. The drugs to be tested for will be those drugs (or their metabolite) specified in FAA regulations and/or other drugs of abuse (or their metabolite).

(2) Alcohol Testing - A pilot who returns to duty following a confirmed positive alcohol test result of 0.02 or greater must pass a return-to-duty alcohol test prior to his/her return.

f. Follow-up Testing

(1) Any pilot who is eligible for drug and/or alcohol education and/or treatment and who is recommended for return to work by the SAP as a pilot, after successfully completing such education and/or treatment, will be subject to unannounced follow-up drug and/or alcohol testing in accordance with current FAA regulations.

(2) The drugs to be tested for will be those drugs (or their metabolite) specified in FAA regulations and/or other drugs of abuse (or their metabolite)

(3) The duration of such unannounced drug and/or alcohol testing requirement will be determined by the SAP, not to exceed five years, but at a minimum of six (6) tests in the twelve (12) month period following the pilot's return to duty.

(4) The number and frequency for follow-up drug and/or alcohol testing will be established by the SAP after receiving recommendations from the pilot's aftercare counselor and the Association's Aeromedical Coordinator. The decision of the SAP will be final as to number, frequency and duration of testing. Follow-up testing will be extended or restarted if the pilot is not available for testing due to being on leave, furlough or other status in which he/she did not complete the required number of tests.

6. POSITIVE DRUG OR ALCOHOL TEST RESULTS AND CONSEQUENCES

a. Positive Drug Test Results

(1) Any pilot who has a confirmed positive test result for a drug specified in DOT and FAA regulations and/or other drugs of abuse (or their metabolite) shall be removed from flight status with pay by Flight Management. The MRO may recommend to Flight Management that a pilot be removed from flight status (with pay). The reason given by the MRO to Flight Management for such removal will be "for medical reasons." (See [Section 10](#)) The MRO shall make no further communication regarding the individual's test results until the MRO verification process is completed. Flight Management shall ensure that all reasonable efforts are made to maintain the confidentiality of such withholding from service.

(a) After receiving the confirmed positive test result and after removing the pilot from flight status, the MRO will contact the pilot to obtain his/her input concerning that result. This input will be given in person if so requested by the pilot. Nothing herein shall deny the pilot those rights specified in [Section 2.A](#) of this Agreement.

(b) After the MRO completes his/her review of the confirmed positive test result, he/she will decide if the test result is a verified positive, negative or cancelled test result.

(c) If the confirmed positive test result is deemed negative or cancelled by the MRO, (e.g., prescription drug or over-the-counter drug), he/she will inform Flight

Management the pilot is available to return to active flight duty status, if otherwise medically qualified.

- (d) If the confirmed positive test result is deemed a verified positive test result, the MRO will notify the Company's Drug Testing Program Administrator who will notify Flight Management of that result. The MRO will also notify the FAA, if the verified positive test result is for a drug specified in DOT/FAA regulations.

(2) Right to Test Split Specimen

- (a) Any pilot, who is notified by the MRO that he/she has a verified positive drug test, has 72 hours from the time of notification to request a test of the split specimen. This request may be verbal or in writing to the MRO. (See [Appendix B](#) for sample written request form.) The MRO will notify the laboratory that tested the primary specimen to forward the split specimen to another HHS certified laboratory for testing.
- (b) If the testing of the split specimen fails to confirm the results of the primary test, the MRO will cancel both tests. However, a cancelled test may not be used for the purposes of a negative test to authorize the pilot to perform safety-sensitive functions (i.e. in the case of pre-employment, return to duty or follow-up testing). Once the pilot has a negative test result, the MRO will advise Flight Management that the pilot is available for return to active flight status, if otherwise medically qualified.
- (c) If the testing of the split specimen confirms the results of the primary test, the MRO will then follow the procedures for completing the verification.
- (d) If the testing of the split sample cannot be completed because the split specimen is not available for testing, the MRO will cancel both tests and direct an immediate collection of another specimen under direct observation with no notice given to the pilot until immediately before the collection.

(3) Consequences of a Positive Drug Test

- (a) A pilot who has a confirmed positive test result for a drug specified in DOT/FAA regulations and/or for other drugs of abuse (or for any metabolite for such drugs) shall be removed from flight status with pay by Flight Management if Flight Management receives such a recommendation from the MRO. The reason given by the MRO to Flight Management for such removal will be "for medical reasons." The MRO shall make no further communication regarding the individual's test results until the MRO review process is completed. Flight Management shall ensure that all reasonable efforts are made to maintain the confidentiality of such withholding from service.
 - (i) After receiving the confirmed positive test result and after removing the pilot from flight status, the MRO will contact the pilot to obtain his/her input concerning that result. This input will be given in person if so requested by the pilot.
 - (ii) After the MRO completes his review of the confirmed positive test result, he will decide if the test result is a verified positive test result or is a negative test result.
 - (iii) If the confirmed positive test result is deemed negative by the MRO, (e.g., prescription drug or over-the-counter drug), he will inform Flight Management the pilot is available to return to active flight duty status, if otherwise medically qualified.
 - (iv) If the confirmed positive test result is deemed a verified positive test result, the MRO will notify the Company's Drug Testing Program Administrator who will notify Flight Management of that result. The MRO will also notify the FAA, if the verified positive test result is for a drug specified in DOT/FAA regulations.
- (b) A pilot who has a verified positive test result for a drug specified in the DOT/FAA regulations and/or other drugs of abuse (or their metabolites) will be terminated for violation of Company Rule 33 except as provided in subparagraph 6.A.(3).(c) & (d).

- (i) A pilot who has a verified positive test result for a prescription drug of abuse (or its metabolite) to which he is addicted (as determined by the SAP) will be terminated for violation of Company Rule 33.
 - [1] Such pilot, at his/her option and at his/her full cost, may seek rehabilitation treatment at a Company designated treatment facility.
 - [2] If such pilot successfully completes rehabilitation treatment (in the sole opinion of the SAP) and possesses a valid FAA Medical Certificate and Airman Certificate, she/he may be offered reinstatement in accordance with the terms of Conditional Reinstatement in Section 6.A. 3.(f) below.
 - [3] If the pilot, after reinstatement, successfully completes his/her aftercare program (i.e., is removed from follow up drug testing by the SAP), such pilot will be reimbursed for his/her rehabilitation treatment in accordance with the terms of the Company's applicable Group Health Insurance Plan.
- (c) A pilot who has a verified positive test result for a prescription drug of abuse (or its metabolite) to which she/he is **not** addicted (as determined by the SAP) will not be terminated; but rather, will be given a **last chance** written warning by Flight Management.
- (d) A pilot who has a verified positive drug test result for a prescription drug (or its metabolite) to which she/he is addicted (as determined by the SAP) will not be terminated or disciplined; but rather, will have his condition treated as a medical matter under the Basic Agreement.
 - (i) Such pilot must seek appropriate rehabilitation treatment at a Company designated treatment facility. Such treatment will be at the full cost of the pilot.
 - (ii) If the pilot successfully completes rehabilitation treatment (in the sole opinion of the SAP), possesses a valid FAA Medical Certificate and Airmen Certificate, is reinstated to active flight status, and successfully completes his/her aftercare program (i.e., is removed from follow up testing by the SAP), such pilot will be reimbursed for his/her rehabilitation treatment in accordance with the terms of the Company's applicable Group Health Insurance Plan.
- (e) A pilot who has a verified positive drug test result, and who is terminated by the Company in accordance with the terms and conditions of paragraph 6.A.(3)(b) above, may challenge his/her termination under [Section 21](#) of the Basic Agreement; provided, however, the jurisdiction of the System Board of Adjustment will be limited to deciding whether all provisions of this Supplement were complied with and correctly applied to the offending pilot, in which case the Board will be required to find just cause for such pilot's termination.
- (f) The Company will offer conditional reinstatement to pilots who test positive for illegal/illicit drugs on a Company or DOT/FAA mandated drug test and who are terminated by the Company for violation of Rule 33 due to such positive test or pilot(s) who are terminated for Rule 33 for reasons other than a positive test for illegal/illicit drugs (i.e., possession of drugs).
 - (i) Pilots who are terminated for multiple rule violations or for reasons currently excluded from this Conditional Reinstatement Policy (such as drug trafficking, violations involving personal injury to other, etc.), shall **not** be eligible for conditional reinstatement. Further, pilots who refuse a drug test or tamper with a specimen during a drug test or who refuse to cooperate during a drug test shall not be entitled to conditional reinstatement.
 - (ii) Conditional reinstatement shall be offered to eligible terminated pilots as follows:
 - 1The pilot must promptly submit to a chemical dependency assessment performed by the Company's Substance Abuse Professional (SAP).
 - 2The pilot must successfully complete any course or program, including any educational or rehabilitation program, recommended by the SAP following such mandatory assessment. Any educational, rehabilitation and/or aftercare program undertaken by the employee will be at the employee's expense, and

will not be reimbursed by the Company.

3 Upon meeting these conditions and submitting to a return to duty drug test that is negative, the pilot shall be conditionally reinstated to employment, provided that the pilot executes an undated letter of resignation in the form provided by the Company. In this letter the pilot:

- a. commits to remaining drug free for his/her tenure with the Company,
- b. agrees to submit to follow-up (unannounced) drug testing,
- c. agrees not to tamper with a specimen during a drug test, and
- d. agrees to cooperate during requested drug tests.

4 If the pilot fails to comply with the conditions set forth in the undated letter of resignation, he/she is subject to immediate termination through invocation of the letter of resignation.

5 Pilots who are terminated either initially or finally under these provisions shall be entitled to COBRA coverage.

b. Consequences of a Positive Alcohol Test Result

(1) A pilot who has a positive alcohol test result with an alcohol content of 0.02 or greater will not be terminated, but will be immediately removed from service, with pay, and scheduled for an alcohol dependency assessment by the Company's SAP. Prior to being scheduled for the alcohol dependency assessment the pilot may request to be evaluated by an Evaluation Board comprised of the following AA/APA representatives, any one of who may refer the pilot for an alcohol assessment:

- An agreed to AA Medical Doctor on staff;
- An agreed to AA EAP Representative on staff;
- An APA Medical Doctor; and
- An APA Professional Standards or Aeromedical Committee Member.

If the Company's SAP or Evaluation Board determine that there is no alcohol dependency problem, the pilot will be sent to his/her Chief Pilot to be returned to duty. Note: Referral for education or treatment is required on any DOT test with an alcohol result of 0.04 or greater, regardless of whether or not the pilot is found to have an alcohol dependency problem.

- (a) A pilot evaluated and not diagnosed with an alcohol dependency problem will be returned to duty when his/her medical certificate (and Airman certificates, if revoked) has been reissued and any/all required education, treatment and return to duty requirements have been met. A Warning Letter with a duration of 24 months may be issued and documentation as required by DOT/FAA regulations will be maintained.
- (b) The status of a pilot evaluated and diagnosed with an alcohol dependency problem will be treated as a medical matter. The payment of sick pay/MDSB is subject to the limitations provided in this Agreement and [Supplement F\(1\)](#) of the Basic Agreement. The pilot will be returned to duty when his/her medical certificate (and Airman certificates, if revoked) has been reissued and any/all required education, treatment and return to duty requirements have been met.
- (c) A pilot who fails to cooperate and refuses an alcohol evaluation will be withheld from service without pay for a period not to exceed sixty (60) months, after which any return to service will be contingent upon the pilot's cooperation, reissuance of medical certificate, and mutual agreement between the Association and the Company.
- (d) If a pilot was previously diagnosed with an alcohol dependency problem as the result of an occurrence of a positive alcohol test result within the twenty-four (24) months prior to the second occurrence, time off payroll will be in an unpaid sick status until the pilot is in compliance with the aftercare program, at which point the pilot may debit sick bank. The pilot will be returned to duty when his/her medical

certificate (and Airman certificates, if revoked) has been reissued and any/all required education, treatment and return to duty requirements have been met.

- (e) If a pilot has a second occurrence of a positive alcohol test result within twenty-four (24) months of the first occurrence, and the SAP concludes that the pilot does not have an alcohol dependency problem, the pilot will be terminated and will be ineligible for conditional reinstatement.
 - (f) A pilot previously diagnosed with an alcohol dependency problem who refuses treatment/education after assessment will be withheld from service without pay for a period not to exceed sixty (60) months at which time the pilot will be administratively severed.
 - (g) A pilot who was previously diagnosed with an alcohol dependency problem who does not successfully complete the education, rehabilitation treatment or aftercare program recommended by the SAP following a mandatory assessment will be withheld from service without pay for a period not to exceed sixty (60) months at which time the pilot will be administratively severed.
 - (h) If a pilot has two occurrences in which the positive alcohol test results showed an alcohol content of 0.04 or higher, the pilot will be terminated pursuant to [Section 6.C](#) of this Agreement.
- (2) A pilot diagnosed with an alcohol dependency problem must complete the following requirements before being returned to active flight status:
- (a) At his/her option and at his/her full cost, seek education and/or treatment as recommended by the SAP at a Company-designated education program or treatment facility. A pilot who is reinstated and who, in the sole opinion of the SAP, successfully completes his/her education and/or treatment will be reimbursed in accordance with the terms of the Company's applicable Group Health Insurance Plan;
 - (b) Obtain a valid FAA Medical Certificate and Airmen Certificates if suspended or revoked;
 - (c) After reinstatement, successfully complete his/her follow-up testing and aftercare program.
- (3) If a pilot's positive alcohol test result has an alcohol content of 0.04 or greater, the results will be reported to the Federal Air Surgeon and documentation will be maintained as required by DOT regulations.
- (4) Any pilot who has a confirmed positive alcohol test result will be afforded the time necessary to have an independent test performed prior to being deadheaded to base.
- (5) Any pilot who tests positive, will, upon request, be provided with a copy of the calibration data for the device(s) used in the test.

c. Permanent Disqualification

- (1) Pursuant to FAA regulations, a pilot will be permanently precluded from performing safety-sensitive duties after any of the following:
 - on-duty use of drugs or alcohol;
 - two (2) verified positive drug test results; or
 - two (2) confirmed positive alcohol tests results at a level of 0.04 or greater.
- (2) A pilot who is permanently precluded from performing safety-sensitive duties pursuant to Section C. (1) above will be terminated.

7. DILUTED, SUBSTITUTED, OR ADULTERATED DRUG TEST RESULTS AND CONSEQUENCES

- a. A specimen is considered diluted if the creatinine concentration is less than 20 mg/dL and the specific gravity is less than 1.003 unless otherwise designated by DOT regulation.

- b. A specimen is considered substituted if the creatinine concentration is less than or equal to 5 mg/dL and the specific gravity is less than or equal to 1.001 or greater than or equal to 1.020 unless otherwise designated by DOT regulation.
- c. A specimen is considered adulterated if it is determined that --
 - A substance that is not expected to be present in human urine is identified in the specimen;
 - a substance that is expected to be present in human urine is identified at a concentration so high that it is not consistent with human urine; or
 - the physical characteristics of the specimen are outside the normal expected range for human urine.
- d. A pilot who has an adulterated or substituted test result shall be treated in the same manner as a pilot who has a positive test result for a drug or drug metabolite, and therefore shall be removed from flight status with pay by Flight Management. The reason given by the MRO to Flight Management for such removal will be "for medical reasons." The MRO shall make no further communication regarding the individual's test results until the MRO review process is completed. Flight Management shall ensure that all reasonable efforts are made to maintain the confidentiality of such withholding from service.
 - (1) After receiving the diluted, substituted or adulterated test result and after removing the pilot from flight status, the MRO will contact the pilot to offer him/her the opportunity to present a legitimate medical explanation for the laboratory findings with respect to presence of the adulterant in, or the creatinine and specific gravity findings for, the specimen. This input will be given in person if so requested by the pilot.
 - (a) In the case of an adulterated specimen, the pilot must demonstrate that the adulterant found by the laboratory entered the specimen through physiological means.
 - (b) In the case of the substituted specimen, the pilot must demonstrate that he/she did produce or could have produced urine, through physiological means, meeting the creatinine and specific gravity criteria.
 - (2) The MRO has the discretion, and will make every effort, to extend the time available for up to five (5) days for the pilot to present information if there is reasonable basis to believe he/she will produce relevant evidence supporting the legitimate medical explanation within that time, including directing the pilot to obtain a further medical evaluation within that five (5) day period.
 - (3) After the MRO completes his/her review of the evidence presented by the pilot and he/she determines that there is a legitimate medical explanation, the test will be considered cancelled.
 - (4) After the MRO completes his/her review of the evidence presented by the pilot and he/she determines that the explanation does not present a reasonable basis for concluding there may be a legitimate medical explanation, then the MRO will report the test as a verified refusal to test because of adulteration or substitution as applicable.
 - (5) The consequences for a verified refusal to test because of adulteration or substitution will be the same as any other refusal to test that may include discipline up to and including termination for violating the Company Rules of Conduct related to insubordination.

8. REFUSAL TO SUBMIT AND/OR COOPERATE IN TESTING AND CONSEQUENCES

- a. A pilot may not refuse to submit to a post-accident, random, reasonable suspicion/cause, or follow-up drug and/or alcohol test. Under the amended DOT rules, a refusal to submit to a drug test includes any of the following:
 - (1) failure to appear or remain at the test site until excused or as otherwise provided in this agreement;
 - (2) failure to provide a urine specimen when required;

- (3) failure to permit a directly-observed or monitored collection;
- (4) declining to take a second test when directed;
- (5) failure to provide sufficient urine without a sufficient medical explanation;
- (6) failure to undergo a medical evaluation; or
- (7) failure to cooperate with the testing process;
- (8) failure to follow the observers instructions to raise and lower clothing to navel and mid thigh and turn around to permit the observer to determine if you have any type of prosthetic or other device that could be used to interfere with the collection process (in the case of an observed drug test);
- (9) possess or wear a prosthetic or other device that could be used to interfere with the testing process;
- (10) admit to the collector or MRO that you adulterated or substituted the specimen;
- (11) MRO reports that you have a verified adulterated or substituted test result;

Also under these rules, a refusal to take an alcohol test includes any of the following:

- (1) Failure to appear at the test site;
 - (2) Failure to remain at the test site until completion;
 - (3) Failure to provide sufficient breath to complete the test without sufficient medical reason;
 - (4) Failure to undergo a medical examination or evaluation as part of the insufficient breath procedures;
 - (5) Failure to sign step 2 of the required ATF form;
 - (6) Failure to cooperate with the testing process.
- b. A pilot who refuses or who fails, without the specific approval of Flight Management, to follow a Company directive to undergo random, return to duty, follow-up testing, post accident or reasonable cause / reasonable suspicion drug and/or alcohol testing or who refuses (as defined in this [Section 6](#)) or who fails to cooperate in drug and/or alcohol testing as mandated by this Agreement, will be withheld from service by Flight Management without pay pending investigation. If the investigation confirms the pilot's refusal or failure to follow a proper drug and/or alcohol testing directive, the pilot may receive discipline up to and including termination for violating the Company Rules of Conduct related to insubordination. The pilot will be reinstated with full back pay if the alleged refusal or failure to follow a Company directive is not pursued or proven.
- c. Any pilot who reports for a random drug and/or alcohol test and, after forty-five (45) minutes from the time of notification as indicated on the form, a drug testing collector or breath alcohol technician (BAT) has not reported at the designated testing area to perform the test, the pilot shall be released after calling his/her Flight Office and advising them of the failure of the collector or BAT to appear and shall not be considered as refusing to submit to testing. The pilot shall indicate the time the call was made to the Flight Office on the notification form and the name of the person in the Flight Office advised and shall then provide a copy to the Flight Office within five (5) business days after that date. If the Flight Office is closed at the time the test is to be administered, the pilot shall call the on-call Chief Pilot at his/her base and follow the same procedures as indicated above in this paragraph.

9. REHABILITATION TREATMENT ACCESS AFTER A DRUG AND/OR ALCOHOL TEST DIRECTIVE ISSUED

The Company recognizes that chemical dependency is an illness and a major health problem. Early detection and treatment may also increase the likelihood of successful rehabilitation. Employees who believe they need help due to alcohol and/or drug use are encouraged to voluntarily seek help in dealing with such problems by utilizing the Company's Employee Assistance Program (EAP) and medical benefit plan as appropriate. Voluntary involvement in EAP will not jeopardize an employee's job and will not be noted in the employee personnel

record. It is the employee's responsibility to seek treatment through the EAP before the employee's conduct and/or test results warrant discipline or discharge under this policy. If the facts substantiate that an employee was in violation of Company Rules 7, 25, 26 and/or 33 or any other Company regulation/rule applicable to this policy, or if the employee has been directed for an alcohol and/or drug test under this policy, enrollment of the employee in a rehabilitation treatment program through the assistance of the Company's EAP is not an option in lieu of discipline or discharge."

10. PROGRAM VERIFICATION AND RELEASE OF DRUG AND/OR ALCOHOL INFORMATION

a. Verification

- (1) Upon request, the Company will provide the Association with statistical information contained in the Company's required annual report to the FAA on the number of pilot B 1) negative tests, 2) positive tests, and 3) refusals to test.
- (2) The Company will provide the Association with a detailed explanation of the computer model for random testing and advise the Association prior to implementing any changes to the computer model.
- (3) Drug test results for Company submitted blind samples (quality assurance testing) will be made available to the Association upon request.
- (4) Test locations for alcohol testing will be defined and subject to review and input from the Association.

b. Release of Drug and/or Alcohol Information

- (1) Information and medical records related to a chemical dependency are both sensitive and confidential in nature. Therefore, such information and records will be strictly limited to those individuals at the Company who have a "need to know."
- (2) Pursuant to DOT and FAA regulations, records associated with verified positive drug tests or any violation of alcohol misuse reported to the Federal Air Surgeon must be maintained by the Company for five (5) years, but shall be expunged from the pilot's personnel file after that time period. Records regarding decisions to administer reasonable suspicion alcohol tests or post-accident alcohol tests are only required to be maintained for two years and shall be expunged from the pilot's personnel file after that time period.
- (3) The Company may release information regarding a pilot's drug and/or alcohol testing result(s) or rehabilitation to a third party outside the Company only with the specific, written consent of the pilot, authorizing release of the information to an identified person. Information regarding a pilot's drug and/or alcohol testing result(s) or rehabilitation may be released to the NTSB as part of an accident investigation, to the FAA upon request, or as required by FAA regulation.
- (4) The limited disclosure of information, as provided above, in no way limits the Company from taking appropriate disciplinary action, or from defending itself against grievances or other actions commenced by the pilot and/or the Association against the Company, or from providing information in response to a subpoena or other legal process.

11. PILOT COMPENSATION AND BENEFITS

- a. A pilot selected for a random drug or alcohol test will be paid fifteen (15) minutes flight time pay, no credit for an drug or alcohol test conducted at the end of a sequence. A pilot selected for an alcohol and drug test concurrently will be paid for both tests (30 minutes). Pay for these tests will be retroactive to the time that the testing was first implemented. Such pay shall be over and above all other compensation and shall not be offset against guarantee.
- b. While the Company shall be responsible for avoiding illegalities in the scheduling of a pilot for random drug and/or alcohol testing, if it appears likely that a regularly scheduled pilot who, as the result of random testing, will not have twelve (12) hours free of all duty prior to his/her next regularly scheduled trip sequence, such pilot shall notify his/her flight manager of such fact. Such notification must be made prior to the commencement of such twelve (12) hour rest period. When such notification is made, the flight manager

shall determine whether to release such pilot from testing, or to accept pay liability for the regularly scheduled trip sequence missed. Failure to notify the flight manager of an impending legality problem shall result in such pilot being retained in testing and forfeiture of any pay resulting from subsequent regularly scheduled trips missed.

- c. A pilot who, as a result of random drug and/or alcohol testing, becomes illegal for open flying proffer or assignment shall confer with such pilot's flight manager for resolution.
- d. The provisions of the Company's Workers Compensation program shall apply to a pilot while engaged in procedures required by this Agreement and/or FAA drug and/or alcohol testing regulations.
- e. A pilot who tests positive for drugs and/or alcohol away from base will be removed from the balance of his/her original sequence and scheduled for a deadhead to base in accordance with the Basic Agreement. Pay and credit will be based on the Company scheduled deadhead, however a pilot who misses a scheduled deadhead because of an independent test will deadhead to base as soon as possible after the independent test is completed. If an independent test causes a pilot to miss the last flight of the day, the Company will arrange and pay / reimburse for hotel accommodations.
- f. A pilot who tests positive for drugs and/or alcohol will be evaluated as expeditiously as possible, but normally no later than five (5) days after the pilot returns to base. The pilot's paid status shall be amended to unpaid status if the evaluation period exceeds five (5) days and the delay is caused by the pilot. The Chief Pilot will resolve any unusual circumstances that may delay scheduling the evaluation (e.g. vacation, etc.).
- g. A pilot diagnosed as chemically dependent on alcohol who refuses treatment after evaluation will remain on paid sick leave until sick leave is exhausted, at which time the pilot may revert to MDSB or unpaid sick leave of absence at the pilot's option, subject to the provisions of this Agreement and of the Basic Agreement.
- h. A pilot, who successfully completes treatment and aftercare, will remain eligible for utilization of accrued sick leave. Upon exhaustion of accrued sick leave, the pilot will be placed on MDSB until a special issuance medical certificate is received from the FAA and the pilot returns to line flying, subject to the provisions of this Agreement and of the Basic Agreement.
- i. A pilot can use make-up, PVD's and/or CPA time to cover time lost.
- j. A pilot who loses pay as a result of being scheduled for a pre-sequence and/or mid-sequence alcohol test, shall have the events reviewed by their Chief Pilot for pay status.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 1st day of January 2013.

FOR THE AIRLINE PILOTS
IN THE SERVICE OF
AMERICAN AIRLINES, INC.
AS REPRESENTED BY
THE ALLIED PILOTS ASSOCIATION

FOR AMERICAN AIRLINES, INC.

/signed/
Keith Wilson
President

/signed/
Denny Newgren
Director, Employee Relations

APPENDIX A

DRUG CLASS	INITIAL TEST LEVEL	CONFIRMATORY TEST LEVEL	CONFIRMATORY METHOD	
AMPHETAMINES	500 ng/mL			
Amphetamine		250 ng/mL	LC/MS/MS	
Methamphetamine		250 ng/mL	LC/MS/MS	
MDMA, MDEA, MDA		250 ng/mL	LC/MS/MS	
BARBITURATES*	300 ng/mL			
Amobarbital		300 ng/mL	LC/MS/MS	
Butobarbital		300 ng/mL	LC/MS/MS	
Pentobarbital		300 ng/mL	LC/MS/MS	
Phenobarbital		300 ng/mL	LC/MS/MS	
Secobarbital		300 ng/mL	LC/MS/MS	
BENZODIAZEPINES*	300 ng/mL			
Alprazolam Metabolite		300 ng/mL	LC/MS/MS	
Oxazepam		300 ng/mL	LC/MS/MS	
Flurazepam Metabolite		300 ng/mL	LC/MS/MS	
Lorazepam		300 ng/mL	LC/MS/MS	
Nordiazepam		25 ng/mL	300 ng/mL	LC/MS/MS
Temazepam		300 ng/mL	LC/MS/MS	
Diazepam Metabolite	300 ng/mL	LC/MS/MS		
COCAINE METABOLITES	150 ng/mL	100 ng/mL	LC/MS/MS	
MARIJUANA METABOLITES	50 ng/mL	15 ng/mL	LC/MS/MS	
METHADONE*	300 ng/mL	300 ng/mL	LC/MS/MS	
OPIATES	2000 ng/mL			
Morphine		2000 ng/mL	LC/MS/MS	
Codeine		2000 ng/mL	LC/MS/MS	
6-Acetylmorphine (6-AM)		10 ng/mL	10 ng/mL	LC/MS/MS
OPIATES SPECIAL*				
Hydromorphone	300 ng/mL	300 ng/mL	LC/MS/MS	
Hydrocodone	300 ng/mL	300 ng/mL	LC/MS/MS	
Oxycodone	100 ng/mL	100 ng/mL	LC/MS/MS	
Oxymorphone	100 ng/mL	100 ng/mL	LC/MS/MS	
PHENCYCLIDINE	25 ng/mL	25 ng/mL	LC/MS/MS	
PROPOXYPHENE*	300 ng/mL	300 ng/mL	LC/MS/MS	

* Expanded Company Panel

SUPPLEMENT M

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SUPPLEMENT N(1)

May 1, 2003

This Supplement N(1) will terminate upon implementation of PBS.

Captain John E. Darrah
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, Texas 76155-2512

CPA Pay Out Provisions

Dear Captain Darrah:

This is to confirm our understanding on the application of Credit Plan Account (CPA) conversion of bank hours to pay.

A pilot may make a monthly election to receive up to ten (10) hours CPA time as pay provided that a pilot's bank is not debited to a negative balance. Such CPA time shall be paid at rates on the highest equipment on the monthly trip selection to which it is applied and shall be paid in addition to the pilot's Pay Projection (PPROJ) after all other contractual applications have been applied (e.g., CPA fill-up, pay-no-credit applications, apportionment, etc.).

Very truly yours,

/signed/
Jeffrey J. Brundage
Vice President
Employee Relations

Agreed:

/signed/
John E. Darrah
President
Allied Pilots Association

SUPPLEMENT N (2)

This Supplement N(2) will terminate upon implementation of PBS.

AmericanAirlines®

May 1, 2003

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Dear John:

During the negotiations which led to the Tentative Agreement dated March 31, 2003, the parties agreed to change the CPA payout provisions of the Agreement. Any pilot with a CPA bank in excess of fifty (50) hours will be paid out the time in excess of fifty (50) hours in the following month, rather than being removed from a trip sequence.

As a result of this change, combined with the reduction in pay which will occur following ratification, the Company has agreed to increase the hour value of the CPA banks of those pilots with a positive bank by 29.87% effective May 8, 2003, to account for the salary reduction. Those pilots who have a negative CPA bank will have no change to their bank as a result of this agreement.

Given the current circumstance with respect to Cash Flow, pilots who have CPA banks in excess of fifty (50) hours effective May 8, 2003 shall not be removed from trip sequences but instead will have the time over fifty (50) hours paid out as follows:

1. up to five hours per month for each month with a balance over fifty (50) hours effective for the pay periods July 2003 through December 2003; then
2. up to ten (10) hours per month for each month with a balance over fifty (50) hours effective for the pay periods January 2004 through June 2004; then
3. if the pilot's bank is still in excess of fifty (50) hours at the end of June 2004, the entire balance over fifty (50) hours will be paid out in the following month.

Effective July 2004, any balance over fifty hours in the pilots CPA bank will be paid out in the following month.

Sincerely,

/signed/
Mark Burdette
Director, Employee Relations, Flight

/signed/ _____
John Darrah, President
Allied Pilots Association

SUPPLEMENT O

SUPPLEMENTAL AGREEMENT
between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by
ALLIED PILOTS ASSOCIATION

This Agreement is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN AIRLINES, INC., hereinafter known as the "Company", and the air line pilots in the service of AMERICAN AIRLINES, INC. as represented by the ALLIED PILOTS ASSOCIATION, hereinafter known as the "Association".

WHEREAS, the Company and the Association have entered into an agreement to codify the pay and working conditions for Check Airmen and modify the scheduling of pilots who accomplish temporary supervisory duties by performing flight standards, training or checking functions as Check Airmen.

NOW, THEREFORE, the parties hereby agree to the following terms applicable to pilots who accomplish temporary supervisory duties.

1. A line pilot or a regularly scheduled Check Airman on a line rotation, except a Check Airman rotating to a monthly reserve bid, may be utilized as a flight standards Check Airman or may perform training or check functions in category (including a flight officer acting as a Flight Engineer Check Airman) on a temporary basis provided the pilot is properly qualified for the function to be performed. In such case, the provisions of [Section 6.C.3.](#) shall not apply to such temporary assignment.
2. The Company may select line pilots, who must meet the requirements of Supplement Y, for voluntary supervisory duty under this agreement. Such pilots will be trained and qualified to perform Check Airman or qualification functions. A pilot who cannot currently hold a captain status may be used only as a Flight Engineer Check Airman or to perform a flight engineer training or check function.
3. A line pilot or regularly scheduled Check Airman on line rotation may change or move scheduled duty-free periods in accordance with the Basic Agreement to accommodate temporary supervisory duties in accordance with this Supplement.
4. Line pilots performing work under the provisions of this Supplement may be regularly scheduled or reserve line holders. Check Airmen performing work under this Supplement must hold a selection other than reserve. Such line pilots and Check Airmen may perform work under this Supplement on their own trips or trips to which reassigned, or trips awarded or assigned through the filling of open time in accordance with Section 15.L of the Basic Agreement. In addition, such pilots may be assigned or reassigned to perform work under this Supplement on trips on a displacement basis, or trips blocked in accordance with [Section 6.C.5.](#) of the Basic Agreement. The following exceptions to this paragraph shall apply:
 - a. Line pilots who perform work under this supplement while on reserve will be restricted from performing Line Checks.
 - b. Line pilots who perform work under the provisions of this Supplement while on reserve will be limited to two (2) sequences not to exceed a total of thirty (30) hours of such work when performed on other than a trip(s) awarded in accordance with [15.L.](#)
 - c. Line pilots on reserve who perform work under this Supplement on trip sequences blocked in accordance with [Section 6.C.5.](#) of the Basic Agreement must be placed on such trip sequence either through the filling of open time in accordance with [15.L.](#) of the Basic Agreement or on a displacement basis.

5. Line pilots who perform work under the provisions of this Supplement shall not be scheduled to exceed their IMAX. If such pilot is reassigned on any sequence during the month and exceeds their IMAX, such pilot will be treated accordance with [Section 15.N](#) of the Basic Agreement.
6. For a regularly scheduled Check Airman on a line rotation, whose PROJ exceeds that pilot's IMAX, as a result of a reassignment, the Company must reduce the Check airman's PROJ to or below that pilot's IMAX. Such reduction will be accomplished in accordance with [Section 15.N](#) of the Basic Agreement. It is expected that any Check Airman who has not yet met the annual requirement for 73 hours of proficiency flying will go into make up. Such Check Airman may do make up flying provided:
 - a. Any make up flying is performed for proficiency flying only.
 - b. Such flying does not include any Check Airman functions or duties.
 - c. The applicable monthly maximum plus five hours is not exceeded.
7. Work performed by line pilots under the provisions of this Supplement is restricted to a percentage of all active Check Airmen as follows:
 - a. The amount of Monthly Check Airman Work Days (MCAWD) in a contractual month will be calculated by multiplying the total number of active Check Airmen for that month times sixteen (16) days. The amount of Monthly Check Airman Work Hours (MCAWH) in a contractual month will be calculated by multiplying the total number of active Check Airmen for that month by eighty-three (83) hours. The MCAWH should be accumulated monthly to arrive at a total of Yearly Check Airman Work Hours (YCAWH).
 - b. The number of Monthly Supplement O Line Pilot Work Days (MLPWD) will be divided by the MCAWD to get a percentage of work days performed. The number of Monthly Supplement O Line Pilot Work Hours (MLPWH) will be divided by the MCAWH to get a percentage of work hours performed. The percentage of work performed by line pilots under this agreement cannot exceed twelve percent (12%) of either the MCAWD or MCAWH in any given month.
 - c. The MLPWD will be converted to hours by multiplying by five hours and eleven minutes (5:11) per day and comparing this figure to the MLPWH for that month. Tabulate the greater figure each month and total this figure for the year (YLPWH).
 - d. At the end of the year, the total Yearly Line Pilot Work Hours (YLPWH) performed under this agreement cannot exceed nine percent (9%) of the total Yearly Check Airman Work Hours (YCAWH).
8. IOE work hours performed in a calendar quarter by line pilots under this agreement is restricted to twenty five percent (25%) of the total IOE hours for the quarter. IOEs performed by regularly scheduled Check Airman on a line rotation shall not count towards the twenty five percent (25%) restriction.
9. Supplement O pilots will be paid at the rate of fifteen (15) dollars an hour in addition to the pilot's applicable pay rates for the first thirty-five (35) hours of Supplement O flying and an additional ten (10) dollars an hour for the next thirty five (35) hours. A [Supplement O](#) pilot's additional pay cannot exceed eight hundred seventy-five (875) dollars in any contractual month and will be paid over and above the pilot's computed monthly pay. Check Airmen performing [Supplement O](#) work during a regularly scheduled line rotation are excluded from receiving this additional pay.
10. The Company will provide APA with the following reports in electronic format:
 - a. A monthly report of the work accomplished under [Supplement O](#) (in days and hours) and the percentage of the active Check Airmen's work.
 - b. A monthly report on the cumulative percentage of active Check Airman work performed by [Supplement O](#) pilots.
 - c. An annual report showing the total percent of active Check Airman work performed by [Supplement O](#) pilots for the year.
 - d. An annual roster of [Supplement O](#) pilots.

- e. A quarterly report showing (1) the total of all IOE work hours performed and (2) the total IOE hours performed by line pilots under this Supplement.

This Agreement shall run concurrently with the Basic Agreement and subject to the provisions of [Section 26](#) thereof.

In witness whereof, the parties hereto have signed this Agreement this the 7th day of August, 1998.

WITNESS:

J. C. Russell
V. C. Every
T. M. Vaughn
R. P. Kudwa
P. R. Barry

J. A. LaMorte

FOR AMERICAN AIRLINES, INC.

/signed/
Sue Oliver
Vice President
Employee Relations

/signed/

C. D. Ewell
Vice President - Flight and Chief Pilot

WITNESS:

M. R. Mellerski
D. F. Carey
J. E. Darrah
G. L. Schafer
L. P. Turcotte

FOR THE AIR LINE PILOTS
IN THE SERVICE OF
AMERICAN AIRLINES, INC.
AS REPRESENTED BY
THE ALLIED PILOTS ASSOCIATION

/signed/
R. T. LaVoy
President

SUPPLEMENT P

May 5, 1997

James G. Sovich
President
Allied Pilots Association
P.O. Box 5524
Arlington, TX 76005-5524

International Crew Bases

Dear Captain Sovich:

This will confirm our agreement that the Company may not establish a pilot base outside the continental limits of the United States without first reaching agreement with APA on any supplemental provisions and/or exceptions to the Basic Agreement which the parties agree are appropriate for the establishment and operation of such base.

Very truly yours,

/signed/
Jane G. Allen
Vice President
Employee Relations

Agreed:

/signed/
James G. Sovich
President
Allied Pilots Association

SUPPLEMENT Q

January 1, 2013

Keith Wilson, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

International Crew Use Seats

Dear President Wilson:

This letter supersedes Letter of Agreement 05 - 04 and Supplement Q dated May 1, 2003 and confirms our agreement regarding International Crew Use Seats effective as of date of this letter.

The Company and the Association will meet to ensure compliance with 14 CFR Part 117 and DOT Advisory Circular No. 117-1 dated 9/19/2012. Rest seats shall be selected to provide optimum conditions for rest and the specific seat(s) designated for each aircraft and configuration type shall be mutually agreed by the parties. Crew rest seat(s) for rest purposes on flights requiring an augmented pilot(s) shall be based on the following criteria:

1. When cabin seats are designated for rest purposes, they shall be provided in Business Class or, if there is no designated Business Class cabin, in the forward most cabin.
2. If there is a dedicated crew rest facility that includes bunks and two (2) crew rest seats, no cabin seats will be provided.
3. If there is a dedicated crew rest facility that includes bunks and one (1) crew rest seat, no cabin seat will be provided if only one augmented pilot is required. If a second augmented pilot is required, one (1) Business Class seat will be provided.
4. If there is a dedicated crew rest facility that includes bunks but no crew rest seats, one Business Class seat shall be provided for each augmented pilot. On an aircraft by aircraft basis, for the B777-200 only, the Company will continue to provide crew rest seats in First Class until such time as the specific B777-200 aircraft is reconfigured into a two-class configuration.
5. If there is no dedicated crew rest facility provided:
 - a. If the Business Class seating configuration provides for a single non-adjointing seat, that seat shall be assigned to the cockpit crew for rest purposes.
 - b. If the Business Class configuration provides for adjoining seats, and the scheduled flight leg in question includes any flying between the hours of 2300 and 0559 HBT, two (2) adjoining seats shall be assigned to the cockpit crew for rest purposes.
 - c. If the configuration provides for adjoining seats, and the scheduled flight leg in question does not contain any flying between the hours of 2300 and 0559 HBT, one seat shall be assigned to the cockpit crew for rest purposes. The adjoining seat shall be "blocked", but may be assigned to a passenger as the last seat assigned in the forward cabin.
 - d. The provisions of b. and c. above shall not apply to any aircraft on which Business Class has been reconfigured such that one business class seat meets the requirement of 14 CFR Part 117 and DOT Advisory Circular No. 117-1 dated 9/19/2012.
6. On single aisle aircraft where there is a requirement for an augmented pilot, two adjoining seats shall be provided if the seating configuration provides for two adjoining seats.

Sincerely,

/signed/
Dennis A. Newgren
Managing Director, ER, Flight

SUPPLEMENT R

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SUPPLEMENT S

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SUPPLEMENT T

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SUPPLEMENT U

AGREEMENT
Between
AMERICAN AIRLINES, INC.
And
THE AIR LINE PILOTS
In service of
AMERICAN AIRLINES, INC.
As represented by the
ALLIED PILOTS ASSOCIATION

LOS ANGELES (LAX) SUPPLEMENTAL FLYING

American Airlines, Inc. (the "Company") and the Allied Pilots Association (the "Association") agree that flying allocated to the Company's Los Angeles ("LAX") crew base may be supplemented by certain flying which originates and terminates at San Diego's Lindbergh Field ("SAN") as provided in this agreement. The provisions of this agreement are intended to supplement and make certain exceptions to the AA/APA Basic Agreement with respect to such supplemental flying. The parties agree that the provisions of the AA/APA Basic Agreement shall apply to such supplemental flying, except as provided in this agreement, and that in the event of a conflict the provisions of this agreement shall apply.

A. General

1. At any time either the Association or the Company may unilaterally terminate this agreement by providing written notice to the other party.
2. If terminated by either party, the Company must cease using SAN flying to supplement LAX flying no earlier than one month and no later than three months following the written notice of termination.
3. In any event, the termination of this agreement must coincide with the last day of a contractual month.
4. This agreement shall not serve nor be cited as a precedent with regard to any other matter including current or future discussions or agreements concerning existing, proposed or future satellites, co-terminals or crew bases.

B. Definitions

1. SAN Flying: Any flying supplemental to flying at the LAX crew base and which originates and terminates at SAN in accordance with this agreement.
2. SAN Trip Sequence: A trip sequence which originates and terminates at SAN with no ground deadhead as either the first or last segment of the sequence.
3. LAX Regular Reserve ("RR") - A reserve pilot responsible for open time coverage at LAX, SNA, LGB and ONT.
4. SAN Reserve ("SR") - A reserve pilot responsible for open time coverage at SAN, LAX, SNA, LGB and ONT.
5. Regular Reserve Volunteer ("RRV") - A LAX Regular Reserve (RR who also volunteers to be responsible for open time coverage at SAN).

C. Bid Status Restrictions

1. SAN flying may only be made available to the following LAX bid status:
 - a. Captain S80 Domestic
 - b. First Officer S80 Domestic
 - c. Captain 767/757 Domestic

- d. First Officer 767/757 Domestic
 - e. Captain 737 Domestic
 - f. First Officer 737 Domestic
2. This agreement may be extended to cover other bid status only by mutual agreement between the parties.

D. Flying Limitations

- 1. 1. Regular trip selections allocated to SAN may not exceed the following limitations:
 - a. a.S80 Domestic - 15 Captain and 15 First Officer selections
 - b. b.767/757 Domestic - 15 Captain and 15 First Officer selections
 - c. 737 Domestic – 15 Captain and 15 First Officer selections
- 2. Reserve trip selections allocated to SAN (SR) may not exceed 25% of the total reserve selections allocated to the entire LAX operation (SAN + LAX). This constraint shall not limit the Company's ability to cover open SAN trips with RRV or RR pilots as provided in this Letter of Agreement.
- 3. These limitations may only be increased by mutual agreement between the parties.

E. Eligibility for Trip Selection Awards and Assignments

- 1. All pilots in the appropriate LAX bid status may bid for SAN trip selections (regular, reserve, secondary and relief).
- 2. Pilots awarded SAN selections shall be responsible for their own transportation to and from SAN.
- 3. A pilot in a bid status covered by this agreement who fails to submit a trip selection bid or who fails to bid for a sufficient number of selections shall not be assigned a SAN selection (regular, reserve, secondary or relief).
- 4. If a pilot is assigned a SAN selection because there are insufficient bidders, the pilot may elect to drop the SAN assignment and serve as a LAX regular reserve (RR) as provided below.

F. Regular Schedule Trip Selections

- 1. All SAN trip sequences must originate and terminate at SAN with no ground deadhead as either the first or last segment of the sequence.
- 2. SAN trip selections may contain one (1) of the following combinations: one (1) trip sequence for each trip selection may originate and terminate at Santa Ana (SNA), or one (1) trip sequence may originate and terminate at Long Beach (LGB), or one (1) trip sequence may originate and terminate at Ontario (ONT), or one (1) trip sequence may originate and terminate at Los Angeles (LAX).
- 3. Any SAN trip sequence which cannot be included in a SAN regular trip selection shall be included in a secondary selection as provided in G. below or placed in open time.

G. Secondary Trip Selections

- 1. Any SAN secondary trip selection that may be constructed shall:
 - a. Contain only SAN trip sequences, or
 - b. Contain only SAN trip sequences and no more than one trip sequence which both originates and terminates at SNA, ONT or LGB, with no ground deadhead.

2. SAN and LAX trip sequences shall not be combined in a secondary selection.
3. A pilot who is awarded or assigned a secondary trip selection, which contains SAN flying, may elect to drop the entire secondary selection and serve as a LAX regular reserve (RR) on the reserve selection associated with the secondary selection.
 - a. Guarantee shall be the reserve guarantee applicable to the pilot's bid status.
 - b. The pilot must notify the Company before the end of the month in accordance with the procedures specified on the bid sheet (deadline date phone contact, etc.)

H. Relief Trip Selections

1. Relief trip selections shall be constructed in the normal manner.
2. A pilot who is assigned a full month relief selection which contains regular scheduled SAN flying may elect to drop such flying and be assigned a LAX regular reserve (RR) selection for the entire month.
 - a. Guarantee shall be the reserve guarantee applicable to the pilot's bid status.
 - b. The RR selection assigned shall be the same as that of the next most senior pilot awarded an RR selection or, if there is none, the next least junior pilot awarded an RR selection.
3. A pilot who is assigned a full month relief selection that contains SAN reserve coverage may elect to convert the entire selection to a LAX regular reserve (RR) selection.
 - a. Duty free periods (DFP's) in the RR selection shall be the same as in the relief selection.
 - b. Guarantee shall be the reserve guarantee applicable to the pilot's bid status.
4. A pilot who is awarded or assigned a split relief in which the non-controlling portion contains regular scheduled SAN flying or SAN reserve coverage may elect to drop the SAN portion of the selection and serve as a LAX regular reserve (RR) for that portion of the month.
 - a. Prorated reserve guarantee applicable to the pilot's bid status shall apply to that portion of the month converted to RR.
 - b. All DFP's in the original relief selection shall be retained and the Company shall add DFP's if necessary to provide the minimum number required by the ,&A/APA Basic Agreement.

5. A pilot electing to drop a SAN award or assignment as provided in 2., 3. or 4., above must notify the Company prior to the construction of secondary trip selections in accordance with the procedures specified on the bidsheet (deadline date, phone contact, etc.)

I. I.Reserve Selections

1. Each month a number of SAN reserve (SR) selections shall be designated on the LAX bid sheet for each bid status covered by this agreement.
2. SR selections shall be responsible for open time coverage at SAN, LAX, SNA, LGB and ONT.
3. The minimum number of SR selections shall be calculated in accordance with [Section 17.X.1.d](#) of the AA/APA Basic Agreement.
4. All reserve selections not designated as SR shall be designated as LAX regular reserve (RR) selections and shall be responsible for open time coverage at LAX, SNA, LGB and ONT, but not SAN.
5. If a pilot is assigned an SR selection because there are insufficient bidders, the pilot may convert the SR selection to an RR selection with the same DFP's as the SR selection.
6. All SR and RR selections shall be constructed in accordance with [Section 15.D.4.](#) and [15.J.13](#) of the AA/APA Basic Agreement.
7. A pilot with an RR selection may volunteer at any time (using an HISAN computer entry in personal mode) to also be responsible for open time coverage at SAN.
 - a. pilots who volunteer are designated as regular reserve volunteers (RRV) and must remain available for SAN coverage for the balance of the month.
 - b. In the filling of open time at SAN, there shall be no distinction between SR and RRV pilots.

J. Filling of Open Time

1. Except as provided in 2., 3., and 4, below, for purposes of covering open time, SAN shall be treated as a separate base (e.g., an open SAN trip [sequence shall require deadheads to and from SAN at the beginning and end of the sequence in order to cover the sequence as Temporary Duty - One Trip Sequence Only [[Section 15.M.5.](#) of the AA/APA Basic Agreement]).
 - a. SR and RRV reserves and pilots who hold a SAN trip selection shall be treated as if based at SAN.
 - b. For other LAX based pilots, SAN shall be treated as a separate base.
2. Pick-Up Flying
 - a. For purposes of pick-up flying, all SAN and LAX open trip sequences shall be proffered to all LAX based regular schedule pilots regardless of whether they are holding a SAN or LAX trip selection.
 - b. Pilots who accept SAN open flying shall be responsible for their own transportation to and from SAN. The deadheads to and from SAN as referenced in 3. below shall not apply.
3. Inverse Assignment
For purposes of Inverse Assignments [Section 15.L.4.h](#) of the AA/APA Basic Agreement), there shall be no distinction among LAX based pilots. A pilot assigned a trip sequence that includes deadheads to and from SAN at the beginning and end of the sequence shall be paid and credited for the entire sequence. Pilots assigned such sequences may, at their option, elect to provide their own transportation to and from SAN.
4. a. SR and RRV reserves who are not required to cover SAN open sequences shall be eligible and may be used, in accordance with [Section 15.L](#) of the AA/APA Basic Agreement, to cover LAX open trip sequences based on their seniority within their LAX bid status.

- b. Pilots holding SAN trip selections shall be eligible and may be sued in accordance with [Section 15.L](#) of the AA/APA Basic Agreement, to cover LAX open trip sequences (e.g., reassignment, etc.) based on their seniority within their LAX bid status.
- c. SR, RRV and pilots holding SAN trip selections who cover LAX trip sequences shall be responsible for their own transportation.

K. Trip Trade with Open Time

- 1. Any LAX based pilot may use all the provisions of the Trip Trade with Open Time system, including trades involving SAN trip sequences.
- 2. Pilots who trade for SAN trip sequences shall be responsible for their own transportation to and from SAN.

L. Administrative Support / Parking

All aspects of administrative support shall be provided in accordance with [Section 24.P](#) (Crew Base Support) of the AA/APA Basic Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 24th day of October, 2000.

FOR THE AIRLINE PILOTS FOR AMERICAN AIRLINES, INC.
IN THE SERVICE OF
AMERICAN AIRLINES, INC.
AS REPRESENTED BY THE
ALLIED PILOTS ASSOCIATION

/signed/ /signed/

Captain Richard T. LaVoySue Oliver

President Vice President Employee Relations

SUPPLEMENT V

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SUPPLEMENT W

SUPPLEMENTAL
AGREEMENT
between and among
AMERICAN AIRLINES, INC.
and the
AIRLINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by
THE ALLIED PILOTS ASSOCIATION
AND
AMR EAGLE, INC.
EXECUTIVE AIRLINES, INC.
FLAGSHIP AIRLINES, INC.
SIMMONS AIRLINES, INC.
WINGS WEST AIRLINES, INC.
and the
AIR LINE PILOTS
in the service of
EXECUTIVE AIRLINES, INC.
FLAGSHIP AIRLINES, INC.
SIMMONS AIRLINES, INC.
WINGS WEST AIRLINES, INC.
as represented by
THE AIR LINE PILOTS ASSOCIATION, INTERNATIONAL

American Airlines Employment Opportunities and Furlough Protection

THIS LETTER OF AGREEMENT is made and entered into by, between, and among AMERICAN AIRLINES, INC., and the pilots in the service of AMERICAN AIRLINES, INC., as represented by the ALLIED PILOTS ASSOCIATION, and AMR EAGLE, INC., EXECUTIVE AIRLINES, INC., FLAGSHIP AIRLINES, INC., SIMMONS AIRLINES, INC., and WINGS WEST AIRLINES, INC., and the pilots in the service of EXECUTIVE AIRLINES, INC., FLAGSHIP AIRLINES, INC., SIMMONS AIRLINES, INC., and WINGS WEST AIRLINES, INC., as represented by the AIR LINE PILOTS ASSOCIATION, INTERNATIONAL.

A. Preamble

- a. This Supplemental Agreement governs American Airlines, Inc. ("AA") employment opportunities for a pilot employed at any commuter carrier (or its successor) which is majority owned by AMR Eagle, Inc., or any successor(s) to AMR Eagle, Inc. (hereinafter referred to as "AMR Eagle, Inc. "). All commuter carriers which are majority owned by AMR Corp. or an affiliate shall be operated within AMR Eagle, Inc. and shall be governed by this Supplemental Agreement.
- b. This Supplemental Agreement also governs employment opportunities at AMR Eagle, Inc. for furloughed AA pilots.
- c. This Supplemental Agreement supplements and makes certain exceptions to the Basic Agreements between the parties. The provisions of the Basic Agreements will continue to apply, except as modified herein and, in the event of a conflict, the provisions herein shall apply.
- d. To the extent that any provision of this Supplemental Agreement requires that any specific pilot(s) of any AMR Eagle, Inc. carrier(s) be identified by those carriers, the mechanism for identifying such pilot(s) shall be effected by separate agreement(s) among the Air Line Pilots Association, International ("ALPA"), AMR Eagle, Inc., and the AMR

Eagle, Inc. carriers. However, any such agreement(s) must be consistent with this Supplemental Agreement.

- e. This Supplemental Agreement is being entered into as an accommodation among independent parties. The parties agree that the Supplemental Agreement may not be cited or used in any proceeding other than the proceedings described in [Section VI](#) below or in any action concerning the enforcement of the rights under this Agreement.

B. Definitions

- a. As used herein, the term “commuter jet” is synonymous with the term “regional jet” and describes turbojet aircraft with at least forty-five (45) passenger seats but not more than seventy (70) seats.
- b. As used herein, the term “CJ Captain” is synonymous with the term “RJ Captain” and describes the captain’s position on commuter jet aircraft.
- c. As used herein, the term “training freeze” is synonymous with the term “lock-in” and describes a period of restricted bidding to which a pilot is subjected as a consequence of receiving training for a bid status.

C. Employment Opportunities at AA for AMR Eagle, Inc. Pilots

- a. At least one (1) out of every two (2) new hire positions per new hire class at AA will be offered to CJ Captains who are line pilots and who have completed their IOE at AMR Eagle, Inc. Such positions will be offered to the CJ Captains who are line pilots in order of their AMR Eagle, Inc. seniority.
- b. If a CJ Captain is unable to fill a new hire position at AA in accordance with Paragraph III.A. above, due to a training freeze or other operational constraint, (see [Paragraph III.J](#) below), such CJ Captain will be placed on the AA Pilots Seniority List and will count toward the number of new hire positions. The pilot’s AA occupational seniority date and number will be established as if he were able to fill such new hire position at AA and had attended the new hire training class referenced in Paragraph III.A. above. Such pilot’s length of service for pay purposes, date of hire for pension purposes, and length of service for vacation accrual will be established in accordance with III.C. below. The number of such CJ Captains will not exceed the difference between the number of CJ Captains who are able to fill new hire positions at AA and the number of new hire positions which must be offered to CJ Captains in accordance with Paragraph III.A. above.
- c. A CJ Captain’s (1) placement on the AA Pilots Seniority List (except as provided in Paragraph III.B. above which is only applicable for placement on the AA Pilots Seniority List in order to establish an AA occupational seniority date and number), (2) length of service for pay purposes, and (3) “date of hire” for pension purposes will be based on the date such pilot is entered on the AA payroll. Such pilot’s length of service for vacation accrual will be based on the cumulative total of the pilot’s service at AMR Eagle, Inc. and AA.
- d. If a CJ Captain is placed on the AA Pilots Seniority List per III.B. above, such CJ Captain will receive priority based on his AA seniority in filling a new hire position in the next new hire class, following release from a training freeze or other AMR Eagle, Inc. imposed operational constraint. Such CJ Captains will not count toward the number of new hire positions offered to CJ Captains at AMR Eagle, Inc., under Paragraph III.A. above.
- e. Each of the first 125 AMR Eagle, Inc. pilots who successfully complete transition training as a CJ Captain must fulfill a training freeze for a period of eighteen (18) months from the date said pilot completes IOE. All other pilots who successfully complete transition training as CJ Captains must fulfill a training freeze for a period of two (2) years from the date each pilot completes IOE, unless released from such training freeze by AMR Eagle, Inc.
- f. An AMR Eagle, Inc. pilot may, not later than the completion of IOE for a CJ Captain position or at such time as the pilot is able to demonstrate hardship, elect to forfeit the opportunity to secure a position on the AA Pilots Seniority List as provided by this Supplemental Agreement. Such pilot will hereinafter be referred to as an “Eagle Rights CJ Captain,” and will not be eligible for a future new hire position at AA which may

otherwise become available under Paragraph III of this Supplemental Agreement. The existence of a hardship for this purpose shall be approved by the ALPA AMR Eagle MEC Chairman and the appropriate management official(s).

- g. A CJ Captain who is awarded a new hire position at AA will be issued the lowest seniority number at AA in the applicable new hire class, subject to AA's policy concerning the assignment of seniority numbers to new hire pilots who have previous service in other employee classifications. AMR Eagle, Inc. pilots will receive their AA seniority number in order of their seniority at AMR Eagle, Inc.
- h. A CJ Captain who accepts a new hire position at AA may bid and will be awarded a bid status vacancy based upon such pilot's AA seniority at the time of his transfer to AA. Such pilot must fulfill a one year lock-in in the bid status which is awarded or assigned. Such pilot will not be required to serve a probationary period at AA.
- i. A CJ Captain who accepts a new hire position at AA must qualify for the initial bid status position which such pilot is awarded or assigned at AA. A pilot who meets the physical requirements at his AMR Eagle, Inc. carrier will be deemed to have met the physical requirements at AA, provided that a pilot who accepts a new hire position at AA must have an FAA First Class Medical Certificate, and must not be on the disability list or the long term sick list. In addition, at the time such pilot accepts a position at AA, he must meet AA's then current criteria for future promotion to Captain at AA.
- j. A CJ Captain who accepts a new hire position at AA may be withheld from such position for operational reasons, provided the pilot is paid the greater of the rate of pay for the CJ Captain flying being performed at the applicable AMR Eagle, Inc. pay rates, or the highest equipment rate of pay for the AA bid status from which withheld up to the applicable AA monthly maximum. Such withholding will be limited to a maximum of six (6) months.

D. Furlough Protection at AMR Eagle, Inc. for Pilots Furloughed from AA.

- a. A pilot furloughed from AA may displace a CJ Captain at an AMR Eagle, Inc. carrier provided that the number of CJ Captain positions available to furloughed AA pilots will be limited to the total number of CJ Captain positions at AMR Eagle, Inc. less the number of Eagle Rights CJ Captains.
- b. A furloughed AA pilot may displace
 - (1) A CJ Captain, other than an Eagle Rights CJ Captain, who has not been awarded a seniority number at AA, in reverse order of AMR Eagle, Inc. seniority; and then
 - (2) A CJ Captain who has accepted a position on the AA Pilots Seniority List pursuant to [Paragraph III.B.](#) above, or a CJ Captain who was previously furloughed from AA, in reverse order of AA seniority.
- c. If no CJ Captain position at AMR Eagle, Inc. is available for a furloughed AA pilot, such pilot shall not have any further displacement rights at AMR Eagle, Inc. and shall be furloughed as an AA pilot, with the exception that a furloughed AA pilot who is displaced from CJ Captain status may elect either of the following options:
 - (1) Such pilot may use seniority accrued at AMR Eagle, Inc. to bid a vacancy or displace at such carrier in accordance with the applicable collective bargaining agreement provided that no AMR Eagle, Inc. pilot on the current Eagle seniority list will be furloughed as a result of this provision consistent with Paragraph IV.K. below; or
 - (2) Such pilot may relinquish his position at the AMR Eagle, Inc. carrier and will receive furlough pay due under the Basic Agreement between AA. and the Allied Pilots Association ("APA"). The rights and obligations of a furloughed AA pilot who relinquishes a position at AMR Eagle, Inc. will be the same as any other furloughed AA pilot, except that such pilot shall have a right of recall for ten years to any vacant CJ Captain position in the reverse order of displacement specified in Paragraph IV.B. above.
 - (3) When a CJ Captain who has been furloughed under Paragraph IV.C.2. above is offered, by written notice from AMR Eagle, Inc., the opportunity to return to duty as a CJ Captain and such pilot elects, by written notice to AMR Eagle, Inc., not to return to duty, such pilot forfeits the right of recall to AMR Eagle, Inc. Such pilot shall maintain

the seniority right of preference for recall to AA under the terms of the Basic Agreement between AA and APA.

- d. Eagle Rights CJ Captains are not subject to displacement by furloughed AA pilots, or any pilot who has been awarded an AA seniority number pursuant to [Paragraph III.B.](#) above.
- e. A furloughed AA pilot who accepts a CJ Captain position at AMR Eagle, Inc. and has not completed the 12 month probationary period at AA will be subject to the following provisions.
 - (1) 0 - 9 months of probation completed at AA when furloughed: the pilot shall complete the remaining months of probation at AMR Eagle, Inc.
 - (2) 10 - 12 months of probation completed at AA when furloughed: no further probation required at AMR Eagle, Inc. or AA.
 - (3) A furloughed AA pilot who fails to satisfactorily complete the probationary period at AMR Eagle, Inc. as specified above must complete the remaining months of the required AA probation period following recall to AA.
- f. The rights and obligations of a furloughed AA pilot who accepts a position as a CJ Captain will be the same as any other furloughed AA pilot, except such pilot shall not be eligible for furlough pay while employed as a pilot at AMR Eagle, Inc. and any time served as CJ Captain will not be counted against the 10 year duration of such pilot's right to reemployment at AA.
- g. A furloughed AA pilot's seniority for bidding purposes at AMR Eagle, Inc. will be based on length of service at AMR Eagle, Inc. accrued following furlough from AA. Such pilot's length of service for pay and benefit purposes shall be the combined length of service at AA and length of service at AMR Eagle, Inc. accrued following furlough from AA. The only pilot who can displace a furloughed AA pilot from the position of CJ Captain is a more senior furloughed AA pilot.
- h. In the event of a reduction in the number of CJ Captain positions at AMR Eagle, Inc., displacements from CJ Captain status will be in the following order:
 - (1) A CJ Captain who has not been awarded a seniority number at AA, in reverse order of AMR Eagle, Inc. seniority; and then
 - (2) A CJ Captain who has been awarded a position on the AA Pilots Seniority List pursuant to Paragraph III.B. above, or a CJ Captain who was previously furloughed from AA, in reverse order of AA seniority; and then
 - (3) An Eagle Rights CJ Captain, in reverse order of AMR Eagle, Inc. seniority.
- i. If a CJ Captain on furlough from AA declines a recall to AA, such pilot's position at AMR Eagle, Inc., including such pilot's position as a CJ Captain, will from that time on for all purposes be based solely on the pilot's seniority with AMR Eagle, Inc. accrued following furlough from AA.
- j. A CJ Captain who accepts a recall to AA may be withheld from such vacancy, provided the pilot is paid the greater of the rate of pay for the CJ Captain flying being performed at the applicable AMR Eagle, Inc. pay rates, or the highest equipment rate of pay for the AA bid status from which withheld up to the applicable AA monthly maximum. Such withholding will be limited to a maximum of six (6) months.
- k. No Executive Airlines, Inc. pilot with a seniority number greater than G.A. Cruz's (#200), hired 3/19/97, and no Flagship Airlines, Inc. pilot with a seniority number greater than E.L. Kelley's (#552), hired 6/27/94, and no Simmons Airlines, Inc. pilot with a seniority number greater than M.E. Waggoner's (#829), hired 4/21/97, and no Wings West Airlines, Inc. pilot with a seniority number greater than D.B. Seay's (#414), hired 4/7/97, will be furloughed as a result of a furloughed AA pilot displacing into a CJ Captain position. This number will be reduced in the event that an airline operating entity of AMR Eagle, Inc., is no longer a part of AMR Eagle, Inc. (the "Disposed Operation"). In such event, the number of pilots who will not be furloughed at AMR Eagle, Inc. will be reduced by a number which equals the greater of (1) the number of AMR Eagle, Inc. pilots employed at the Disposed Operation on the date of this Supplemental Agreement, or (2) the number of pilots employed at the Disposed Operation on the effective date of the transaction which separates the Disposed Operation from AMR Eagle, Inc. Furlough protections provided

by this paragraph will be applicable for a period of five (5) years from the date of this Supplemental Agreement, at which time furlough protection as provided by this paragraph will be extended to all the pilots who are on the AMR Eagle, Inc. system seniority list as of that date. AMR Eagle, Inc. pilots hired thereafter will not be afforded the protections of this paragraph.

(1) If there is a reduction in the number of CJ Captains not due to an AA pilot displacing a CJ Captain, the provisions of this paragraph do not apply.

E. Reporting Requirement

- a. Six months following the effective date of this Supplemental Agreement and every six months thereafter, AA shall provide to APA, and AMR Eagle, Inc. shall provide to ALPA the information necessary to verify the employment opportunities and protections set forth in this Supplemental Agreement.

F. Dispute Resolution Procedures

- a. The parties to the Dispute Resolution Procedures will be AA, APA, ALPA, and AMR Eagle, Inc. (individually and as representative of Executive Airlines, Inc., Simmons Airlines, Inc., Flagship Airlines, Inc., and Wings West Airlines, Inc., and any other commuter carriers which are majority owned).
- b. The parties agree to arbitrate any grievance alleging a violation of this Supplemental Agreement on an expedited basis directly before a single neutral arbitrator jointly selected by all the parties. The jurisdiction of the neutral shall be limited to disputes involving the interpretation or application of this Supplemental Agreement.
- c. Any grievance concerning the interpretation or application of this Supplemental Agreement shall be stated in writing and set forth a full and complete statement of the facts, and it shall be served upon all of the other parties. During the course of the next fourteen (14) days after receipt of service by all parties, the parties shall meet and confer for the purpose of seeking to resolve the dispute. If all of the parties are unable to resolve the dispute to all parties' satisfaction, any party may submit the dispute, in writing, to the neutral by service of such submission upon the other parties within thirty (30) days thereafter. All of the parties shall convene for a hearing on the first hearing dates offered by the neutral selected by the parties. The hearing shall be completed within sixty (60) days, and the briefs, if any, shall be submitted to the neutral within seven (7) days of the close of the record and receipt of the transcript. The neutral shall render a written opinion and award no later than thirty (30) days after the conclusion of the hearing. The time limits may be extended by mutual agreement of the parties.
- d. All of the parties agree to establish a list of five (5) neutrals as a permanent panel of arbitrators to resolve disputes over the interpretation and application of this Supplemental Agreement. AA, AMR Eagle, Inc., ALPA and APA may each sequentially strike a name from this list, and the remaining neutral shall hear and decide the dispute. The order of striking will be determined by lot. The neutral's decision on any matter within his jurisdiction may be enforced in federal court against any and all parties pursuant to the Railway Labor Act, as amended.

G. Duration

- a. This Supplemental Agreement shall be effective on signing and shall continue in full force and effect through the later of:
 - (1) The amendable date of the next ensuing Basic Agreement between AA and APA.
 - (2) Ten (10) years from the date of signing of this Supplemental Agreement, at which time this Supplemental Agreement shall become null, void and of no further force and effect.
- b. Prior to the later of Paragraph VII.A.1. or VII.A.2. above, the parties will meet and confer regarding their desire, if any, to perpetuate this Supplemental Agreement for a further period of time; provided, however, that the fact that such discussions are ongoing will not extend the duration of this Supplemental Agreement. In the event that this Supplemental Agreement terminates, then all other provisions of the collective bargaining agreements between AA and APA, and AMR Eagle, Inc. and ALPA remain in full force and effect.

IN WITNESS WHEREOF, the parties have signed this SUPPLEMENTAL AGREEMENT this 5th day of May 1997.

For American Airlines, Inc. For the Allied Pilots Association

/signed/
Jane G. Allen
Vice President
Employee Relations

/signed/
James G. Sovich
President

For AMR Eagle, Inc. For the Air Line Pilots
Association

/signed/
Dan Garton
President

/signed/
J. Randolph Babbitt
President

/signed/
T.R. Del Valle, President
Executive Airlines, Inc.

/signed/
Homer H. Pugh, Jr.
Chairman, AMR EGL-MEC

/signed/
David Kennedy, President
Flagship Airlines, Inc.

/signed/
Ralph Richardi, President
Simmons Airlines, Inc.

/signed/
Robert Cordes, President
Wings West Airlines, Inc.

SUPPLEMENT X

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SUPPLEMENT Y

SUPPLEMENTAL AGREEMENT
between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by
ALLIED PILOTS ASSOCIATION

The following statements constitute procedures which are part of the Flight Department policies with regard to Flight Crewmember training:

- A.** A pilot prior to being assigned as an aircraft Flight Instructor will have a minimum of 500 hours line experience as pilot in command on AAL. In addition such pilot shall have a minimum of 100 hours (reducible with landing credits to a minimum of seventy-five (75) hours) as pilot in command on the type of aircraft on which serving as a Flight Instructor. For a period of one year after the introduction into line service of a new aircraft type, either newly certificated or heretofore not operated by AAL, the 100 hour pilot in command provisions shall not apply.
- B.** Supervisory pilots who are assigned to conduct any portion of the aircraft Operating Experience (OE) program will have a minimum of 500 hours as pilot in command on American Airlines. Supervisory pilots with less than 500 hours as above may perform all other supervisory pilot functions including requalification requirements, line checks, navigation checks, division and route requirements, etc., providing that such pilots have advanced in category in accordance with [Sections 13](#) and [17.O](#) of the Basic Agreement. Supervisory flying, as contained in [Section 6.C](#), will be performed within category by pilots who have qualified in turn to such category.
- C.** Each pilot serving as an aircraft Flight Instructor shall be rotated to line flying for one calendar month during each twelve month period of service as a Flight Instructor. The Company may, at its option, substitute the documented equivalent of 73 displacement line flying hours - including pay and credit - in lieu of the one month of line rotation. The Association shall be advised, in writing, of the names of such personnel prior to their rotation.
- D.** A Flight Instructor rotating to flying at the base where a bid status was last held, shall be entitled to a trip selection award in seniority at such base, as though bid status was held.
- E.** The trips flown by such rotating Flight Instructors shall, irrespective of any other provisions of this Agreement, be selected on the basis of their own seniority or, if selected at a base other than the base where they last held a bid status, be selected on the basis of their own seniority or the seniority of the pilot who is to serve as their replacement during such month, whichever is the lesser.
- F.** The Company may replace such rotating Flight Instructors with regular line pilots from that crew base. The Association shall be advised, in writing, of the names of such pilots.
- G.** Rotating Flight Instructors may not be displaced from any assigned trips by supervisory pilots.
- H.** Except for the purpose of maintaining or re-establishing 90-day Takeoff/Landing Currency, an American Airlines cockpit crewmember will not be scheduled for simulator training (including briefing and debriefing) between the hours of 0045 and 0530. The scheduling of simulator time for 90 day Takeoff/Landing currency will only be scheduled when no other four (4) hour period outside of the hours of 0045 and 0530 is available for such purpose. For the purposes of Check Airman assignment, a maximum of two (2) sessions will be scheduled and will be considered as a single day of work for scheduling and pay purposes. No more than two (2) pilots will be scheduled for each of the two (2) sessions. In the event it becomes necessary to deviate from this Company policy it will only be done because of very unusual circumstances and the reasons therefore will be made known to the Association.

- I.
 - 1. All aircraft flight training shall be scheduled during daylight hours (daylight hours as used herein shall be as defined in FAR), provided that FAR required night training and/or aircraft requalification which consists solely of normal take-offs/landings may be accomplished at night except during the hours of 2400 local to local daylight. When FAR night landings are required departure one hour prior to local daylight may be scheduled.
 - 2. Initial upgrade first officers will be scheduled to receive FAR required aircraft training maneuvers during daylight hours, except for FAR required night training.
 - 3. In the event it becomes necessary to deviate from this Company policy it will only be done because of very unusual circumstances and the reasons therefore will be made known to the Association.
- J.
 - 1. In transition training no more than two breaks will be allowed wherein a crewmember can be returned to line flying. One break between ground school and simulator and one break between simulator and flight training.
 - 2. When, following simulator training, a rating ride must be taken in an aircraft and such rating ride constitutes the sole use of an aircraft in such training program, such rating ride will normally be considered a continuation of simulator training. However, a break between simulator training and the rating ride may occur as a result of the unavailability of an aircraft, simulator, check airman, or FAA examiner. Such break shall, however, not be permitted for the sole purpose of returning a pilot to line flying after the completion of simulator training but before the rating ride.
 - 3. In the event it becomes necessary to deviate from this Company policy it will only be done because of very unusual circumstances and the reasons therefore will be made known to the Association.
- K. AAL cockpit crewmembers training requirements will be given first priority and preference for training periods over outside contract training requirements.
- L.
 - 1. Every effort will be made to promote and maintain the "crew concept" of training by AAL.
 - 2. During any simulator training period no contract training will be conducted simultaneously at any other crew position unless that trainee is being trained using AA procedures to AA standards and is fluent in the English language. FAA monitoring of training which is not meeting the "crew concept" objective in any crew position shall cause such simultaneous contract training period to cease.
 - 3. During any aircraft training period no contract training will be conducted in either pilot seat unless AA crewmembers aboard are afforded the opportunity to deplane. Contract training at the flight engineer panel will be permissible only when accomplished under the direct and constant supervision of a qualified AA instructor and the trainee is using AA procedures and is fluent in the English language.
- M. The Company will notify the training committee of APA whenever any major changes to the training programs are proposed that require FAA approval.
- N.
 - 1. No more than two pilot trainees and two flight engineer/flight officer trainees will be assigned to aircraft training flights.
 - 2. Requalification flights conducted in a no hazard configuration with all engines operating to fulfill the three take-off/landing requirement may carry up to 4 pilot crewmembers. If there is a provision to deplane, and pilot crewmembers at their option decide to deplane, pilot crewmembers over a maximum of two will be deplaned.
 - 3. In the event it becomes necessary to deviate from this Company policy it will only be done because of very unusual circumstances and the reasons therefore will be made known to the Association.
- O. If the deadhead trip on which a pilot is scheduled to return to base terminates at a co-terminal other than the original airport of departure, there shall be added one (1) hour to the on-duty period for the purpose of allowing such pilot to return to the original airport of departure.

However, this hour shall not be construed to be a part of the on-duty period as specified in Section [6.D.6.k. l. or m.](#)

- P. A crewmember who has completed training at CLT Training Center, GSW, or PHX Training Center will have a minimum of one hour (1:00) between the completion of the training period and scheduled departure of the deadhead trip to return to base. Crewmembers who, through no fault of their own, miss their scheduled trip to base will be pay protected on the basis of their actual arrival at their base.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 30th day of January, 2015.

FOR THE AIRLINE PILOTS IN THE
SERVICE OF AMERICAN AIRLINES, INC.
AS REPRESENTED BY THE
ALLIED PILOTS ASSOCIATION

FOR AMERICAN
AIRLINES, INC.

/signed/
Captain Keith Wilson
President

/signed/
Beth Holdren
Managing Director Labor Relations - Flight

SUPPLEMENT Z

SUPPLEMENTAL AGREEMENT
between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by
ALLIED PILOTS ASSOCIATION

TERRORISM, SABOTAGE, MISSING, INTERNMENT, PRISONER OR HOSTAGE BENEFITS

A. DEATH, PERMANENT TOTAL DISABILITY, AND DISMEMBERMENT BENEFITS

In the event of

- (i) the death of a pilot, or
- (ii) the permanent and total disability of a pilot, or
- (iii) the loss by a pilot of sight of both eyes, or the loss of both hands, or both feet, or one hand and one foot, or one hand and sight of one eye, or one foot and sight of one eye,

resulting from injury or illness incurred during acts of terrorism or sabotage or while interned, missing, or a prisoner or hostage, whether as a result of war, armed hostilities, rebellion, insurrection, hijacking, other terrorist act, hostile or military action of any government, or any other reason related to such hostilities:

the Company shall pay or cause to be paid, subject to the conditions set forth in C. and D. below, five hundred thousand dollars (\$500,000) to such pilot if he is alive, otherwise to his designated beneficiary under the Company's Group Insurance Plan. "Permanent total disability" shall mean the complete inability of the pilot to exercise his/her airmen certificate for at least one (1) year, and at the end of said period, the expectation to be that the disability shall continue for the remainder of the pilot's life. "Loss", with respect to hands and feet, shall mean actual severance through or above the wrist or ankle joints; with respect to eyes, shall mean entire and irrecoverable loss of sight. In the event the pilot becomes eligible for benefits under more than one (1) of the eventualities cited above, the maximum payment under this Section shall be five hundred thousand dollars (\$500,000), and such benefits shall be in addition to the benefits provided in other Company plans.

In addition to the death benefit provided above, the Company will subsidize up to 33 months of COBRA continuation of coverage at a Company-paid fifty percent (50%) subsidy of the cost of COBRA medical coverage for covered dependent(s). This period shall begin with the earlier of:

1. conclusion of 24 months of medical coverage provided in F. below; or
2. the establishment of death

Such coverage shall run consecutive, not concurrent, to the coverage provided in paragraph F, below. This COBRA continuation of coverage is subject to all rules and provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended from time to time.

B. OCCUPATIONAL DISABILITY BENEFITS

In the event an illness or injury, which arises out of or is suffered in connection with acts of terrorism, sabotage, hostage, or a hostile or military action by any government while on flight duty or paid layover, results in the occupational disability of a pilot, the Company shall pay for the period of disability, up to a maximum of twelve (12) months, the minimum guarantee for the pilot's

bid status (no less than the average of Long Call and Short Call Reserve guarantee), subject to the conditions set forth in C. and D hereof. Such payments will be less weekly indemnity benefits received under applicable Workers Compensation Laws. Notwithstanding the provisions of [Section 14](#) of the Basic Agreement, such pilot will not be charged sick leave during such twelve (12) month period.

C. APPLICABILITY

The provisions of A. and B. above shall be applicable to a pilot only when such casualty occurs during the period of time that such pilot is on flight duty or paid layover.

D. EXCLUSIONS

1. The provisions of A. and B. above, and F. below shall not be applicable to a pilot when death or injury, as applicable:
 - a. is the result of or consists of addiction to drugs, or
 - b. is contracted, suffered or incurred while such pilot was engaged in a criminal enterprise or results from having engaged in a criminal enterprise, or
 - c. is intentionally self-inflicted.
2. The disability exclusion set forth in Section III.O.(5) of the 2012 Pilot Long Term Disability Plan, shall not apply to a pilot flying an International Sequence for a disability resulting from such assignment.

E. WORKERS COMPENSATION BENEFITS

A pilot will be covered for Workers Compensation benefits in amounts not less than those prescribed by the state in which such pilot's base is situated. These benefits shall be in addition to (i) any basic or optional life insurance benefits available under the Company's Group Insurance Plan, (ii) the death benefits provided under the Company's Pilot Retirement Benefit Plan and (iii) the death benefits provided under A., above.

F. MISSING, INTERNMENT, PRISONER OR HOSTAGE BENEFITS

1. A pilot who is missing, whether as a result of terrorism, sabotage, war, armed hostilities, rebellion, insurrection, hijacking, other terrorist act, or a hostile or military action of any government, or any other reason related to such hostilities while on flight duty or paid layover shall be paid, while missing, the average of Long Call and Short Call Reserve minimum guarantee for the pilot's bid status for a period of up to twenty-four (24) months after disappearance or until death is established, whichever first occurs. During the period the pilot is missing, such pilot(s) shall be deemed to be in active service for all purposes and accruals, including but not limited to seniority, longevity, sick leave, vacation, pension and all other benefit accruals for a period not to exceed twenty-four (24) months.

When such pilot has been missing for twenty-four (24) months, the Company will aid the beneficiary in obtaining legal proof in order that death benefits under A. above, and other Company plans (including the Pilot Retirement Benefit Plan) can be paid consistent with applicable state law.

2. A pilot who becomes or is reported to be interned or held prisoner or hostage whether as a result of terrorism, sabotage, war, armed hostilities, rebellion, insurrection, hijacking, other terrorist act or a hostile or military action by any government, or any other reason related to hostilities while on flight duty or paid layover shall be paid the average of Long Call and Short Call Reserve minimum guarantee for the pilot's bid status for the period during which the pilot is known by the Company to be interned or held prisoner or hostage. Such payments will cease, however, when death is established. In the absence of knowledge on the part of the Company as to whether the pilot is alive or dead, the pilot will be considered missing starting with the time last known to the Company to have been interned or held prisoner or hostage and will be covered under the provisions of 1., above.
3. When a pilot has been missing for a period of twenty-four (24) months, the death benefits provided under A. above shall be paid and/or provided. If such pilot is later found to be alive,

the average of Long Call and Short Call Reserve minimum guarantee for the pilot's bid status will be paid retroactively to the time such payments ceased, less any death benefits which were paid to the beneficiary. Any death benefits not recovered by this offset will be repaid by the beneficiary to the Company upon its demand.

4. In the event a pilot who has been interned, missing or a prisoner or hostage for twenty-four (24) months and is known to still be alive, that pilot shall be paid in accordance with paragraph 1. above. Then, for as long as the pilot continues in such status, he/she shall continue to be deemed in active service for all purposes and accruals, including but not limited to seniority, longevity, sick leave, vacation, pension and all other benefit accruals until death is established, or the pilot would otherwise be eligible for normal retirement.

G. COMPENSATION ASSIGNMENTS

1. The monthly compensation allowable under E. above to a pilot interned, held as a hostage or prisoner, or missing, shall be credited to such pilot on the books of the Company and shall be disbursed by the Company in accordance with written directions from him. The Company shall require each pilot to execute and deliver to the Company a written direction in the form hereinafter set forth. The Company shall, as soon as practicable, require all pilots to execute and deliver to the Company such a written direction. The direction referred to shall be in substantially the following form:

"To American Airlines, Inc.

"You are hereby directed to pay all monthly compensation allowable to me under the provisions of the Agreement between American Airlines, Inc. and the Air Line Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association, while interned, held prisoner or hostage, or missing, or resulting from death or any other condition which causes direct payment to me to be impossible, as follows:

\$.....per month to.....
(Name)

.....
(Address)

as long as living, and thereafter to.....
(Name)

.....
(Address)

as long as living,

"The balance, if any, and any amounts accruing after the death of all persons named in the above designations shall be held for me, or in the event of my death before receipt thereof, shall be paid to the legal representative of my estate.

"The foregoing direction may be modified from time to time by letter signed by the undersigned and any such modification shall become effective upon receipt of such letter by you.

"Payments made by the Company pursuant to this direction shall fully release the Company from the obligation of making any further payment with respect thereto.

....."
(Pilot's Signature)

2. Any payments due to any pilot under this provision which are not covered by a written direction as above required, shall be held by the Company for such pilot and, in the event of death, shall be paid to the legal representative of his estate.
3. The monthly compensation allowable under this Section shall be in lieu of all compensation provided for by any law in respect to persons interned, held prisoner, or missing, and shall also be in lieu of all salary and subsistence during periods in which a pilot is interned, held hostage, held as prisoner, or missing.
4. Pilots shall maintain and continue to accrue seniority and longevity for pay purposes during periods in which they are interned, held hostage, held prisoner, or missing.

FOR THE AIR LINE PILOTS IN THEFOR AMERICAN AIRLINES, INC.
SERVICE OF AMERICAN AIRLINES, INC.
AS REPRESENTED BY THE
ALLIED PILOTS ASSOCIATION

/signed/
Captain Keith Wilson
President
Allied Pilots Association

/signed/
Beth Holdren
Managing Director
Labor Relations-Flight

LETTER A

April 2, 1973

Captain Nicholas J. O'Connell
President
Allied Pilots Association
2621 Avenue "E" East
Suite 208, P. O. Box 5524
Arlington, Texas 76010

Dear Captain O'Connell:

This will confirm my statements to you that any telephonic recording system installed at any crew base after April 2, 1973 shall be installed by mutual agreement between American Airlines and the Allied Pilots Association.

The domicile chairman at each base shall be afforded access to the tapes developed through such recording system. Such tapes may be heard during regular business hours by request to the Base Manager/Superintendent-Flying or the Area Manager Flight.

Very truly yours,

/signed/
C. A. Pasciuto
Vice President
Personnel

Agreed to:

/signed/
Nicholas J. O'Connell
President
Allied Pilots Association

Date: 4/2/73

LETTER B

May 1, 2003

Captain John E. Darrah
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Dear Captain Darrah:

In connection with provision [K.7.c.\(3\)](#) of Section 1 (Recognition and Scope) of the Basic Agreement, the Company and the Association have agreed to the attached examples, which demonstrate how to calculate proportionate decreases in block hours between the Company and a Foreign Carrier in cases where the Company reduces flying in a market and leaves its code behind on the Foreign Carrier.

Very truly yours,

/signed/
Jeffrey J. Brundage
Vice President
Employee Relations

Agreed:

/signed/
John E. Darrah
President
Allied Pilots Association

Letter B
Attachment

	-----BEFORE-----				-----AFTER-----			
	-----AA-----		-----OA-----		-----AA-----		-----OA-----	
	<u>Daily</u> <u>Freqs</u>	<u>Hrs</u> <u>per Mo</u>						
I.								
NO DECREASE IN AA								
DFW/FRA	1	600	1	600	2	1,200	0	0
JFK/FRA	<u>1</u>	<u>420</u>	<u>1</u>	<u>420</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>840</u>
Totals	2	1,020	2	1,020	2	1,200	2	840
% Change								-17.6%
Total Reduction						0		(180)

II.

**PROPORTIONATE
DECREASE**

**A. 17% Reduction
in Hrs.
(1 RT each)**

ORD/FRA	2	1,080	3	1,620	2	1,080	2	1,080
JFK/FRA	<u>3</u>	<u>1,260</u>	<u>4</u>	<u>1,680</u>	<u>2</u>	<u>840</u>	<u>4</u>	<u>1,680</u>
Totals	5	2,340	7	3,300	4	1,920	6	2,760
% Change						-17.9%		-16.4%
Total Reduction					(1)	(420)	(1)	(540)

**B. 24% Reduction
in Hrs.
(1 RT each)**

JFK/FRA	2	840	1	420	2	840	0	0
DFW/FRA	1	600	1	600	0	0	2	1,200
ORD/FRA	<u>2</u>	<u>1,080</u>	<u>1</u>	<u>540</u>	<u>2</u>	<u>1,080</u>	<u>0</u>	<u>0</u>
Totals	5	2,520	3	1,560	4	1,920	2	1,200
% Change						-23.8%		-23.1%
Total Reduction					(1)	(600)	(1)	(360)

**C. 25% Reduction
in Hrs.
(1 RT each)**

JFK/FRA	2	840	1	420	2	840	0	0
DFW/FRA	2	1,200	1	600	2	1,200	0	0
ORD/FRA	<u>1</u>	<u>540</u>	<u>1</u>	<u>540</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>1,080</u>
Totals	5	2,580	3	1,560	4	2,040	2	1,080
% Change						-20.9%		-30.8%
Total Reduction					(1)	(540)	(1)	(480)

Key: Hrs. assumptions for 1 RT frequency

DFW/FRA = 600 hrs/month

JFK/FRA = 420 hrs/month

ORD/FRA = 540 hrs/month

LETTER C (1)

September 18, 1979

Captain R. H. Malone
President
ALLIED PILOTS ASSOCIATION
P. O. Box 5524
Arlington, Texas 76011

Dear Captain Malone:

This will confirm our understanding regarding ARINC Communications Addressing and Reporting System, hereinafter known as ACARS.

- 1) The purpose of the ACARS data link system is to provide operating times and delay information on a real-time basis to American Airlines Dispatch, Passenger Service and Crew Schedule functions. Subject to paragraph 2) below, ACARS will not be used as a means to monitor pilot in-flight performance.
- 2) Prior to utilizing the ACARS System to transmit or record pilot or aircraft performance parameters, American Airlines agrees to meet with Allied Pilots Association representatives to discuss and agree upon such intended use.
- 3) Disclosure of ACARS derived data to third parties will be limited to those legally entitled to access to such information.

Very truly yours,

/signed/
D. E. Ehmann
Vice President
Flight

Agreed to:

/signed/
R. H. Malone, President
ALLIED PILOTS ASSOCIATION

Dated: 9/19/79

LETTER C (2)

June 19, 1990

Captain F. R. Vogel
President
Allied Pilots Association
P. O. Box 5524
Arlington, Texas 76005-5524

Re: Flight Data Recorders

Dear Captain Vogel:

This letter will confirm the agreement between American Airlines and the Allied Pilots Association describing the only circumstances under which a Flight Data Recorder may be removed from American Airlines aircraft.

1. Whenever a Flight Data Recorder is removed from an American Airlines aircraft in anticipation of or in compliance with a National Transportation Safety Board directive, APA will be notified as soon as practicable. If the data is to be read out or analyzed by American Airlines personnel, the APA will be afforded the opportunity to have a representative present.
2. Whenever a Flight Data Recorder is removed from an American Airlines aircraft for the purpose of aircraft maintenance or aircraft performance evaluation, the APA will be notified as soon as practicable and will be afforded the opportunity to have a representative present when the data is read out and analyzed.
3. Whenever a Flight Data Recorder is removed from an American Airlines aircraft for the purpose of investigating a non-NTSB occurrence involving aircraft damage or personal injury, the APA will be notified as soon as practicable and will be afforded the opportunity to have a representative present when the data is read out and analyzed.
4. Whenever a Flight Data Recorder is removed from an American Airlines aircraft for the purpose of maintenance on the unit or replacement of the unit, the Company will have no obligation to notify the APA.
5. The parties recognize that the information available from Flight Data Recorders is of a sensitive nature, and therefore the disclosure of such data should be limited. Except as may be required by statute, government regulation or legal process, the Company shall not release a read-out or analysis of data from a Flight Data Recorder to a third party without the agreement of APA; provided however, that discussions with APA will not be required where the Company desires to disclose a read-out or analysis of data from a Flight Data Recorder to a third party, such as a manufacturer, for purposes of discussing or evaluating airframe, engine or aircraft component performance. In the event of any third party disclosure, the Company will, to the extent permitted by its legal obligations, maintain the anonymity of the cockpit crewmembers operating the aircraft from which the Flight Data Recorder was removed. When the Company has made available to the APA, consistent with this agreement, the read-out or analysis of data from a Flight Data Recorder, the APA shall not release such read-out or analysis to a third party without the consent of the Company.

In no case will the read-out or analysis of data from a Flight Data Recorder removed from an American Airlines aircraft be used by the Company to initiate or support any disciplinary action against a cockpit crewmember.

Very truly yours,

/signed/
G. A. Hof, Jr.
Vice President-Flight

Agreed:

/signed/
F. R. Vogel
President
Allied Pilots Association

LETTER C (3)

July 28, 1994

Captain James G. Sovich
President
Allied Pilots Association
P. O. Box 5524
Arlington, TX 76005-5524

Dear Jim:

This letter will confirm the agreement between American Airlines and the Allied Pilots Association regarding the use of data from any aircraft data recording and/or data transmitting device. It is agreed that American Airlines may use this data subject to the following conditions:

1. American Airlines will only release data from an aircraft data recording and/or data transmitting device, to an individual or entity outside of the company if required by law, or where the company desires to disclose de identified data or analysis of such data to a third party solely for the purpose of evaluating aircraft engine or component performance, weather data, or other operational analysis. Any party receiving such data shall agree in writing to abide by all terms and provisions of this letter, and,
2. The data from such devices shall not be utilized in any manner injurious to any member of the cockpit crew, including, but not limited to performance evaluations, contractual discipline, or discharge proceeding; and,
3. The data from such devices may be used to the extent required to comply with any mandatory government regulation provided, however, the data shall, to the extent possible, be used or given in a manner consistent with the preceding paragraphs of this letter.

Very truly yours,

/signed/
Captain C. D. Ewell
Chief Pilot
and Vice President-Flight

Agreed to this date:

/signed/
Captain James G. Sovich

LETTER D

October 23, 1979

Captain R. H. Malone
President
Allied Pilots Association
P. O. Box 5524
Arlington, Texas 76011

Dear Captain Malone:

Discussions during recent negotiating sessions have identified areas of pilot dissatisfaction with the operation of Central Crew Tracking. The incidents discussed indicate a need for a direct communications link so that scheduling problems associated with Crew Tracking function can be dealt with in a timely manner.

As stated to you in our discussions, it is the function of Central Crew Tracking to manage the crew resources of American Airlines in an efficient, cost effective manner, within the terms of the AA/APA working agreement, especially during periods of irregular operations, when crews are enroute away from home base(s). The overall costs and scheduling considerations associated with today's airline operation demand the efficiency provided by such a central controlling agency. It is our intention to continue to develop the Central Crew Tracking concept and to insure the benefits of its operation to American Airlines.

In order to succeed, the system must have the support of all involved. In the interest of both parties, pilot complaints should be investigated in the most expeditious manner possible. We are suggesting that a representative from your organization be appointed Central Crew Tracking Coordinator - and all complaints funneled directly to him. The designated contact for your Coordinator within American Airlines Flight Department will be the Vice President-Flight or Assistant Vice President-Flying.

Timely exchange of information between these individuals will result in prompt resolution of identified problem areas and a better understanding by the pilot group of the Central Crew Tracking concept.

Sincerely,

/signed/
D. E. Ehmann
Vice President-Flight

LETTER E

May 1, 2003

Captain John E. Darrah
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, Texas 76155-2512

Dear Captain Darrah:

The Company and the Association recognize that "paper trip selections" are only addressed in [Supplement E](#) of the Basic Agreement. However, there are occasions in which a pilot cannot be awarded a trip selection commensurate with seniority and bid status.

In such cases, the Company shall award or assign a "paper trip selection". The "paper trip selection" that is awarded shall be used to determine the pilot's pay as provided for in [Section 5.A.](#) and/or [17.J.](#) of the Basic Agreement, if applicable. The actual bid line, as defined in Section 2.B. of the Basic Agreement, shall be awarded to the next most senior pilot who would be entitled to such award by virtue of seniority and bid status.

Very truly yours,

/signed/
Mark Burdette
Director
Employee Relations

LETTER F

April 24, 2014

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Captain Gary Hummel
President
US Airline Pilots Association
200 E. Woodlawn Road, Suite 250
Charlotte, NC 28217

Subject: Usage of Company issued tablet computers.

Dear Captain Wilson and Captain Hummel,

This letter will confirm the understanding between American Airlines/US Airways (hereinafter referred to collectively as "the Company"), and the Allied Pilots Association and the US Airline Pilots Association (hereinafter referred to collectively as "the Association").

The parties agree to the following definition and provisions regarding the use of the company issued tablet computer (an iPad or similar) used in Company flight operations:

A. Definition

The Definition of the tablet computer's intended use includes but is not limited to the following:

1. Use as an electronic replacement for certain flight operations documents including but not limited to the Company Operating Manuals, aeronautical charts, aircraft flight manuals, minimum equipment manuals, and other technical manuals necessary to conduct flight operations, or as required by the FAA.
2. Use as an Electronic Flight Bag – a device used to replace any paper required reference materials.

B. Provisions

Tablet computers distributed to flight crewmembers are considered to be Company property, and therefore, are subject to the applicable Company policies and regulations. The Company will make best efforts to post all Company policies, restrictions and regulations regarding crewmember use of any Company issued device or Company network to the EFB section of AAPilots.com and to Wings.usairways.com.

1. The Company shall have "loaner" tablet computers and charging cords available at all domiciles in the event a pilot does not have a working tablet computer available for use while flying a sequence. This equipment shall be available for loan to the pilot at all times and will have special markings designating it as a loaner.
2. If the Company enables cellular usage in the future, the Company will meet and confer with the Association prior to providing specific data usage guidelines and restrictions. At a minimum, the Company provided data plans shall be sufficient for accomplishing all

Company required usage for the tablet computer. Personal use in excess of the specific data usage guidelines and restrictions may subject the pilot to overage charges.

3. The Company and the Association agree that the only Company-controlled remote tablet computer functionality enabled may be to:
 - a. erase the tablet computer's memory and disable the tablet computer in case of theft, loss or damage, and
 - b. locate the tablet computer in the event it is reported as lost or stolen by the pilot pursuant to paragraph 6, and
 - c. push or stage both data and application updates to the tablet computer via a Mobile Device Management application.
4. Pilots will not tamper with, alter, remove or disable any software (including the operating system) or settings made on the tablet computer contrary to disseminated Company policy, nor will a pilot allow anyone else to do so.
5. Pilots will allow the Company access to the Company's tablet computer at its request for any work-related reason, including inspection in connection with any internal, regulatory, or government inspection. The pilot will also furnish to the Company any work-related passwords, encryption keys or other information necessary, and otherwise cooperate in order for the Company to inspect the tablet computer and access Company data that is stored on, or accessible from it.
6. Pilots will exercise reasonable care for the tablet computer. The pilot understands that if the pilot engages in gross negligence, or willful misconduct, the Company may hold the pilot responsible for the cost of any lost, damaged, or stolen tablet computer. If the tablet computer is damaged, the pilot will submit a written report to the pilot's Chief Pilot. If a pilot's tablet computer is lost or stolen, the pilot will immediately contact the Chief Pilot's Office or Chief Pilot on Duty, and submit a police report unless released of this requirement by the Chief Pilot or Chief Pilot on Duty. The Company can have the tablet computer disabled and wiped clean for security purposes in accordance with Paragraph 3.b. of this letter.
7. Limited personal use of the tablet computer is permitted provided Company policies are followed. Provided Company policies are followed, no disciplinary action shall be taken against a pilot associated with personal use of the tablet computer. In the event a pilot uses his or her tablet computer for personal use, the Company will not be responsible for the loss of any personal information for any reason, including, without limitation, due to any negligence of the Company or any person acting on behalf of the Company.
8. Pilots will return the tablet computer to the Company at its request and will not permanently delete or destroy any Company-related information that has been stored on the tablet computer. Unless the Company has reasonable cause to believe that a pilot's use of the tablet computer is in a violation of Company policies, the Company will afford the pilot the opportunity, along with a reasonable period of time, to secure or otherwise retrieve the pilot's personal data before exercising its rights provided in this paragraph.
9. Except as may be required by law, the Company shall not use the tablet computer to monitor individual performance, location, or compliance with Company (and/or FAA) policy, directives, rules and/or regulations.
10. Airline operations-related data or information from the tablet computer shall not be used in any manner to initiate, facilitate or support Company discipline or discharge.
11. Recorded company data or information shall not be disclosed to any third party, including the FAA, except by mutual agreement of the pilot (or the Association on the pilot's behalf in the event of the pilot's incapacitation or death) and the Company, or as required by statute, government regulation, or judicial order.
12. The Company will pay any duties, taxes, fines, surcharges or any expenses associated with, or deemed necessary for, entering or leaving any foreign jurisdiction while in possession of

the Company-owned computer tablet, provided that such fees are not imposed as a result of the pilot's possession of other personal computer devices.

13. Tablet computer training for and with the EFB device will be conducted in compliance with the Collective Bargaining Agreement.
14. This agreement shall be consistent with the Company's bylaws which provide to pilots indemnification as described in FM Part 1 and US Airways FOM, as applicable.

/signed/

Captain John Hale
Vice President,
Flight

/signed/

Captain Keith Wilson
President,
Allied Pilots Association

/signed/

Captain Gary Hummel
President,
US Airline Pilots Association

LETTER G

January 30, 2015

Captain Keith Wilson
President – Allied Pilots Association
14600 Trinity Boulevard, Suite #500
Fort Worth, TX 76155 – 2512

Re: Furlough Length of Service (LOS)

Dear Captain Wilson,

All “New American Airlines” Pilots (LUS and LAA) furloughed after September 11, 2001 will have the length of time they were on furlough added to their total accredited service in accordance with the following guidelines:

1. Pilots involuntarily furloughed after September 11, 2001 who have returned to active status or accepted recall by January 30, 2015 shall have up to two (2) years Company service restored for vacation accrual and pay (LOS credit).
2. Furlough Stand in Stead pilots shall receive LOS credit for the time spent on furlough prior to their first offer of recall.
3. Furloughed pilots will not receive LOS credit for time on deferred status.
4. Nothing contained in this letter shall impact furloughed pilots contractual rights under Letter T of the 2013 MTA dated December 9, 2013.

American Airlines will provide LOS credit as described in this letter based on a final spreadsheet provided by APA. The spreadsheet shall include, at a minimum, names, employee numbers, and amount of credit.

American Airlines will apply the length of service credit associated with this provision within 60 days after the receipt of the spreadsheet from APA. All provisions are fully retroactive to December 2, 2014 and distribution of the retroactive components will be coordinated with the Association.

Sincerely,

By: / signed /
Beth Holdren
Managing Director
Labor Relations - Flight

AGREED

ALLIED PILOTS ASSOCIATION

By: / signed /
Captain Keith Wilson
President

LETTER H

INTENTIONALLY LEFT BLANK

LETTER I

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LETTER J

March 28, 1995

Captain J. G. Sovich
President
Allied Pilots Association '
P.O. Box 5524
Arlington, TX 76005-5524

RE: Training Prohibit Days

Dear Captain Sovich:

This letter will confirm our understanding on the following procedures to be utilized to honor crewmember requests for specific calendar days in the following contractual bid month during which no assignment to recurrent training (training prohibit) will occur:

1. Pilots wishing to request training prohibit days will indicate their requests via HIEA personal mode entry. Accommodation of prohibit days will be done on a seniority basis when more requests for a specific time frame are made than can be accommodated. If a pilot is unable to get specific requested days off, such pilot may contact their base Chief Pilot for remedy.
2. Pilots may specify up to four calendar days for training prohibits that may be split in the following manner:

Number of Splits	Day Combinations
0	4
1*	3-1, 2-2
2*	2-1-1

*A pilot electing to request one (1) or two (2) splits authorizes the training scheduling department (not crew schedule) to move only those DFPs that are in direct conflict with the time frame that training scheduling will schedule such pilot's recurrent training. If it is necessary to move DFPs, the training scheduling department may move or combine the DFPs in any combination as long as there is no free standing twenty-four (24) and the total number remain at ten (10).

Very truly yours,

/signed/
Captain C. D. Ewell
Chief Pilot and Vice
President-Flight

Agreed to this date:

/signed/
James G. Sovich, President
Allied Pilots Association

LETTER K

INTENTIONALLY LEFT BLANK

LETTER L

April 12, 1996

Richard C. Blase
Chairman - Negotiating Committee
Allied Pilots Association
P.O. Box 5524
Arlington, TX 76005-5524

Layovers Involving a Change of Airports
at Other Than Co-terminals

Dear Rich:

This is to confirm our understanding regarding layovers which involve a pilot arriving at one airport and departing from a different airport, when the airports serve the same city but are not co-terminals.

For those sequences which involve arriving at one airport and being scheduled, rescheduled, or reassigned to depart after a layover from another airport serving the same city, when the airports are not co-terminals, it is agreed that pilots shall:

1. Use the specific ground transportation and hotel accommodations which the Association and Company mutually agree are suitable for layovers between the airports; or
2. Be paid deadhead pay and credit for surface transportation between the airports in accordance with [Section 6.E.](#) of the Basic Agreement.

Sincerely,

/signed/
Captain C.D. Ewell
Vice President-Flight
and Chief Pilot

Agreed:

/signed/
Richard C. Blase
Chairman - Negotiating Committee
Allied Pilots Association

LETTER M

January 1, 2013

Airport Parking Permits

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

This will confirm our understanding relative to the issuance of pilot parking permits.

5. All pilots shall receive a Company paid parking permit at:
 - a. such pilot's base, or
 - b. the AMR station of his/her choice if available (if insufficient permits are available to provide one for each pilot desiring it, permits will be assigned in system seniority order at each issuance date).
 - c. In the event commuter parking at an AMR station is not available at local employee parking rates, the Company will reimburse the pilot the actual monthly amount paid, up to the maximum monthly amount the Company pays for local employees at any airport at the pilot's domicile from which sequences in such pilot's bid status originate, plus fifty (50) dollars per month.
6. If no permit is issued as provided in 1. above, the pilot will be reimbursed the lesser of the cost of a permit at such pilot's base, or actual expenses.
7. If a pilot desires an additional parking permit, a second permit shall be provided, based upon availability. If a pilot exercises this option, the pilot will pay for the more expensive permit.
8. The Company will explore opportunities to simplify the attainment of parking permits. The Company will work with the Association, AA Corporate Real Estate and local airport authorities to encourage and facilitate equitable parking policies for commuting employees. At any domicile, satellite or co-terminal airport that requires more than one visit to obtain a parking permit, the Company will request a meeting with the local airport authorities and APA, with additional follow up meetings as necessary, to discuss and propose solutions for streamlining the parking process. If an APA representative(s) is unable to attend, the Company will provide APA with a summary of the meeting(s).

Sincerely,

/signed/
Dennis A. Newgren
Managing Director Employee Relations, Flight

Agreed to:
:

/signed/
Keith Wilson
President
Allied Pilots Association

LETTER N

May 5, 1997

Captain's Recommendation re: Hotels
During Off Schedule Operations

Dear Captain,

All of us do our best to provide schedule reliability. As the Captain, your role is vital to the ongoing success of our airline. You are the eyes, ears and heart of our daily operation and even more so when we run into off schedule operations.

As you know, we contract for layover hotels many months in advance and we pay for them whether we use them or not. My purpose in writing this letter is to advise you that during off schedule operations we want your recommendations as to changing from a long layover hotel to the short layover hotel. Our folks will evaluate your request as to the overall impact and make necessary and justified adjustments.

As always, your continued professionalism and help is appreciated.

/signed/

Captain C. D. Ewell
Chief Pilot and
Vice President Flight

LETTER O

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LETTER P

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LETTER Q

January 1, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, Texas 76155

Re: Accommodation of Other Airline Jump Seat Riders

Dear President Wilson:

APA and the Company have reached the following understanding regarding accommodation of other airline jump seat riders:

1. The Captain's authority regarding accommodation of other airline jump seat riders is mandated by the FARs and supported by senior management of the Company;
2. The Company has entered into Reciprocal Jump Seat Agreements with various airlines;
3. Each Captain has authority to accommodate, for operational consideration, other airline cockpit jump seat riders in the passenger cabin provided their company has a reciprocal jump seat agreement in place with American Airlines; and
4. In the event of a strike on another carrier, the provisions of that reciprocal jump seat agreement shall remain in place for 30 calendar days. However, nothing in this agreement precludes the time frame from being extended past 30 calendar days with the mutual agreement of the Vice President of Flight and the President of the Allied Pilots Association.
5. APA and AA will work together to establish and review reciprocal jumpseat agreements with other carriers. The parties will meet promptly to resolve any issues that may arise from said agreements. The final determination regarding cockpit jumpseat agreements shall be made by the Vice-President, Flight.

Very truly yours,

/signed/
Dennis Newgren
Director, Employee Relations, Flight

Agreed:

/signed/
Keith Wilson
President
Allied Pilots Association

LETTER R

February 26, 1991

Captain F. R. Vogel
President
Allied Pilots Association
P. O. Box 5524
Arlington, Texas 76005-5524

Re: Crew Meals

Dear Captain Vogel:

This will confirm our understanding that the Company and the Association will each appoint representatives to serve as a committee to study and develop recommended changes to [Section 7.B.5](#) of the Agreement in order to provide the scheduling of crew meals to assure adequate and normal nutrition for pilots.

Very truly yours,

/signed/
R. P. Craviso
Vice President
Employee Relations

Agreed to this date:

/signed/
F. R. Vogel
President
Allied Pilots Association

LETTER S

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LETTER T

AmericanAirlines®

May 1, 2003

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Captain John Darrah

As a result of the financial condition of the Company, an unprecedented number of furloughs are occurring. The parties agree to adopt the following during the period of furloughs:

1. A furloughed pilot may defer recall to American Airlines for three (3) years after the last pilot with recall rights is notified of recall. Pilots should keep their current contact information on file with the Company. For planning purposes, a pilot electing to defer recall shall notify the Company of the length of deferral desired. The pilot can notify the Company if the pilot's situation changes such that the pilot desires to end the recall deferral. In such case, the Company will recall the pilot in seniority order to the next available class date.
2. A pilot electing to take a leave of absence in anticipation of furlough or to mitigate furloughs does not need prior written permission of the Company to engage in aviation employment as required in [Section 11.B.7.](#)
3. Notwithstanding the provisions of [Section 13.F.](#) of the Agreement, the Company acknowledges that a furloughed pilot may not waive his or her re-employment preference without the Association's concurrence.

Sincerely,

/signed/
Mark Burdette
Director, Employee Relations, Flight

Agreed and Accepted:

/signed/
John Darrah, President
Allied Pilots Association

LETTER U

May 1, 2003

Captain John E. Darrah, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, TX 76155

Dear John:

This letter confirms an agreement between the Allied Pilots Association (“Association”) and American Airlines, Inc. (“Company”) regarding the formula and determination of the Weighted Average Cost of Capital (“WACC”) for AMR Corporation and the determination of route profitability for the Company for purposes of the Recognition and Scope Clause (“Scope Clause”). The parties agree as follows:

1. On January 30, 1997, the Company will provide to APA a recalculated WACC for AMR Corporation. Thereafter, the Company agrees to recalculate WACC at least every forty-eight (48) months. The Company may recalculate WACC more frequently in its discretion. Each time the Company recalculates WACC, the Company shall provide the Association with the underlying risk free interest rates, debt risk premium, equity risk premium, tax rate, beta, and target capital structure necessary to verify the calculation.

2. The Company agrees that, with respect to WACC and route profitability, it shall use the same formula and numbers for purposes of compliance with the Scope Clause that it uses internally for the purposes of route planning and aircraft acquisition.

3. At the times set forth in [Section 1.I](#) and [J.](#), the Company shall provide the Association with a ranking of its international flights by route profitability. When the Company provides such ranking, it shall also provide the Association with the profit margin, yield, load factor, available seat miles, revenue passenger miles, revenue per available seat mile (“asm”), cost per asm, and upline and downline effects for each international route that is ranked for the period in question so that the Association can verify the calculation of route profitability. In the event that the Company cancels an international route that the Company intends to codeshare, the Company will also provide the Association with the internal analysis used to make that decision.

4. The WACC formula being used by the Company as of the date of this letter is attached hereto as [Exhibit “A”](#). In the event that the Company changes the WACC formula for its internal purposes, the Company shall notify the Association of such change, the relevant details and the reasons why it is being made.

5. The Association acknowledges that all data provided to the Association pursuant to this Letter Agreement is proprietary business information and is confidential. The Association, for itself and on behalf of all of its officers, directors, agents, employees, members and any person(s) acting on their behalf, at their request, or with their knowledge, agrees not to disclose any of this information to any person in the Association or to any other person except on a need-to-know basis, and then only in connection with the functions permitted under this Letter Agreement, and such person(s) shall be informed by the Association that s/he or they is/are bound by these same obligations of confidentiality. This confidentiality provision is not meant to protect data that is in the public domain or otherwise

demonstrably known to the Association in advance of disclosure pursuant to this Letter Agreement (except if such knowledge is subject to another confidentiality obligation).

Very truly yours,

/signed/
Mark L. Burdette
Director, Employee Relations - Flight

Agreed:

/signed/
John E. Darrah
President
Allied Pilots Association

Letter U

Exhibit "A"

AMR Weighted Average Cost of Capital

Calculation Methodology

$$WACC = (D/V * R_d) + (E/V * R_e)$$

D/V = 55%, representing AMR's target debt to total capital ratio, reflecting the ratio the Company would have to maintain to keep a solid "A" credit rating

E/V = 45%. See D/V explanation

R_d = Historical incremental after-tax cost of AMR 30 year unsecured debt

R_e = Historical incremental cost of AMR equity

$$R_d = (1-T) * D_p$$

T = AMR's projected tax rate (currently 33.75%)

D_p = Pre-tax historical average annualized cost of AMR 30 year unsecured debt (average thirty year treasury rate from 12/31/83 to present plus AMR historical average (1990-1995) thirty year unsecured borrowing spread of 205 basis points)

$$R_e = R_f + B(R_m - R_f)$$

R_f = Historical average annualized U.S. Government three month T-bill rate (from 12/31/83 to present)

B = AMR's adjusted beta (from 12/31/83-present)

(R_m - R_f) = Market historical risk premium of 8.5% (S&P 500 annual return minus three month T-bill rate from 12/31/83-present)

AMR Weighted Average Cost of Capital

AMR Calculation

$$\begin{aligned} WACC &= (R_d * D/V) + (R_e * E/V) \\ &= (7.23% * .55) + (16.60% * .45) \\ &= 3.98% + 7.47% \\ &= 11.45% \end{aligned}$$

$R_d = (1-T) * D_p$	$R_e = R_f + B(R_m - R_f)$
$= (1 - 33.75%) * (8.575% + 2.05%)$	$= 6.40% + 1.20(8.50%)$
$= .6625 * 10.625%$	$= 6.40% + 10.20%$
$= .6625 * 10.91% \text{ (Annualized)}$	$= 16.60%$
$= 7.23%$	

LETTER V

May 5, 1997

James G. Sovich
President
Allied Pilots Association
P.O. Box 5524
Arlington, TX 76005-5524

Crew Rest Facilities

Dear Captain Sovich:

This will confirm our understanding that the Flight Department and APA will review on a regular basis those locations where our pilots have protracted sit around time to determine the need for crew rest facilities.

For those locations where the Flight Department and the APA agree a crew rest facility is required, the Fight Department and the APA will review possible locations as well as appropriate furnishings and support equipment.

Very truly yours,

/signed/
Captain C. D. Ewell
Chief Pilot &
Vice President Flight

Agreed:

/signed/
James G. Sovich
President
Allied Pilots Association

LETTER W

January 30, 2015

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Subject: Sick Leave Rapid Re-Accrual for Former America West Pilots

The contractual sick leave structure in place for the former pilots of America West Airlines hired prior to January 1, 2014 was such that it did not conform to the Rapid Reaccrual provisions of Section 10 - Sick Leave in the Joint Collective Bargaining Agreement (JCBA). For purposes of meeting the "fifty percent (50%) or more of such pilot's total accrual based on length of service" specified in Section 10.C.2 the parties agree to use the following charts as an assumed fifty percent (50%) of total accrual for the purposes of Rapid Reaccrual eligibility.

Example 1.

A pilot hired at America West in 2000 who has uninterrupted service prior to commencing a 30+ day sick absence in January of 2015 will be required to have a sick bank balance in excess of 252.6 hours in order to meet the 50% threshold and be eligible for Rapid Reaccrual.

Example 2.

A pilot hired at America West in 2008 who was away from service at the airline for two years (e.g.furlough, leave of absence, etc) prior to commencing a 30+ day sick absence in January of 2015 will be required to have a sick bank balance in excess of 104.8 hours in order to meet the 50% threshold and be eligible for Rapid Reaccrual.

Sincerely,

/signed/

Beth Holdren
Managing Director
Labor Relations, Flight

Agreed and Accepted:

/signed/

Captain Keith Wilson
President
Allied Pilots Association

Pilot Hired Prior to Jan 2004

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2004	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2005	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2006	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2007	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2008	5	104.8	106.4	108.0	109.6	111.3	112.9	114.5	116.1	117.8	119.4	121.0	122.6
2009	6	124.3	125.9	127.5	129.1	130.8	132.4	134.0	135.6	137.3	138.9	140.5	142.1
2010	7	143.8	145.4	147.0	148.6	150.3	151.9	153.5	155.1	156.8	158.4	160.0	161.6
2011	8	163.3	164.9	166.5	168.1	169.8	171.4	173.0	174.6	176.3	177.9	179.5	181.1
2012	9	182.8	184.4	186.0	187.6	189.3	190.9	192.5	194.1	195.8	197.4	199.0	200.6
2013	10	202.3	203.9	205.5	207.1	208.8	210.4	212.0	213.6	215.3	216.9	218.5	220.1
2014	11	222.6	225.1	227.6	230.1	232.6	235.1	237.6	240.1	242.6	245.1	247.6	250.1
2015	12	252.6	255.1	257.6	260.1	262.6	265.1	267.6	270.1	272.6	275.1	277.6	280.1
2016	13	282.6	285.1	287.6	290.1	292.6	295.1	297.6	300.1	302.6	305.1	307.6	310.1
2017	14	312.6	315.1	317.6	320.1	322.6	325.1	327.6	330.1	332.6	335.1	337.6	340.1
2018	15	342.6	345.1	347.6	350.1	352.6	355.1	357.6	360.1	362.6	365.1	367.6	370.1
2019	16	372.6	375.1	377.6	380.1	382.6	385.1	387.6	390.1	392.6	395.1	397.6	400.1
2020	17	402.6	405.1	407.6	410.1	412.6	415.1	417.6	420.1	422.6	425.1	427.6	430.1
2021	18	432.6	435.1	437.6	440.1	442.6	445.1	447.6	450.1	452.6	455.1	457.6	460.1
2022	19	462.6	465.1	467.6	470.1	472.6	475.1	477.6	480.1	482.6	485.1	487.6	490.1
2023	20	492.6	495.1	497.6	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2024	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2025	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2026	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2027	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2004

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2005	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2006	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2007	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2008	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2009	5	104.8	106.4	108.0	109.6	111.3	112.9	114.5	116.1	117.8	119.4	121.0	122.6
2010	6	124.3	125.9	127.5	129.1	130.8	132.4	134.0	135.6	137.3	138.9	140.5	142.1
2011	7	143.8	145.4	147.0	148.6	150.3	151.9	153.5	155.1	156.8	158.4	160.0	161.6
2012	8	163.3	164.9	166.5	168.1	169.8	171.4	173.0	174.6	176.3	177.9	179.5	181.1
2013	9	182.8	184.4	186.0	187.6	189.3	190.9	192.5	194.1	195.8	197.4	199.0	200.6
2014	10	203.1	205.6	208.1	210.6	213.1	215.6	218.1	220.6	223.1	225.6	228.1	230.6
2015	11	233.1	235.6	238.1	240.6	243.1	245.6	248.1	250.6	253.1	255.6	258.1	260.6
2016	12	263.1	265.6	268.1	270.6	273.1	275.6	278.1	280.6	283.1	285.6	288.1	290.6
2017	13	293.1	295.6	298.1	300.6	303.1	305.6	308.1	310.6	313.1	315.6	318.1	320.6
2018	14	323.1	325.6	328.1	330.6	333.1	335.6	338.1	340.6	343.1	345.6	348.1	350.6
2019	15	353.1	355.6	358.1	360.6	363.1	365.6	368.1	370.6	373.1	375.6	378.1	380.6
2020	16	383.1	385.6	388.1	390.6	393.1	395.6	398.1	400.6	403.1	405.6	408.1	410.6
2021	17	413.1	415.6	418.1	420.6	423.1	425.6	428.1	430.6	433.1	435.6	438.1	440.6
2022	18	443.1	445.6	448.1	450.6	453.1	455.6	458.1	460.6	463.1	465.6	468.1	470.6
2023	19	473.1	475.6	478.1	480.6	483.1	485.6	488.1	490.6	493.1	495.6	498.1	500.0
2024	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2025	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2026	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2027	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2005

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2006	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2007	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2008	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2009	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2010	5	104.8	106.4	108.0	109.6	111.3	112.9	114.5	116.1	117.8	119.4	121.0	122.6
2011	6	124.3	125.9	127.5	129.1	130.8	132.4	134.0	135.6	137.3	138.9	140.5	142.1
2012	7	143.8	145.4	147.0	148.6	150.3	151.9	153.5	155.1	156.8	158.4	160.0	161.6
2013	8	163.3	164.9	166.5	168.1	169.8	171.4	173.0	174.6	176.3	177.9	179.5	181.1
2014	9	183.6	186.1	188.6	191.1	193.6	196.1	198.6	201.1	203.6	206.1	208.6	211.1
2015	10	213.6	216.1	218.6	221.1	223.6	226.1	228.6	231.1	233.6	236.1	238.6	241.1
2016	11	243.6	246.1	248.6	251.1	253.6	256.1	258.6	261.1	263.6	266.1	268.6	271.1
2017	12	273.6	276.1	278.6	281.1	283.6	286.1	288.6	291.1	293.6	296.1	298.6	301.1
2018	13	303.6	306.1	308.6	311.1	313.6	316.1	318.6	321.1	323.6	326.1	328.6	331.1
2019	14	333.6	336.1	338.6	341.1	343.6	346.1	348.6	351.1	353.6	356.1	358.6	361.1
2020	15	363.6	366.1	368.6	371.1	373.6	376.1	378.6	381.1	383.6	386.1	388.6	391.1
2021	16	393.6	396.1	398.6	401.1	403.6	406.1	408.6	411.1	413.6	416.1	418.6	421.1
2022	17	423.6	426.1	428.6	431.1	433.6	436.1	438.6	441.1	443.6	446.1	448.6	451.1
2023	18	453.6	456.1	458.6	461.1	463.6	466.1	468.6	471.1	473.6	476.1	478.6	481.1
2024	19	483.6	486.1	488.6	491.1	493.6	496.1	498.6	500.0	500.0	500.0	500.0	500.0
2025	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2026	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2027	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2006

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2008	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2009	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2010	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2011	5	104.8	106.4	108.0	109.6	111.3	112.9	114.5	116.1	117.8	119.4	121.0	122.6
2012	6	124.3	125.9	127.5	129.1	130.8	132.4	134.0	135.6	137.3	138.9	140.5	142.1
2013	7	143.8	145.4	147.0	148.6	150.3	151.9	153.5	155.1	156.8	158.4	160.0	161.6
2014	8	164.1	166.6	169.1	171.6	174.1	176.6	179.1	181.6	184.1	186.6	189.1	191.6
2015	9	194.1	196.6	199.1	201.6	204.1	206.6	209.1	211.6	214.1	216.6	219.1	221.6
2016	10	224.1	226.6	229.1	231.6	234.1	236.6	239.1	241.6	244.1	246.6	249.1	251.6
2017	11	254.1	256.6	259.1	261.6	264.1	266.6	269.1	271.6	274.1	276.6	279.1	281.6
2018	12	284.1	286.6	289.1	291.6	294.1	296.6	299.1	301.6	304.1	306.6	309.1	311.6
2019	13	314.1	316.6	319.1	321.6	324.1	326.6	329.1	331.6	334.1	336.6	339.1	341.6
2020	14	344.1	346.6	349.1	351.6	354.1	356.6	359.1	361.6	364.1	366.6	369.1	371.6
2021	15	374.1	376.6	379.1	381.6	384.1	386.6	389.1	391.6	394.1	396.6	399.1	401.6
2022	16	404.1	406.6	409.1	411.6	414.1	416.6	419.1	421.6	424.1	426.6	429.1	431.6
2023	17	434.1	436.6	439.1	441.6	444.1	446.6	449.1	451.6	454.1	456.6	459.1	461.6
2024	18	464.1	466.6	469.1	471.6	474.1	476.6	479.1	481.6	484.1	486.6	489.1	491.6
2025	19	494.1	496.6	499.1	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2026	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2027	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2007

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2008	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2009	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2010	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2011	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2012	5	104.8	106.4	108.0	109.6	111.3	112.9	114.5	116.1	117.8	119.4	121.0	122.6
2013	6	124.3	125.9	127.5	129.1	130.8	132.4	134.0	135.6	137.3	138.9	140.5	142.1
2014	7	144.6	147.1	149.6	152.1	154.6	157.1	159.6	162.1	164.6	167.1	169.6	172.1
2015	8	174.6	177.1	179.6	182.1	184.6	187.1	189.6	192.1	194.6	197.1	199.6	202.1
2016	9	204.6	207.1	209.6	212.1	214.6	217.1	219.6	222.1	224.6	227.1	229.6	232.1
2017	10	234.6	237.1	239.6	242.1	244.6	247.1	249.6	252.1	254.6	257.1	259.6	262.1
2018	11	264.6	267.1	269.6	272.1	274.6	277.1	279.6	282.1	284.6	287.1	289.6	292.1
2019	12	294.6	297.1	299.6	302.1	304.6	307.1	309.6	312.1	314.6	317.1	319.6	322.1
2020	13	324.6	327.1	329.6	332.1	334.6	337.1	339.6	342.1	344.6	347.1	349.6	352.1
2021	14	354.6	357.1	359.6	362.1	364.6	367.1	369.6	372.1	374.6	377.1	379.6	382.1
2022	15	384.6	387.1	389.6	392.1	394.6	397.1	399.6	402.1	404.6	407.1	409.6	412.1
2023	16	414.6	417.1	419.6	422.1	424.6	427.1	429.6	432.1	434.6	437.1	439.6	442.1
2024	17	444.6	447.1	449.6	452.1	454.6	457.1	459.6	462.1	464.6	467.1	469.6	472.1
2025	18	474.6	477.1	479.6	482.1	484.6	487.1	489.6	492.1	494.6	497.1	499.6	500.0
2026	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2027	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2008

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2009	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2010	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2011	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2012	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2013	5	104.8	106.4	108.0	109.6	111.3	112.9	114.5	116.1	117.8	119.4	121.0	122.6
2014	6	125.1	127.6	130.1	132.6	135.1	137.6	140.1	142.6	145.1	147.6	150.1	152.6
2015	7	155.1	157.6	160.1	162.6	165.1	167.6	170.1	172.6	175.1	177.6	180.1	182.6
2016	8	185.1	187.6	190.1	192.6	195.1	197.6	200.1	202.6	205.1	207.6	210.1	212.6
2017	9	215.1	217.6	220.1	222.6	225.1	227.6	230.1	232.6	235.1	237.6	240.1	242.6
2018	10	245.1	247.6	250.1	252.6	255.1	257.6	260.1	262.6	265.1	267.6	270.1	272.6
2019	11	275.1	277.6	280.1	282.6	285.1	287.6	290.1	292.6	295.1	297.6	300.1	302.6
2020	12	305.1	307.6	310.1	312.6	315.1	317.6	320.1	322.6	325.1	327.6	330.1	332.6
2021	13	335.1	337.6	340.1	342.6	345.1	347.6	350.1	352.6	355.1	357.6	360.1	362.6
2022	14	365.1	367.6	370.1	372.6	375.1	377.6	380.1	382.6	385.1	387.6	390.1	392.6
2023	15	395.1	397.6	400.1	402.6	405.1	407.6	410.1	412.6	415.1	417.6	420.1	422.6
2024	16	425.1	427.6	430.1	432.6	435.1	437.6	440.1	442.6	445.1	447.6	450.1	452.6
2025	17	455.1	457.6	460.1	462.6	465.1	467.6	470.1	472.6	475.1	477.6	480.1	482.6
2026	18	485.1	487.6	490.1	492.6	495.1	497.6	500.0	500.0	500.0	500.0	500.0	500.0
2027	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2043	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2009

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2010	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2011	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2012	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2013	4	84.5	86.5	88.5	90.1	91.8	93.4	95.0	96.6	98.3	99.9	101.5	103.1
2014	5	105.6	108.1	110.6	113.1	115.6	118.1	120.6	123.1	125.6	128.1	130.6	133.1
2015	6	135.6	138.1	140.6	143.1	145.6	148.1	150.6	153.1	155.6	158.1	160.6	163.1
2016	7	165.6	168.1	170.6	173.1	175.6	178.1	180.6	183.1	185.6	188.1	190.6	193.1
2017	8	195.6	198.1	200.6	203.1	205.6	208.1	210.6	213.1	215.6	218.1	220.6	223.1
2018	9	225.6	228.1	230.6	233.1	235.6	238.1	240.6	243.1	245.6	248.1	250.6	253.1
2019	10	255.6	258.1	260.6	263.1	265.6	268.1	270.6	273.1	275.6	278.1	280.6	283.1
2020	11	285.6	288.1	290.6	293.1	295.6	298.1	300.6	303.1	305.6	308.1	310.6	313.1
2021	12	315.6	318.1	320.6	323.1	325.6	328.1	330.6	333.1	335.6	338.1	340.6	343.1
2022	13	345.6	348.1	350.6	353.1	355.6	358.1	360.6	363.1	365.6	368.1	370.6	373.1
2023	14	375.6	378.1	380.6	383.1	385.6	388.1	390.6	393.1	395.6	398.1	400.6	403.1
2024	15	405.6	408.1	410.6	413.1	415.6	418.1	420.6	423.1	425.6	428.1	430.6	433.1
2025	16	435.6	438.1	440.6	443.1	445.6	448.1	450.6	453.1	455.6	458.1	460.6	463.1
2026	17	465.6	468.1	470.6	473.1	475.6	478.1	480.6	483.1	485.6	488.1	490.6	493.1
2027	18	495.6	498.1	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2028	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2043	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2044	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2010

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2011	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2012	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2013	3	59.4	61.8	64.1	66.5	68.5	70.5	72.5	74.5	76.5	78.5	80.5	82.5
2014	4	85.0	87.5	90.0	92.5	95.0	97.5	100.0	102.5	105.0	107.5	110.0	112.5
2015	5	115.0	117.5	120.0	122.5	125.0	127.5	130.0	132.5	135.0	137.5	140.0	142.5
2016	6	145.0	147.5	150.0	152.5	155.0	157.5	160.0	162.5	165.0	167.5	170.0	172.5
2017	7	175.0	177.5	180.0	182.5	185.0	187.5	190.0	192.5	195.0	197.5	200.0	202.5
2018	8	205.0	207.5	210.0	212.5	215.0	217.5	220.0	222.5	225.0	227.5	230.0	232.5
2019	9	235.0	237.5	240.0	242.5	245.0	247.5	250.0	252.5	255.0	257.5	260.0	262.5
2020	10	265.0	267.5	270.0	272.5	275.0	277.5	280.0	282.5	285.0	287.5	290.0	292.5
2021	11	295.0	297.5	300.0	302.5	305.0	307.5	310.0	312.5	315.0	317.5	320.0	322.5
2022	12	325.0	327.5	330.0	332.5	335.0	337.5	340.0	342.5	345.0	347.5	350.0	352.5
2023	13	355.0	357.5	360.0	362.5	365.0	367.5	370.0	372.5	375.0	377.5	380.0	382.5
2024	14	385.0	387.5	390.0	392.5	395.0	397.5	400.0	402.5	405.0	407.5	410.0	412.5
2025	15	415.0	417.5	420.0	422.5	425.0	427.5	430.0	432.5	435.0	437.5	440.0	442.5
2026	16	445.0	447.5	450.0	452.5	455.0	457.5	460.0	462.5	465.0	467.5	470.0	472.5
2027	17	475.0	477.5	480.0	482.5	485.0	487.5	490.0	492.5	495.0	497.5	500.0	500.0
2028	18	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2029	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2043	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2044	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2045	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2011													
Career-to-Date Accrual @ 50%													
	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2012	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2013	2	30.9	33.3	35.6	38.0	40.4	42.8	45.1	47.5	49.9	52.3	54.6	57.0
2014	3	59.5	62.0	64.5	67.0	69.5	72.0	74.5	77.0	79.5	82.0	84.5	87.0
2015	4	89.5	92.0	94.5	97.0	99.5	102.0	104.5	107.0	109.5	112.0	114.5	117.0
2016	5	119.5	122.0	124.5	127.0	129.5	132.0	134.5	137.0	139.5	142.0	144.5	147.0
2017	6	149.5	152.0	154.5	157.0	159.5	162.0	164.5	167.0	169.5	172.0	174.5	177.0
2018	7	179.5	182.0	184.5	187.0	189.5	192.0	194.5	197.0	199.5	202.0	204.5	207.0
2019	8	209.5	212.0	214.5	217.0	219.5	222.0	224.5	227.0	229.5	232.0	234.5	237.0
2020	9	239.5	242.0	244.5	247.0	249.5	252.0	254.5	257.0	259.5	262.0	264.5	267.0
2021	10	269.5	272.0	274.5	277.0	279.5	282.0	284.5	287.0	289.5	292.0	294.5	297.0
2022	11	299.5	302.0	304.5	307.0	309.5	312.0	314.5	317.0	319.5	322.0	324.5	327.0
2023	12	329.5	332.0	334.5	337.0	339.5	342.0	344.5	347.0	349.5	352.0	354.5	357.0
2024	13	359.5	362.0	364.5	367.0	369.5	372.0	374.5	377.0	379.5	382.0	384.5	387.0
2025	14	389.5	392.0	394.5	397.0	399.5	402.0	404.5	407.0	409.5	412.0	414.5	417.0
2026	15	419.5	422.0	424.5	427.0	429.5	432.0	434.5	437.0	439.5	442.0	444.5	447.0
2027	16	449.5	452.0	454.5	457.0	459.5	462.0	464.5	467.0	469.5	472.0	474.5	477.0
2028	17	479.5	482.0	484.5	487.0	489.5	492.0	494.5	497.0	499.5	500.0	500.0	500.0
2029	18	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2030	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2043	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2044	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2045	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2046	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2012

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1	2.4	4.8	7.1	9.5	11.9	14.3	16.6	19.0	21.4	23.8	26.1	28.5
2014	2	31.0	33.5	36.0	38.5	41.0	43.5	46.0	48.5	51.0	53.5	56.0	58.5
2015	3	61.0	63.5	66.0	68.5	71.0	73.5	76.0	78.5	81.0	83.5	86.0	88.5
2016	4	91.0	93.5	96.0	98.5	101.0	103.5	106.0	108.5	111.0	113.5	116.0	118.5
2017	5	121.0	123.5	126.0	128.5	131.0	133.5	136.0	138.5	141.0	143.5	146.0	148.5
2018	6	151.0	153.5	156.0	158.5	161.0	163.5	166.0	168.5	171.0	173.5	176.0	178.5
2019	7	181.0	183.5	186.0	188.5	191.0	193.5	196.0	198.5	201.0	203.5	206.0	208.5
2020	8	211.0	213.5	216.0	218.5	221.0	223.5	226.0	228.5	231.0	233.5	236.0	238.5
2021	9	241.0	243.5	246.0	248.5	251.0	253.5	256.0	258.5	261.0	263.5	266.0	268.5
2022	10	271.0	273.5	276.0	278.5	281.0	283.5	286.0	288.5	291.0	293.5	296.0	298.5
2023	11	301.0	303.5	306.0	308.5	311.0	313.5	316.0	318.5	321.0	323.5	326.0	328.5
2024	12	331.0	333.5	336.0	338.5	341.0	343.5	346.0	348.5	351.0	353.5	356.0	358.5
2025	13	361.0	363.5	366.0	368.5	371.0	373.5	376.0	378.5	381.0	383.5	386.0	388.5
2026	14	391.0	393.5	396.0	398.5	401.0	403.5	406.0	408.5	411.0	413.5	416.0	418.5
2027	15	421.0	423.5	426.0	428.5	431.0	433.5	436.0	438.5	441.0	443.5	446.0	448.5
2028	16	451.0	453.5	456.0	458.5	461.0	463.5	466.0	468.5	471.0	473.5	476.0	478.5
2029	17	481.0	483.5	486.0	488.5	491.0	493.5	496.0	498.5	500.0	500.0	500.0	500.0
2030	18	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2031	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2043	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2044	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2045	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2046	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2047	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

Pilot Hired in 2013

Career-to-Date Accrual @ 50%

	YOS	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1	2.5	5.0	7.5	10.0	12.5	15.0	17.5	20.0	22.5	25.0	27.5	30.0
2015	2	32.5	35.0	37.5	40.0	42.5	45.0	47.5	50.0	52.5	55.0	57.5	60.0
2016	3	62.5	65.0	67.5	70.0	72.5	75.0	77.5	80.0	82.5	85.0	87.5	90.0
2017	4	92.5	95.0	97.5	100.0	102.5	105.0	107.5	110.0	112.5	115.0	117.5	120.0
2018	5	122.5	125.0	127.5	130.0	132.5	135.0	137.5	140.0	142.5	145.0	147.5	150.0
2019	6	152.5	155.0	157.5	160.0	162.5	165.0	167.5	170.0	172.5	175.0	177.5	180.0
2020	7	182.5	185.0	187.5	190.0	192.5	195.0	197.5	200.0	202.5	205.0	207.5	210.0
2021	8	212.5	215.0	217.5	220.0	222.5	225.0	227.5	230.0	232.5	235.0	237.5	240.0
2022	9	242.5	245.0	247.5	250.0	252.5	255.0	257.5	260.0	262.5	265.0	267.5	270.0
2023	10	272.5	275.0	277.5	280.0	282.5	285.0	287.5	290.0	292.5	295.0	297.5	300.0
2024	11	302.5	305.0	307.5	310.0	312.5	315.0	317.5	320.0	322.5	325.0	327.5	330.0
2025	12	332.5	335.0	337.5	340.0	342.5	345.0	347.5	350.0	352.5	355.0	357.5	360.0
2026	13	362.5	365.0	367.5	370.0	372.5	375.0	377.5	380.0	382.5	385.0	387.5	390.0
2027	14	392.5	395.0	397.5	400.0	402.5	405.0	407.5	410.0	412.5	415.0	417.5	420.0
2028	15	422.5	425.0	427.5	430.0	432.5	435.0	437.5	440.0	442.5	445.0	447.5	450.0
2029	16	452.5	455.0	457.5	460.0	462.5	465.0	467.5	470.0	472.5	475.0	477.5	480.0
2030	17	482.5	485.0	487.5	490.0	492.5	495.0	497.5	500.0	500.0	500.0	500.0	500.0
2031	18	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2032	19	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2033	20	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2034	21	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2035	22	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2036	23	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2037	24	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2038	25	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2039	26	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2040	27	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2041	28	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2042	29	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2043	30	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2044	31	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2045	32	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2046	33	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2047	34	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0
2048	35	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0

LETTER X

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LETTER Y

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LETTER Z

AGREEMENT
between
AMERICAN AIRLINES, INC.
and
THE AIR LINE PILOTS
in the service of
AMERICAN AIRLINES, INC.
as represented by the
ALLIED PILOTS ASSOCIATION

This will confirm our agreement concerning maintenance prior to take-off:

A pilot who has maintenance performed on the aircraft after departure from a gate but prior to take-off, and who thereafter performs a take-off without returning to a gate, shall have flight time pay and credit applied from the original time of departure from the gate, including the time spent while having maintenance performed.

A pilot who incurs a maintenance problem while at a gate and who taxis or is towed from such gate to have maintenance performed, and who thereafter performs a take-off without returning to a gate, shall have flight time pay and credit applied from the original time of taxi or tow from the gate, including time spent while having maintenance performed.

A pilot who has maintenance performed after departure from a gate (either under power or by tow), and who subsequent to such maintenance returns to a gate shall be covered under the provisions applicable to a ground interruption.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement this 20th day of October, 1989.

FOR AMERICAN AIRLINES, INC.

/signed/
R. P. Craviso
Vice President
Employee Relations

/signed/
G. A. Hof, Jr.
Vice President Flight

FOR THE AIRLINE PILOTS IN THE
SERVICE OF AMERICAN AIRLINES, INC
AS REPRESENTED BY THE
ALLIED PILOTS ASSOCIATION

/signed/
F. R. Vogel
President

LETTER AA

December 9, 2013

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Affiliation of American Airlines Group, Inc.

Dear Keith:

We write to confirm the following agreement made between the Allied Pilots Association (“APA”) and American Airlines Group, Inc. and between APA and American Airlines, Inc. (“American”) in the negotiations leading to the Merger Transition Agreement (the “Agreement”).

American Airlines Group, Inc. agrees that it is an Affiliate of American and that it is bound by Section 1 of the Agreement in the same manner as American. Any disputes among APA, American, and/or American Airlines Group, Inc. that arise out of grievances or that concern the interpretation of application of this letter or Section 1 of the Agreement will be determined through final and binding arbitration before the APA-American System Board of Adjustment pursuant to Section 1 (Q) of the Agreement. American Airlines Group, Inc. expressly agrees to be subject to Section 1 (Q) in all respects.

Very truly yours,

/signed/

Paul Jones
Senior Vice President and General Counsel
American Airlines Group, Inc.

Agreed to this date:

/signed/

Captain Keith Wilson
President
Allied Pilots Association

LETTER BB

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AmericanAirlines®

May 17, 2001

John E. Darrah, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, Texas 76155

Processing of Removals from Prior Removal Sequences

Dear John:

This letter will confirm our discussion and understanding regarding the processing of a removed sequence that originates in one month, terminates in the following month, and is modified during the allocation process for the second month (referred to as a changeover pairing or prior removal sequence).

When a pilot is removed from a carryover sequence that subsequently becomes a prior removal sequence as described above, the pilot's record shall retain the sequence as it existed at the time of the removal.

Q: How does the pay and/or credit change for a dropped sequence that is subsequently changed due to a prior sequence removal (changeover pairing)?

[See Q&A [#135](#), [#136](#)]

Date	31	1	2
Original Sequence	5:00	6:00	5:00
Prior Removal	5:00	5:00	

A: In the above example, the value of the fly through time on the 1st and 2nd was 11:00 hours at the time of the sequence drop.

- a. If the sequence was dropped prior to the changeover, the pilot will receive the original 11:00 hours fly through time, or
- b. If the sequence was dropped after the prior sequence removal, the pilot will receive the new fly through time of 5:00 hours.

Very truly yours,

/signed/
Jeff J. Brundage
Vice-President
Employee Relations

Agreed:

/signed/
John E. Darrah
President
Allied Pilots Association

LETTER HH (1)



Via Email and Facsimile

April 12, 2004

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Blvd. Suite 500
Ft. Worth, TX 76155-2512

Re: Displacement Flying While on Union Leave

Dear John:

This is to confirm our agreement that the provisions of Letter HH and the letter of agreement dated May 7, 1992, concerning displacement flying and qualifications for pilots on full time leaves of absence serving as National Officers of the Association (copy attached), are extended to cover any National Officer who is on a union leave of absence other than a full time leave, and designated Committee Chairs and Members by mutual agreement of the Association and the Company.

Sincerely,

/signed/
Mark Burdette
Director, Employee Relations

AGREED:

/signed/
John Darrah, President
Allied Pilots Association

Attachment
[Letter HH(2)]

LETTER HH (2)

May 7, 1992

Richard T. LaVoy
President
Allied Pilots Association
P. O. Box 5524
Arlington, Texas 76005-5524

Dear Captain LaVoy:

This is to confirm our understanding and agreement with respect to pilots on leaves of absence serving as national officers (President, vice President and Secretary/Treasurer) of the Association.

It is mutually agreed and understood that:

1. A national officer on leave of absence for Association business may, in order to maintain proficiency and knowledge of the operation, and with the approval of the Vice President Flight, fly specific trip sequence(s) or specific segment(s) of trip sequence(s) in any given month.
2. The national officer will advise the Vice President Flight, or his designee, of the desired trip sequence or segment(s) of a trip sequence that such pilot wishes to fly.
3. The national officer must be currently qualified for the flying selected and such selection will not trigger training, reassignment, deadheading, or any other penalty or pay liability on the Company.
4. The national officer will fly the entire sequence or segment(s) of a sequence which are selected based on normal reschedule/reassignment procedures.
5. The regular bid pilot displaced by the selected flying of a national officer will be paid and credited for the scheduled time of the selected sequence or segment(s) of a sequence.
6. While performing flying in accordance with this agreement, a national officer will be considered a regular American Airlines employee and governed by all rules and regulations applicable to regular line pilots, except such national officer will receive the sum of one dollar (\$1.00) as total remuneration for each sequence or segment(s) of a sequence, as appropriate, flown in accordance with this agreement in any contractual month and the pay and credit provisions of the Basic Agreement will not apply to such flying.
7. Each national officer will be responsible for remaining currently qualified. A national officer whose currency lapses will not be permitted to requalify until next scheduled for recurrent training. Such national officer whose currency lapses must remain on Association leave until requalified.
8. A national officer who is not on a leave of absence as a full time employee of the Association in accordance with the provisions of [Section 11.F](#) of the Basic Agreement may bid for other bid status; however, such national officer will normally be withheld from any bid status award which would require training. Such withholding will normally continue for the duration of the pilot's term(s) of office. An exception to such withholding

may be permitted by mutual agreement between the Company and the Association to permit a national officer to initially upgrade while still in office.

The above described flying will in no way affect or change vacation accrual per [Section 9](#), sick leave accrual per [Section 10](#) or contributions by the Association to the Pilot Retirement Plan and the Company Group Insurance Plan per [Supplement F](#) and the Employee Benefit Guide.

Nothing in the above obligates a pilot serving as a national officer of the Association to fly one or more trip sequences or one or more segment(s) of a sequence per contractual month. Such flying will be on a personal request basis from the national officers of the Association to the Vice President Flight or his designee.

Very truly yours,

R. P. Craviso
Vice President
Employee Relations

/signed/
W. A. James
Vice President Flight
and Chief Pilot

Agreed to:

/signed/
Richard T. LaVoy/ President
Allied Pilots Association

LETTER II

AmericanAirlines®

May 1, 2003

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Re: Union Leave If Needed (PU If Needed)

Dear John:

This letter will confirm our discussions regarding Union Leave (PU) if needed. The APA Leave Coordinator will notify the Company when a reserve pilot serving on a safety, training or aeromedical related committee (Safety, Security, or FOQA) is performing union business and intends to use union leave (PU) if needed for a flight assignment. APA will not be charged union leave until such pilot is needed to fly by assignment (not by proffer). When needed to fly, the APA Leave Coordinator will be notified and the pilot will be placed on union leave (PU) effective that day. This program will be implemented on May 1, 2003.

The intent of this program is to enhance support for safety related activities that benefit both AA and APA.

The following procedures will apply:

1. APA will maintain and provide to the Company a current list of pilots serving on safety related committees approved by APA to use PU if needed.
2. The APA Leave Coordinator will notify, (preferred order) as soon as possible of dates planned for union business:
 - ² Crew Schedule Project Coordinator (817 967-7942) or,
 - ² Senior On Duty (817 967-7069 or 7070) or,
 - ² On midnight shift, the Manager On Duty (817 967-7808)
3. The reserve pilot authorized Paid Union Leave if Needed that is needed for a flight assignment will have the paid union leave code (PU) placed on each day of availability that overlaps the trip sequence to be assigned. For example, a pilot is on PU if needed for the 1st, 2nd, and 3rd. If crew schedule calls the pilot for a three day trip sequence on the 2nd, PU shall be placed on the pilot's activity record for the 2nd and 3rd and the union shall be charged for two days of availability at the pilot's daily rate.
4. PU If Needed may not be used for removal from a scheduled training course.

Sincerely,

/signed/

Mark Burdette
Director, Employee Relations, Flight

Agreed and Accepted:

/signed/ _____
John Darrah, President
Allied Pilots Association

LETTER JJ (1)

December 11, 1997

Captain Richard LaVoy
President
Allied Pilots Association
P. O. Box 5524
Arlington, TX 75050-5524

Dear Captain LaVoy:

[Section 1 .D.\(8\)\(c\)](#) of the AA/APA Agreement effective May 5, 1997; provides as

[Section 1.D.(8)(c) updated to Section 1.D.7.c. May 5, 1997 updated to May 1, 2003. See [Letter QQ: "Summary of Updates"](#)]
follows: "The Company shall discuss with the Association any plans to enter into new codesharing or ownership arrangements with any Commuter Air Carrier prior to the implementation of such arrangements."

[Section 1.D.\(8\)\(b\)](#) provides that the Company conduct quarterly reviews with the

[Section 1.D.(8)(b) updated to Section 1.D.7.b. See [Letter QQ: "Summary of Updates"](#)]
Association to provide the data necessary to verify compliance with certain provisions of [Section 1](#) which apply to the Company's arrangements with Commuter Air Carriers.

It is agreed that, in order to comply with the provisions of [Section 1.D.\(8\)\(c\)](#), the

[Section 1.D.(8)(c) updated to Section 1.D.7.c. See [Letter QQ: "Summary of Updates"](#)]
Company will at each quarterly review, as provided in [Section 1.D.\(8\)\(b\)](#), notify
[Section 1.D.(8)(b) updated to Section 1.D.7.b. See [Letter QQ: "Summary of Updates"](#)]
and discuss with the Association any plans to enter into any new codesharing or ownership arrangements with any Commuter Air Carrier. However, if the Company plans to enter into such an arrangement, which has not been discussed with the Association, before the next scheduled quarterly review, the Company will promptly notify the Association and conduct discussions as provided in [Section 1 .D.\(8\)\(c\)](#). In

[Section 1.D.(8)(c) updated to Section 1.D.7.c. See [Letter QQ: "Summary of Updates"](#)]
either circumstance, the Company will review with the Association the projected benefits to the Company from the planned arrangement.

In addition, although [Section 1](#) does not include a requirement for the Company to notify or conduct discussions with the Association prior to implementing a new codesharing agreement with an international carrier, it is agreed that the Company will at each quarterly review, as provided in [Section 1 .D.\(8\)\(b\)](#), notify

[Section 1.D.(8)(b) updated to Section 1.D.7.b. See [Letter QQ: "Summary of Updates"](#)]
and discuss with the Association any plans to enter into any new codesharing agreement with any international carrier. Further, if the Company-- plans to enter into such an arrangement, which has not been discussed with the Association, before the next scheduled quarterly review, the Company will promptly notify the Association and conduct discussions concerning the planned international codesharing agreement. In either circumstance, the Company will review with the Association the projected benefits to the Company from the planned arrangement.

AMERICAN AIRLINES, INC.

/signed/
Susan M. Oliver
Vice President
Employee Relations

AGREED:

/signed/
Captain Rich Lavoy
Allied Pilots Association

LETTER JJ (2)

August 7, 1998

Captain Richard LaVoy
President
Allied Pilots Association
P. O. Box 5524
Arlington, TX 75050-5524

Removing the AA Code from Other Airlines Flights

Dear Captain LaVoy:

This letter confirms an agreement between the Allied Pilots Association ("Association") and American Airlines, Inc. ("Company,") regarding those circumstances where, pursuant to [Section 1](#) of the AA/APA Agreement, it is necessary for American to remove its code from a flight or flights operated by another airline:

- A. Whenever the Company requires Association approval to place or maintain the code on a Canadian flight pursuant to Section 1 .G.(1)(b)(i), and the Association does not grant such approval:
 1. Within one business day after the January 1 on which such approval is required, the Company shall issue an Availability Status Message closing the AA* flight to future booking activity under the AA* code for the period from the following business day until and including the December 31 next succeeding the January 1 on which such approval is required.
 2. Within two business days after the January 1 on which such approval is required, the Company shall issue a schedule change resulting in the removal of the affected AA* flight activity from availability displays in the affected market to be effective for the period from ten business days after the Company issues such notice until and including the December 31 next succeeding the January 1 on which such approval is required.
 3. The Company shall exert its best efforts to ensure that within 14 business days after the above actions are taken, the affected AA* flight displays for the affected period are suppressed on airline, airport and travel agency reservation systems worldwide.
- B. Whenever the Company requires Association approval to place or maintain the AA* code on (1) a Canadian flight under circumstances other than those specified in Section 1.G.(1)(b)(i), or (2) a flight operated by an airline other than a Foreign Carrier, and the Association does not grant such approval, the Company shall take whatever actions are necessary to ensure that the affected AA* flight is closed to future booking activity, the affected AA* flight activity is removed from availability displays in the affected market, and the affected AA* flight displays are suppressed on airline, airport and travel agency reservation systems worldwide within 20 business days from the receipt of the Association's written notice of disapproval.
- C. Whenever the Company requires Association approval to place or maintain the AA* code on a flight operated by a Foreign Carrier, and the Association does not grant such approval, the Company shall take whatever actions are necessary to ensure that the affected AA* flight is closed to future booking activity, the affected AA* flight activity is removed from availability displays in the affected market, and the affected AA* flight displays are suppressed on airline,

airport and travel agency reservation systems worldwide within 30 business days from receipt of the Association's written notice of disapproval.

- D. The parties further agree that the phrase "any flights scheduled by Canadian on which the Company did not have its code on the preceding January 1" as used in Section 1 .G.(1)(b)(i) includes frequencies added in a market after the preceding January 1, even though other frequencies flown in the market on the preceding January 1 may have carried the AA* code. The parties do not intend this provision "D" to create any implication as to other provisions in Section 1 of the Agreement.

It is understood and agreed that the above timelines shall not apply to any situation where Section 1 of the AA/APA Agreement requires the Company to withdraw entirely from an agreement with a codesharing partner, except that the time line in B.(2) above shall apply to removing the code from the Hawaiian inter-island flying referenced in [Section 1.F.](#) of the Agreement if the Association withdraws its consent to such codesharing in accordance with that provision.

Sincerely,

/signed/
Sue Oliver
Vice President
Employee Relations

Agreed:

/signed/
Captain Rich LaVoy
President
Allied Pilots Association

LETTER JJ (3)

August 7, 1998

Captain Richard LaVoy
President
Allied Pilots Association
P. O. Box 5524
Arlington, TX 75050-5524

Route Profitability Analyses

Dear Captain LaVoy:

This will confirm our agreement regarding route profitability analyses.

1. At least ten calendar days before each quarterly Scope Review meeting scheduled by the parties, the Association will provide to the Company, in writing, up to five city pairs, whether transborder, international or domestic, in which the Company is currently codesharing but in which the Association believes the Company may be able to operate (a) flight(s) that would earn a return on invested capital at least equal to WACC. The Association will designate one city pair for a "microforecast" and up to four city pairs for "preliminary" route profitability analyses.
2. American will make appropriate Company personnel available at the Scope Review meeting to discuss route profitability analyses for each of the city pairs referred to in paragraph 1. During these discussions, the parties will reach a consensus regarding reasonable assumptions on schedules and aircraft types to be used in the analyses. The parties will agree on one such "mix" for the city pair designated for the microforecast, one such mix for each of two preliminary route profitability analyses and no more than two such mixes for each of the two remaining city pairs designated for preliminary route analyses. For domestic owned commuter partners, e.g. American Eagle, the assumptions may reflect changes in both AA and partner schedules. Otherwise, the assumptions will address only changes in AA's schedule and the parties hereby reserve their respective positions as to whether their Collective Bargaining Agreement may ever require the analyses to assume (a) change(s) in whether a non-owned codesharing partner carries the AA code on (a) particular frequenc(y/ies).
3. At least 20 days before the next respective quarterly Scope Review meeting, the Company will provide the route profitability analyses for each of the requested city pairs referred to in paragraph 1.
 - a. A "microforecast" will provide at least the same level of detail provided by the Company to the Association for the DFW-HOU city pair in June 1998 (attached at "A") and will include the onboard contributions of local and beyond market revenue from the top ten beyond markets, by market, to the projected revenue for the projected AA service.
 - b. Each "preliminary" route profitability analysis will provide at least the same level of detail shown on the template provided to the Association by the Company on July 8, 1998 (attached at "[B](#)"), and will include the underlying AA and competitive schedule assumptions, including any AA* codeshare schedules, and a data base date stamp.
 - c. At each quarterly Scope Review meeting, the Company will make appropriate personnel available to conduct a discussion of market overview and sensitivity to potential market changes for each route profitability analysis which it has provided to the Association.

4. In the event that any preliminary route profitability analysis requested in paragraph 1 above shows a negative WACC margin of 1.5% or less, the Company will also produce a microforecast for the requested mix in that city pair deliverable at the same time as the requested preliminary analysis without any additional request from the Association. In no case, however will this "automatic trigger" result in more than 3 additional microforecasts per quarter beyond the one requested by the Association. When requesting the preliminary analyses, and in order to determine the priority of additional microforecasts in the event that more than 3 preliminary analyses show a negative WACC margin of 1.5% or less, the Association will provide the Company with directions for determining which mixes in which city pairs the Company will use in performing the additional 3 microforecasts.

5. In addition to the profitability analyses referred to in paragraph 1, the Association may request a profitability analysis for a specific route on which the Company is codesharing which the Company has already performed as part of its route planning process within the 12 months prior to such request. The Company will provide the Association with such current profitability analysis.

The Association may also request a profitability analysis for a specific route on which the Company is not codesharing which the Company has already performed as part of its International route planning process within the 12 months prior to such request. The Company will provide the Association with such current profitability analysis provided there is a reasonable rationale for the Association's request.

6. No later than August 21, 1998, the Company will provide APA pilot members of the Association's Scope Compliance Committee with an expanded briefing regarding the system scheduling and route profitability models, including the items labeled "Schedule Process Decision Making" and "Constraints" on the Planning Process Overview document provided to the Association on July 7, 1998 (attached at "C"). In addition, if the Company makes any changes to the method used in this route planning process, the Company will conduct a follow up briefing on those changes for the APA pilot members of the Association's Scope Compliance Committee no later than the next quarterly Scope Review meeting.

7. No later than August 21, 1998, in order to facilitate the Association's selection of city pairs for which the Company will provide the analyses referenced in paragraph 1 above, the Company will provide the Association with a list of the top ten Eagle city pairs. The selection and ranking of the ten city pairs will be based on onboard and connecting revenue per asm, provided each market averaged at least 200 passengers per day each way over the most recent six months and is over 130 nautical miles.

Very Truly Yours,

/signed/
Sue Oliver
Vice President
Employee Relations

Agreed:

/signed/
Captain Rich LaVoy
President
Allied Pilots Association

ATTACHMENT A

DFW-HOU PROFITABILITY 8 Roundtrips Daily with F-100

<u>FINANCIALS:</u>	<u>PER DAY</u>
Passenger Revenue	74,595
All other Revenue	<u>4,545</u>
Total Onboard Revenue	79,140
Psgr. Var. Expenses	22,648
Direct Capacity Expenses	52,152
All other Expenses	<u>27,677</u>
Total Onboard Expenses	102,477
Onboard Pre-tax Earnings	(23,337)
Provision for taxes	<u>(8,635)</u>
After-tax onboard Earnings	(14,702)
After-tax beyond Earnings	3,008
Total Onboard + Beyond After-tax Earnings (WACC)	<u>(11,694)</u>
WACC Margin	(6.1%)

STATISTICS:

Daily ASMS	383,344
Daily RPMS	307,228
Load Factor	80.1%
Revenue/ASM	20.6¢
Cost/ASM	26.7¢
Yield	24.3

DFW-HOU (8 Roundtrips Daily with F-100)

<u>BREAKDOWN OF "ALL OTHER EXPENSES"</u>	<u>PER DAY</u>
Cargo Expenses	1,282
System/administration Expenses	8,122
Station-specific Expenses	10,742
Indirect Labor Expenses	5,442
Indirect Maintenance Expenses	<u>2,089</u>
All Other Expenses	27,174

Notes:

1. Cargo Expenses Include: freight services, freight agents, cargo fuel, cargo ramp services, cargo ramp overhead, freight administration, freight sales and advertising expenses,
2. System/administration Expenses include: psgr advertising, psgr sales, indirect ticketing, indirect reservations, misc psgr administration, tour marketing, operations administration, crew scheduling, system general administration, and system assets ownership expenses.
3. Station-specific Expenses include: ground equipment maintenance, Indirect ramp end cabin services, indirect load & clearance, indirect psgr services, station rent, station administration and station assets ownership expenses.
4. Indirect Labor Expenses include: pilots/flight attendants pay & credit, travel & incidental, training and non productive expenses.
5. Indirect Maintenance Expenses include: indirect maintenance and aircraft cleaning expenses.

Arln	Flt#	Eff Date	Disc Date	Freq	Departure Sta Time	Arrival Sta Time	Eqp Typ	Blk CdTime
	2701	07/09/99	07/09/99	MTWTFSS	DFW.0635	HOU 0736	F110	01:01
	2703	07/09/99	07/09/99	MTWTFSS	DFW 0915	HOU 1022	F110	01:07
	2705	07/09/99	07/09/99	MTWTFSS	DFW 1037	HOU 1140	F110	01:03
	2707	07/09/99	07/09/99	MTWTFSS	DFW 1241	HOU 1345	F110	01:04
	2709	07/09/99	07/09/99	MTWTFSS	DFW 1416	HOU 1529	F110	01:13
	2711	07/09/99	07/09/99	MTWTFSS	DFW 1710	HOU 1824	F110	01:14
	2713	07/09/99	07/09/99	MTWTFSS	DFW 1837	HOU 1945	F110	01:08
	2715	07/09/99	07/09/99	MTWTFSS	DFW 2212	HOU 2308	F110	00:56
	2702	07/09/99	07/09/99	MTWTFSS	HOU 0626	DFW 0722	F110	00:56
	2704	07/09/99	07/09/99	MTWTFSS	HOU 0721	DFW 0824	F110	01:03
	2706	07/09/99	07/09/99	MTWTFSS	HOU 0847	DFW 0951	F110	01:04
	2708	07/09/99	07/09/99	MTWTFSS	HOU 1056	DFW1156	F110	01:00
	2710	07/09/99	07/09/99	MTWTFSS	HOU 1214	DFW 1319	F110	01:05
	2712	07/09/99	07/09/99	MTWTFSS	HOU 1523	DFW 1627	F110	01:04
	2714	07/09/99	07/09/99	MTWTFSS	HOU 1635	DFW 1743	F110	01:08
	2716	07/09/99	07/09/99	MTWTFSS	HOU 1935	DFW 2042	F110	01:07

ATTACHMENT B

Preliminary XXX-YYY Profitability
N Roundtrips Daily for Z Aircraft Type

Daily ASMs
Daily RPMs
Load Factor
Yield
Revenue per ASM
Cost per ASM

Estimated WACC Margin

ATTACHMENT C

Planning Process Overview

Planning Timetable 18 Month Plan Process

Schedule Planning Timetable:

Oct-Dec	- Develop Summer Schedule
Jan	- Summer Schedule in SABRE
Feb	- Complete 18-Month Schedule with Summer as Base
Mar	- Issue 18-Month Plan and Final Summer in SABRE
Apr-Jun	- Develop Winter Schedule
Jul	- Winter Schedule in SABRE
Aug	- Complete 18-Month Schedule with Winter as Base
Sep	- Issue 18-Month Plan and Final Winter in SABRE

Process Flow

- **Preparation**

- Industry Macro Forecast
- Industry Forecast by Market
- Competitive Schedules
- AA Input Schedules
- Constraints

- **Decision Making**

- Run Models
- Examine Output
- Make Corrections
- Re-run Models
- Make Decisions

- **Implementation**

- Finalize Schedule
- Publish Schedule

Schedule Process

Decision Making

Inputs

World Economics

Industry Capacity
Industry Schedules
O & D Passenger Prices
• Fare Proration
O & D Price Elasticity
O & D Market Sizes & Seasonality
Market Override
Cargo Capacity
Cargo Price
Cargo Volume
Unit Costs
Aircraft Ownership Costs
Fleet Assumptions
Schedule Parameters
• Block Times
• Ground Times
• Connect Times
• ATC Flow Rates
• Dependability Maps
• Maintenance
• Spare Aircraft
• Pilots/Flight Attendants
• Facilities
• Spare Gates
• A/C Operating Capability
• Slots, Curfews
• Gov't Regulation
• Field Manning Formulas

Overbuilt
AA
Schedule

AA
Schedule
and
Fleet
Plans

Outputs

Financial Plans
Fleet Plans
Sales Plans
Pricing Plans
Yield Management Plans
Maintenance Plans
Operations Plans
Manning Plans
Facility Plans
Food & Beverage Plans
Fuel Purchase
Reservations Plans
Communications
OAG
Timetable
FOS
FIDS
Governmental Reporting

Constraints

- Access Plans/Slots
- Aircraft
- Airport
- Block Times
- Crews - Hours and Location
- Dependability
- Facilities/Gates
- Ground Equipment
- Lounge Isolations
- Maintenance Parameters
- Manning
- Marketing
- Minimum Revenue Guarantees
- Noise
- Other Airline Handling Agreements
- Payload Restrictions
- Seasonal Traffic Patterns
- Similar Call Signs
- Terminal Isolations

LETTER JJ (4)

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LETTER JJ (5)

June 14, 2001

Captain John E. Darrah
President
Allied Pilots Association
14600 Trinity Blvd., Ste. 500
Fort Worth, TX 76155

Baseline Correction

Dear Captain Darrah:

The baseline for any particular year is a function of a large number of calculations over a significant period of time. Most of the calculations for a given baseline involve data from the prior two years. However, because each year's baseline is calculated by adding and subtracting hours from the previous baseline, the accuracy of each year's baseline depends on the accuracy of those prior. There are also cases (e.g. when the "route bank account" is employed) where specific flying prior to the past two years is incorporated into the current year's baseline calculation.

In light of the interrelationship between prior and current baseline calculations, and in order to ensure that all baselines moving forward are as accurate as possible, the following is a general rule for addressing an error found in a previously agreed-to baseline:

If both parties agree that a calculation error or other mistake in applying the Baseline Rules was made in a previously agreed-to baseline, and if the mistake has an impact (or potential impact) on the number of hours in a future baseline, then the mistake will be corrected. The correction will be made on a moving-forward basis, with data specifying the correction shown on the cover page to the next baseline to be agreed to. In the event that only one party believes a calculation error or other mistake was made in a previously agreed-to baseline, the baseline will remain as previously established and shall not be subject to any modification on a moving-forward basis.

In any specific case, the parties may of course agree on an alternative correction measure if they believe circumstances warrant.

Sincerely,

/signed/
Jeff Brundage
Vice President Employee Relations

Agreed:

/signed/
Captain John Darrah
President
Allied Pilots Association

LETTER JJ (6)

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AmericanAirlines®

February 1, 2004

Captain John E. Darrah
President
Allied Pilots Association
14600 Trinity Boulevard, Ste 500
Fort Worth, TX 76155

Re: Pilot Long Term Disability Plan

Dear Captain Darrah:

This letter confirms the agreement to provide a new long-term disability plan for pilots ("Pilot LTD Plan") for disabilities incurred on or after February 1, 2004. Such Pilot LTD Plan shall provide the disability benefits required under Supplement F and be subject to all provisions of Supplement F and the Pilot Retirement Benefit Program (the "Program") relating to the disability retirement benefit, except for the requirement that the benefit be paid from the Program and the one year waiting period for participation. Furthermore, a disabled pilot who resumes duties as an active pilot, but returns to disability status due to the same cause within 31 days of the commencement of flight crewmember training shall resume his disability benefit under the Pilot LTD Plan or the Program, as applicable, following the last day paid as an active pilot. The monthly benefit will be the same amount as the pilot received prior to returning to work and the pilot will not be required to satisfy a new elimination period. Monthly benefit payments will be made on the same pay schedule as a line pilot's regular paycheck. All other provisions of Supplement F, including the continued accrual of Credited Service for periods that a pilot receives a disability benefit, shall continue in full force and effect.

The Program shall be amended to remove the Disability Retirement provisions for all disabilities incurred on or after February 1, 2004 and such disabilities shall be paid from the Pilot LTD Plan. Disabilities incurred prior to February 1, 2004 shall continue to be paid from the Program in accordance with provisions in effect on January 31, 2004.

With respect to the long term funding of the Pilot LTD Plan, American Airlines, Inc, ("Company") shall pay all benefits as they become payable and may establish a trust from which to fund and pay benefits.

The Company shall provide the Allied Pilots Association ("Association") with an annual accounting of all payment from the Pilot LTD Plan and, upon request by the Association, information necessary to independently audit the funded status or operation of the Pilot LTD Plan. In addition, the Company shall provide the Association with a copy of any annual report required to be filed with any governmental agency or required by any other regulatory organization within ten (10) days of filing such report.

All documentation regarding the establishment of this Pilot LTD Plan shall be established by mutual agreement between the Association and the Company. Any subsequent modification of the Pilot LTD Plan shall be subject to the provisions of Supplement F(4). Any disputes under this letter of agreement shall be handled in accordance with the provisions of Supplement F(4).

Pilots disabled after January 31, 2004 shall receive medical and dental coverage under the pilot active medical plan. The Company shall make every reasonable effort to ensure that such pilots are able to participate completely in all benefits, rights and features of the active medical and dental plan (e.g., the ability to make pretax contributions for medical coverage and flexible spending accounts, select among all benefit options provided to active participants, continue active dental coverage, among others). Any costs or savings resulting from disabled pilots participating in the active medical plan shall apply to the \$10,000,000 annual savings in active medical and dental costs.

Sincerely,

/signed/
Mark L. Burdette
Director of Employee Relations, Flight

Agreed and Accepted:

/signed/_____
Captain John E. Darrah
President, Allied Pilots Association

LETTER KK (2)

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Re: Pilot Long Term Disability Plan On and After October 1, 2012

Dear Captain Wilson:

This letter confirms the agreement between American Airlines, Inc. ("Company") and the Allied Pilots Association ("Association") to provide a new long-term disability plan for pilots (the "2012 Pilot LTD Plan") whose dates of disability commence on and after October 1, 2012. Pilots whose dates of disability precede October 1, 2012 will receive disability benefits pursuant to the terms of the February 1, 2004 Pilot LTD Plan (the "2004 Pilot LTD Plan") or the Fixed Income Plan ("Pilot DB Plan") of the American Airlines, Inc. Pilot Retirement Benefit Program ("Program"), as applicable, subject to Paragraph 12 below.

The 2012 Pilot LTD Plan shall have the following provisions:

1. Benefit Amount. The 2012 Pilot LTD Plan shall provide a disability benefit amount equal to sixty percent (60%) of Average Monthly Compensation (as that term is defined in the 2004 Pilot LTD Plan) up to a maximum monthly benefit of \$8,000.
2. Benefit Offsets. Benefits under the 2012 Pilot LTD Plan ("LTD benefits") shall be offset by the following sources of income:
 - a. Social Security Disability benefits (both individual and family benefits) if due to the pilot's disability;
 - b. Workers' Compensation, if due to the pilot's disability;
 - c. State Disability benefits, if due to the pilot's disability; and,
 - d. Other earned income received more than forty-eight (48) months after the effective commencement date of LTD benefits.
3. Social Security Disability Benefits. Pilots who are eligible to receive Social Security Disability benefits must apply for them in order to be eligible for LTD benefits.
4. Duration of LTD Benefit Payments. LTD benefits shall be paid for up to twenty-four (24) months for disability from the occupation of an airline pilot due to a medical condition or treatment for that medical condition. After twenty-four (24) months of LTD benefit payments, the pilot will continue to be considered disabled if the pilot is unable to earn more than 80% of the pilot's pre-disability Compensation (as that term is defined in the 2004 Pilot LTD Plan) earned at the Company in the twelve (12) months prior to the pilot's date of disability.
5. Mental/Nervous and Chemical Dependency Diagnoses Limitation. Pilots shall be entitled to a cumulative lifetime maximum of up to twenty four (24) months of LTD benefits for chemical dependency and/or mental/nervous diagnoses under the 2012 Pilot LTD Plan. A chemical dependency and/or mental/nervous diagnosis under the 2004 Pilot LTD Plan and/or the Pilot DB plan will count toward the twenty-four (24) months lifetime maximum. For example, a pilot who received twelve (12) months of disability benefits under the 2004 Pilot LTD Plan as a result of a chemical dependency diagnosis shall be entitled to receive no more than twelve (12) additional months of disability benefits under the 2012 Pilot LTD Plan as a result of a subsequent chemical dependency and/or mental/nervous diagnosis. Pilots who are disabled

for multiple reasons shall continue to receive disability benefits for as long as they otherwise qualify for payment due to a disability that is not limited by this paragraph 5.

6. Appropriate Care and Treatment. LTD benefits are payable only when the pilot is seeking appropriate care and treatment for the disabling condition.
7. Claims Filing Period. All claims under the 2012 Pilot LTD Plan must be filed within one (1) year after the pilot's date of disability in order to be eligible for benefits.
8. Claim Filing Procedures and Verification of Disabilities. Claim filing procedures will be determined by the Company and/or the third party administrator. Pilot disabilities shall be verified by the third party administrator. Pilot disabilities may be subject to re-verification by the Company and/or third party administrator, when appropriate, but in no event more than once in any 90-day period.
9. Administration. The 2012 Pilot LTD Plan shall be administered by a third party administrator to be mutually determined by the Company and the Association. The Association's consent to the selection of a third party administrator will not be unreasonably withheld.
10. Independent Clinical Source. Any disputes arising as to the clinical validity of a claim or as to the continuation of disability once commenced will be referred to an independent clinical source to be mutually determined by the Company and the Association. The decision of the independent clinical source shall be final and binding upon the Company, the Association and the pilot in question. The cost involved in such proceeding shall be equally shared by the Association and the Company. The Association's consent to the selection of an independent clinical source will not be unreasonably withheld. This paragraph supersedes all letters and prior agreements related to the selection of an independent clinical source or independent clinical reviewer for the 2004 Pilot LTD Plan and the Pilot DB Plan.
11. Eligibility for Pension Contributions and Service. Pilots who are receiving LTD benefits will not be eligible for contributions to any defined contribution or 401(k) plan sponsored by the Company, including the Variable Income Plan ("Pilot B Plan") of the Program. Further, effective as of the freeze date of the Pilot DB Plan, pilots who are receiving LTD benefits shall not earn credited service for the purpose of determining the amount of benefits under the Pilot DB Plan. However, such pilots shall continue to earn credited service after the freeze date of the Pilot DB Plan solely for the purpose of determining eligibility for vesting and Early Retirement under the Pilot DB Plan.
12. Pilots Receiving Disability Benefits from Other Plans. The provisions of Paragraphs 8, 9, 10, 11 and 15 of this Letter KK(2) shall also apply to pilots receiving disability benefits under the 2004 Pilot LTD Plan and the Pilot DB Plan, notwithstanding any inconsistent contractual provisions, past practices, or arbitration awards between the parties.
13. Plan Documentation. All documentation regarding the establishment of the 2012 Pilot LTD Plan shall be established by mutual agreement between the Association and the Company. Any subsequent modification of the 2012 Pilot LTD Plan shall be subject to the provisions of Supplement F(4). Any disputes under this letter of agreement shall be handled in accordance with the provisions of Supplement F(4). The Company will retain the right to amend any provision in the 2012 Pilot LTD Plan for the purpose of complying with applicable laws and regulations. The Company will provide the Association with advance notice of any amendment to the 2012 Pilot LTD Plan.
14. Medical. Pilots disabled under the 2004 Pilot LTD Plan or the 2012 Pilot LTD Plan shall receive medical and dental coverage under the active medical plan in accordance with the provisions of Supplement (K).
15. Recurring Disability. Effective January 30, 2015, in the event a disabled pilot resumes duties as an active pilot, but returns to disability status due to the same cause within ninety (90) days of the date the pilot commenced flight crewmember training, the disability will be treated as the same disability. The pilot will not have to satisfy a new elimination period and monthly disability benefits will resume immediately following the last paid day as an active pilot from the plan in which he was receiving disability payments immediately prior to resuming duties as an active pilot. The amount of the monthly disability benefit will be the same as the disabled pilot received prior to returning to work.

Very truly yours,

/signed/

Beth Holdren

Managing Director Labor Relations - Flight

Agreed:

/signed/

Captain Keith Wilson

President

Allied Pilots Association

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LETTER TT

December 17, 2003

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Re: Furlough Stand in Stead

Dear John:

In recognition that there exists within the AA pilot seniority list some pilots that would preference or proffer the opportunity to move from an active pilot to a furloughed pilot, the Company and the Association agree to establish a Furlough Stand in Stead Provision effective on December 20, 2003. The following provisions shall apply:

1. Eligibility

The Furlough Stand in Stead Provision shall be available to all pilots on the AA pilot seniority list (this includes PLOA, MDSB and MLOA, in addition to Active Flying Status).

2. Conditions

A pilot electing to utilize the Furlough Stand in Stead provision shall be entitled to all benefits and privileges that the pilot would otherwise be entitled to if he/she would have been involuntarily furloughed on that date except as follows:

- a. Furlough Pay Months: The furlough pay months shall be the lesser of what the individual Furlough Stand in Stead pilot would have been entitled to or the pay months applicable to the senior pilot being furloughed that the Furlough Stand in Stead pilot is replacing.
- b. Furlough Pay Rate: A pilot electing to Furlough Stand in Stead shall receive furlough pay based upon the lesser of:
 - (1) such pilot's earnings for the last full active month prior to the submission of the Furlough Stand in Stead request, or
 - (2) the earnings for the last full active month prior to the furlough announcement of the senior pilot being furloughed that he/she is replacing.
- c. The furlough pay in 2(B) above shall not be less than the average of Long Call and Short Call reserve guarantee for the bid status of the pilot who would otherwise have been furloughed. The provisions of [Section 17.V.5](#) of the Collective Bargaining Agreement shall apply, except as modified by 2 (A) and (B) above. Comparisons for furlough pay purposes shall be made on a one for one basis matching the most senior pilot electing to Furlough Stand in Stead with the most senior pilot who would have otherwise been furloughed.
- d. The Company shall reduce the total number of future effective furloughs by the number of Furlough Stand in Stead pilots for each future effective furlough. This provision shall **not** apply in the event a Furlough Stand in Stead pilot is inactive at the time of furlough and/or has an extended LOA scheduled at a later date.
- e. Supplement W: Any pilot electing to Furlough Stand in Stead shall be excluded from participation in Supplement W until such time as the pilot would have been furloughed based on his/her seniority.
- f. A pilot electing to Furlough Stand in Stead shall provide a minimum of forty-five (45) days written notice to his/her Chief Pilot. However, in no case shall a pilot be provided with

less than seven (7) days after the date of a future furlough announcement to advise the Company of his/her intention to Furlough Stand in Stead. The minimum notice requirements of this paragraph may be waived at the Company's option. The Furlough Stand in Stead shall commence effective with the first day of the contractual month following the completion of the notification period, subject to Company approval based on operational requirements. In no case shall approval be withheld during a month in which furloughs are scheduled.

- g. A pilot that has been notified of a future effective furlough may also utilize the Furlough Stand in Stead provision to move up his/her furlough date to an earlier contractual month, subject to Company approval based on operational requirements. Such pilot must provide the Company with forty-five (45) days notification, in writing, requesting the earlier furlough date. The minimum notice requirements of this paragraph may be waived at the Company's option.
- h. A pilot who has their Furlough Pay months and/or Furlough Pay rate reduced by Sections 2(A) or 2(B) of this agreement shall have that reduction restored if subsequent to electing to Furlough Stand in Stead he/she has a pilot that is senior to him/her involuntarily furloughed.

Notwithstanding the above conditions, there shall be no further distinction between a Furlough Stand in Stead pilot and a pilot that was involuntarily furloughed under [Section 17](#) of the Collective Bargaining Agreement. Furloughed pilots shall be recalled in seniority order to American Airlines.

Sincerely,

/signed/

Mark Burdette

Director, Employee Relations, Flight

Agreed and Accepted:

/signed/

John Darrah, President

Allied Pilots Association

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LETTER WW

Note: This Letter WW will not be in effect upon the implementation of PBS and the elimination of CPA

May 19, 2004

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Blvd. Suite 500
Ft. Worth, TX 76155-2512

Re: CPA Fill Up/Payout Option

Dear John:

This letter will confirm our discussions concerning the agreed upon changes to the automatic Credit Plan Account (CPA) fill up/spillback provisions of [Section 15.A.6](#), of the 2003 CBA. The parties agree that CPA fill up will no longer be automatic and will, instead, be at pilot option subject to the same limits currently contained in [Section 15.A.6.a](#) of the 2003 CBA. The parties further agree that CPA spill back provisions of Section 15.A.6.b will be eliminated. Provisions providing for the conversion of CPA hours in excess of fifty (50) hours will continue to be paid out in accordance with Section 15.A.6.of the 2003 CBA

Your signature below will confirm agreement on the following five changes to the Basic Agreement. [Section 15.A.6.a](#) of the May 1, 2003, Basic Agreement shall hereby be replaced with the following paragraph:

Fill up. At the end of the contractual month CPA time (in one-minute increments) will, at the pilot's option, be used to fill up a pilot's pay projection (PPROJ) for that month up to the monthly maximum for that month. All such fill up shall be applied after the provisions of Sections 4.A and B. (Minimum Guarantees) and 6.C.2. (Apportionment) and any applicable pay-no credit provisions, if applicable, have been satisfied.

Section 15.A.6.b shall hereby be replaced by the following paragraph:

Optional Pay Out. A pilot may make a monthly election to receive up to ten (10) hours CPA time (in one-minute increments) as pay provided that a pilot's bank is not debited to a negative balance. Such CPA time shall be paid at rates on the highest equipment on the monthly trip selection to which it is applied and shall be paid in addition to the pilot's Pay Projection (PPROJ) after all other contractual applications have been applied (e.g., CPA fill up, pay-no-credit applications, apportionment, etc.).

Supplement N(1) having been incorporated into Section 15.A.6.b., of the 2003 CBA, is now redundant and is therefore eliminated.

[Q&A Number 55](#) is amended to read as follows:

Q. Can fill up time be offset by the guarantee (regular or reserve)?
A. No. Fill up will only be applied after guarantee and any flight time apportionment, if applicable.

[Q&A Number 56](#) is amended to read as follows:

Q. How is fill up optional pay out, or payout of CPA in excess of fifty (50) hours paid?

A. At rates on the highest equipment on the monthly trip selection in which it is applied or the hourly rate of the equipment from which the pilot is being withheld, whichever is greater.

Sincerely,

/signed/
Mark Burdette
Director, Employee Relations, Flight

Agreed and Accepted:

/signed/
John Darrah, President
Allied Pilots Association



May 19, 2004

Captain John Darrah, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

Dear John:

This letter reflects our mutual agreement concerning a pilot's ability to convert Vacation Bank hours into CPA Bank hours.

A pilot may convert Vacation Bank hours into CPA Bank hours at any time during the vacation year. This conversion will be accomplished in the same manner as the conversion of Vacation Bank hours associated with "floated weeks" of vacation. Excess Vacation Bank hours at the end of the vacation year will be treated in accordance with Section 9 of the Collective Bargaining Agreement.

Floating vacation periods in a given month will first be proffered to pilots originally awarded a floating vacation during the annual vacation award process. Any remaining floating vacations will then be made available for bid to any other pilot in the bid status.

This provision will be in effect from May 1, 2004 to April 30, 2005 and continuously thereafter provided, however, that it may be discontinued by either party after April 30, 2005.

Sincerely,

/signed/

Mark Burdette

Director, Employee Relations, Flight

Agreed and Accepted:

/signed/

John Darrah, President
Allied Pilots Association



August 1, 2004

Captain Ralph Hunter, President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Fort Worth, TX 76155-2512

Re: National Officers and Union Leave If Needed (PU If Needed)

Dear Ralph:

This letter will confirm our discussions regarding the addition of the APA National Officers to Letter II of the Basic Agreement.

Effective August 1, 2004, the APA Leave Coordinator will notify the Company when a reserve pilot serving as a National Officer is performing union business and intends to use union leave (PU) if needed for a flight assignment. APA will not be charged union leave until such pilot is needed to fly by assignment (not by proffer). When needed to fly, the APA Leave Coordinator will be notified and the pilot will be placed on union leave (PU) effective that day.

The same procedures that apply to Letter II will be followed for the National Officers.

Sincerely,

/signed/

Mark Burdette
Vice President, Employee Relations

Agreed and Accepted:

/signed/

Ralph Hunter, President
Allied Pilots Association



February 9, 2005

Captain Ralph Hunter, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

Re: Establishment of FOQA Program

Dear Ralph:

This letter reflects our agreement to establish a Flight Operations Quality Assurance ("FOQA") program at American Airlines. We share the goal of developing the best safety program in the airline industry, and we have a proven working relationship in mutually beneficial areas of safety, security and training programs.

The Company and the Association therefore agree to establish a FOQA program under the following terms:

1. The Company and the Association shall agree on the specific policies and procedures of a FOQA program through a "Memorandum of Understanding" ("MOU") before the program's implementation. Once implemented, changes may only be made to the program by written agreement. Additionally, the Company and the Association shall include in an acceptable Letter of Agreement the specific contractual protections afforded pilots before the implementation of the FOQA program.

2. The Company agrees to reimburse the Association's paid union leave ("PU") expense for all "mutually beneficial" activities. "Mutually Beneficial" activity reimbursement will include, but not be limited to:

A. All union leave (PU) granted to the Association's Safety Committee Chairman;

B.All union leave (PU) granted to pilots necessary to directly support the ASAP and FOQA programs;

C.Twelve (12) Special Assignment (SA) days per year for use at the Association's sole discretion; and

D.Leave granted to the Association's Security, Training and Aeromedical Committee Chairmen while engaged in "mutually beneficial activities".

"Mutually beneficial activities" eligible for PU expense reimbursement (including, but not limited to items in 2. D. above) will be agreed upon in advance by the Chairmen of the applicable Association Committees and their Company counterparts (i.e. the Managing Director of Flight Operations, Training, Security, etc., or their designated delegates).

The decision as to whether any given activity is "mutually beneficial" or not shall be based on the standard of "Work done by the Association that is of equal or greater benefit to the Company". Should a dispute arise regarding whether an activity is "mutually beneficial" or not, it will be resolved by the Joint Flight Team (JFT) or its successor.

Sincerely,

/signed/

Rose M. Doria

Managing Director, Employee Relations

Agreed and Accepted:

/signed/

Ralph J. Hunter, President

Allied Pilots Association



February 9, 2005

Captain Ralph Hunter, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

Re: Paid Union Leave (PU) Administration

Dear Ralph:

This letter will confirm our agreement to establish new additional procedures to administer trip sequences dropped for Association Paid Union Leave (PU):

1. When a paid union leave sequence drop request is:
 - a. Submitted by the Association to Crew Schedule by close of business on the 22nd of the preceding month (or the first business day thereafter if the 22nd is not a business day); or
 - b. If submitted after the 22nd of the preceding month, with 14 or more calendar days' advance notice, or
 - c. Submitted at any time as a result of a Company request for Association presence at a meeting or other function; then,

Should such a sequence drop be granted, it will first be available to AA Flight Standards for OE training purposes. If Flight Standards elects to use all - or a portion of - such a dropped trip for a pilot's OE training, the Association will not be required to reimburse the Company for the value of the sequence. If the Company elects not to use such trip for OE training, it will be placed into open time as soon as practicable.

2. Each month, the Association will identify and document:
 - a. All paid union leave sequence drops submitted in compliance with the conditions in 1. above that are ultimately placed into open time for the previous month, and
 - b. The corresponding reserve pilots who flew such sequences (if any), and
 - c. The number of hours (on a pay and credit basis) that were paid to such reserve pilots in excess of such reserve pilot's guarantee.
3. The Association will then reimburse the Company on a monthly basis for hours identified in 2.c. above, but will not be required to reimburse PU-dropped hours flown by reserve pilots that did not break guarantee.

Sincerely,

/signed/
Rose M. Doria
Managing Director, Employee Relations

Agreed and Accepted:

/signed/
Ralph J. Hunter, President
Allied Pilots Association



February 9, 2005

Captain Ralph Hunter, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

RE: APA Staff Pass Travel

Dear Ralph:

This letter reflects our agreement regarding cockpit jump seat authority and Priority Passes for APA staff members. This agreement supersedes and replaces Letter "Y" in the 2003 AA-APA Collective Bargaining Agreement.

Specifically, APA Legal, Safety, & Communications staff necessary to support aircraft accident investigations or related hearings will be provided with A-12 Priority Passes (or equivalent) on American Airlines to travel to the site of such accident or hearings.

Additionally, the Director of Safety, Training, Security & Aeromedical of the Allied Pilots Association will be granted cockpit jump seat authority (or an A-12 Priority Pass or equivalent) on American Airlines to travel to the site of a Company aircraft accident and/or related hearings, or for other agreed-upon activities that are "mutually beneficial" to the Association and the Company.

Finally, this will confirm that members of the APA Accident "Go Team" will be provided with A-12 Priority Passes (or equivalent) on American Airlines to travel to the site of a Company aircraft accident.

Sincerely,

/signed/

Rose M. Doria

Managing Director, Employee Relations

Agreed and Accepted:

/signed/

Ralph J. Hunter, President

Allied Pilots Association



September 28, 2005

Captain Ralph Hunter, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

RE: Military Charter Flights

Dear Ralph:

This agreement specifies procedures for conducting certain Military Charter Flights ("MCF") that cannot be operated under the AA-APA Basic Agreement and / or Supplement "H" ("CRAF Operations"). It replaces the "Military Charter Memorandum of Understanding" dated February 6, 2003. Any MCF accomplished under this LOA is hereby deemed equivalent to Supplement "H" CRAF flying with the following non-precedent exceptions:

1. A CRAF declaration is not required for flying done under this LOA;
2. Paragraph A.6. of Supplement "H" (tail number specification) is not applicable to flying done under this LOA;
3. For the purposes of this LOA, Paragraph B.4.f. of Supplement "H" is amended to read:

"The Company may post "Military Charter Lines" (deemed equivalent to "CRAF Lines" in Supplement "H") without limit in any four-part bid status of their choosing for each month in which a sufficient level of MCF missions is anticipated. Alternatively, if the known level of MCF missions is too low to publish "pure" Military Charter Lines, the Company may post and award known MCF sequences within the normal bidding process (honoring limits in the Basic Agreement), provided the sequence is clearly identified as containing MCF. Pilots who bid sequences containing any MCF missions operating into an Area of Interest ("AOI") will be deemed "volunteers" per Supplement "H", Section B.2. Should DOD qualification requirements outlined in 5. below be met by all pilots in a given four-part bid status to which MCF sequences have been allocated on the monthly bid sheet, such sequences may be placed into open time by pilots via the TTS and / or SEP systems."

4. MCF sequences will be proffered according to the procedures in Attachment 1 of this letter. The parties intend to allow regularly scheduled pilots who have to drop future flying to access MCF following the same manning constraints as the current SEP and TTS systems. These procedures may be amended by mutual agreement.
5. Pilots will only be eligible to be awarded / assigned MCF missions subject to DOD and / or Company qualification requirements. Current minimum DOD requirements are a minimum of 250 hours combined flight time in aircraft type per crew, 100 hours minimum aircraft time per pilot, and CAT III landing qualified. The Association shall be informed in a timely manner if any Company and / or DOD MCF qualification requirements are changed.
6. The Company and the Association share a commitment to quality crew rest on augmented MCF flights. In the event there is a change to the cabin configuration (from that existing on date of signing) of AA aircraft used for military charter flights that affects in-flight crew rest

facilities, we agree to meet and confer to determine if any changes to MCF crew rest provisions are necessary.

All other provisions of the Basic Agreement and the CRAF Supplemental Agreement (Supplement "H") shall remain in force unless excepted herein.

Sincerely,

/signed/

Rose M. Doria
Managing Director, Employee Relations

Agreed and Accepted:

/signed/

Ralph J. Hunter, President
Allied Pilots Association

Attachment 1- Proffer Procedures for Military Charter Flying (MCF)

1. As soon as practicable (preferably 36 hours prior to departure), MCF to an Area of Interest (AOI) will be assembled into sequences and placed into open time. The sequences will be "failing continuity", but will show the correct deadheads, pay, credit, departure and arrival times.
2. Regularly Scheduled pilots who desire to fly a given MCF mission - but who must drop future flying to do so - are required to submit a HISEND (or other mutually agreed-to electronic text) message to Crew Scheduled detailing their preferences (sequence number, seat desired, etc.). The HISEND / electronic message must be sent prior to the start of DOTC (1200 HBT) the day before sequence origination.
3. At 1200 HBT the day prior to MCF sequence origination, the Crew Schedule Senior on Duty (SOD) will begin the process of crewing the MCF mission(s). In order to be awarded MCF, pilots must satisfy all of the following qualification / experience requirements:
 - a. Each CA and F/O paired together must have 250 hours combined experience on the aircraft. No crewmember can be "restricted" on the aircraft (i.e. less than 100 hours for MCF purposes), and must be CAT III qualified.
 - b. Any awarded MCF cannot conflict with a DFP that has already begun.
 - c. If the MCF will over-project the pilot or conflict with other scheduled flying, any award of MCF will be handled according to then-current TTS transaction rules.
4. The MCF proffer will be in seniority order among all qualified, legal, and available regularly scheduled pilots in the bid status to which the MCF is assigned.
5. The SOD will make one (1) attempt to contact a regularly scheduled pilot who is qualified, legal, and available for an MCF sequence. Such pilot has one hour to return the call or he/she risks losing any claim to the MCF sequence. If the pilot is enroute (e.g. in the air) at the time of proffer, following accepted makeup flying proffer procedures he/she has until the end of trip debrief (plus some reasonable amount of time should delays be encountered clearing Customs and Immigration) to confirm any previously preferred MCF award. If the pilot is on mid-sequence or domicile rest during the proffer, he/she has until the earlier of:
 - a. The end of the rest period, or
 - b. Four (4) hours prior to departure to confirm the MCF award.
6. Following the MCF proffer to regularly scheduled pilots, any remaining open MCF will be covered through the normal open time proffer process.

Note: This LOA will not be in effect upon implementation of the 2012 CBA reserve system.



February 28, 2006

Captain Ralph J. Hunter, President
Allied Pilots Association
14600 Trinity Blvd. Suite 500
Ft. Worth, TX 76155-2512

RE: Greater Time to Date (GTD) Credit for Training Programs of 5 Days or Less

Dear Ralph:

This will confirm our agreement to include time spent attending training programs of five days or less (at the credited daily absence rate) in the computation of a pilot's Greater Time to Date (GTD).

The parties agree that Section 2, paragraph U shall now read:

U. Greater Time to Date (GTD)

A running accumulation of a pilot's credited hours to date, including time credited for a crew schedule error affecting a reserve pilot (as provided in Section 18.D.2.) and time credited (for GTD purposes only) at the appropriate daily absence rate for each day spent in a training program of 5 days or less, but not including credit for future flying, relief from future flying, or reserve proficiency displacement flying (as provided in 18.G.2.). Greater Time to Date (GTD) includes all time credited to date as well as time credited (for GTD purposes only) at the appropriate daily absence rate for each day spent in a training program of 5 days or less. Greater Time to Date (GTD) is used to determine reserve variances and assignments as provided in Section 18.

Sincerely,

/signed/

Dennis A. Newgren
Director, Employee Relations, Flight

Agreed and Accepted:

/signed/

Ralph J. Hunter, President
Allied Pilots Association



October 22, 2010

Captain David Bates, President
Allied Pilots Association
14600 Trinity Boulevard, Suite 500
Fort Worth, Texas 76155

RE: Credit Plan Account (CPA) and Internal Revenue Code (IRC) 409A

Dear Captain Bates:

As a result of changes to Federal tax law through the enactment of Section 409A of the Internal Revenue Code (IRC), the Credit Plan Account (CPA) as defined in the Agreement between American Airlines, Inc., and The Airline Pilots in the service of American Airlines, Inc., as represented by the Allied Pilots Association, dated May 1, 2003, as may be amended from time to time, (the "Basic Agreement"), may constitute "deferred compensation". Accordingly, the terms of the CPA may not comply with Section 409A requirements for such deferred compensation plans.

To comply with IRC Section 409A and to minimize potential personal tax liability to which pilots could be exposed, the Company and the Allied Pilots Association hereby agree that all positive CPA balances as of January 30, 2011 for both active and inactive pilots shall be paid in the February 2011 pay period.

This LOA shall remain in effect through the earlier of December 31, 2011 or the Date of Signing of an amended Collective Bargaining Agreement. In the event of any subsequent change under Section 409A, the Company and the Association shall meet and discuss CPA options within a reasonable period of time. Furthermore, the parties shall address an ongoing resolution to this issue during Section 6 negotiations.

Except as explicitly stated in this Letter of Agreement, any and all provisions of the Basic Agreement will remain in full force and effect.

Very truly yours,

/signed/

Dennis A. Newgren
Managing Director, Employee Relations

Agreed to this date:

/signed/

David Bates
President
Allied Pilots Association



January 1, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Subject: Settlement Consideration and Bankruptcy Protections

Dear President Wilson:

The Tentative Agreement dated November 16, 2012 reached between American Airlines, Inc. ("Company") and the Allied Pilots Association ("APA") in connection with the Company's Chapter 11 Restructuring was agreed to in furtherance of the Company's effort to restructure its capital structure and operations, and in consideration of the terms of the Tentative Agreement and this Letter of Agreement. This Letter of Agreement will be binding on any Chapter 11 trustee that may be appointed in the Company's present bankruptcy cases, In re AMR Corporation, et al., Chapter 11 Case No. 11-15463(SHL) (hereinafter "Bankruptcy Cases"), or other entity operating with the equivalent authority of a Chapter 11 trustee.

The Company and APA agree as follows:

1. Settlement Consideration. In full and complete satisfaction of any and all claims APA has or might arguably have, on behalf of itself or the pilots represented by APA, pursuant to the Railway Labor Act ("RLA") or under or with respect to the abrogated collective bargaining agreement between the Company and APA or the existing pilot terms and conditions of employment ("Green Book"), against the Debtors (or any of them) in the Bankruptcy Cases, and subject to the approval of the Bankruptcy Court, APA will receive under a plan or plans of reorganization of the Debtors equity in the reorganized entity (the "APA Settlement Consideration") equal to 13.5% of such equity issued to the holders of allowed prepetition unsecured claims (including APA) against the Debtors (including any equity issued with respect to other unions) (collectively the "Unsecured Claims"). The APA Settlement Consideration fully, finally, and completely extinguishes any and all claims, interests, causes or demands (including any and all pending grievances, excluding those grievances identified in Exhibit 1) that APA has or might arguably have, on behalf of itself or the pilots represented by APA, pursuant to the RLA and the terms of the abrogated CBA and/or the Green Book, against the Debtors arising prior to the Effective Date of this Letter of Agreement as defined below. The APA Settlement Consideration will not be diluted by any subsequent events other than: (1) equity consideration given to holders of interests in another entity in the event of a merger or consolidation as provided below; (2) an equity offering approved by the Bankruptcy Court in conjunction with confirmation of a plan of reorganization; (3) equity consideration granted to management in connection with incentive plans approved by the Bankruptcy Court; and (4) any post-emergence equity issuance.

Notwithstanding anything in the preceding paragraph to the contrary, the APA Settlement Consideration will not encompass or extinguish the following claims related to these specific grievances or lawsuits: American Airlines, Inc. v. Allied Pilots Ass'n, No. 4:12-cv-00083-Y (N.D. Tex.); and Canada v. American Airlines, Inc., et al., No. 3:09:0127 (M.D. Tenn.), Case No. 10-6131 (6th Cir.); Furland v. American Airlines, Inc., ARB Case Nos. 09-102, 10-130, ALJ Case No. 2008-AIR-011; American Airlines, Inc. v. Administrative Review Board, Department of Labor, Case No. 11-14419-C (11th Cir.); and pending discipline grievances.

Subject to the foregoing, in the event of a reorganization plan for the Debtors that provides for the consolidation of the Debtors with a third party, the APA Settlement Consideration shall be equal to 13.5% of the total consideration distributed with respect to the Unsecured Claims, and shall be issued contemporaneously with the consideration distributed under the plan with respect to the other Unsecured Claims.

The APA Settlement Consideration will confer upon APA all statutory rights to vote on any plan or plans of reorganization presented by the Company or any other entity. In the event that the APA Settlement Consideration has not yet been actually issued, it will be estimated for voting purposes as if APA held allowed unsecured claims in an amount that would entitle it to the APA Settlement Consideration. Neither the APA Settlement Consideration nor any rights under this Letter of Agreement may be assigned or transferred (including the granting of any participation) prior to the effective date of a Bankruptcy Court confirmed Plan of Reorganization, except with the express written consent of the Company exercised in its sole discretion.

2. Effective date. This Letter of Agreement shall not become effective until the last-occurring of these events (the "Effective Date"):

- (1) The Tentative Agreement is ratified by the pilot membership pursuant to procedures determined by the APA Board of Directors;
- (2) The Tentative Agreement and this Letter of Agreement are approved by a final order of the United States Bankruptcy Court for the Southern District of New York which order has not been stayed.

It is expressly understood and agreed that if the Effective Date does not occur, all of the terms contained in this Letter of Agreement are inapplicable and will be of no force or effect. Upon the occurrence of the Effective Date, but prior to the approval of any Plan of Reorganization in these cases, this Letter of Agreement shall constitute a binding and enforceable post-petition agreement between APA and the Company.

3. Administrative claim for fees and expenses. APA shall have an allowed administrative expense claim as of the Effective Date in an amount sufficient to reimburse APA for all reasonable fees and expenses (including attorneys and experts) incurred by APA in the Bankruptcy Cases in connection with the negotiation and/or litigation related to the Tentative Agreement, this Letter of Agreement, and Plan of Reorganization (including APA's opposition to the Company's Motion pursuant to 11 U.S.C. 1113) not to exceed \$5 million. In addition, on the Effective Date, APA shall have an allowed administrative expense claim in the amount of up to \$5 million for the reasonable fees and expenses of APA's investment banker (Lazard) incurred by APA in the Bankruptcy Cases in connection with the negotiation and/or litigation related to the Tentative Agreement, this Letter of Agreement, and Plan of Reorganization (including APA's opposition to the Company's Motion pursuant to 11 U.S.C. 1113). The fees and expenses payable hereunder shall not include fees or expenses incurred in connection with the pursuit of any third party purchaser of the Debtors or a merger partner (including but not limited to US Airways).

4. Withholding. The APA Settlement Consideration will be subject to applicable governmental withholding and reporting requirements. Any amounts so withheld will be treated for all purposes as having been paid to and received by the applicable recipient. In the case of a non-cash payment, the withholding agent may withhold an appropriate portion of the property and sell the withheld property on the recipient's behalf to generate the cash necessary to satisfy and pay the withholding. To the extent any non-cash payment is withheld, the withholding agent will hold such property in an escrow account until the property is timely sold, at the direction of APA. The escrow account will permit APA to vote any equity amount. In the event, or to the extent, that the APA Settlement Consideration has been allocated as of the effective date of a Bankruptcy Court confirmed Plan of Reorganization to the pilots represented by APA (such that it is capable of being distributed to the pilots within a reasonable time), the Company will be the withholding agent (with the cooperation of APA). To the extent that it has not been so allocated, APA will be the withholding agent (and the Company will assist in the processing of any applicable payroll returns, deposits and the like).

Any withholding obligations will not impact or reduce APA's statutory rights to vote on any plan or plans of reorganization presented by the Company or any other entity as described above in Paragraph 1.

5. Indemnification. The Company will indemnify and hold harmless APA and its current or former (a) members, (b) officers, (c) directors, (d) committee members, (e) employees, (f) advisors, (g) attorneys, (h) accountants, (i) investment bankers, (j) consultants, (k) agents, (l) actuaries, (m) financial advisors, (n) professionals, (o) agents and (p) other representatives (each an "Indemnitee") from fifty percent of any liability, loss, damages, fines, penalties, taxes, expenses and costs (not including any income or excise taxes or similar amounts imposed by any governmental agency) relating to, concerning or resulting from any and all third party claims, lawsuits or administrative charges of any sort whatsoever, including fifty percent of the reasonable attorney's fees and costs, arising in connection with matters relating to, concerning or connected to the negotiation or establishment of (x) the Tentative Agreement and this Letter of Agreement, (y) any amendment of any benefit plan or program concerning pilots or other participants in such plan made pursuant to or as a result of the Tentative Agreement and this Letter of Agreement, and (z) any other document or agreement forming part of the Tentative Agreement and this Letter of Agreement. This fifty-percent sharing arrangement will exist until APA's financial exposure reaches \$5 million. Any exposure exceeding \$5 million will be the responsibility of the Company.

Such indemnification and hold harmless obligation will not apply to: (1) any claim, lawsuit or administrative charge resulting from the willful or intentional conduct of any Indemnitee; (2) any claim, lawsuit or administrative charge asserting that APA violated its By-Laws or other organizational requirements by entering into the Tentative Agreement and this Letter of Agreement; (3) any claim, lawsuit or administrative charge resulting from any statement made by any Indemnitee that incorrectly describes the Tentative Agreement or Letter of Agreement or the modifications made thereby; (4) any claim, lawsuit or administrative charge related to allocation among American pilots represented by APA of any claim or any proceeds or distribution received in connection with the APA Settlement Consideration; or (5) any claim, lawsuit or administrative charge related to any disposition by APA or pilots represented by APA to third parties of the APA Settlement Consideration or any proceeds or distribution received in connection therewith.

An Indemnitee seeking to be indemnified and held harmless pursuant to this paragraph must provide to the Company written notice within seven business days of the Indemnitee learning of the claim, lawsuit or administrative charge as to which the Indemnitee seeks to be indemnified and held harmless. The Company will have the right to conduct the defense of such matter with counsel of the Company's choosing and enter into a settlement of such matter. The Company will give reasonable consideration to the wishes of the Indemnitee in connection with the matters described in the foregoing sentence.

6. Exculpation. The Company agrees that it will not propose or support any Plan of Reorganization that does not contain an exculpation or release provision for APA and each of its current or former members, officers, directors, committee members, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives at least as favorable as any exculpation or release provisions provided for the Company's officers, directors, employees, advisors, attorneys, accountants, actuaries, investment bankers, consultants, agents and other representatives.

7. Bankruptcy protection. From the date of this Letter of Agreement until a date three years from the date of this Letter of Agreement, the Debtors will not file or support any motion ("Motion") pursuant to 11 U.S.C. Sections 1113, 1113(e), or any other relevant provision of the Bankruptcy Code, seeking rejection or modification of, or relief or interim relief from, the Tentative Agreement or this Letter of Agreement and the finalized documents implementing the Tentative Agreement or this Letter of Agreement. The Debtors will actively oppose any such Motion if filed by another party.

Notwithstanding the foregoing, the Debtors reserve the right to file or support any Motion if there is a material deterioration in the Company's financial condition or financial prospects, whether because of general economic conditions or otherwise. All requirements and provisions of Section 1113 will also remain applicable to any such Motion. APA reserves its right to object to such Motion and nothing in this Letter of Agreement shall be construed as an agreement by APA to such modifications or relief.

8. Court approval. With the full and active support of APA, the Company will file and prosecute a motion for approval and assumption of the Tentative Agreement and this Letter of Agreement under Sections 363 and 1113 of the Bankruptcy Code and any other applicable sections thereto if the condition set forth in Paragraph 2(1) is satisfied. Both the motion and the proposed order attached thereto (the "363 Order") shall be in form and substance reasonably

acceptable to APA. Both the Company and APA will use their reasonable best efforts to obtain the support of the Official Committee of Unsecured Creditors and other parties and stakeholders for the Tentative Agreement, including this Letter of Agreement, and to seek entry of the 363 Order. Immediately upon entering into the Tentative Agreement, APA will file a motion to stay each of its appeals arising from the Bankruptcy Court proceedings, including its appeal of the dismissal of its Adversary Proceeding regarding the application of Section 1113 to amendable collective bargaining agreements, (appeal No. 1:12-cv-04376 (LAK)) (the "Adversary Proceeding Appeal"), its appeal of the Bankruptcy Court's August 15 Section 1113 decision (appeal No. 1:12-cv-07468 (CM)(GWG)) (the "Initial Section 1113 appeal"), the appeal from the Bankruptcy Court's September 5, 2012 Order granting the Company's Renewed Section 1113 motion (appeal No. 1:12-cv-07647 (CM)) (the "Renewed Section 1113 Appeal"), and its appeal from the Bankruptcy Court's decision granting in part the Motion in Limine filed by American in connection with its Renewed Section 1113 Motion (appeal No. 1:12-cv-07648 (CM)) (the "Motion in Limine appeal"). Upon the occurrence of the Effective Date, APA agrees to take all steps necessary to withdraw and dismiss immediately each and every appeal filed by APA related to the Bankruptcy Cases.

9. Damages. Other than the APA Settlement Consideration and the claims reserved in Section 1 above, APA shall not have any claims as a result of the Company's requests for relief under Section 1113 of the Bankruptcy Code or the parties' entry into the Tentative Agreement or this Letter of Agreement.

Very truly yours,

/signed/

Laura A. Einspanier
Vice President, Employee Relations

Agreed:

/signed/

Keith Wilson
President
Allied Pilots Association

Exhibit 1
Grievances excluded from the settlement

Grievance No	Date Filed	Grievant
06-003	01/05/06	Hunter Presidential
07-009	02/12/07	Hunter Presidential
07-028	06/14/07	Haug, William
07-048	08/08/07	Mock, James
07-066	11/05/07	Murphy, Robert
07-082	12/10/07	Emery, Kathy
08-005	02/20/08	Hill Presidential
08-021	04/07/08	Hass, Mark
08-066	07/21/08	Tierney, Michael
08-102	10/08/08	Smith, Sidney
09-002	01/21/09	Reinford, Philip
09-006	03/04/09	Decker, Richard
09-016	03/27/09	Weiland, Ronald
09-036	07/17/09	Balcom, Robert
10-026	04/27/10	Clark, John J
10-077	10/13/10	Minkin, Ronald
10-087	12/21/10	Smith, Carl
11-019	04/12/11	Bowling, Phillip
11-031	05/11/11	Torres, Felix
11-033	05/23/11	Conlon, Steven
11-054	08/18/11	LGA Domicile
11-065	10/24/11	Gordon, Michael
11-066	11/02/11	Bates Presidential
11-067	11/18/11	Sheehan III, James
11-084	11/29/11	AICA
12-009	01/27/12	Thompson Jr, Glen

Exhibit 1
Grievances excluded from the settlement

12-011	02/04/12	Meadows, Lawrence
12-012	05/22/12	DFW Domicile
12-010	02/01/12	Maher, Sylvan
12-016	03/09/12	Thompson, Lawrence
12-023	04/09/12	Salameh, Elias
12-030	05/16/12	Pollenz, Alan
12-034	06/12/12	Piper, William
*12-111	10/26/12	Gary, William
*12-113	10/26/12	Jackson, Carl
*12-114	10/26/12	Bacon, Stephen
10-042 - EXPEDIT	06/24/11	Hill Presidential

*PEH Grievances: the Company reserves the right to challenge as non-disciplinary and not subject to grievance process.



January 1, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Subject: Letter Agreement Re: STL and Other Base Closings

Dear President Wilson:

Pursuant to the order of the United States Bankruptcy Court for the Southern District of New York, dated September 5, 2012, the Company has terminated Supplement CC, but continues to apply certain terms of Supplement CC as non-contractual employment conditions for former TWA Pilots. This letter confirms our agreement concerning the termination of Supplement CC, the planned closure of the STL base, interest arbitration related to that action, and the schedule of any other base closures.

Supplement CC established seniority placement on the Pilots' System Seniority List for TWA pilots, as defined under Section I.D of Supplement CC, and certain preferential flying rights to specific aircraft based at STL associated with those seniority placements. The Company and APA agree that the TWA Pilots' existing seniority placements on the Pilots' System Seniority List are final and shall continue pursuant to Section 13 of the CBA notwithstanding the termination of Supplement CC and any preferential flying rights associated with those seniority placements. The Company and APA agree that a dispute resolution procedure is necessary to determine what alternative contractual rights should be provided to TWA Pilots as a result of the loss of flying opportunities due to termination of Supplement CC and the closing of the STL base.

The Company will have the right, in its sole discretion, to decide whether to close the existing STL pilot base, and such closure and consequences thereof shall not constitute a breach of the CBA. In preparation for closure of the STL pilot base, the Company and APA will engage in final and binding interest arbitration pursuant to Section 7 of the RLA to establish certain terms of the CBA as a substitute for the loss of Supplement CC preferential flying opportunities in order to resolve all issues related to the impact on TWA Pilots of termination of Supplement CC. The interest arbitration will commence within 30 days of the effective date of this agreement and the hearing shall be completed and a final award issued within 90 days of commencement. Within 30 days of issuance of the final award, the Company and APA shall submit to the Board contract language implementing the award and the Board shall within 15 days thereafter issue final approval of such contract language. The Company shall defer closure of the STL base until issuance of a final award and the Company shall have the contractual and legal right to close the STL base upon issuance of and compliance with the award, from which there shall be no reconsideration motions considered and notwithstanding any legal challenges to the award.

The interest arbitration panel shall consist of three neutral arbitrators who are members of the National Academy of Arbitrators with Richard Bloch as the principal neutral if he is available and willing to serve. The arbitrators shall decide what non-economic conditions should be provided to TWA Pilots as a result of the loss of flying opportunities due to the termination of Supplement CC and the closing of the STL base, provided that training costs associated with the closure of the base shall be considered non-economic. In no event shall the arbitrators have authority to modify the Pilots' System Seniority List, require the establishment or continuation of any flight operation at any location, or impose material costs beyond training costs on the Company, and any preferential flying rights under the award shall not modify or be deemed a modification of the TWA Pilots' seniority placements on the Pilots' System Seniority List. The Company and APA shall agree to the procedures and standards governing this arbitration.

Assuming he serves as the principal neutral, Richard Bloch shall have continuing jurisdiction to resolve disputes over the implementation and interpretation of the decision by the panel.

The Company also agrees that no pilot base other than STL shall be closed prior to October 1, 2013.

Sincerely,

/signed/

Laura Einspanier
Vice President - Employee Relations

Seen and agreed:

/signed/

Keith Wilson
President
Allied Pilots Association

Date



Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

January 1, 2013

Re: Third Party Administration

Dear President Wilson:

This letter confirms an agreement between American Airlines, Inc. ("Company") and the Allied Pilots Association ("Association") regarding the retention of a third party contractor to administer the sick leave program under Section 10 of the Agreement and/or a third party administrator to administer the 2012 Pilot LTD Plan, the 2004 Pilot LTD Plan and the disability retirement provisions of the Fixed Income Plan of the American Airlines, Inc. Pilot Retirement Benefit Program. If the Company decides to retain a third party contractor or administrator to perform such functions, the parties agree that Harvey Watt & Company would be an acceptable selection. If the Company decides to retain a different third party contractor(s) or administrator(s), it will be a contractor(s) or administrator(s) that is mutually acceptable to the Company and the Association. The Association's agreement to the contractor(s) or administrator(s) will not be unreasonably withheld.

This Letter of Agreement is effective January 1, 2013.

Very truly yours,

/signed/

Laura A. Einspanier
Vice President
Employee Relations

Agreed:

/signed/

Keith Wilson
President
Allied Pilots Association



January 1, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

RE: Three Member System Board of Adjustment Test

Dear President Wilson:

This will confirm the agreement between the Company and the Association to establish, on a trial basis, a Three Member System Board of Adjustment ("Three Member Board") as an alternative grievance resolution process for the resolution of individual pilot grievances, with the exception of discharge grievances. Discharge, Base and Presidential grievances shall continue to be within the jurisdiction of the System Board(s) as currently provided for in Section 23 of the parties' Collective Bargaining Agreement ("Agreement") dated May 01, 2003.

The parties have agreed that the Three Member Board shall consist of a representative chosen by the Association, a representative chosen by the Company, and a neutral Arbitrator chosen from the list of Arbitrators established pursuant to Section 23.C. of the Agreement. The Three Member Board shall meet quarterly, at a minimum, or more often as agreed to by the parties. Additionally, the Association maintains full authority to transfer a case initially scheduled to be heard by the Three Member Board to the Five Member Board provided for in Section 23 of the Agreement, provided the Company is given a minimum of thirty (30) days notice.

The parties have further agreed that the following procedures shall apply to the Three Member Board grievance resolution process:

1. The parties shall exchange all documents they intend to enter in support of their respective positions no less than fourteen (14) days prior to the date set for the hearing.
2. Any proposed stipulations to facts and issues not in dispute shall be exchanged no less than seven (7) days prior to the date set for the hearing.
3. No taped or written transcripts will be taken during the hearing.
4. Presenters/advocates will use oral closing summations rather than written briefs.
5. The entire process shall be structured in such a manner so as to provide for the hearing of a minimum of two (2) cases per day. Each party shall be allotted equal time of approximately two (2) hours to present its case. In the event one party

does not use its full case presentation time allotment, the other party must promptly commence its case presentation.

6. There shall be no limitation on the number of witnesses either party may call, subject to the provisions of Section G.4. of the Agreement.

7. All decisions by the Board shall be made by majority vote, and shall be issued on the day of the hearing.

8. All majority decisions of the Board will be final and binding, and made without precedent, and shall not be cited or referred to in any other proceeding.

Additional Three Member Board procedures and/or protocols shall be discussed and agreed to by the parties prior to implementation.

The parties agree that the Three Member Board will operate for a test period, commencing on the date of signing of a new Agreement between the parties. The test period will be for a minimum of one year, but not less than the time period required to complete four sets of Three Member Board hearings. Nothing prevents the parties from mutually agreeing to amend the Three Member Board procedures during the test period.

At the conclusion of the test period, the parties shall meet to review the effectiveness of, and amend if desired, the Three Member Board. At the conclusion of this effectiveness review, each party will have the option to terminate the Three Member Board process. In the event the process is terminated, any pending cases scheduled to be heard by the Three Member Board will be scheduled for hearing before the Five Member Board. If, at the conclusion of the effectiveness review, neither party exercises its right to terminate the process, the Three Member Board shall become an ongoing part of the Agreement.

Sincerely,

/signed/

Dennis A. Newgren
Director, Employee Relations Flight

Agreed and Accepted:

/signed/

Keith Wilson
President
Allied Pilots Association

American Airlines®

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

January 1, 2013

Re: Reformatting of Contract

Dear President Wilson:

During the negotiations resulting in the January 2013 Collective Bargaining Agreement (CBA), American Airlines, Inc. and the Allied Pilots Association agreed to make certain formatting changes and to combine in the CBA several provisions from the May 2003 Collective Bargaining Agreement and certain Supplemental Agreements and Letters of Agreement thereto in order to make the CBA more comprehensive and easier to use. The parties agree that any inadvertent formatting, cross-referencing or typographical mistakes or other unintended errors or omissions that are contrary to the understanding and intent of the parties upon identification will be promptly corrected by the parties and will in no way alter the bargaining history between the parties leading to the creation of the CBA.

Sincerely,

/signed/

Laura A. Einspanier
Vice President
Employee Relations

Acknowledged and agreed:

/signed/

Keith Wilson
President
Allied Pilots Association



January 1, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Subject: Implementation of the New Collective Bargaining Agreement

Dear President Wilson:

American Airlines, Inc. (American) and the Allied Pilots Association (APA) agree that the January 2013 Collective Bargaining Agreement (CBA) results in numerous significant changes which either require complex programming modifications to American's current systems, particularly in the areas of scheduling, work rules and compensation, or are entirely new concepts requiring development from the ground up.

This Letter of Agreement defines the process, prioritization and timeline necessary to ensure the provisions of the CBA are implemented in a timely manner, recognizing the programming complexities involved, and provides interim solutions for some of the more difficult implementation items. American and APA desire the earliest practical implementation of the CBA, and agree to work in good faith to achieve that result.

A Joint Implementation Team (JIT) will be created to establish an implementation schedule and oversee implementation. The JIT will have authority to amend all timelines by mutual agreement of the representatives of American and APA. The JIT will create and distribute information to the pilots and applicable American personnel responsible for administering the CBA. Such information will be considered educational only, and will not be binding on either party as to the interpretation of any provision of the CBA. Information provided may be updated as deemed necessary by the JIT.

The parties agree that predicting implementation dates for the more complex contractual provisions is imprecise, and recognize that technological and operational requirements can affect any projected target dates. The JIT will meet as often as necessary during implementation, and both parties will involve additional resources to the extent necessary to ensure the CBA is timely implemented.

The JIT will be granted access to all data and information necessary to provide the required oversight during implementation; provided that granting such access does not interfere with American's ongoing operations. Confidentiality agreements will be executed if/when access to confidential information is required.

Sincerely,

/signed/

Laura Einspanier
Vice President - Employee Relations

Acknowledged and agreed:

/signed/

Keith Wilson
President
Allied Pilots Association

Date



February 5, 2013

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

RE: APA's Lump Sum Dispute Resolution Procedure ("Procedure")

Dear President Wilson:

APA has informed the Company that it has devised an internal policy that it will use in determining how it will allocate among the pilots the funds it obtained as an unsecured claim as part of the collective bargaining agreement reached during the course of the proceedings in, In re AMR Corporation, Case No. 11-15463-SHL. The parties hereby agree that any dispute about the distribution of the unsecured claim, including disputes over the APA's methodology for allocating such funds, the factors used to determine the allocation of funds, or regarding the amount allocated to any pilot, shall be subject exclusively to the APA's Lump Sum Dispute Resolution Procedure ("Procedure"). APA has informed the Company that the Procedure provides a process, open to all pilots within the APA-represented craft or class, whereby an individual pilot or a group of pilots may invoke and obtain a final and binding resolution by a qualified neutral Arbitrator. No such dispute shall constitute a grievance or be subject to arbitration or other forms of resolution under the terms of this new collective bargaining agreement.

Sincerely yours,

/signed/

Laura A. Einspanier
Vice President - Employee Relations

Agreed:

/signed/

Keith Wilson
President
Allied Pilots Association



August 2, 2013

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

RE: Implementation and Administration of the SFO Home Base

Dear Captain Wilson:

In accordance with Section 18 of the Collective Bargaining Agreement (CBA), this will confirm the parties' agreement to open a Home Base in SFO with an effective date of October 1, 2013. Additionally, per Sections 17.E. and 18.C.3, pilots with reinstatement rights to the applicable four-part SFO bid status will be awarded SFO Home Base vacancies prior to those with a preference bid (3P) to the SFO Home Base. Those pilots who decline an SFO Home Base reinstatement shall have that reinstatement right deleted from their standing bid list.

The Company and the Association shall jointly monitor the performance of the SFO Home Base operation to ensure a reliable and dependable operation is maintained. In accordance with Section 18.C.7., the SFO Home Base may be closed with six months' notice.

In addition to temporary vacancies described in Section 18.D.3., the Company and the Association shall explore the feasibility of offering secondary lines each month. Secondary lines, if awarded, would be on a voluntary basis. The Temporary Assignment/Temporary Duty provisions in Section 15.M.2.h. shall not apply.

The current trip trade system shall be available for SFO Home Base pilots. Open sequences will be awarded in accordance with the current Daily Open Time Coverage (DOTC) process and procedures.

The Company and the Association shall continue to explore practical solutions that would allow pilots the opportunity to pick up sequences inside / outside of SFO at the earliest opportunity.

Administrative support will be provided by the LAX Flight Office. The Company will notify the Association in the event administrative support is moved to a different location. Administrative support shall include the distribution of any operationally required paper revisions and a spare I-Pad(s)/charger(s). SFO parking will be provided through the LAX Flight Office in accordance with Letter M of the CBA.

Sincerely,

/signed/

Dennis A. Newgren
Managing Director
Employee Relations, Flight

Agreed and Accepted:

/signed/

Captain Keith Wilson
President
Allied Pilots Association



January 30, 2015

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

RE: Training, Flight Test and Combining of Divisions Discussions

Dear Captain Wilson:

The Company and APA agree to address the following Training, Flight Test Pilot and Combining of Division subjects:

1. Section 6 – Training.

Update and clarify training provisions for the various LAA/LUS training programs. Discussions will commence no later than June 1, 2015, and will continue for a period of at least sixty (60) days. Either party may unilaterally terminate these discussions after sixty (60) days, in which case the training provisions of the JCBA shall remain in effect unless the parties have agreed otherwise in writing.

2. Section 12.C – Flight Test.

Update and merge Flight Test Pilot provisions of LAA/LUS. Discussions will commence no later than May 1, 2015. If the parties have not reached an agreement within seventy-five (75) days of the start of such discussions, the parties will submit the issue(s) to final and binding interest arbitration pursuant to the Railway Labor Act. The arbitration will commence no later than October 1, 2015, and a decision will be issued within sixty (60) days of completion. The arbitrator's jurisdiction and award will be limited to fashioning provisions consistent with the terms of the JCBA. The arbitrator's award specifically shall adhere to the economic terms of the JCBA.

3. Section 15 – Combined Divisions.

The parties agree to the following stipulations with respect to combining divisions:

a. No later than March 1, 2015 the parties will meet to discuss the following issues relating to the combination of a Domestic bid status with an International bid status with the understanding that the failure to reach agreement in these discussions will not affect the Company's right to combine divisions:

(1) Advance notification to pilots of impending combination of Divisions;

(2) Training scheduling and requirements;

(3) Maintaining International qualifications;

(4) Since flights to CKA-required special qualification airports (as identified in Flight Manual Part 1) cannot, except for training purposes, be performed by pilots without the appropriate special qualification, the parties will discuss the appropriate methodology for determining, awarding, and assigning the proper number of pilots to be qualified for CKA-required special qualification airports. The parties will give consideration, at a minimum, to the following:

(a) Manning buffers;

(b) Line construction quality;

(c) Reserve pilot qualification levels.

The Company shall not be required to qualify more pilots for any CKA-required special qualification airport than the number required by application of the methodology above. Except for training purposes, only those pilots current and qualified for special qualification airports may be awarded such flying. All flying to special qualification airports shall be awarded or assigned to those pilots trained for such flying.

- (5) Prior to combining any Domestic and International bid status the Company shall meet with the Association in order to receive and consider input from the APA Safety Committee.
- (6) The impact of combining divisions on Supplement U.
- (7) Any pilot with a reinstatement right to a division that is combined with another division shall have a reinstatement right to the combined division.

Sincerely,

/signed/

Beth Holdren
Managing Director
Labor Relations, Flight

Agreed and Accepted:

/signed/

Captain Keith Wilson
President
Allied Pilots Association



January 30, 2015

Captain Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

RE: Benefits Excise Tax

Dear Captain Wilson:

In the event the Company determines the Standard or Core design options provided for in this Agreement (each an "Option") would be or become subject to an excise tax or other penalty included in The Patient Protection and Affordable Care Act (PPACA) or any excise tax or penalty which may replace the PPACA, under applicable law, (and thus become an "Affected Option"), the Company will meet and confer in good faith in order to reach an agreement with the Association concerning the minimum modification or modifications to the Affected Option necessary to avoid application of the excise tax or other penalty. The Company shall provide to the Association information the Association reasonably requests, including actuarial reports, necessary for the Association's design and consideration of such modifications. Unless otherwise agreed, any agreed modification shall become effective at the time the excise tax or penalty would become applicable in respect of the Affected Option (the "Affected Option Date").

If the Company and the Association are unable to agree on modifications necessary to avoid the application of the excise tax or other penalty on the Affected Option within ninety (90) days after the initial meeting, the parties will select Arbitrator Bloch who will determine the modifications to the design of the Affected Option that will become applicable. The authority of Arbitrator Bloch is expressly limited to establishing those modifications to the design of the Affected Option that will ensure no excise tax or other penalty will apply. If Arbitrator Bloch determines no reasonably practical modification to the Affected Option can guarantee no excise tax or other penalty will apply, the Company shall have the right to terminate the availability of the Affected Option to the Pilots. If, under the preceding sentence, the Company has terminated or would have the right to terminate the availability to the Pilots of the Standard and/or Core Option, the arbitrator will be empowered to designate an alternative Option design (a "New Option") that is available from the Company provider and that replicates the provisions of the Core Option to the greatest possible extent without causing the New Option to become subject to any excise tax or other penalty. In the event the arbitrator has not issued a determination prior to the excise tax or penalty becoming due or if such penalty or excise tax is otherwise owed for any reason, notwithstanding any contrary provision of law, the Company shall be permitted to implement such modifications to the design of the Affected Option as it considers to be necessary to avoid the excise tax or penalty. The Company shall have a reasonable period of time following the issuance of the arbitrator's determination to implement the New Option. Notwithstanding the foregoing, the provisions of this Paragraph shall not be effective if, after the effective date of this Agreement, the Company enters into any new or amended collective bargaining agreement having a term of three (3) years or more with any union group that does not contain a provision substantially similar to this Paragraph.

If any Option is modified or eliminated pursuant to this Paragraph, the parties will meet and confer to determine how the savings, if any, from such modifications will accrue to Pilots. The avoidance of any excise tax that would have otherwise been applied will not be considered in the

calculation of any savings. If the parties cannot agree on whether cost savings exist or how to distribute said savings, the matter may be referred to an arbitrator as specified by the process in this Paragraph. The arbitrator's authority shall be limited to the issue of determining whether such savings exist and, if so, how such savings are to be distributed. The arbitrator shall have no other authority, and in no event shall the arbitrator order modifications to or reinstatement of a plan.

Sincerely,

/signed/

Beth Holdren
Managing Director
Labor Relations, Flight

Agreed and Accepted:

/signed/

Captain Keith Wilson
President
Allied Pilots Association



January 30, 2015

Keith Wilson
President
Allied Pilots Association
14600 Trinity Blvd., Suite 500
Ft. Worth, TX 76155-2512

Re: Health Retirement Account Deposits

Dear President Wilson:

This letter confirms an agreement between American Airlines, Inc. ("Company") and the Allied Pilots Association ("Association") regarding the establishment of certain Health Retirement Accounts by the Company. This Letter of Agreement replaces LOA 13-01 and is effective January 30, 2015.

(1) Eligibility. The Company shall contribute a maximum value of \$25,000 (with the actual amount of contribution to be determined in accordance with the terms herein) to a Health Retirement Account ("HRA") a notional account, for each pilot who: (a) retires at age sixty (60) years or older between January 30, 2015 and December 31, 2019; and, (b) gives the Company at least four (4) months' notice of the pilot's intent to retire.

(2) HRA Amount. The amount of contribution to an HRA for any pilot so entitled shall be determined by multiplying \$25,000 by a fraction, the numerator of which is the pilot's total short and long-term sick leave bank hours as of the pilot's retirement date and the denominator of which is the pilot's maximum possible sick bank accrual of 1000 hours (940 hours from the long term sick leave bank and 60 hours from the short term sick leave bank). (E.g., a pilot who retires with short and long-term sick leave banks totaling 500 hours shall receive a HRA funded to \$12,500).

(3) The HRA contribution may be used to pay for premiums and unreimbursed expenses for medical, dental, vision and long term care purchased from the Company or a third party for the retiree and/or spouse of record as of the date of retirement.

(4) Pilots who retire prior to age 60 or after the amendable date of the January 1, 2013 collective bargaining agreement are not eligible to receive HRA contributions.

(5) Information about HRA Deposits (as contained in this letter agreement) will be posted on the AAPilots.com website and included as a seminar topic in any retirement seminars hosted jointly by the Company and the APA.

Very truly yours,

/signed/

Beth Holdren
Managing Director Labor Relations - Flight

Agreed:

/signed/

Captain Keith Wilson
President
Allied Pilots Association

MEMORANDUM OF UNDERSTANDING

REGARDING

CONTINGENT COLLECTIVE BARGAINING AGREEMENT

Pursuant to this Memorandum of Understanding Regarding Contingent Collective Bargaining Agreement (this "Memorandum"), US Airways, Inc. and any successor (collectively, "US Airways"), American Airlines, Inc. ("American"), Allied Pilots Association ("APA"), and US Airline Pilots Association ("USAPA"), and with US Airways, American, and APA, the "Parties"), hereby agree as follows:

1. US Airways and APA agreed to a Conditional Labor And Plan Of Reorganization Agreement executed April 13, 2012 and as amended from time-to-time (the "CLA"). Upon the Memorandum Approval Date (as defined in Paragraph 18), this Memorandum shall supersede and replace the CLA. This Memorandum provides a process for reaching:

(a) a Merger Transition Agreement (the "MTA") between APA and an entity ("New American Airlines") formed in connection with a plan of reorganization ("POR") for such of those AMR Corporation-related debtors required to effectuate a combination of American and US Airways (the "Merger"). The MTA shall consist of the collective bargaining agreement between American and APA approved on December 19, 2012 by the Bankruptcy Court in In Re AMR Corporation, et al., jointly administered Ch. 11 Case No. 11-15463 (SHL) (the "2012 CBA"), as amended pursuant to the provisions of this Memorandum;

(b) a Joint CBA (the "JCBA") to apply to a merged workforce composed of pilots employed by American and US Airways.

2. The negotiation and interest arbitration processes provided in this Memorandum will be binding and apply to all Parties as of the Memorandum Approval Date. The results of the negotiation and interest arbitration processes will be binding and apply to all Parties as provided herein. Notwithstanding the foregoing, any changes made to the MTA prior to the implementation of the JCBA will apply with equal force to all pilots.

3. Beginning on the effective date of the POR (the "Effective Date"), pilots employed by US Airways shall be paid in accordance with the provisions of the MTA that are generally applicable to pilots employed by New American Airlines. The eligibility of US Airways pilots for a defined contribution plan accrual shall commence on the Effective Date, and US Airways' contribution to the retirement plan beginning on the Effective Date shall be calculated by multiplying an eligible pilot's eligible compensation under the applicable retirement plan by the percentage contribution made by New American Airlines to its pilots' defined contribution retirement plan.

4. It is the intent of the Parties that, as of the Effective Date, the terms and conditions of employment for pilots employed by New American Airlines and US Airways will be set by the MTA (as defined in Paragraph 1(a)) and in accordance with the process specified herein. The Parties further understand,

however, that it will take some period of time for those terms to be implemented. Accordingly, except for those terms specifically identified in Paragraph 3, the Parties agree that each term of the MTA shall be applicable to all US Airways pilots at the earliest practicable time for each such term, and such terms, when applicable, shall govern and displace any conflicting or wholly or partially inconsistent provision of the former US Airways pilot agreements or the *status quo* arising thereunder. Once the MTA has been fully implemented, it shall fully displace and render a nullity any prior collective bargaining agreements applicable to US Airways pilots and any *status quo* arising thereunder.

5. US Airways, and its successors, if any, shall continue to recognize and treat with USAPA as the representative of the pilots employed by US Airways until another representative for the pilot craft or class is certified by the National Mediation Board (the "NMB"). Subject to the provisions of Paragraph 27, negotiations to convert this Memorandum and the MTA into the JCBA and any implementation or other interim agreement, if any, shall be conducted with USAPA and APA jointly, until such time as one union is certified by the NMB to be the collective bargaining representative of the combined pilot craft or class. At that time, the duly-certified representative shall have exclusive authority to negotiate on behalf of the pilots with respect to the JCBA. It is the Parties' intention that the JCBA shall replace any and all prior collective bargaining agreements for USAPA; however, for APA, the JCBA shall be an amendment to the MTA.

6. During the period US Airways is obligated to bargain with USAPA, it will provide information requested by duly authorized representatives of USAPA's Negotiating Advisory and Merger Committees that is reasonably related to the Merger, subject to the execution of standard confidentiality agreements by USAPA and/or affected individuals upon US Airways' request. US Airways will similarly provide such information on such conditions to APA. Notwithstanding the foregoing, US Airways shall continue to supply information pursuant to Attachment M of the Basic East Agreement in matters unrelated to the Merger.

7. US Airways shall reimburse USAPA for expenses incurred after May 1, 2012, as well as for all flight pay loss, incurred in developing and carrying out the functions specified in this Memorandum. The reimbursement provided to USAPA pursuant to the preceding provisions shall not be more than \$1.5 million. In addition, New American Airlines and US Airways shall reimburse the merger representatives involved in the seniority integration process in an aggregate not to exceed \$4 million. However, any such reimbursement shall not include expenses or flight pay loss associated with litigation against US Airways, American, New American Airlines, or their affiliates, related entities or successor(s), if any, or with respect to the current seniority dispute at issue in the United States District Court for the District of Arizona or to influence the representation choices of their employees or affect their organization rights under Section 2, Ninth of the Railway Labor Act. The reimbursement for expenses related to seniority list integration shall be made no later than 30 days after presentation of an integrated seniority list to US Airways and New American Airlines that complies with the provisions of Paragraph 10, including the obligation to produce an integrated seniority list within the time limitations in Paragraph 10 unless such failure is caused by the airline(s). Reimbursement for expenses, other than for seniority list integration, shall be made no later than 30 days after submission of an invoice in a suitable form so long as USAPA or APA have submitted the invoice within 45 days of the later of the date when the expense was incurred or the date when APA's Board of Directors approves this Memorandum, or USAPA's membership ratifies this Memorandum, as applicable. All expenses for flight pay loss shall be paid directly by the airlines and USAPA and APA shall provide supporting information to support the flight pay loss claim. US Airways and New American Airlines shall also make positive space transportation available to members of USAPA's

Merger and Negotiating Advisory Committees, and similar APA committee members, when engaged in activities related to seniority list integration and contract negotiations.

8. The protections in this Paragraph begin on the Effective Date and last until the earlier of eighteen (18) months after US Airways and the New American Airlines obtain a single operating certificate, or the date on which a JCBA and integrated seniority list are in effect. From the Effective Date until the effective date of the JCBA, the terms and conditions of employment of the New American Airlines and US Airways pilots shall be governed by the MTA.

a. The New American Airlines pilots and US Airways pilots will perform work in accordance with the MTA, including flying and training, and neither airline will interchange pilots between their operations. Neither New American Airlines nor US Airways may utilize in its flight operations or flight training operations a pilot employed by the other airline, except : (i) for pilots hired from one airline by the other pursuant to Paragraphs 8(i) and 8(j); (ii) as may be needed to comply with conditions prescribed by the Federal Aviation Administration for the purpose of transition to, and eventual operation under, a single operating certificate; or (iii) to train pilots who will make up the initial cadre of check airmen for a new fleet type. APA and USAPA, as applicable, shall support the efforts of US Airways and New American Airlines to obtain regulatory approval for the Merger and issuance of the single operating certificate.

b. Except for the circumstances described in paragraph (a) above, no pilot of New American Airlines or US Airways will fly as a crewmember on an aircraft in the Fleet of the other airline. The "Fleet" of each airline shall be defined to include all aircraft in the service of or stored by the airline, or on order or option by the airline, on the Memorandum Approval Date. A list of all aircraft in the respective Fleets of American and US Airways as of the Memorandum Approval Date is included as Attachment A. All orders, options, and anticipated returns set forth in the airlines' fleet plans as of the Memorandum Approval Date are included as Attachment B.

c. In the event that American/New American Airlines or US Airways acquires aircraft not listed in Attachments A or B as a replacement for an existing aircraft, that aircraft shall be designated as American Airlines or US Airways based upon the aircraft being replaced. For purpose of this section, "replacement" means that the newly acquired aircraft can be matched, on a one-to-one basis, to an aircraft that has left or will leave the service of the airline within six (6) months before or after the new aircraft enters service.

d. With respect to new aircraft not listed on Attachments A or B and not assigned under Paragraph 8(c) above, the pilots of each airline will operate any of their respective unique aircraft types. As to all other aircraft, the following procedure will be applied: the airline will provide notice to APA and USAPA, if applicable, of its intent to acquire any such aircraft not less than 270 days prior to such aircraft entering service, and will inform the organization(s), to the extent known, of the type, model and number of such aircraft, the type of engines on them, their ETOPS capability, if any, and the extent to which such aircraft will be used as replacements for other aircraft then or previously operated. The representative(s) of the New American Airlines and US Airways pilots will promptly determine which pilot group will operate such aircraft or will implement binding arbitration, if necessary, to determine the allocation of such flying; the pilot representative(s) shall notify the airlines of the results of this process no later than thirty (30) days after receiving notice from the airlines. If the airlines do not agree with the position of the labor representative(s), the dispute will be resolved pursuant to final and binding interest arbitration with a decision issued no later than 120 days prior to the date when the aircraft is scheduled to be placed in service. The standard to be applied by the arbitrator will be the fair and equitable allocation of flying between the two pilot groups giving

due consideration to the airline business plans. Nothing in this Paragraph will delay or prevent the planned implementation of such aircraft into revenue service.

e. The total number of aircraft block hours scheduled to be flown by mainline US Airways East pilots (excluding Group I aircraft) during any rolling 12-month look-back period shall be no less than 664,426. The total number of aircraft block hours scheduled to be flown by mainline US Airways West pilots during any rolling 12-month look-back period shall be no less than 436,850. The number of widebody positions, either maintained or pay protected, for US Airways pilots shall be no less than 291 US Airways widebody captain positions and 475 US Airways widebody first officer positions. A pay-protected pilot under this Paragraph 8(e) shall not be eligible for additional pay protection under Paragraph 12(a). In the event a pilot is eligible for pay protection under both Paragraphs 8(a) and 12(a), such pilot shall be entitled to whichever pay protection produces the higher pay and shall also fulfill one of the minimum number of widebody positions required herein.

f. The total number of aircraft block hours scheduled to be flown by mainline New American Airlines pilots (excluding Group I) in any rolling twelve month look back period shall be no less than 1,995,663 hours.

g. Commencing when the total number of US Airways aircraft in Equipment Group I equals 31, subsequent Group I aircraft shall be delivered on a ratio of two (2) Group I aircraft to New American Airlines for every one (1) Group I aircraft to US Airways.

h. For purposes of this Paragraph 8, block hours scheduled to be flown for a given month shall be determined by reference to an airline's flight schedule as published for sale 30 days prior to the first day of the month. US Airways shall furnish the block hour data to USAPA, if applicable, and APA no later than 30 days prior to the first day of each month.

i. New American Airlines will not hire new pilots if pilots at US Airways are on furlough unless the most junior pilot on the American Airlines Pilots' System Seniority List has been offered a position at the New American Airlines.

Effective when the most junior pilot on the American Airlines Pilots' System Seniority List has been offered a position at New American Airlines, future positions at New American Airlines will be offered to furloughed US Airways pilots to the extent consistent with the terms of the April 9, 2010 Opinion and Award in FLO-0108 and September 14, 2011 Preferential Hiring Agreement entered into pursuant to that Award. Prior to making offers under this provision, US Airways, New American Airlines and the pilot representative(s) shall agree to the order in which any such offers shall be made to US Airways pilots. A furloughed US Airways pilot who declines a position as a New American Airlines pilot retains the right to be offered a position in a future New American Airlines new-hire class and also retains the right to be recalled to, or otherwise offered a position with, US Airways.

A US Airways pilot who accepts a position at New American Airlines:

(1) will be treated as junior to all pilots who are on the American Airlines Pilots' System Seniority List on the Effective Date, but pilots on the US Airways seniority list employed by New American Airlines under this provision will be ranked among themselves in the order of their acceptance of positions with New American Airlines, and

(2) will be considered an employee of New American Airlines during the period prior to the expiration of the protections in this Paragraph 8 and be subject to the MTA, and

- (3) will retain, accrue and be entitled to use his/her combined longevity at both airlines for all purposes, including but not limited to, pay (excluding furlough pay, which will be calculated based on time at New American Airlines only), benefits, vacation accrual, and eligibility towards retirement contributions and health and welfare participation, and
- (4) cannot return to US Airways for up to eighteen (18) months from the date of employment as a pilot for New American Airlines, and
- (5) will retain his/her position on the US Airways seniority list, and
- (6) will not be required to serve a probation period as a pilot for New American Airlines, and
- (7) will not receive furlough pay from US Airways with respect to the period of service as a pilot for New American Airlines, and
- (8) will be subject to any applicable background checks and employment requirements for New American Airlines pilots returning from furlough.

j. US Airways will not hire new pilots if pilots at New American Airlines are on furlough unless the most junior US Airways pilot has been offered recall or another position with US Airways and all New American Airlines pilots on furlough have been offered a position at US Airways.

Effective when the most junior US Airways pilot has been offered recall or another position with US Airways, future positions at US Airways will be offered to furloughed New American Airlines in seniority order. A furloughed New American Airlines pilot who declines a position as an US Airways pilot retains the right to be offered a position in a future US Airways new-hire class and also retains the right to be recalled to New American Airlines in accordance with his/her American Airlines seniority.

A New American Airlines pilot who accepts a position at US Airways:

- (1) will be treated as junior to all pilots who are on the US Airways seniority list on the Effective Date, but pilots on the American Airlines Pilots' System Seniority List employed by US Airways under this provision will be ranked among themselves in seniority order, and
- (2) will be considered an employee of US Airways during the period prior to the expiration of the protections in this Paragraph 8 and be subject to the terms and conditions set forth in the MTA (as provided in Paragraphs 3-4 of this Memorandum), and
- (3) will retain, accrue and be entitled to use his/her combined longevity at both airlines for all purposes, including but not limited to, pay (excluding furlough pay, which will be calculated based on time at New American Airlines only), benefits, vacation accrual, and eligibility towards retirement contributions and health and welfare participation, and
- (4) cannot return to New American Airlines for up to eighteen (18) months from the date of employment as a pilot for US Airways, and
- (5) will retain his/her position on the American Airlines Pilots' System Seniority List, and
- (6) will not be required to serve a probation period as a pilot for US Airways, and
- (7) will not receive furlough pay from New American Airlines with respect to the period of service as a pilot for US Airways, and

(8) will be subject to any applicable background checks and employment requirements for US Airways pilots returning from furlough.

k. No pilot base other than St. Louis shall be closed prior to October 1, 2013.

l. Neither New American Airlines nor US Airways will establish TDY positions at a pilot domicile of the other airline.

m. All Shuttle flying between DCA, LGA and BOS shall be performed by US Airways pilots.

n. All existing flying between PHX and Hawaii shall be performed by US Airways pilots.

o. All Trans-Pacific (Asia) flying shall be performed by pilots on the American Airlines Pilots' System Seniority List.

p. All of the provisions of this Paragraph 8 shall be subject to Paragraph 21.

9. Nothing herein shall prevent placement of the "US" code on flights operated by American or New American Airlines (or by any other airline when displaying the "AA" code), or placement of the "AA" code on flights operated by US Airways (or by any other airline when displaying the "US" code), immediately upon the Effective Date, and it is expressly agreed that US Airways and American or New American Airlines may do so. Subject to the provisions of this Memorandum, immediately upon the Effective Date, US Airways and New American Airlines or their successors (if any) may move forward with obtaining and utilizing a single operating certificate, and otherwise combining the operations of the two carriers, except for those measures that are dependent upon implementation of an integrated seniority list.

10. a. A seniority integration process consistent with McCaskill-Bond shall begin as soon as possible after the Effective Date. If, on the date ninety (90) days following the Effective Date, direct negotiations have failed to result in a merged seniority list acceptable to the pilots at both airlines, a panel of three neutral arbitrators will be designated within fifteen (15) days to resolve the dispute, pursuant to the authority and requirements of McCaskill-Bond. That arbitration proceeding will commence no later than 60 days after the designation of the arbitrators, or as soon thereafter as practicable given the availability of the designated arbitrators, provided that it is understood that, in no event, shall the seniority integration arbitration proceeding commence prior to final approval of the JCBA pursuant to the deadlines and procedures in Paragraph 27 below. The panel of arbitrators will render its award within six (6) months of the commencement of the arbitration, and in any event not later than 24 months after the Effective Date.

b. The panel of arbitrators may not render an award unless it complies with all of the following criteria: (i) the list does not require any active pilot to displace any other active pilot from the latter's position; (ii) furloughed pilots may not bump/displace active pilots; (iii) except as set forth in Paragraphs 12 and 13 below, the list does not require that pilots be compensated for flying not performed (e.g., differential pay for a position not actually flown); (iv) the list allows pilots who, at the time of implementation of an integrated seniority list, are in the process of completing or who have completed initial qualification training for a new category (e.g., A320 Captain or 757 First Officer), or who have successfully bid such a position but have not been trained because of conditions beyond their control (such as a company freeze), to be assigned to the positions for which they have been trained or successfully bid, regardless of their relative standing on the integrated seniority list; and (v) it does not contain conditions and restrictions that materially increase costs associated with training or company paid move as specified in the JCBA.

c. The integrated seniority list resulting from the McCaskill-Bond process shall be final and binding on APA and USAPA (and/or the certified bargaining representative of the combined pilot group), the company(ies) and its(their) successors (if any), and all of the pilots of American/New American Airlines and US Airways.

d. During the McCaskill-Bond process, including any arbitration proceeding, US Airways, American or New American Airlines, or their successors (if any), shall remain neutral regarding the order in which pilots are placed on the integrated seniority list, but such neutrality shall not prevent said carriers from insuring that the award complies with the criteria in Paragraph 10(b)(i)-(v).

e. The obligations contained in this Paragraph shall be specifically enforceable on an expedited basis before a System Board of Adjustment in accordance with Paragraph 20, provided that the obligations imposed by McCaskill-Bond may be enforced in a court of competent jurisdiction.

f. A Seniority Integration Protocol Agreement ("Protocol Agreement") consistent with McCaskill-Bond and this Paragraph 10 will be agreed upon within 30 days of the Effective Date. The Protocol Agreement will set forth the process and protocol for conducting negotiations and arbitration, if applicable, and will include a methodology for allocating the reimbursement provided for in Paragraph 7. The company(ies) will be parties to the arbitration, if any, in accordance with McCaskill-Bond. The company(ies) shall provide information requested by the merger representatives for use in the arbitration, if any, in accordance with requirements of McCaskill-Bond, provided that the information is relevant to the issues involved in the arbitration, and the requests are reasonable and do not impose undue burden or expense, and so long as the merger representatives agree to appropriate confidentiality terms.

g. This Memorandum is not a waiver of any argument that participants may make in the seniority integration process. Nor do the provisions of this Memorandum constitute an admission as to the appropriate allocation of flying following the expiration of the protections in Paragraph 8 of this Memorandum, or the manner in which the respective pre-merger carriers would have operated in the absence of a merger, or the job entitlements or equities that arguably underlie the construction of an integrated seniority list, or for any other purpose. This Memorandum may be offered into evidence or shown to a mediator as background information and to describe the actual operations of the separate carriers prior to expiration of the protections in Paragraph 8 of this Memorandum.

h. US Airways agrees that neither this Memorandum nor the JCBA shall provide a basis for changing the seniority lists currently in effect at US Airways other than through the process set forth in this Paragraph 10.

i. Nothing in this Paragraph 10 shall modify the decision of the arbitration panel in Letter of Agreement 12-05 of the 2012 CBA.

11. a. During the term of the MTA, US Airways shall not furlough any pilots who have established and maintain seniority on the US Airways mainline system as of the Effective Date. USAPA will

provide, by name, East Pilot "X" and West Pilot "Y" who will be the most junior US Airways pilots afforded this furlough protection. US Airways shall not furlough any such pilot in anticipation of the transaction that results in the formation of New American Airlines or of the operationally merged carrier consisting of New American Airlines and US Airways. The parties intend that this furlough protection will be part of the status quo during contract negotiations pursuant to Section 6 of the Railway Labor Act for a successor agreement to the JCBA.

b. New American Airlines shall not furlough any pilots during the term of the MTA whose names appear on the American Airlines' Pilots System Seniority List as of the Effective Date and who are not: (i) on furlough as of the Effective Date; (ii) junior to the least senior active pilot on the Effective Date. This protection includes American Eagle pilots with American Airlines seniority numbers when they flow up and become active employees at New American Airlines and who are senior to the most junior active pilot on the Effective Date. The parties intend that this furlough protection will be part of the status quo during contract negotiations pursuant to Section 6 of the Railway Labor Act for a successor agreement to the JCBA.

c. This Paragraph 11 is subject to Paragraph 21.

12. a. Any US Airways pilot as of the Effective Date who is thereafter involuntarily displaced to a lower paying position shall be pay protected. The pay protections of this Paragraph shall continue unchanged if the affected pilot(s) suffer(s) multiple displacements, but shall end whenever such pilot(s) can hold the position from which the pilot was originally displaced or an equivalent or greater pay position. USAPA will provide, by name, East Pilot "X" and West Pilot "Y" who will be the most junior US Airways pilots afforded this pay protection. The final version of this pay protection provision, including its duration, will be substantively the same as in the MTA.

b. If any currently-active New American Airlines pilot is involuntarily displaced to a Group I aircraft, the pilot's hourly pay rate shall not be reduced. This pay protection shall terminate if and when the involuntarily-displaced pilot can hold a position at the same or higher pay rate.

If any currently-active New American Airlines pilot is displaced from his bid position to another bid position within his base, or to a bid position at a different base, that pilot will be pay protected against a pay rate reduction unless:

1. That pilot could have been awarded a displacement within his base to a bid position of equal or greater pay, but elected a displacement to a lower paying bid position. (A lateral displacement (International / Domestic, and vice versa) is considered a displacement of equal pay); or

2. No bid position of equal or greater pay was available at his current base, and that pilot elected not to be awarded a displacement at a new base to a bid position which would have provided that pilot equal or greater pay when compared to the bid position displaced from. (A lateral displacement to a different base (International / Domestic, and vice versa) is considered a displacement of equal pay).

This pay protection shall terminate if and when the displaced pilot could return or advance to a position in any base at the same or higher pay rate from which the pilot was initially displaced.

The value and treatment of this pay protection shall be governed by Paragraph 24.

13. Commencing on the date of single operating certificate for US Airways and New American Airlines or their successors (if any), all pilots, who have established and maintain seniority on the US Airways mainline system and who are eligible for furlough protection pursuant to Paragraph 11 above, will be paid in accordance with the Group I pay rates as set forth in Paragraph 22 when flying a Group I aircraft except for the following pay protection: a Group I captain shall be paid at Group III first officer pay rates unless the captain can hold a Group III first officer or higher-paying position; a Group I first officer shall be paid at Group II first officer pay rates unless the first officer can hold a Group II first officer or higher-paying position.

14. USAPA agrees to waive all change of control provisions, including, but not limited to, Section 1.D in the East collective bargaining agreement, LPPs, daily minimum utilization, and minimum fleet requirements in the East and West collective bargaining agreements and in the Transition Agreement conditioned upon the occurrence of the Effective Date.

15. US Airways agrees that it will comply with the East and West CBAs and the Transition Agreement until the Effective Date.

16. US Airways shall provide a bridge of Short Term Disability ("STD") coverage for thirty-six (36) months for eligible former America West pilots who remain employed by US Airways and have not forfeited their seniority rights as of the Effective Date. This STD coverage shall begin at the time the eligible former America West pilots are covered by New American Airlines' long-term disability plan. Eligibility for this coverage shall be determined according to the terms of the America West STD plan; the coverage shall contain, at a minimum, the plan design features in Appendix B of the current America West collective bargaining agreement except that the Maximum Benefit Duration shall be up to 90 days of a disability.

17. Any US Airways pilot with a sick leave balance in excess of 1000 hours as of the Effective Date shall be allowed to use the sick leave for illness or injury in excess of 1000 hours until the pilot's sick leave balance is reduced to 1000 hours or less. For US Airways pilots with a sick leave balance in excess of 1000 hours, their sick leave accruals on or after the Effective Date will be treated the same as American Airlines pilots under the MTA.

18. a. This Memorandum shall become effective (the "Memorandum Approval Date") upon the date when all of the following have occurred: (i) approval by APA's Board of Directors; (ii) approval by US Airways' Board of Directors; and (iii) approval by AMR Corporation's Board of Directors. If all of these approvals do not occur, this Memorandum shall be null and void in its entirety and as to all Parties.

b. This Memorandum shall become applicable to USAPA upon the later of (i) the

Memorandum Approval Date; and (ii) USAPA's Board of Pilot Representatives' recommending that USAPA's membership ratify this Memorandum and USAPA's membership's subsequent ratification of this Memorandum. USAPA will inform the Parties whether its Board of Pilot Representatives has agreed to recommend that its membership ratify the MTA on or before January 4, 2013. If recommended, the ratification vote of USAPA's membership shall be completed no earlier than approval of the Merger by AMR Corporation's Board of Directors and no later than 60 days after such approval (if any). If such recommendation and ratification do not timely occur, this Memorandum shall be of no force or effect as to USAPA but shall remain in full force and effect as to the other parties.

c. For purposes of clarity, this Memorandum shall be null and void in its entirety and as to all Parties if the Merger is not consummated.

d. This Memorandum will only apply to this Merger, and will apply to this Merger regardless of its corporate structure. This Memorandum shall not affect or have any applicability to American's stand-alone plan or any merger or transaction other than this Merger.

e. If this Memorandum or the MTA is deemed to be unenforceable or nullified, in whole or in part, for any reason after the Effective Date, USAPA and APA agree that the terms and conditions of employment for the pilots employed by US Airways and New American Airlines will be as provided in the 2012 CBA as modified by the process in Paragraph 24 of this Memorandum.

19. It is the intent of the Parties that, notwithstanding anything to the contrary in this Memorandum, Paragraphs 8, 9, 18(e), and the results obtained through the process identified in Paragraph 24, shall remain in effect after the Effective Date even if this Memorandum is subsequently deemed to be unenforceable or nullified for any reason, and that these provisions are severable from the other terms of this Memorandum. The parties shall meet and confer within fifteen (15) days after this provision is triggered to agree upon replacement protections for the provisions held to be unenforceable or nullified, and provided further that if replacement protections are not agreed upon by the Parties within thirty (30) days thereafter, either party may submit the dispute to binding arbitration on an expedited basis in accordance with the procedure described in Paragraph 20 of this Memorandum. The interest arbitrator shall be charged with constructing alternatives having the same economic value as, and operating effects comparable to, the unenforceable or nullified MOU provisions they are replacing.

20. Except as expressly provided otherwise in this Memorandum, any dispute over the interpretation or application of this Memorandum shall be resolved in accordance with this provision. Any such dispute shall be arbitrated on an expedited basis directly before a specially-created one-person System Board of Adjustment consisting of arbitrator Richard Bloch or Ira Jaffe, whoever shall be available to hear the dispute earliest. If Arbitrator Bloch or Jaffe declines to serve in this capacity or is not available to resolve the dispute, another neutral arbitrator shall be selected. The dispute shall be heard no later than thirty (30) days following the submission to the System Board (subject to the availability of the arbitrator), and shall be decided no later than thirty (30) days following the first day of the hearing, unless otherwise agreed to in writing.

21. The provisions described in Paragraphs 8 and 11 shall not apply in circumstances where the Company's non-compliance is caused in substantial part by Conditions Beyond The Company's Control. "Conditions Beyond The Company's Control" shall include, but not be limited to, the

following: (1) an act of God; (2) a strike by any other company employee group or the employees of a Commuter Air Carrier operating pursuant to an authorized codeshare arrangement with the company; (3) a national emergency; (4) involuntary revocation of the company's operating certificate(s); (5) grounding of a substantial number of the company's aircraft; (6) a reduction in the company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the company's demands; and (7) the unavailability of aircraft scheduled for delivery.

22. Pilot hourly pay rates shall be in accordance with the 2012 CBA Section 3 and Supplement A.

23. Section 9 of the 2012 CBA shall be modified as follows: (1) vacation accrual and value (i.e., how accrual translates to days off) shall be computed in accordance with the existing program for US Airways (West) pilots; and (2) New American Airlines minimum monthly vacation obligation will be 5.0% of the awarded vacations for the year (i.e., total accrued vacations less floated vacations), or 2.75% of the total accrued vacation, whichever is lower.

24. a. APA is entitled to modifications to the 2012 CBA valued at an average of \$87 million/year over six years.

b. APA will provide its list of proposed modifications, and corresponding valuations with underlying documentation and modeling, within twenty-one (21) days of APA's Board of Directors' approval of this Memorandum. APA, American, and US Airways will negotiate with respect to the means by which the modifications identified in Paragraph 24(a) will be achieved and the appropriate valuation of each APA proposed modification. To the extent the parties are unable to reach an agreement as to the appropriate modifications and valuations, US Airways and American shall offer final and binding interest arbitration, and the APA shall accept such proffer, to resolve the dispute. Richard Bloch shall serve as the arbitrator. If Arbitrator Bloch declines to serve in this capacity or is not available to resolve the parties' dispute, the parties shall select another arbitrator. The arbitration decision on any contested modifications or valuation issues shall be issued no later than 60 days after APA provides its list of proposed modifications and corresponding valuations with underlying documentation and modeling; provided, however, that the arbitrator shall not have jurisdiction to modify any of the provisions of Paragraph 25 of this Memorandum. In resolving contested valuation issues, the arbitrator will take into consideration economic cost and, where warranted, balance sheet liability. For example, with regard to an item such as retiree medical benefits, balance sheet liability will be considered in addition to economic cost.

c. APA agrees that Supplement X regarding profit sharing is hereby eliminated from the 2012 CBA, and that profit sharing shall not be part of APA's proposed modifications referred to in this Paragraph.

d. The pay protection described in Paragraph 12 shall be valued at \$12 million for each year of protection, and shall count against the total value of the modifications provided for in Paragraph 24(a).

e. Flights over sixteen (16) hours will be manned with two (2) Captains and two (2) First Officers.

25. Section 1 (Recognition and Scope) of the MTA shall be the 2012 CBA as modified in a. through f. below.

a. The maximum number of commuter aircraft as a percentage of the Mainline Narrow-Body Fleet shall not exceed 75%.

b. The maximum number of large regional commuter aircraft as a percentage of the Mainline Narrow-Body Fleet shall not exceed 30% through 2014, 35% in 2015 and 40% thereafter.

c. Codeshare modified to accommodate full AA/US codesharing plus 15% codesharing with domestic air carriers, both exclusive of AS and HA carve outs.

d. Existing CRJ900s and E175s fleet in operation at US grandfathered from 76 seat limitation.

e. Accommodate US Shuttle as provided in CLA.

f. Baseline for international flying set to number of international block hours scheduled during the previous 12 months by AA/US combined.

26. APA shall file a single carrier petition with the NMB as soon as practicable after the Effective Date, when APA determines that the facts support the legal requirements for the filing of a petition but in no event later than four months after the Effective Date. If and when the NMB makes a single-carrier finding, the single carrier acknowledged by the NMB and the certified representative shall be governed by this Memorandum.

27. If and when the NMB makes a single-carrier finding, the organization certified to represent the pilots of the single carrier, the single carrier acknowledged by the NMB and the certified organization shall promptly engage or re-engage in negotiations to achieve a JCBA to be applicable to the carrier that will be the product of the Merger. In the event that such negotiations are not completed within 30 days of the NMB's certification, New American Airlines will offer final and binding interest arbitration under Section 7 of the RLA, and the organization will accept such proffer, to resolve once and for all the terms of the JCBA. The arbitration decision shall be issued no later than 60 days after the close of the 30-day negotiation period. A panel of three arbitrators led by Richard Bloch shall serve as the arbitrators for this process. If Arbitrator Bloch declines to serve in this capacity or is unable to resolve the parties' dispute, the parties shall select another arbitrator. The arbitrator's jurisdiction and award will be limited to fashioning provisions which are consistent with the terms of the MTA, including provisions which implement the terms of the MTA or facilitate the integration of pilots under the terms of the MTA. The arbitrator's award specifically shall adhere to the economic terms of the MTA and shall not change the MTA's Scope terms (Paragraph 25 of this Memorandum) or the modifications generated through the process set forth in Paragraph 24 of this Memorandum.

28. US Airways and USAPA agree to be bound and abide by the arbitration decision contemplated by Letter of Agreement 12-05 of the 2012 CBA. Nothing in the MTA shall modify the decision of the arbitration panel thereunder.

29. Attachment C summarizes the timelines prescribed by this Memorandum for the creation of the MTA, JCBA, and integrated seniority list and shall not prevent the Parties from developing the JCBA earlier.

30. This Memorandum is ultimately subject to approval by the Bankruptcy Court in In Re AMR Corporation, et al., jointly administered Ch. 11 Case No. 11-15463 (SHL) in connection with the Merger.

APA:

ALLIED PILOTS ASSOCIATION

By: _____

Name: _____

Title: _____

USAPA:

US AIRLINE PILOTS ASSOCIATION

By: _____

Name: _____

Title: _____

American:

AMERICAN AIRLINES, INC.

By: _____

Name: _____

Title: _____

US Airways:

US AIRWAYS, INC.

By: _____

Name: _____

Title: _____

ATTACHMENT A

A list of all aircraft in the service of or stored by American Airlines, Inc., and US Airways, Inc. as of the Memorandum Approval Date will be provided to APA and USAPA within two days after the Memorandum Approval Date and be made a part of this Memorandum.

ATTACHMENT B

A list of all aircraft orders, options, and anticipated returns set forth in the fleet plans of American Airlines, Inc. and US Airways, Inc. as of the Memorandum Approval Date will be provided to APA and USAPA within two days after the Memorandum Approval Date and be made a part of this Memorandum.

ATTACHMENT C

COMMENCE JCBA PRE MERGER POR	MOU <u>Execution</u>	-AMR -US Airways -APA → 21 Days For List of Valuation Modifications -USAPA → Recommendation Decision by 01/04/13; If Recommended, Membership Ratification Vote Completed Between AMR Board Approval Of Merger and 60 Days Thereafter	<u>Board Approval</u>		60 Days From APA list Of Valuation Modifications Agreement Reached On Valuation - Or - Conclusion Of Interest Arbitration	= MTA By agreement - Or - Arbitrator's Decision



ON AND AFTER MERGER POR	<u>POR</u> MTA in effect For APA and USAPA If USAPA Ratifies or MTA In Effect For APA and USAPA Under Status Quo JCBA Negotiations Begin	4 months	At NMB Discretion, But Projected 6-8 Months From Petition	30 days	60 days	= JCBA
		APA Petition For Single Carrier Status	NMB Single Carrier Finding	* JCBA Negotiation Complete -Or- If Not Complete →	JCBA Interest Arbitration Before Panel of 3 Arbitrators	

* JCBA negotiations shall begin as soon as practicable after the POR and may be completed anytime between the POR and the deadline of 30 days past NMB Single Carrier finding.

ON AND AFTER MERGER POR	<u>POR</u> Seniority Integration Process Begins	30 days	15 Days	60 Days But Not Before JCBA Effective	6 Months and No Later Than 24 Months After POR	Integrated = Seniority List
		APA and USAPA Seniority Integration Protocol Agreement	Panel of 3 Arbitrators Designated	Integrated Seniority List Arbitration Commences	Arbitration Panel Renders Award	

SENIORITY INTEGRATION PROTOCOL AGREEMENT

This Agreement is made and entered into by and between the Allied Pilots Association (APA), US Airline Pilots Association (USAPA), American Airlines, Inc. (“American”), and US Airways, Inc. (“US Airways”) (American and US Airways collectively, “American”), pursuant to the direction and provisions of paragraph 10.f. of the Memorandum of Understanding Regarding Contingent Collective Bargaining Agreement by and between US Airways, American Airlines, APA and USAPA (the “MOU”).

WHEREAS the MOU was entered into on or about January 15th, 2013, among APA, USAPA, American, and US Airways, and

WHEREAS, in Section 10.a. of the MOU, APA, USAPA, American and US Airways agreed that “[a] seniority integration process consistent with McCaskill-Bond shall begin as soon as possible after the Effective Date,”

WHEREAS, consistent with Section 13(b) of the Allegheny/Mohawk LPPs, Section 10.f. of the MOU provides that “[a] Seniority Integration Protocol Agreement consistent with McCaskill Bond and this Paragraph 10” would “set forth the process and protocol for conducting negotiations and arbitration” in the agreed seniority integration process, and

WHEREAS, the merger transaction contemplated by the AMR Plan of Reorganization closed on December 9, 2013, and

WHEREAS, it is desirable to maintain cooperative relationships throughout

the seniority integration process outlined in paragraph 10 of the MOU, and

WHEREAS, the APA has established a Merger Committee and USAPA has established a Merger Committee.

WHEREAS, it is desirable to set out with specificity the process for integrating the existing seniority lists and including the integrated seniority list and all appropriate ancillary provisions, including implementation procedures, into the Joint Collective Bargaining Agreement (JCBA) defined in the MOU, and

WHEREAS, in implementation of the agreements made in the MOU, the following protocols are established.

1. APA, USAPA, and American acknowledge that this Protocol Agreement constitutes the Protocol Agreement referred to in paragraph 10.f. of the MOU consistent with McCaskill Bond.

2. Within 10 days of either the execution of this Protocol Agreement or the receipt from American of the information described in a. below, whichever is later, the Merger Committees shall compile, verify, certify and exchange (in electronic Excel format whenever possible) employment data for each pilot on their respective pre-merger seniority lists, as follows, subject to modification for accuracy.

a. The information certified and exchanged will include the following information to the extent such information is

available and can be compiled/provided by American without undue burden or expense:

- (1) Each pilot's name; employee number; seniority number; date of hire; occupational seniority date, if any, and any other date relevant to the pilot's placement on the pre-merger seniority list; date of birth; seat, aircraft, domicile, and information reflecting each pilot's availability to engage in revenue flying (i.e., leave status, instructor status, management pilot status, medical/disability status);
- (2) For each pilot, the start and end date of any furlough, period of disability, or leave of absence, or any intervening period of service with the pre-merger carrier other than as a flight deck crew member; an explanation for the furlough, period of disability, leave of absence, or period of service other than as a flight deck crew member; and an explanation of the effect, if any, of the furlough, period of disability, leave of absence, or period of service other than as a flight deck crew member on the pilot's seniority, longevity, compensation and/or benefits;
- (3) The identification, with an appropriate designator on the seniority list, of any pilot whose placement on the pre-merger list was determined by a prior seniority

integration agreement or award.

- (4) Provide each pilot's dates of employment at predecessor airlines, subject to previous seniority integrations (e.g., TWA, Reno, Air Cal, TCA, America West, Piedmont, US Airways Shuttle, PSA, Empire).
 - (5) The identification, with an appropriate designator on the seniority list, of any pilots with grandfather, preferential hiring or similar special rights by agreement or prior seniority integration award that are limited as to category, domicile or status within the flight deck crew, and an explanation for each such special rights.
 - (6) The identification, with an appropriate designator on the seniority list, of any pilots who appear on multiple pre-merger seniority lists (American, US Airways (East), US Airways (West)).
 - (7) Similar information for any pilot who has been terminated or otherwise removed from the pre-merger seniority list, whose status is the subject of any pending litigation or dispute.
- b. The certified seniority lists will reflect the status quo of the three seniority lists in effect at the carriers on December 9, 2013

(i.e., American, US Airways (East), US Airways (West)); provided, that this will be without prejudice to any Merger Committee's position on the appropriate "snapshot" or "constructive notice" date.

3. The Merger Committees will exchange additional relevant data (in electronic Excel format whenever possible) upon written request in the course of the seniority integration process.

4. American will provide information relevant to the seniority integration (in electronic Excel format whenever possible) on the written request of any Merger Committee, provided that the information is relevant to the issues, and the requests are reasonable and do not impose undue burden or expense, and so long as the Merger Committees agree to appropriate confidentiality terms. Such information shall be provided by American to the Merger Committees on an equal basis.

5. a. Subject to paragraph 8.c below, within 14 days of the execution of this Protocol Agreement, the Merger Committees (and American, to the extent consistent with paragraph 10.d of the MOU) may commence negotiations concerning the matters referenced in subparagraph b below. Such negotiations may occur for up to 45 days. Neither the MOU nor this Protocol Agreement shall prohibit such negotiations beyond that date regarding the subjects listed in the following subparagraph by mutual agreement of the Merger Committees.

b. Any such negotiations shall be directed to the following

elements relevant to the establishment of a fair and equitable integrated seniority list within the meaning of the McCaskill Bond Act and Section 3 of the Allegheny/Mohawk Labor Protective Provisions; provided, that any such integrated seniority list shall comply with the conditions set forth in paragraph 10.b. of the MOU. The subjects of the negotiations will include:

- (1) to attempt to resolve any and all disputes and inconsistencies with regard to the employment data exchanged pursuant to paragraph 3 above, and to reduce to writing any remaining areas of disagreement, with a statement of each negotiating party's position;
- (2) to determine the "snapshot date" as of which the pre-merger seniority lists will be integrated, and the "constructive notice" date after which pilots hired shall be deemed to have been on constructive notice of the merger;
- (3) the pre-merger fleets for which each pre-merger group will be entitled to credit and the projected future combined fleet including, without limitation, aircraft on hand, on order, and/or on option as agreed by the negotiators;
- (4) the staffing assumptions to be applied to the fleets established pursuant to subparagraph b.(3) above; and

- (5) the pilot bidding patterns (“stovepipe” or otherwise) to be assumed in applying the fleet and staffing assumptions established pursuant to subparagraphs b.(3) and (4) above.

- c. The Merger Committees (and American, as applicable) may jointly agree to the assistance of a neutral mediator at any point during the negotiations.

- d. Subject to paragraph 8.c below, the Merger Committees (and American, as applicable) may enter into written agreements and/or stipulations to resolve and/or limit the issues to be submitted to the Arbitration Board for resolution.

- e. No position nor anything said by any participant during negotiations shall be admissible in the seniority integration arbitration.

6. Within 14 days following the effective date of this Seniority Integration Protocol Agreement, the Merger Committees shall complete the selection of three neutral arbitrators to serve as an Arbitration Board in accordance with the MOU and this Protocol Agreement. The Arbitration Board shall be selected by the Merger Committees exchanging lists of five arbitrators. Any names common to the Merger Committees’ lists will be appointed to the Arbitration Board; if there are more than three common names, the Merger

Committees shall rank order the common names and the arbitrators shall be designated based on the Committees' relative combined ranking. To the extent that positions on the Arbitration Board remain unfilled and the Merger Committees are unable to agree on the remaining arbitrators, the remaining arbitrators shall be selected by alternate strike from the arbitrators proposed by the Merger Committees. The Merger Committees shall determine by agreement or by lot the order of striking.

7. The Arbitration Board shall have the authority to establish a fair and equitable integrated seniority list as required by the McCaskill Bond Act; provided, that any such integrated seniority list shall comply with the conditions set forth in paragraph 10.b. of the MOU. The Arbitration Board shall also have authority to resolve any dispute regarding the employment data exchanged pursuant to paragraphs 3 and 4 above; to resolve all procedural matters regarding the arbitration; and, subject to paragraph 8.b. below, to resolve any dispute regarding the interpretation and application of this Protocol Agreement arising prior to issuance of the final award under paragraph 13 below.

7a. Any dispute regarding the production of information under this Protocol Agreement may be submitted by any Merger Committee to the procedure established in the Protocol for Resolution of Disputes Pertaining to Seniority-Integration Information Production dated June 24, 2014.

8. a. Effective if and when the NMB certifies APA as the representative of the combined craft and class, the Merger Committees established by APA and USAPA shall continue in existence, solely for the purpose of

concluding an integrated pilot seniority list pursuant to the MOU; provided, that all parties reserve their rights and/or positions with respect to the establishment of a separate Merger Committee to represent the interests of the pilots on the US Airways (West) seniority list referenced in paragraph 2(b) including, without limitation, APA's position that, following certification by the NMB as the single bargaining representative, it will have the discretion to designate such a committee, and USAPA's position that APA will have no such legal authority. APA shall not interfere in the deliberations and decision making of the Merger Committees. APA shall not interfere with any Merger Committee with respect to filling any vacancy, choosing legal counsel or other advisors and experts, or the manner in which legal and other expenses are financed. Nothing in this Protocol Agreement shall be deemed to modify or supersede any provision of the governing documents of any party existing as of the effective date of this Seniority Integration Protocol Agreement that governs the relationship between the party and a Merger Committee which it has established.

b. APA has received requests from pilots on the US Airways (West) seniority list referred to in paragraph 2(b) and/or their representatives that, following certification of APA by the NMB, a Merger Committee be designated to represent the interests of such pilots for purposes of this Seniority Integration Protocol. Upon such certification by the NMB, those requests will be referred to a "Preliminary Arbitration Board." The parties to such Preliminary Arbitration will be American, APA, USAPA, the existing Merger Committees, and any committee of pilots on the US Airways (West) seniority list making such requests to APA or the Preliminary Arbitration Board not later than 14 days after certification of APA by the NMB. . Within five business days following the selection of the Arbitration

Board under paragraph 6 above, the selection of the Preliminary Arbitration Board shall be completed by American, APA and USAPA exchanging lists of five arbitrators, none of whom shall be a member of the Arbitration Board. Any names common to the lists will be appointed to the Preliminary Arbitration Board; if there are more than three common names, American, APA and USAPA shall rank order the common names, and the three arbitrators shall be designated based on the relative combined ranking. To the extent that positions on the Preliminary Arbitration Board remain unfilled and American, APA and USAPA are unable to agree on the remaining arbitrators, the remaining arbitrators shall be selected by alternate strike from the arbitrators proposed by American, APA and USAPA. American, APA and USAPA shall determine by agreement or by lot the order of striking. The Preliminary Arbitration Board shall establish an expedited schedule for a hearing on such requests at which the parties may present argument and/or evidence concerning the requests. The hearing shall consist of no more than five hearing days, and shall be concluded within 30 days of the Preliminary Arbitration Board's receipt of the requests, subject to the arbitrators' schedules. The Preliminary Arbitration Board shall issue an order granting or denying any such requests that APA designate the requested Committee. The order shall be issued within 30 days following the first day of the hearing, subject to the arbitrators' schedules. The order shall be final and binding on APA and USAPA, American and US Airways or their successors, and all of the pilots of American and US Airways. The record of the proceeding before the Preliminary Arbitration Board, and any supporting Opinion of the Preliminary Arbitration Board, shall not be presented to the Arbitration Board. The Preliminary Arbitration Board will have the authority to resolve any dispute regarding the interpretation or application of this Protocol Agreement arising in connection with the proceeding under this

paragraph 8.b.

c. Any Merger Committee authorized by the Preliminary Arbitration Board pursuant to subparagraph b above shall thereafter be treated as a Merger Committee under this Seniority Integration Protocol Agreement for all purposes including, without limitation, the following:

(1) Within 14 days following the Preliminary Arbitration Board's order, American will provide to such Merger Committee all information theretofore provided to the existing Merger Committees established by APA and USAPA.

(2) Within 14 days following the Preliminary Arbitration Board's order, the existing Merger Committees established by APA and USAPA will provide to such Merger Committee all information theretofore exchanged by the Existing Merger Committees.

(3) At such Merger Committee's request, the Merger Committees will together reconsider any issues resolved pursuant to paragraphs 2 and 5 above.

9. The parties to the seniority integration arbitration before the Arbitration Board will be the Merger Committees and American; provided, that the participation of American shall conform to Paragraph 10.d of the MOU.

Representatives of APA and USAPA may attend the arbitration hearing as observers.

10. In accordance with paragraph 10.a. of the MOU, the arbitration proceeding before the Board of Arbitration shall commence as soon as practicable after final approval of the Joint Collective Bargaining Agreement pursuant to the deadlines and procedures in paragraph 27 of the MOU and after any proceeding concerning any requests referred to in paragraph 8.b. above.

11. The arbitration hearing will be limited to 12 hearing days; provided, that with the concurrence of the Merger Committees and American, or at the request of the Arbitration Board, the hearing may be extended up to an additional four days. In advance of the hearing, the Arbitration Board shall convene an in-person or telephonic pre-hearing conference or conferences with the parties, to establish rules of procedure, receive stipulations, establish the location(s) of the hearing, set time limits, define issues, establish a schedule for the submission of pre-hearing statements of position, set the order of proof on issues, and deal with other pre-hearing and procedural matters.

12. At the conclusion of the arbitration hearing, the Arbitration Board will establish a schedule for the submission of post-hearing briefs, and/or oral argument before the Arbitration Board.

13. The Arbitration Board shall issue its final Award within six months of the commencement of the arbitration hearing, and in any event not later than December 9, 2015. Prior to issuance of the final award, the Arbitration Board shall

issue a draft award to the parties for their comment concerning issues they identify in the award. The parties shall submit any comments within 10 days of receiving the draft award. The parties may submit any response to the comments of the other parties within five days of submission of those comments. No new evidence may be presented in either submission.

14. The Arbitration Board will include in its Award a provision retaining jurisdiction until all of the provisions of the Award have been satisfied for the limited purpose of resolving disputes which may arise regarding the interpretation, application or implementation of the Award; and shall establish, as part of the Award, a process for resolution of such disputes as adopted by the parties or, in the absence of agreement, as established by the Arbitration Board.

15. In accordance with paragraph 10.c. of the MOU, the integrated seniority list resulting from the process established by the MOU and this Protocol Agreement, whether arrived at through agreement or arbitration, shall be final and binding on APA and USAPA, American and US Airways or their successors, and all of the pilots of American and US Airways.

16. In accordance with paragraph 7 of the MOU, American will make positive space transportation available to members of the Merger Committees when engaged in activities related to seniority list integration.

17. Pursuant to Paragraph 7 of the MOU, American shall reimburse the Merger Committees for expenses in an aggregate not less than \$4 million to be shared equally by the Merger Committees.

18. This Protocol Agreement may be amended, supplemented or modified, either directly or indirectly, only by written agreement of the parties (American, USAPA and APA until NMB certification of APA; American, APA and the Merger Committees following NMB certification of a single bargaining representative).

19. No position taken by the parties in the Seniority Integration Process may be submitted to the National Mediation Board in the proceeding ongoing in NMB File No. CR-7110.

20. APA may present this Seniority Integration Protocol to the NMB in support of its application in NMB File No. CR-7110.

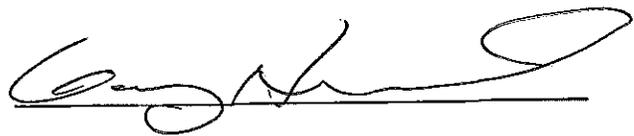
21. The parties to the action captioned *USAPA v. US Airways, Inc.*, 14 Civ. 00328 (DAH) (D.D.C.), agree to dismiss that action and all claims and counterclaims, with prejudice, with each party to bear its own costs, and shall take the necessary steps to effect such dismissal with prejudice within seven calendar days of the execution of this Agreement.

ALLIED PILOTS ASSOCIATION

By: 

Date: 4 SEP 14

US AIRLINE PILOTS ASSOCIATION

By:  _____

Date: 4 SEP 14

AMERICAN AIRLINES, INC.

By: _____

Date: _____

US AIRWAYS, INC.

By: _____

Date: _____

US AIRLINE PILOTS ASSOCIATION

By: _____

Date: _____

AMERICAN AIRLINES, INC.

By: Paul D. Jones

Date: Sept. 4, 2014

US AIRWAYS, INC.

By: Paul D. Jones

Date: Sept. 4, 2014