

ARTICLE 3 - COMPENSATION

A. HOURLY RATES OF PAY

A Flight Attendant shall receive an hourly rate of pay in accordance with his/her length of service as a Flight Attendant as follows:

PAY RATES – FLIGHT ATTENDANTS

	Increase:	3.0%	2.0%	1.5%	1.0%	1.0%	1.0%
Paystep	Current:	10/1/2012	10/1/2013	10/1/2014	10/1/2015*	10/1/2016	10/1/2017
1	\$20.24	\$20.85	\$21.26	\$21.58	\$21.80	\$22.02	\$22.24
2	\$21.98	\$22.64	\$23.09	\$23.44	\$23.67	\$23.91	\$24.15
3	\$23.81	\$24.52	\$25.01	\$25.39	\$25.64	\$25.90	\$26.16
4	\$25.04	\$25.79	\$26.31	\$26.70	\$26.97	\$27.24	\$27.51
5	\$27.97	\$28.81	\$29.39	\$29.83	\$30.12	\$30.43	\$30.73
6	\$32.32	\$33.29	\$33.96	\$34.46	\$34.81	\$35.16	\$35.51
7	\$34.95	\$36.00	\$36.72	\$37.27	\$37.64	\$38.02	\$38.40
8	\$36.83	\$37.93	\$38.69	\$39.27	\$39.67	\$40.06	\$40.46
9	\$38.37	\$39.52	\$40.31	\$40.92	\$41.33	\$41.74	\$42.16
10	\$39.89	\$41.09	\$41.91	\$42.54	\$42.96	\$43.39	\$43.83
11	\$41.20	\$42.44	\$43.28	\$43.93	\$44.37	\$44.82	\$45.27
12	\$42.65	\$43.93	\$44.81	\$45.48	\$45.94	\$46.39	\$46.86
13	\$43.83	\$45.14	\$46.05	\$46.74	\$47.21	\$47.68	\$48.15
14	\$44.90	\$46.25	\$47.17	\$47.88	\$48.36	\$48.84	\$49.33
15	\$46.00	\$47.38	\$48.33	\$49.05	\$49.54	\$50.04	\$50.54

*1% pay raise or industry pay rate adjustment, whichever is greater, as described in Paragraph U. below.

B. INTERNATIONAL OVERRIDE

Effective October 1, 2012, in addition to all other compensation, a Flight Attendant shall receive a three dollar (\$3.00) override for each hour flown on International leg(s), including diversions, deadheading and flight pay and credit, prorated to the nearest minute.

C. REGULAR SCHEDULED MONTHLY GUARANTEE

1. A regularly scheduled Flight Attendant shall be guaranteed seventy (70) hours for the month at the applicable rate provided in paragraph A. above.

2. Effective no later than September 12, 2013, a regularly scheduled Flight Attendant will be guaranteed the number of hours contained in his/her trip selection, including carry-over time but excluding time from any schedule conflict(s). In no case will a Flight Attendant be awarded/assigned a

schedule with less than a seventy (70) hour guarantee. [#]

D. PARTIAL PAY FOR LESS THAN A FULL MONTH'S SERVICE (HOURLY RATE)

1. Pay Docking - Unpaid Status. A Flight Attendant in an unpaid status during the month shall be docked for the scheduled flight pay and credit hours of the trip or trips missed while in such unpaid status. A reserve on available days shall be docked three hours fifty-six minutes (3:56) of flight pay and credit for each day of availability while in such unpaid status during a thirty-one (31) day month; four hours ten minutes (4:10) during a thirty (30) day month. A replacement on AVBL days shall be docked three hours fifty-three minutes (3:53) pay and credit for each day of availability while in such unpaid status.

2. Pay Guarantee - Less Than a Full Month

a. Reserve: A reserve Flight Attendant who begins or returns to service after the beginning of a thirty-one (31) day contractual month shall be guaranteed three hours fifty-six minutes (3:56); four hours ten minutes (4:10) during a thirty (30) day month, of flight time pay for each day s/he is qualified for flight duty (excluding duty-free periods) or the flight time hours actually flown, whichever is greater.

b. Regularly Scheduled: A Flight Attendant who begins or returns to service after the beginning of a contractual month shall be guaranteed the flight time hours actually flown or three hours fifty-three minutes (3:53) of flight pay for each day of replacement availability, whichever is greater.

E. RESERVE GUARANTEES

1. Full Month Reserve

a. A reserve Flight Attendant shall be guaranteed seventy-five (75) hours at the applicable rate provided in A. above, for the month.

b. In addition any supplemental flying as provided in Article 10.D. shall be paid above the seventy-five (75) hour guarantee or actual reserve hours paid and credited, whichever is greater.

c. A Flight Attendant who is awarded a reserve schedule with less than eighteen (18) days of reserve duty will have a pro-rated guarantee of four hours and ten (4:10) minutes in a thirty (30) day month and three hours fifty-six (3:56) minutes in a thirty-one (31) day month multiplied by the number of days of reserve duty in the line.

2. R-Day Block(s). Effective with implementation of the PBS, each reserve block will have a guaranteed paid and credited value of the greater of the block value or trips flown. Block values are indicated in hours and minutes as follows:

- 3 day block value = 13:30 hours
- 4 day block value = 18:00 hours
- 5 day block value = 22:30 hours
- 6 day block value = 27:00 hours

The value of the block will be paid and credited for the portion that falls within each contractual month.

F. FLIGHT PAY CREDIT EARNED

Flight pay credit earned shall mean all flight time credited for maximum monthly flight time limitation purposes except for flight time credit while on unpaid status

G. SPECIAL ASSIGNMENT PAY

1. When a Flight Attendant is assigned to publicity, promotional or other special assignment and as a result is removed from his/her regular flight assignment in order to participate in such assignment s/he shall receive flight time credit and flight pay credit for the scheduled flight time plus credited time as provided in Article 8 of this Agreement for the trip or trips from which s/he was removed and did not fly because of such assignment. A replacement Flight Attendant with available days shall receive three hours fifty-three minutes (3:53) flight time credit and flight pay and credit for each day so assigned. A Flight Attendant on reserve shall receive three hours fifty six minutes (3:56) flight time credit and flight pay credit during a thirty-one (31) day contractual month and four hours ten minutes (4:10) during a thirty (30) day contractual month so assigned.

2. When a Flight Attendant is assigned on a day when s/he is not scheduled for a flight assignment, and s/he is not on reserve duty or an available day, such Flight Attendant shall receive fifteen dollars (\$15) per unit in addition to other compensation as set forth in this Agreement for each day of assignment.

3. International Override will apply to special assignment international trip sequence removals.

H. TRAINING PAY

The provisions of Article 22.A. shall apply.

I. HOLDING TIME (ORIGINATING FLIGHTS)

When a Flight Attendant is required to remain on board with passengers when a flight is held past the scheduled departure time, s/he will be compensated at the rate of fifteen dollars (\$15) per hour for all such "holding time" in excess of the first continuous one-half (1/2) hour on-any one hold. Such "holding time" spent with passengers will not be considered in determining a Flight Attendant's flight time credit. Such "holding time" shall not run concurrently with the ATC Hold/Actual "Out" Time (Code 59) provision of Article 8.J. Time payable under this paragraph shall be computed to the nearest minute.

J. GROUND TIME

1. Required to Board Early. When a Flight Attendant is required to be on board with passengers prior to the scheduled normal boarding time of a flight, s/he will be compensated at the rate of fifteen dollars (\$15) per hour prorated to the nearest minute for all such "ground time" from his/her actual boarding time to the scheduled normal boarding time of such flight.

2. Required to Stay Late. When a Flight Attendant, at the conclusion of a duty period, is required to be on board with passengers following the scheduled arrival time or actual arrival time, whichever is later, s/he will be compensated at the rate of fifteen dollars (\$15) per hour computed to the nearest minute for all such "ground time" until relieved. The provisions of this paragraph shall also apply to Customs/Immigration delays.

3. Basic Ground Time (Through Flights). When a Flight Attendant on a through flight is required to remain on board with passengers, the Flight Attendant shall be paid fifteen dollars (\$15) per hour, computed to the nearest minute, for all such "ground time" in excess of the first continuous one-half (1/2) hour from the time eligibility for ground time begins to the actual departure time of such flight or until relieved, whichever is earlier.

4. Eligibility for Ground Time

a. In the case of an inbound Flight Attendant remaining on board with passengers on a through flight past actual arrival time, eligibility for ground time begins from scheduled or actual arrival time, whichever is later.

b. In the case of an outbound Flight Attendant boarding a through flight with a crew change where the same equipment is being used, eligibility for ground time begins ten (10) minutes from actual arrival time (block-in), except when a flight arrives more than ten (10) minutes before scheduled arrival, in which case, eligibility for ground time begins at scheduled arrival.

c. In the case of an outbound Flight Attendant boarding a through flight with a crew change, and either a change or substitution of equipment where passengers have deplaned the inbound equipment, eligibility for ground time begins from the scheduled passenger boarding time of the outbound flight. In the event an outbound Flight Attendant is scheduled to board such through flight but is delayed because her/his inbound flight is late arriving, eligibility for ground time begins ten (10) minutes after the Flight Attendant's actual arrival (block-in of the inbound flight).

d. When a Flight Attendant is scheduled to board a through flight but is delayed because his/her inbound flight is late arriving, eligibility for ground time begins ten (10) minutes after actual arrival (block-in) of such Flight Attendant's inbound flight.

e. In the case of a cancellation of the through flight after eligibility for ground time for the outbound Flight Attendant has commenced, ground time eligibility will continue until ten (10) minutes after the notice of cancellation from Dispatch is received by the Captain.

5. Determining Flight Time. "Ground time" as provided in paragraphs 1., 2. and/or 3. above shall not be considered flight time, however, such time shall be considered in determining on-duty limitations.

K. CRITICAL COVERAGE PAY

The Company may designate an open position on a trip sequence(s) as Critical Coverage. In addition to all other compensation a Flight Attendant who is assigned and flies such sequence will receive a premium of fifty percent (50%) of the hourly rate, prorated to the nearest minute, including all associated pay and credit. Except for seat swaps, any exchange of trips will result in forfeiture of critical coverage pay. Reserve Flight Attendants are eligible for critical coverage pay through supplemental flying in accordance with Article 10.D.

L. UNDERSTAFFING PAY

Should a flight depart with less than the number of Flight Attendants required by the Company's applicable published staffing guidelines, as issued pursuant to Article 9.B.2. and Appendix I, Article 9.B.2. of the Agreement, each Flight Attendant working the flight will receive compensation at the rate of five dollars (\$5.00) per hour, for each hour actually flown (block to block), or fraction thereof for each Flight Attendant missing. Such understaffing pay, which shall be automatic/automated and shall require no action on the part of the Flight Attendant for payment, shall be in addition to all other applicable compensation, including but not limited to Ground/Holding pay.

M. PURSER POSITION

1. Domestic

a. Purser Position. The Purser position on multi-aisle widebody aircraft shall receive a premium of two dollars eight cents (\$2.08) for each hour actually flown, in addition to all other compensation.

b. Purser Pay for Trips Not Flown

(1) Purser pay as specified above will apply to a Flight Attendant while on paid sick leave, special assignment and training.

(2) Purser pay as specified above will apply to a Flight Attendant while on vacation, provided that in the fiscal year in which the vacation is scheduled, the Flight Attendant met the annual Purser program participation requirement as outlined in Article 34.

(3). Notwithstanding (2) above, a Purser who received her/his initial Purser qualification after May 2 will receive Purser pay as specified in (a) above while on vacation during the first fiscal year following her/his initial Purser qualification.

2. International ¹

a. Purser Position.

(1) The Purser position on multi-aisle widebody aircraft shall receive a premium of three dollars (\$3) for each hour actually flown, in addition to all other compensation.

(2) The Purser position on single-aisle aircraft shall receive a premium of two dollars (\$2) for each hour actually flown, in addition to all other compensation.

b. Purser Pay for Trips Not Flown

(1) Purser pay as specified above will apply to a Flight Attendant while on paid sick leave, special assignment and training.

(2) Purser pay as specified above will apply to a Flight Attendant while on vacation, provided that in the fiscal year in which the vacation is scheduled, the Flight Attendant met the annual Purser program participation requirement as outlined in Article 34.

(3) Notwithstanding (2) above, a Purser who received her/his initial Purser qualification after May 2 will receive Purser pay as specified in (a) above while on vacation during the first fiscal year following her/his initial Purser qualification.

N. FOREIGN LANGUAGE PAY

1. A Flight Attendant who is qualified by the Company as proficient in any foreign language required by the Company and who completes any leg, as a working crew member, on which the Company has required any foreign language, shall receive in addition to all other compensation, a language premium pay of one dollar and twenty-five cents (\$1.25) per hour prorated to the nearest minute. This foreign language premium shall only be paid to the required number of language qualified Flight Attendants per cabin on any particular leg and in seniority order. The provisions of Article 11.c.1.(c) will apply.

2. Chase and deadheading Flight Attendants shall not receive foreign language premium pay. In no case shall a Flight Attendant who does not actually fly and complete such a leg be entitled to foreign language pay as provided herein, such as, but not limited to, leave of any kind, paid or unpaid sick, vacation, paid or unpaid injury on duty, special assignment, training, jury duty, additional assistance, or any other status in which the Flight Attendant is not actually flying.

3. At the Company's discretion, such payment may be increased for any particular language(s) when deemed appropriate by the Company and shall not be reduced without ninety (90) day's notice to APFA. In no case shall the payment be less than that specified in 1. above.

O. PURSER/FOREIGN LANGUAGE DRAFTING PAY

A Flight Attendant who is drafted out of seniority to a trip selection or onto reserve due to his/her Purser/foreign language qualification shall receive the monthly earnings of the trip selection, reserve hours flown, the trip selection denied, or the reserve guarantee, whichever is greater. "Monthly earnings" shall include:

1. From the Trip Selection Denied

a. Scheduled earnings only; schedule to be inclusive of 0001 of the first day of the contractual month to 2400 on the last day of the contractual month, including fly through time which is actually flown or credited to the Flight Attendant's projection (i.e., either actually flown or credited through vacation or other credited removal). If the Flight Attendant is not paper legal for the first scheduled trip of the trip selection denied that first trip will not be considered to be part of the denied selection. Scheduled earnings include all pay generated on a scheduled basis from the scheduled trip selection, excluding expense reimbursement, including application of the average day with the three (3) hour minimum in multiple duty period trip sequences, E-Time, F-Time and P-Time, as applicable, monthly guarantee.

b. Purser or Galley Premium Pay, as applicable.

c. Foreign Language Premium Pay, as applicable.

d. International Override, as applicable.

2. From The Trip Selection or Reserve Days Off Selection Awarded

a. Actual earnings only; actual earnings generated from 0001 of the first day of the contractual month to 2400 on the last day of the contractual month.

b. Actual earnings include pay generated from application of normal pay computation practices, excluding expense reimbursement, scheduled or actual, whichever is greater, including the average day with 3 hour minimum in multiple duty period trip sequences, E-Time, F-Time and P-Time, as applicable, monthly guarantee.

3. Consecutive Month Bid Denial. In the event of a bid denial in two (2) consecutive months, it is understood that "scheduled earnings" for the second month will include those scheduled hours of the last trip sequence of the previous month that begin at 0001 of the second month (i.e., fly through time).

4. Schedule Conflict. In the event that the last actual trip of the preceding month creates a paper illegality with the first trip sequence of the bid denial selection in the second month, the hours of the first trip sequence will be deducted from the "scheduled earnings" of the second month.

5. Guarantee Adjustment. In the comparison of monthly earnings, any reductions in actual pay or guarantee brought about by the Flight Attendant through trip trade, Optional Exchange, personal other, mini-leave, etc., will result in a corresponding reduction in the scheduled hours of the denied trip selection.

6. Vacation Bid Denial/Reserve Drafting Pay Protection. Prior to the implementation of PBS, in addition to all other compensation, a Flight Attendant who is scheduled for vacation and is subsequently bid denied/drafted because of her/his Purser/Language qualification, shall be paid the

greater of the trip sequence(s) s/he was actually removed from or the sequence(s) s/he would have been removed from for his/her vacation in the absence of the bid denial/draft.

P. LOST/STOLEN PAYCHECKS

When a Flight Attendant's paycheck is missing, s/he must notify the Company in writing. Within twenty-four (24) hours of notification, exclusive of Saturdays, Sundays and holidays, the Flight Attendant will be issued a check for one hundred percent (100%) of the missing check.

Q. RANDOM DRUG/ ALCOHOL TESTING PAY

1. A Flight Attendant who is required to accomplish a random drug or alcohol test at the termination of his/her sequence shall receive fifteen minutes (:15) flight time pay, no credit, or ten dollars (\$10), whichever is greater, in addition to all other compensation. However, in the event that a Flight Attendant is required to accomplish both a random drug and alcohol test at the termination of his/her sequence, s/he shall receive thirty minutes (:30) flight time pay, no credit, or twenty dollars (\$20), whichever is greater, in addition to all other compensation.

2. The Company shall be responsible for avoiding all illegalities in the scheduling of a Flight Attendant for random drug and/or alcohol testing. Should a Flight Attendant, regularly scheduled or reserve, not have the required minimum legal rest break prior to his/her next scheduled flight assignment due to a random drug and/or alcohol test at the termination of his/her sequence, the Flight Attendant shall contact his/her flight service manager or, if after hours, his/her Crew Schedule Manager on Duty and inform him/her of such fact. Such notification, to Flight Service or Crew Schedule, must be made prior to the commencement of such applicable rest period. When such notification is made, the Flight Attendant shall receive the scheduled flight time pay and flight time credit of the trip sequence(s) missed as a result of the illegality, or the flight time pay and flight time credit of the trip sequence(s) to which s/he is assigned, whichever is greater, unless otherwise released from testing by his/her flight service manager due to extreme personal emergency, i.e., death or illness. Failure to notify the Company of an impending legality problem shall result in such Flight Attendant forfeiting any pay resulting from subsequent scheduled trip sequence(s) missed.

3. Should any drug or alcohol test at origination of sequence or mid-sequence cause a misconnection, illegality or cancellation (MIC), the provisions of Article 9.P. as applicable, shall apply.²

R. MIXED CO-TERMINAL STIPEND

1. **Mixed Co-Terminal Stipend Eligibility.** If sequence termination at a Flight Attendant's home base station is at a co-terminal other than her/his original point of departure as provided in Article 7.T., s/he will receive a mixed co-terminal stipend based on the stipend payment schedule and the chart below.

2. Stipend Schedule:	Time from Chart	Stipend Amount
	1:00 or less	\$15.00
	1:01 - 1:30	\$22.50
	1:31 or higher	\$30.00

3. Co-Terminal Pairing Chart

Co-Terminal Pairing	Time	Co-Terminal Pairing	Time
LGA-JFK	1:00	ONT-LGB	2:00
LGA-EWR	1:20	SNA-LGB	1:00
JFK-EWR	2:00	DCA-BWI	1:10
MDW-ORD	2:00	DCA-IAD	1:10
LAX-LGB	1:00	IAD-BWI	1:45

LAX-BUR	1:15	SFO-OAK	1:00
LAX-ONT	1:30	SJC-OAK	2:00
LAX-SNA	2:00	SFO-SJC	1:00
BUR-SNA	2:15	DFW-DAL	1:00
BUR-LGB	1:30	MIA-FLL	1:45
ONT-BUR	2:00	TPA-PIE*	1:00
ONT-SNA	1:15		

*TPA-PIE is not currently an eligible co-terminal pairing because Flight Attendants are not based in either location.

4. Future Co-Terminal Pairings. The Company and the APFA will meet as necessary to agree on any other co-terminal pairings and corresponding times.

S. GALLEY PAY AND POSITIONS

1. Domestic

a. Galley Pay

(1) Multi-Aisle Wide-Body Aircraft. All multi-aisle wide-body aircraft bid Galley positions will receive a premium of sixty-three cents (\$.63) per hour for each hour actually flown, in addition to all other compensation.

(2) Galley Pay for Trips Not Flown. Galley pay as specified above will apply to a Flight Attendant while on paid sick leave, vacation, special assignment and training.

b Galley Position(s)

(1) Minimum Number of Bid Galley Positions. The Company will establish a minimum number of bid galley positions on all multi-aisle wide-body aircraft premium paid galley positions which will include;

AIRCRAFT CONFIGURATION	SERVICE	GALLEY POSITION(S)
One (1) Class	One (1) Class	One (1)
Two (2) Class	Two (2) Class	One (1)
Three (3) Class	Two (2) Class	One (1)
Three (3) Class	Three (3) Class	Two (2)

(2) Duties and Qualifications. The Company will define the duties and qualifications of the Galley premium paid positions. Flight Attendants who perform galley duties may also perform cabin duties.

(3) Galley Positions Awarded in Order of Seniority. The Galley positions will be awarded in order of seniority.

2. International ³

a. Galley Pay

(1) **Multi-Aisle Wide-Body Aircraft.** All multi-aisle wide-body aircraft bid Galley positions will receive a premium of eighty-eight cents (\$.88) per hour for each hour actually flown, in addition to all other compensation.

(2) **757 AFT Galley Pay.** The aft Galley position on 757 aircraft will receive a premium of eighty-eight (\$.88) per hour for each hour actually flown, in addition to all other compensation.

(3) **Duties and Qualifications.** The Company will define the duties and qualifications of the Galley premium paid positions. Flight Attendants who perform galley duties may also perform cabin duties.

b. Galley Position(s)

(1) **Minimum Number of Bid Galley Positions.** The Company will establish a minimum number of bid galley positions on all multi-aisle wide-body aircraft premium paid galley positions which will include;

AIRCRAFT CONFIGURATION	SERVICE	GALLEY POSITION(S)
One (1) Class	One (1) Class	One (1)
Two (2) Class	Two (2) Class	Two (2)
Three (3) Class	Two (2) Class	Two (2)
Three (3) Class	Three (3) Class	Three (3)

(2) **Establishment of 757 AFT Galley Position.** The Company will establish a bid premium paid aft Galley position on all 757 aircraft.

(3) **Duties and Qualifications.** The Company will define the duties and qualifications of the Galley premium paid positions. Flight Attendants who perform galley duties may also perform cabin duties.

(4) **Galley Position(s) Awarded in Order of Seniority.** The Galley positions will be awarded in order of seniority.

T. ENHANCED PROFIT SHARING

1. Effective September 12, 2012 beginning at the first dollar of pre-tax income, the new Profit Sharing plan will pay awards equal to 5% of all pre-tax income, prorated to take into account any groups of frontline employees who do not participate in the plan. Pre-tax income for the purposes of these awards will be calculated prior to the effects on income of any special unusual and non-reoccurring items or incentive pay.

2. The Enhanced Fund will be distributed equitably to all eligible employees based on each employee's eligible earnings. Profit sharing is eligible for 401(k) matching funds.

3. Individual Enhanced Awards will be distributed no later than March 15 of the following year for employees who meet the eligibility requirements as long as minimum funding provisions are met.

U. INDUSTRY PAY RATE ADJUSTMENT

1. Effective the first day of the contractual month following DOS + 36 months¹, for the fourth year of the Agreement, domestic base pay rates shall receive an Industry Comparable Pay Rate Adjustment, to be determined according to the procedures and standards set forth in Paragraph 2 below. The comparators to be used in determining the Industry Comparable Pay Rate Adjustment are Delta Airlines, United Airlines, Continental Airlines, US Airways, and America West (or their successors) as long as their flight attendants continue to operate under separate flight attendant contracts (“the Industry Comparators”).

2. Industry Comparable Pay Rate Adjustment procedures and standards:

a. Industry Comparable Pay Rates shall be determined by calculating the simple average of the top of scale domestic hourly base pay rates (excluding premiums, per diems, etc.) that will be in effect on DOS + 36 months at the Industry Comparators.

b. After determining the average Industry Comparable Pay Rate, the parties or interest arbitration panel will calculate a percentage rate increase to be applied to the Company’s equivalent hourly base pay rate to bring it up to the determined average Industry Comparable Pay Rate (“Industry Comparable Pay Rate Adjustment”). This Industry Comparable Pay Rate Adjustment will then be applied to the hourly base pay rates for all of the Company’s Flight Attendants pay steps.

c. On or before DOS + 30 months, the parties shall meet and confer for a period of up to 30 days to determine if they can achieve a voluntary agreement for an Industry Comparable Pay Rate Adjustment.

d. If by DOS + 31 months, the parties are unable to achieve a voluntary agreement according to the procedures set forth in (2)(a) and (b) above, they shall submit the issue of an Industry Comparable Pay Rate Adjustment to interest arbitration under the procedures of Section 7 of the Railway Labor Act.

(1) The parties shall mutually agree on or before DOS + 31 to the selection of three neutral arbitrators. In the absence of an agreement on the selection, the parties shall solicit the National Academy of Arbitrators for a list of fifteen (15) arbitrators. Using an alternate strike methodology, or any other agreed to by the parties, a panel of three neutral arbitrators will be selected from that list.

(2) In order to facilitate the interest arbitration, the parties may enter an interest arbitration agreement setting forth ground rules for the interest arbitration. In the absence of such interest arbitration agreement, the interest arbitration shall be conducted according to the provisions of this Agreement and whatever ground rules the panel shall deem appropriate.

(3) The parties shall share equally all costs of interest arbitration.

(4) The interest arbitration shall begin on or before DOS + 32 months and a hearing shall be concluded and a decision issued on or before DOS + 35 months.

¹ Company agrees if DOS is the first day of the month, the Industry Comparable Pay Rate Adjustment will be effective on DOS + 36 months.