

APFA INTEREST ARBITRATION PROPOSAL

APFA proposes that the Collective Bargaining Agreement to be imposed by the Panel shall consist of:

1. All terms of the September 19, 2014 Tentative Agreement (“Tentative Agreement”) except Section 3 (Compensation), Paragraph A.
2. Section 3 (Compensation), Paragraph A

Years of Service	Effective Date*				
	12/2014	12/2015	12/2016	12/2017	12/2018
1st Year	\$22.62	\$23.07	\$23.53	\$24.00	\$24.72
2nd Year	\$24.06	\$24.55	\$25.04	\$25.54	\$26.30
3rd Year	\$25.83	\$26.34	\$26.87	\$27.41	\$28.23
4th Year	\$27.34	\$27.88	\$28.44	\$29.01	\$29.88
5th Year	\$30.32	\$30.93	\$31.55	\$32.18	\$33.14
6th Year	\$35.75	\$36.47	\$37.19	\$37.94	\$39.08
7th Year	\$38.66	\$39.44	\$40.22	\$41.03	\$42.26
8th Year	\$39.77	\$40.56	\$41.37	\$42.20	\$43.47
9th Year	\$41.15	\$41.97	\$42.81	\$43.66	\$44.97
10th Year	\$42.73	\$43.58	\$44.45	\$45.34	\$46.70
11th Year	\$44.02	\$44.90	\$45.80	\$46.71	\$48.12
12th Year	\$45.84	\$46.76	\$47.70	\$48.65	\$50.11
13th Year	\$50.17	\$51.17	\$52.20	\$53.24	\$54.84

*First day of the bid month; effective retroactively to December 2, 2014

3. Profit Sharing
 - a. APFA values this proposal as \$112 million per year higher (on an average annual basis over the five year term of the Collective Bargaining Agreement) than the value of the current LAA and LUS Collective Bargaining Agreements, comprised of \$62 million per year (on average over the five years of the Collective Bargaining Agreement) required to reach the “market based in the aggregate” value of the DAL wages and work rules and the UAL and CAL Collective Bargaining Agreements without regard to their respective profit sharing plans, and \$50 million per year as a “market based in the aggregate” value substitute for the DAL, UAL and CAL profit sharing plans.
 - b. If, between the effective date of this Collective Bargaining Agreement and the effective date of a successor Collective Bargaining Agreement, the Company agrees to provide any work group with a profit sharing plan, APFA shall have the option to reduce the value of the wage rates in this

Collective Bargaining Agreement by \$50 million per year (until the implementation of a successor Collective Bargaining Agreement) commencing in the year following the exercise of that option and to adopt prospectively commencing in the year following the exercise of that option and continuing until the implementation of a successor Collective Bargaining Agreement, the profit sharing plan agreed to between the Company and such other union. APFA shall have 30 days following the effective date of the collective bargaining agreement containing the profit sharing plan to exercise its option.

- c. If, between the effective date of this Collective Bargaining Agreement and the effective date of a successor Collective Bargaining Agreement, the Company and such other union discontinue the profit sharing plan, APFA shall have the option either to:
 - i. maintain the profit sharing plan for Flight Attendants and the \$50 million per year wage reduction (on average) until the implementation of a successor Collective Bargaining Agreement; or
 - ii. discontinue the profit sharing plan and increase the wage rates in the Collective Bargaining Agreement by \$50 million per year (on average) over the value of the wage rates then in effect until the implementation of a successor Collective Bargaining Agreement.

4. Health Insurance

- a. If, during the term of the Collective Bargaining Agreement, the Company agrees prospectively to provide any work group with a health insurance plan other than the health insurance plan contained in the APFA Collective Bargaining Agreement, APFA shall have the option to replace the health insurance plan contained in the Collective Bargaining Agreement with such other health insurance plan commencing as of the next plan year.

5. Effect of a United Airlines Joint Collective Bargaining Agreement

- a. In the event that United Airlines implements an initial flight attendant joint collective bargaining agreement after this Collective Bargaining Agreement is implemented, beginning no later than thirty (30) days after the initial United Airlines joint collective bargaining agreement has been implemented, the Company and APFA shall determine how the initial United joint collective bargaining agreement affects the “market-based in the aggregate” analysis for this Collective Bargaining Agreement.

- b. This Collective Bargaining Agreement shall thereafter be adjusted under the “market-based in the aggregate” analysis to reflect the initial United joint collective bargaining agreement.
- c. If the Company and APFA are unable to agree on the impact on this Collective Bargaining Agreement of the initial United joint collective bargaining agreement under the “market-based in the aggregate” analysis, within fifteen (15) days from their initial meeting the Company and APFA shall immediately submit their dispute to final and binding arbitration before this Panel to determine what changes, if any, should be made to this Collective Bargaining Agreement under the “market-based in the aggregate” standard. The award shall be issued no later than thirty (30) days after the first day of the hearing and shall be final and binding on all parties. The procedures for the arbitration shall be agreed upon by American and APFA.