

# APFA

## EXECUTIVE COMMITTEE MEETING

### SPECIAL EC MEETING

March 24, 2016  
via Teleconference

Resolution Tally Sheet	<b>Resolution #:</b> 2
	<b>Maker:</b> Gluth
	<b>Second:</b> Knuth
	<b>Date:</b> 03/24/2016
	<b>Time:</b> 13:08

**Resolution Name:** AA Profit Sharing/Wage Increases

<b>YES</b> = Yes	<b>ABS</b> = Abstain	<b>PXY</b> = Proxy Vote
<b>NO</b> = No	<b>N/A</b> = Absent	<b>REC</b> = Recuse
<b>PASS</b> = Pass		

COMMENTS:

	Aurigenma	Watson	Bernstein	Taylor	Hartshorn	Treasurer	Secretary	Vice President	President
<b>YES</b>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<b>NO</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>PASS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>ABS</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>N/A</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>PXY</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>REC</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**YES:** 7      **NO:** 0      **ABSTAIN:** 0      **ABSENT:** 2

**Status:** *Passed*     *Failed*     *Tabled*     *Withdrawn*     *Show of Hands*

**WHEREAS**, the 2012 Conditional Labor Agreement between APFA and US Airways provided that in the event of a merger with American Airlines, the value of a Joint Collective Bargaining Agreement (“JCBA”) would be at least market-based in the aggregate, later defined as based on Delta and United/Continental (“United”); and

**WHEREAS**, as it became clear that the negotiations between United and the Association of Flight Attendants (AFA) were not progressing as expected, APFA achieved further agreement that a wage adjustment would be made after the merger if AFA and United did not reach a contract before the merger; and

**WHEREAS**, this guarantee carried forward in the post-merger JCBA and is binding on American Airlines; and

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**WHEREAS**, a contract still has not been reached between AFA and United; and

**WHEREAS**, on March 23, 2016, the Company offered to accelerate the United-based wage adjustment and increase Flight Attendant pay scales by 6% effective April 1, 2016, with all future scale increases calculated against these new higher rates, which means future rates will also be higher; and

**WHEREAS**, that wage adjustment “assumes that United’s eventual JCBA will include pay rates slightly higher than Delta’s current rates, which would result in the 6% wage increase under the APFA JCBA;” and

**WHEREAS**, the Company explained, in part, that it is making this adjustment now “because none of us expected our flight attendants to have to wait this long to receive that increase, and it remains unclear when United will reach a joint agreement with its flight attendants;” and

**WHEREAS**, under the Company’s offer, whenever AFA and United “do reach a ratified agreement, [the Company] will work with the APFA to determine what the actual contractual adjustment should be for American’s flight attendants” and if the 6% wage increase turns out to be too low, the Company will adjust pay rates upward, but if the adjustment was too high, it will not seek to lower the new rates; and

**WHEREAS**, this wage adjustment offer cannot be implemented without APFA’s agreement; and

**WHEREAS**, on March 23, 2016, the Company also offered APFA the opportunity for Flight Attendants to participate in a Company-wide Profit Sharing Plan broadly described in the attached communication, with the terms and conditions set forth in the Plan governing Flight Attendants’ participation; and

**WHEREAS**, this profit sharing offer cannot be implemented as to Flight Attendants without APFA’s agreement; and

**WHEREAS**, the effective date of the Profit Sharing Plan as it applies to Flight Attendants will be the date on which APFA agrees to the offer by way of a Letter of Agreement, and that Letter of Agreement “shall remain in effect for the duration of the Collective Bargaining Agreement dated December 13, 2014;” and

**WHEREAS**, both the wage increase and profit sharing are long overdue acknowledgements of Flight Attendants’ invaluable contribution to making American Airlines successful; and

**WHEREAS**, under Article III, Section 4.A of the APFA Constitution, the Executive Committee “shall interpret this Constitution, subject to the approval of the Board of Directors;” and

**WHEREAS**, Article XI, Section 1.F of the APFA Constitution provides that: “Any letters of agreement or side letters entered into between an employer and the APFA during or outside of

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the Collective Bargaining negotiations which alter the rates of pay, rules, or working conditions shall be subject to ratification by the Executive Committee. If the Executive Committee determines that the alteration is substantial, such letter of agreement or side letter shall be submitted for ratification to the membership;” and

**WHEREAS**, Article XI, Section 1.F of the APFA Constitution requires submission to the membership for ratification only substantial alterations that negatively impact the membership; and

**WHEREAS**, in the past the Executive Committee has approved wage increases offered by the Company mid-contract, without any requirement of membership ratification; and

**WHEREAS**, the wage rate increase and the profit sharing plan positively impact the membership.

**THEREFORE BE IT RESOLVED**, that the Executive Committee ratifies, without any requirement of membership ratification, the wage rate adjustment as described in the attached communication from the Company; and

**BE IT FURTHER RESOLVED**, that the Executive Committee ratifies, without any requirement of membership ratification, Flight Attendant participation in the Company-wide Profit Sharing Plan.