

SECTION 23 - REDUCTION IN FORCE

- A. When a reduction in force is deemed necessary, the Company will notify and confer with the APFA as soon as possible after the reductions are anticipated. After notifying APFA of the projected number of Flight Attendant positions needed to be reduced and the duration of time that the reduction in force will be in effect, a general notice indicating the number and expected duration of furloughs will be placed on Flight Attendant bulletin boards and communicated electronically to Flight Attendants. The Company shall also provide an up-to-date Seniority List to the APFA.

B. ALTERNATIVES TO INVOLUNTARY FURLOUGHS

1. When such a reduction in force is deemed necessary, the Company will offer the following on the basis of system wide seniority, except Leave in Lieu of Furlough, which shall be offered by crew base seniority:

a. Voluntary Furlough

The Company will offer Flight Attendants who would not have been involuntarily furloughed the opportunity to accept a Voluntary Furlough. The commencement of such Voluntary Furloughs will coincide with the date(s) established for involuntary furloughs. The benefits of a Voluntary Furlough will include on-line passes in accordance with Company policy for the duration of the Voluntary Furlough. The Company will not actively contest claims for unemployment benefits filed by Flight Attendants accepting Voluntary Furlough. Voluntary Furloughs shall be for a set duration(s) established by the Company. A Flight Attendant on a Voluntary Furlough shall accrue longevity for pay and vacation purposes up to the Expiration Date of the Voluntary Furlough.

b. Voluntary Travel Separation Program (VTSP)

In the event of an involuntary furlough as described above, the Company will offer a Voluntary Travel Separation Program (VTSP) pursuant to Company policy for Flight Attendants who would not otherwise have been furloughed. The VTSP will provide a fixed number of passes annually based on years of service and other additional incentives may be discussed with the APFA National President.

c. Leave in Lieu of Furlough

A Leave in Lieu of Furlough will be offered on the basis of crew base seniority in lieu of a reduction of force at a particular crew base. The leave will be offered for a set duration with the understanding that the Company may not cancel the leave without the agreement of the Flight Attendant. The Leave in Lieu of Furlough provisions will be in accordance with Leaves of Absence, Section 25. The Company will have satisfied its obligation to offer a Leave in Lieu of Furlough if the provisions of the Voluntary Furlough Program are the same as or better than those of the Leave in Lieu of Furlough.

2. In the event of a circumstance over which the Company does not have control as defined in Recognition and Scope, Section 1, the Company shall offer the alternative to involuntary furlough specified in Paragraph B.1.a, simultaneously with the notice of involuntary furlough as specified in Paragraph C.2.
3. At the time a Flight Attendant is due to return from Voluntary Furlough because her/his Voluntary Furlough is terminating (the date of termination is referred to herein as the "Expiration Date"), she/he may choose from the following options:

- a. Return to service as a Flight Attendant with the Company;
 - b. If Flight Attendants remain on involuntary furlough or the Company does not need some or all of the Voluntary Furlougees to return from furlough, the Flight Attendants may elect, in seniority order, to remain on furlough status and shall remain on such status in accordance with the following provisions:
 - i. Extension of the voluntary furlough for an indefinite duration until recalled;
 - ii. Non-revenue, space-available travel privileges (on-line, no companion passes) for the duration of the furlough;
 - iii. If currently receiving medical and/or dental coverage under the Voluntary Furlough, the option to continue the medical and/or dental coverage pursuant to COBRA, i.e., for a maximum of eighteen (18) months from the Extension Date, at the full monthly premium plus a two percent (2%) administrative fee;
 - iv. Retain and accrue longevity through the Expiration Date, but no accrual of longevity beyond the Expiration Date;
 - v. Carry-over of pre-furlough sick bank, if any, but no accrual of sick leave; and,
 - vi. Carry-over of pre-furlough vacation, if any, but no additional accrual of vacation.
 - c. Accept a VTSP, with terms and conditions set at the Company's sole discretion.
4. The recall of voluntary and involuntary furlougees shall occur in the following order:
- a. Involuntary furlougees will be offered recall in accordance with Paragraph C;
 - b. After all procedures for recall under Paragraph C, have been exhausted, voluntary furlougees who have elected to remain on furlough status in accordance with Paragraph B.3.b.i, will be offered recall in inverse seniority order. Any voluntary furlougee who declines recall will be deemed to have resigned and the Flight Attendant's name will be removed from the system seniority list.
5. A Flight Attendant who was granted a VTSP or any other separation incentive program by the Company prior to the date of this agreement will continue to be covered by the terms and conditions of the program in effect at the time the Flight Attendant accepted entry into the program.

C. INVOLUNTARY FURLOUGH

- 1. When a Flight Attendant is furloughed because of a reduction in force, it shall be done in inverse order of system seniority.
- 2. Once the election process in Paragraph B.1.a is completed, and it is known which Flight Attendants will be involuntarily furloughed, the Company shall mail a Flight Attendant written notice of furlough postmarked at least fifteen (15) calendar days before the effective date of the furlough. The APFA shall be given a listing of Flight Attendants who have been sent furlough notices.
- 3. In the event a Flight Attendant is assigned to a duty period beyond the effective date of the furlough notice, that Flight Attendant's furlough date and any Flight Attendant senior to her/him scheduled to be furloughed on the same date, will have her/his furlough date adjusted to reflect the completion of the extended duty period.

4. Due to furloughing in inverse order of system seniority, displacement of a Flight Attendant may be necessary to balance Flight Attendants at any crew base. Displacement of Flight Attendants is covered in this Agreement, Filling of Vacancies, Section 22, and Moving Expenses, Section 5.
5. A Flight Attendant who has been furloughed due to a reduction in force shall file her/his address with the Company and thereafter shall, as soon as possible, advise Flight Service of any change in address. The Company shall, within fourteen (14) days, furnish the APFA with these addresses and subsequent address changes.
6. A Flight Attendant who is displaced in accordance with Paragraph C.4, shall have the privilege of returning to her/his former crew base in accordance with Filling of Vacancies, Section 22.H.3 and Paragraph C.8, when a vacancy occurs in the former crew base.
7. A Flight Attendant who is recalled to a crew base other than the one from which she/he was furloughed may exercise priority return over non-displaced Flight Attendants and utilize her/his seniority to return to her/his former crew base in accordance with Paragraph C.8 and Filling of Vacancies, Section 22.H.5, when a vacancy occurs or the crew base is reopened.
8. A Flight Attendant who is furloughed shall be recalled in order of her/his seniority at the time of furlough. Crew base transfers for all non-furloughed Flight Attendants shall be honored before a furloughed Flight Attendant is recalled to a crew base. Transfer requests for displaced Flight Attendants with a priority right of return on file will be processed but furloughed Flight Attendants will only exercise priority of return upon return to active status.
9. A furloughed Flight Attendant who fails to accept a recall shall remain on furloughed status and said offer of recall shall be extended to the Flight Attendant next on the seniority list until there are no more junior Flight Attendants on furlough. A furloughed Flight Attendant who fails to accept a recall when there are no more junior Flight Attendants on furlough shall be considered to have resigned from the Company.
10. A Flight Attendant who is furloughed shall, upon return to duty, be credited with all longevity for pay and vacation step increases that she/he had accrued prior to such furlough.
11. A Flight Attendant who completed her/his probationary period at the time of furlough shall continue to retain and accrue seniority for the duration of their furlough. A Flight Attendant who returns from a furlough after a period greater than five (5) years shall be subject to a probationary period pursuant to Period of Probation, Section 21.
12. The Company shall recall furloughed Flight Attendants in order of seniority. Notice of recall shall be by second day delivery service, (signature required) sent to the most recent recall address provided by the Flight Attendant and shall specify the name and address of the Company official to whom the Flight Attendant shall forward her/his reply and the approximate number of days of anticipated employment. A furloughed Flight Attendant failing to notify the Company of her/his intention to return within seven (7) days after receipt of notice of recall and who fails to return within sixteen (16) days after receipt of such notice, will be considered to have resigned.
13. A Flight Attendant who has completed one (1) year or more of service will receive severance pay based on the average number of hours flown in the twelve (12) full months prior to the furlough date as per the following schedule:

<u>Years of Active Service</u>	<u>Furlough Pay</u>
1 year but less than 2 years	0.5 month
2 years but less than 3 years	1.0 month
3 years but less than 4 years	1.5 months
4 years but less than 5 years	2.0 months
5 years but less than 6 years	2.5 months
6 years but less than 7 years	3.0 months
7 years but less than 8 years	3.5 months
8 years but less than 9 years	4.0 months
9 years and thereafter	4.5 months

14. Furloughed Flight Attendants and their dependents shall be eligible to remain in the Company's group medical and dental insurance plans through any period of furlough pay. Following the furlough pay period, the Flight Attendant may continue medical and dental coverage under COBRA by paying the entire premium. The Flight Attendant may continue coverage in this manner for a period in accordance with COBRA, or until she/he is covered under another group health plan, whichever occurs earlier.
15. Group life insurance coverage will be extended through any period of furlough pay. Upon completion of the furlough pay period, group life insurance coverage shall cease. However, the Flight Attendant may convert the coverage to an individual policy. Premiums for the converted policy and a statement of good health are determined by the Company's insurance carrier. Each furloughed Flight Attendant will receive a conversion form from the Company for the purpose of continuing such insurance, if desired, with no lapse in coverage.
16. The Company shall not fill any Flight Attendant positions with an internal transfer while any Flight Attendant is on furlough. For the purposes of this Section, an internal transfer is defined as a Company employee who does not have a current Flight Service seniority number and whose name does not appear on the Flight Attendant System Seniority List.
17. A Flight Attendant who accepts recall and reports for duty and is subsequently furloughed within one (1) month shall be guaranteed a minimum of one (1) month's pay.
18. A furloughed Flight Attendant will return to active status on the specified date of recall.
19. Flight Attendants who are involuntarily furloughed are entitled to unlimited on-line passes for twenty-four (24) months with a boarding priority in accordance with Company policy.

D. EDUCATION/INTERIM EMPLOYMENT

1. Education/Interim Employment Outside the Company
 - a. A Flight Attendant who accepts employment while on furlough which requires a contractual commitment for a period of up to three (3) years, shall be allowed to fulfill such obligation and shall be considered to be on personal leave of absence commencing with the date of recall until fulfillment of such employment obligation, provided such Flight Attendant has notified the Company prior to such contractual commitment. A Flight Attendant who has entered into a full time educational program while on furlough and who receives notice of recall before said program is completed shall be placed on a leave of absence (personal) until the end of the current semester.
 - b. Paragraph D.1.a, under certain conditions allows a Flight Attendant to pass recall. In addition, a furloughed Flight Attendant who can substantiate that alternate employment would require her/him to sign a contract with an interim employer for a specific period of time that would exceed the time stipulated in Paragraph D.1.a, shall file a request and

substantiated documentation for approval by the Flight Service Department prior to a furloughed Flight Attendant accepting such interim employment. When such Flight Attendant is subject to recall and is unavailable to accept employment for the above reason, she/he will be considered on leave of absence.

- c. A Flight Attendant on a voluntary or involuntary furlough will be allowed to work other employment within the aviation industry.

2. Interim Employment with the Company

A furloughed Flight Attendant seeking alternate employment with the Company may be considered for such available employment for which she/he may be qualified.

E. PAYMENT FOR UNUSED VACATION

At her/his option, a Flight Attendant who is furloughed will receive vacation pay for all unused vacation time to the end of the month preceding her/his furlough. If the option is not exercised, the vacation will be carried until the Flight Attendant is recalled from furlough.