

July 14, 2020

Julie Hedrick, National President
Association of Professional
Flight Attendants
1004 West Eules Boulevard
Eules, TX 76040-5018

RE: Lineholder Pay Protection Exception for August 2020

Dear Julie:

This letter will confirm our agreement regarding a pay protection exception for lineholder Flight Attendants for August 2020 (Aug 1 – 30, 2020). As a result of potential flight cancellations related to COVID-19 and a further reduction in flying, the Company will make a one-time exception to Section 10 of the 2014 AA/APFA Joint Collective Bargaining Agreement (JCBA) and offer pay protection to Affected Flight Attendants as follows:

1. "Affected Flight Attendant" under this agreement is a lineholder Flight Attendant who has a flight(s) or a full sequence cancellation(s) resulting in a loss of time from the scheduled sequence value during the contractual month of August 2020.
2. The terms of this agreement provide the pay protection provisions for the bid month of August 2020. In addition to these terms, however, Section 10.J.9-11, 10.K. and 10.L. shall also apply. No other pay protections will apply for the bid month of August 2020.
3. A Flight Attendant will have an August guarantee (up to a maximum of 75:00) based on the value of the PBS original line value:

| PBS Original Line Value | August Guarantee |
|--------------------------------|------------------------------------|
| ≥75:00 | 75:00 |
| ≥70:00 – 74:59 | 71:00 |
| <70:00 | PBS Original Line Value minus 5:00 |

4. This pay protection exception is a line protection for lineholders and does not include premiums. The final protected amount will be calculated for August 2020 by comparing the Pay Projection (PPROJ)* including all trips flown (ETB, TTS, UBL, PBS), carryover time, vacation time, paid sick, etc.;
 - a. If PPROJ is greater than August guarantee, no action needed
 - b. If PPROJ is less than August guarantee, add the value of lost time (scheduled vs. actual sequence value) due to cancelled flight(s) within a sequence and full sequence cancellation(s) in an amount up to, but not exceeding August guarantee

* Any applicable Voluntary Extension (VE) and/or Red Flag Pay is paid separately and are not part of the comparison to the line value.

The Company will make every effort to pay the August pay protection exception as soon as practicable.

Example 1:

FA was awarded a PBS original line value of 80:00 and end of month projection of 68:00. The August guarantee was 75:00. FA's actual line includes a 12:00 loss of time due to flight cancellations. FA is paid the difference between the end of month projection of 68:00 and the August guarantee of 75:00, so 7:00 of the 12:00 loss of sequence value is applied to bring the FA to the 75:00 August guarantee.

| PBS Original Line Value | August Guarantee | End of Month Projection (PPROJ) | Loss of Sequence Value Due to CXLD | Actual Pay Protection |
|--------------------------------|-------------------------|--|---|------------------------------|
| 80:00 | 75:00 | 68:00 | 12:00 | 7:00 |

Example 2:

FA was awarded a PBS original line value of 78:00. The August guarantee was 75:00. FA's actual line includes a 15:00 loss of time due to flight cancellations. FA also dropped 2 trips worth 40:00. FA is paid the end of month projection of 23:00 plus the 15:00 loss of sequence value to bring the FA to 38:00 for the month.

| PBS Original Line Value | August Guarantee | End of Month Projection (PPROJ) | Loss of Sequence Value Due to CXLD | Actual Pay Protection |
|--------------------------------|-------------------------|--|---|------------------------------|
| 78:00 | 75:00 | 23:00 | 15:00 | 15:00 |

Example 3:

FA was awarded a PBS original line value of 80:00. The August guarantee was 75:00. FA's entire month cancels. FA is paid the difference between the end of month projection of 00:00 and August guarantee of 75:00, so 75:00 of the loss of sequence value is applied to bring the FA to 75:00 for the month.

| PBS Original Line Value | August Guarantee | End of Month Projection (PPROJ) | Loss of Sequence Value Due to CXLD | Actual Pay Protection |
|--------------------------------|-------------------------|--|---|------------------------------|
| 80:00 | 75:00 | 00:00 | 80:00 | 75:00 |

Example 4:

FA was awarded a PBS original line value of 55:00. The August guarantee was 50:00. FA has 15:00 loss of time due to flight cancellations. FA is paid the difference between the end of month projection of 40:00 and August guarantee of 50:00, so 10:00 of the loss of sequence value is applied to bring the FA to 50:00 for the month.

| PBS Original Line Value | August Guarantee | End of Month Projection (PPROJ) | Loss of Sequence Value Due to CXLD | Actual Pay Protection |
|--------------------------------|-------------------------|--|---|------------------------------|
| 55:00 | 50:00 | 40:00 | 15:00 | 10:00 |

Flight Attendant requirements for August pay protection

5. There is no obligation to recover lost time and no Direct Connect required by the Flight Attendant to receive this pay protection.

APFA agrees to the following:

6. If needed, APFA agrees to a delayed timeline for the PBS/TTS/ETB bidding process for September 2020.
7. APFA agrees to not file or move to arbitration any disputes regarding August 2020 pay protections or bidding timelines related to this agreement, except any dispute to enforce this agreement.
8. APFA agrees the Company may use mass CCI notifications for any modifications and/or reschedules to a sequence that occur more than 2 days out from the origination date of the affected sequence. For any modifications and/or reschedules made the day prior or day of the origination of the affected sequence a phone call must be made. This will be in effect for the months of August 2020.

This agreement is non-precedent setting and non-referable. Also, it is understood that the provisions of the 2014 AA/APFA Joint Collective Bargaining Agreement, except as specifically modified or excepted by this letter, shall apply in all respects.

Sincerely,



Cindi Simone
Managing Director
Labor Relations

Agreed to by:



Date 07/15/2020

Julie Hedrick, National President
Association of Professional Flight Attendants

cc: Jill Surdek
JC Gulbranson
Sam Mendenhall
Larry Salas
Vince Heyer

Lineholder Pay Protection Exception for August 2020