



To: All Flight Attendants

From: SuzAnne Balzer  
Director, Contract Administration

Date: June 15, 2007

Subject: Estimated Contract Implementation Timeline

Following is the estimated implementation timeline for the contract changes included in the new Flight Attendant Agreement:

- Restore Domestic Ground Holding Pay to "Yellow Book." **Implement July, retro to 6/1/07.**
- Restore International Ground Holding Pay to 50% pay and 50% credit. **Implement pay in July, retro to 6/1/07; Credit - to be determined.**
- Short Crew Compensation: Understaffing pay provision of \$3 per hour to each working flight attendant on those flights operated without the number of flight attendant required by the Company's staffing grids or contractual minimum requirements. **Implement July, retro to 6/1/07.**
- Provision to allow International High Density Turns, excluding TPAC, TATL, Inter-Europe and Inter-Asia. Example: MSP-SJU-MSP. **September bid month patterns.**
- Restore 4:15 minimum day (Yellow Book) and eliminated 4:15 averaging. **Patterns originating in the July bid month.**
- Create ability to trade to zero. **August bid month-OWT.**
- Trade lower in 6-hour increments. **August bid month.**
- No patterns constructed in monthly bid analysis with a duty period following a red-eye segment. **(Current practice. New definition of "red-eye" for September bid month).**
- Restore "Yellow Book" Ready Reserve "Will Fly" assignment ahead of Regular Reserve. **Goal - fourth quarter 2007.**
- Onboard rest provisions for international flights greater than seven hours but less than or equal to eight hours. **Effective 6/8/07.**
- Vacation accrual built back up beginning July 31, 2008, for a final accrual level beginning July 31, 2010, representing a 25% reduction in "Yellow Book" accruals. **1<sup>st</sup> step 7/31/08.**
- Reinstatement of "Yellow Book" 100% sick pay provisions on July 31, 2007. (Note: no change to current accrual rate.) **7/31/07.**
- Increased sick leave accrual cap from 850 to 1200 hours; grandfathered Flight Attendants with more than 1200 hours. **Implement July, retro to June 1, 2007.**

- Agreement to explore reciprocal jumpseat agreements within 90 days of ratification. **Examining scope of project/need for automation.**
- One way trades and pattern drops below 70 hours reduce vacation and sick accruals. **To be determined.**
- Reduced required Purser buffer from 200% to 100%. **In effect.**
- Eliminate transfer expenses to new or re-established bases. **In effect.**
- Eliminate transfer expenses for voluntary transfers to HNL. **In effect.**
- Eliminate crew bottled water. **In effect.**
- Accelerated implementation of Language of Destination program. **April 2008 bid month w/PBS implementation.**
- Company only required to offer one, instead of two, outercoats. **In effect.**
- Agreed to bid for training prior to the monthly bid process for training that exceeds two days, or during or after the monthly bid process for all other training. **To be determined.**
- Agreed to phase out distribution of hard copies of monthly analysis and seniority list. **Will begin 1Q 2008.**
- Longevity accrual ceases on the first day of leave. **To be determined.**
- Standby Pay only applies when Ground Holding Pay does not apply. **To be determined.**
- Modify international crew meals and introduced new domestic crew meals on all flights that would have had crew meals provisioned under Yellow Book language. **Partially implemented 6/14/07. Fully implemented July 2007. Exact date to be determined.**
- Reduce EBLA value from 87 to 85 hours. **April 2008 bid month w/ PBS implementation.**
- Delay implementation of PBS until no earlier than April 2008 and provide Critical Bid Letter of Agreement for November and December until PBS is implemented. **Critical bid to be applied to November bid month. PBS implemented April 2008.**
- Reduce monthly minimum to 70 hours. **April 2008 bid month w/PBS implementation.**
- Offset over-fly with under-fly. **September 2007 bid month.**
- Reserve scheduling improvements, including:
  - Open time assigned in accordance with number of RD days remaining. **Q4 2007.**
  - Reserve bidding from open board for trips that operate within days off and do not create a conflict with existing RD days. Trips picked up will be paid above monthly guarantee, but will not count toward monthly maximums. **Q4 2007.**
  - Established “magnet” and “premium magnet” days that allow Reserves to voluntarily move an RD day from an “excess” day to a “short” day. **Q4 2007.**
  - Establishment of “AM/PM Reserve” periods; allows Reserves to limit their required duty period to an AM or PM period. Number of AM and PM Reserves will be determined by the Company based on staffing needs. **Q4 2007.**
  - Established 35-in-7 Reserve tracking mechanism. **July 2007 bid month.**
- Other Scheduling Improvements:

- Pattern drops for lineholders matched to trip length and reserve availability. **Q4 2007.**
  - Premium pay for company designated patterns. Company may designate a 25% premium pay override to a pattern on the open board, available for pick up regardless of whether it projects the Flight Attendant over his/her monthly maximum. **October 2007 bid month.**
  - Elimination of monthly maximum for open board bidding which allows Flight Attendants to voluntarily bid for trips off the open board that would otherwise exceed monthly maximum. **Q4 2007.**
  - Improved sick leave make up provisions. **Q4 2007.**
  - Commitment to negotiate a cost neutral “split lines” program that will provide an opportunity for Flight Attendants to reduce the number of hours worked. **To be determined.**
  - Establish variable bidding ranges (Low, Standard and High). **April 2008 bid month w/PBS implementation.**
  - Provide for “A Position” bidding following implementation of PBS when technologically possible. **To be determined.**
- Establish 600 Early Out packages and guaranteed that 100 packages would have release dates prior to October 31, 2007. **See 6/15 CENTRY e-mail.**
  - Surplus Severance Payment: Provide that savings due to reducing early out packages from 1200 to 600 (approximately \$16.7 million) would be paid out to Flight Attendants on active status or on approved leaves of absence as of the ratification date of this agreement within sixty days of ratification. **Pending results of challenge to ratification vote.**
  - Under-Subscription Payment: If fewer than 600 Flight Attendants bid for and are awarded Early Out packages, savings generated by such under-subscription will be paid out to Flight Attendants on active status or on approved leaves of absence on the last release date of the program. The Under-Subscription Payment will be made on the second check of the month after the last package is distributed. **Pending results of challenge to ratification vote.**
  - Change language in Section 29, Insurance to ensure that Domestic Partners who have been married pursuant to state law automatically qualify for dependent coverage upon submission of a valid marriage certificate. **To be determined.**
  - Commitment to reduce pass travel charges for travel between HNL and the mainland for HNL-based Flight Attendants to domestic levels. **In effect.**
  - Reinstate Holiday Pay for Christmas, Thanksgiving and New Year’s Day for life of Agreement similar to 2006 Holiday Program. \$100 on each of the three holidays and \$50 on fourteen (14) other days in the holiday periods. **Thanksgiving 2007.**
  - Reinstate Per Diem for single duty period patterns beginning **December 1, 2008.**

These summary terms are subordinate to the language exchanged in proposals between the parties.