

**LETTER OF AGREEMENT**  
**betwixt**  
**AMERICAN EAGLE AIRLINES, INC.**  
**and the**  
**FLIGHT ATTENDANTS**  
**in the service of**  
**AMERICAN EAGLE AIRLINES, INC.**  
**as represented by**  
**THE ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO**

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**Displacement and Voluntary Furlough**

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THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICAN EAGLE AIRLINES, INC. (hereinafter the "Company") and the Flight Attendants in the service of AMERICAN EAGLE AIRLINES, INC. as represented by the ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO, (hereinafter the "Association"). The parties have mutually agreed to the following:

**A. Displacement and Voluntary Furlough**

A Displacement arises when a substantial imbalance of at least 25% in excess of the company's targeted operational staffing requirement at a specific domicile(s) exists which is anticipated to last more than ninety (90) days and no reduction in total force is anticipated.

1. All Flight Attendants in a domicile(s) where an overage exists will first be offered the opportunity to bid on any vacancies which exist in any other domicile (prior to voluntary base transfers).
2. If the staffing imbalance is not remedied, the most junior flight attendant(s) equal to the amount of the remaining overage will be offered their choice of (i) involuntary displacement to a domicile where a vacancy exists or (ii) voluntary furlough.

Example: An overage of ten (10) Flight Attendants exists at domicile "A." All Flight Attendant(s) in domicile "A" are offered the opportunity to bid on ten (10) open positions (which happen to exist in domicile "B"). Five (5) Flight Attendants in domicile "A" bid and are awarded the vacancies in domicile "B." The remaining five (5) most junior Flight Attendants in domicile "A" are offered their choice of involuntary displacement to domicile "B" or voluntary furlough.

3. All moves out of the domicile, whether voluntary or involuntary, where the overage exists will be considered involuntary for purposes of eligibility under Section 6 (Moving Expenses).

4. For those Flight Attendants who accept voluntary furlough, standard furlough benefits apply in accordance with Section 17.
5. Flight Attendants who accept a voluntary furlough will retain all forms of seniority and continue to accrue occupational seniority.
6. Flight Attendants on a leave of absence at the time of a displacement will not be required to select either displacement to another domicile or voluntary furlough for the duration of the leave.
7. Flight Attendants domiciled in San Juan who are on a maternity leave of absence similarly will not be required to select either displacement to another domicile or voluntary furlough for the duration of the leave. By delaying the date upon which the election must be made, it is understood that these flight attendants will remain eligible for the Puerto Rican Maternity benefits as provided in Sideletter U of the agreement.

**B. Recall from Displacement**

1. Flight Attendants who opt for voluntary furlough will provide the Company with a list of domiciles to which they will accept recall in order of preference. Flight Attendants may amend their recall preference at any time. However, the recall preference on file with the Company as of 12:00 noon Central Time one day prior to base transfer awards will be used for purposes of executing transfers/recall. As vacancies become available, those vacancies will be offered system-wide in seniority order to normal base transfers and voluntary furloughs.
2. A Flight Attendant on voluntary furlough may not bypass recall to the domicile from which he/she was furloughed.
3. If vacancies emerge in the domicile of the original displacement, those vacancies will be first offered to those voluntarily furloughed or displaced in seniority order.
4. If a Flight Attendant on voluntary furlough lists a recall domicile other than the one from which he/she was originally furloughed, he/she may bypass recall to that other domicile one time. If a Flight Attendant fails to remove a domicile from her/his Recall Preference List, and a second recall is offered to a previously bypassed domicile, the Flight Attendant must accept the recall or she/he will forfeit all recall rights.
5. Should vacancies remain after the transfer/recall process described above, the Company may hire new Flight Attendants to fill the vacancies.
6. At the end of five years, Flight Attendants still on voluntary furlough will be processed in the following manner:

- a. Step One: The Company will offer available positions in seniority order to all flight attendants remaining on voluntary furlough;
  - b. Step Two: If Step One fails to fill all available positions, the available positions will be filled in inverse seniority order by any flight attendant(s) remaining on voluntary furlough;
  - c. Step Three: If any flight attendant(s) remain(s) on voluntary furlough following Step Two, they will be provided the opportunity to bid in seniority order on any position system-wide which their seniority would hold.
  - d. A Flight Attendant remaining on voluntary furlough at the end of five years who fails to exercise any of the options listed in Steps One through Three, as noted above, will forfeit all recall rights.
  - e. Any flight attendant(s) who must be furloughed as a result of the steps listed in paragraph six (6) of this Sideletter will be involuntarily furloughed in accordance with Section 17.B. & C..
7. The Company agrees to use best efforts to provide as much advance notice as possible to the MEC President of a voluntary furlough and displacement.
8. It is understood that this Sideletter will not apply in the event of a Domicile Opening/Closure or in the event of an Involuntary Furlough.


AMERICAN EAGLE AIRLINES, INC.

ASSOCIATION OF FLIGHT  
ATTENDANTS-CWA, AFL-CIO

 6/16/08  
LINDA KUNZ Date  
Vice President-Flight Service

 20 June 2006  
PATRICIA A. FRIEND Date  
International President

 6/16/08  
VERONICA TENERELLI Date  
MEC President

 16 June 2008  
RICHARD P. WREDE Date  
Senior Staff Attorney