

AMERICAN EAGLE

Opening Proposal

November 3, 2009

American Eagle management views these negotiations with the Association of Flight Attendants (AFA) as an opportunity to address contractual issues of concern to each party within the context of the challenges that we face in the current economy and with our cost disadvantage, relative to our regional airline peers.

Our philosophy in these negotiations will be to amend the contract within the context of the following criteria:

- Increase productivity
- Maintain cost competitive pay scales
- Realign contract provisions that exceed industry standards to within industry standards
- Eliminate clauses that create automatic contract enhancements, based on other labor agreements
- Improve efficiency of processes
- Incorporate side letters into the body of the CBA, when it makes sense to do so

The following bullet points, by Section, address contractual changes in support of our objectives. They may contain concepts, rather than specific proposals, as we would prefer to use a joint problem solving approach in reaching a mutually agreeable resolution, whenever possible.

We reserve the right to add to, amend, or delete items as we progress through the negotiations.

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Section 1 – Recognition

- No Change

Section 2 – Definitions

- Add, delete, or modify as negotiations dictate

Section 3 – Management Rights

- No Change

Section 4 – Compensation

- Maintain competitive hourly rates
- Explore incentives for productivity

Section 5 – Expenses

- Align per diem with industry standard

Section 6 – Moving Expenses

- Clarify language regarding eligible expenses

Section 7 – Hours of Service

- Golden Days-explore modification or elimination
- Eliminate "greater of pilot or flight attendant FARs"

Section 8 – Scheduling

- Add flexibility and increase productivity
 - Composite lines
 - Eliminate partial pick up
 - Eliminate partial drops
- Clarify reassignments within footprint of original schedule
- Add minimum annual flying for benefits/travel, uniform points, vacation/sick

Section 9 – Reserve

- Jointly develop reserve system that will enhance the productivity of reserves while eliminating the frustration caused by the current system

Section 10 – Vacation

- Improve productivity and efficiency of processes
 - Improve vacation bidding process
 - Clarify PVD procedure
 - Eliminate automatic Pos

Section 11 – Sick Leave

- Explore ways to provide incentives for good attendance

Section 12 – Uniforms

- Review uniform points
- Reduce initial uniform components

Section 13 – Probation

- No change

Section 14 – Seniority

- Improve efficiency of processes
 - seniority list posting process
 - posting monthly bid list
- Eliminate loss of seniority for management flight attendants

Section 15 – Filling of Vacancies

- Modify language to incorporate current practices
- Increase productivity
 - base lock [probation]
 - carrier lock

Section 16 – Time Off Without Pay

- No change

Section 17 – Furlough, Displacement and Recall

- Incorporate LOA language (Displacement and Involuntary Furlough)

Section 18 – Leaves of Absence

- Address priority pick up of **OT** for those returning from Military LOAs

Section 19 – Training

- Improve efficiency and cost effectiveness

- publishing training schedules
 - scheduling training
 - distance learning
- Eliminate Sideletter G - "Initial Operating Experience Training"

Section 20 – Retirement and Insurance

- No change

Section 21 – Grievance

- No Change

Section 22 – System Board of Adjustment

- No Change

Section 23 – Union Security, Dues and Check-Off

- No Change

Section 24 – Conduct of Union Business

- Incorporate "paper bid" process in contract
- Bring override in line with actual cost to company
- Eliminate paragraph M.

Section 25 – No Strikes or Lockouts

- No Change

Section 26 – Safety & Health

- No Change

Section 27 – General

- Clarify intent of B.2. "complaint" letter language
- Clarify in J that the company does not reimburse for lost passports or expenses related to name changes

Section 28 – Physical Examinations

- No Change

Section 29 – Co-Domiciles

- No Change

Section 30 – International Flying

- Eliminate provisions that apply solely to SJU based flight attendants