

As most of you are aware, your AFA Negotiations team has been in the process of preparing to meet with management. An MEC meeting has been set for late October to review and approve the opening proposal; AFA is currently engaging the Company to set dates for our section 6 negotiations.

Next month will be our annual benefits enrollment for 2010. I attended a meeting with management to review the plan changes that will be implemented for next year. Overall there will be a 5% increase (varies on each plan) on all of the plan options, the one exemption will be on the Humana HMO (SJU) you will see a decrease in the mid 4% range. Following are some of the changes we can expect for next year:

Copay Plan

- Remove the one-time per year inpatient co-pay of \$150
- Introduce an in-network deductible of \$250 for individuals and \$750 for family for non-copay based services such as inpatient hospital and outpatient services not billed by a doctor's office
- Increase the out-of-network deductible from \$500 to \$750
- Increase the urgent care copay from \$25 to \$35
- Increase emergency room copay from \$75 to \$125

Deductible Plan

- Increase the in-network individual deductible from \$250 to \$500 and the out-of-network deductible from \$500 to \$1,000
- Decrease the in-network family deductible from \$1,500 to \$1,000

All Plans

- Cover in-network mammograms according to age guidelines, regardless of facility type, at 100% regardless for all medical plan options

Changes to our prescription medication

- Implement a quantity limit (21-day supply within a 30 day-day period) for hypnotics/sleep aids
- Move all prescription non-sedating antihistamines to the non-preferred/non formulary tier
- Increase the member co-insurance amount from 50% to 100% for members filling long-term/maintenance medications at a retail pharmacy after the fourth fill.

HMOs in Puerto Rico

- Due a change in Puerto Rico law, employees will have the opportunity to cover full-time student dependants until age 25 under the Triple S or Humana HMOs
- Change does not include dental or vision
- Full-time employees will pay a higher contribution to cover dependents
- Part-time employees will continue to pay the same contribution if they choose to cover an overage dependent
- Self-funded plans will continue to be offered; the preferred vendor in Puerto Rico will change

to BCBS

Complete details will be available in the October edition of Connections.

We have been informed that the programming issues experienced with the 24 hour TTOT window have been identified. AFA had requested that before it is reintegrated we participate in a testing phase to ensure it meets out contractual requirements. One of the biggest problems is the system currently is restricting FA's from trading for sequences of lesser days. This specific problem won't be ready until late December or early January. Due to this fact we believe it is best to maintain the current timeline with bids closing on the 20th of each month and full Automation turned on the 25th of the month. We will be sure to update you on the progress made with the 24 hour TTOT window. Also, we expect to hear from management next week on the alleged hacking of the Automation system.

Over the next couple of weeks AFA will be reviewing how the recent structure announcement will affect staffing in each of our hubs. Staffing shifts will be necessary as some routes in the ORD market shift to Chautauqua airlines. We are pleased that flying for the most part will increase in most of our domiciles. As of right now most of the CRJ fleet will move to the ORD market starting in April. With the CRJ movement to ORD, EMJ's will be moved out to DFW, MIA and JFK. Flying out of STL will be reduced to a handful of AE flights to certain key markets. Most of the news can be read on Jetnet regarding the route structure.

Management has asked that AFA participate in their meetings with AA on the development of the first class service that will be offered on our CRJ fleet. Reconfiguration of the CRJ aircraft should start in March on the new interior and galley design. First class will feature 9 seats in a one by two configuration, and coach on the current CRJ fleet will have 54 seats configured two by two.

If you have any questions or concerns please send them to afamec@afaeagle.com

In Unity,

Robert Barrow

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