

Tentative Agreement Overview

How good is it?

Where are the weak spots?

Should I vote Yes or No?

The Following presentation has been prepared to assist you, the members of our Local, in making a balanced, informed decision about a document that will have a pronounced impact on your future career.

No Furlough Protection?

Myth: That the Tentative Agreement has strong furlough protection language.

Fact: The language in the Tentative Agreement is far weaker than the C.W.A. national Union is leading us to believe.

Article 3:Section Q reads:

- 1. Effective on the date of signing of this Agreement, **and provided that the employee exercises his seniority to the fullest extent possible**, no Passenger Service employee will be furloughed to the street as a result of any outsourcing permitted by this Agreement. The job protections provided in this Paragraph will apply only to those employees whose names appear on the Passenger Service Seniority I list as of the date of ratification of this Agreement and shall not apply in circumstances where the Company's non-compliance is caused in substantial part by circumstances over which the Company does not have control as defined in Articles 12 and 15 of this Agreement.*
- 2. Effective on the date of signing of this Agreement, **there shall be no involuntary displacement from a station as a direct result of outsourcing of BSO services.***

Article 12:Section B:2:a-d, lays out the Process with which an Employee may exercise his/her seniority Rights to the fullest extent possible. It reads:

Full-Time Employees: Displaced full-time employees who have completed their probationary periods will:

- a. be permitted to bid, in Seniority order, available full-time or part-time vacancies within the group provided they are qualified for such vacancy at the time of the announced reduction, including vacancies that would be made available by employees who are awarded voluntary furlough, and including positions held by employees who have not completed their probationary periods or positions offered to prospective employees; or***
- b. if there are insufficient full-time vacancies within their group, be permitted, to displace, in seniority order, the most junior full-time employees in their group in the system provided they are qualified for such position at the time of the announced reduction; or***
- c. be permitted to bid, in seniority order, available part-time vacancies within their group at their location provided they are qualified for such position at the time of the announced reduction; or***
- d. if there are insufficient part-time vacancies within their group at their location, be permitted to displace the most junior part-time employee within their group at their location provided they have more seniority than the part-time employee and are qualified for such position at the time of the announced reduction; or***
- e. accept furlough.***

So, in order to utilize their furlough protection under Article 3:Q an Employee must accept a position in an other location in the system if their seniority makes it possible. The only exception is for displaced BSO agents. This exception only reinforces the fact that other employees will be compelled to accept positions in other locations in the system in order to invoke the “Job Protection” language in Article 3:Q of the Tentative Agreement. Otherwise, if you choose not to relocate or – in other words – not exercise your seniority to the fullest extent possible, you will indeed be furloughed. That's the hard, honest truth.

Let's look at the language for medical coverage.

Medical Insurance Coverage

According to Article 27 of the Tentative Agreement:

Legacy US Airways Passenger Service employees hired prior to the date of ratification will maintain coverage under the US Airways Medical and Dental Plans through December 31, 2016. Effective January 1, 2017, the US Airways Medical and Dental Plans (PPO100/80, PPO90/70, PPO80/60, Out-of-Area 100, Out-of-Area 90, Out-of-Area 80 and PPO Dental), including the inflation formulas therein, are also eliminated. Legacy US Airways Passenger Service employees will be covered on and from January 1, 2017, if coverage is elected by a Legacy US Airways Passenger Service employee, by the Medical and Dental Plans according to the terms and conditions as provided in this Article.

Also:

The Standard medical option annual In-Network deductible will increase by fifty dollars (\$50.00) in 2017 until the In-Network deductible reaches eight hundred and fifty dollars (\$850.00) for single coverage and the family In-Network deductible will increase by one hundred and fifty dollars (\$150.00) in 2017 until it reaches two thousand five hundred and fifty dollars (\$2,550) for family coverage.

The table on the next page compares the legacy AA Standard plan with the legacy US 80/20 PPO (*our current lowest cost/coverage plan*) for 2016. Please read it carefully: It's an eye opener.

Legacy AA and US Health Care Cost Comparison for 2016 in Tentative Agreement

Current Plan Design Features	Legacy AA Standard	Legacy US 80/20 PPO		
Health Spending Account	HRA	HCFSA		
In Network Deductible (Single/Family)	\$800/\$2,400	\$450/\$900		
Out of Network Deductible (Single/Family)	\$3,000/\$9,000	\$900/\$1,800		
Coinsurance (In/Out)	20%/40%	20%/40%		
In Network out of pocket Max (Single/Family)	\$2,000/\$5,000	\$3,000/\$6,000		
Out of Network out of pocket Max (Single/Family)	\$6,000/\$15,000	\$6,000/\$12,000		
Primary Care Physician Copay (in Network)	\$30	\$25		
Specialist Copay (In/Out)	20%/40%	\$40/40%		
Retail Clinics Copay (In/Out)	20%/40%	\$40/40%		
Preventative Care	\$0	\$25		
Emergency Room	Ded /Coins / \$100 Copay	\$100		
Pharmacy (Retail)				
Generic	20% (\$10min/\$40max)	\$15		
Formulary Brand (AA) / Preferred (US)	30% (\$30min/\$100max)	\$30		
Non-Formulary Brand (AA) / Non-Preferred (US)	50% (\$45min/\$150max)	\$50		
Pharmacy (Mail)				
Generic	20% (\$5min/\$80max)	\$30		
Formulary Brand (AA) / Preferred (US)	30% (\$60min/\$200max)	\$60		
Non-Formulary Brand (AA) / Non-Preferred (US)	50% (\$90min/\$300max)	\$100		
2016 Monthly Contributions		All Employees	Full Time	Part Time
Employee Only	\$92.87	\$29.01	\$58.02	
Employee + Spouse	\$241.47	\$58.01	\$116.02	
Employee + Child(ren)	\$167.17	\$56.46	\$112.92	
Employee + Family	\$325.05	\$98.08	\$196.16	

That's a better than 3X increase for Full time members! Seriously, we must vote NO to any Agreement that does not state: The Company and the Union shall meet to negotiate a comprehensive Medical plan for all covered Employees for the years 2017-2021.

Now let's look at the Jewel in the crown... the proposed pay raise. At first glance it seems impressive; however, when you take into consideration the length of time CWA covered members have suffered far lower than industry average rates of pay, it's only what's been due to us for years. Also, at least in PHL, where there's a \$12.00 per hour City minimum wage the raise for CARs with less than four years of service is non-existent. There is no language that recognizes local minimum wages in the Tentative agreement and this could invalidate these same hard fought for pieces of legislation on Contractual grounds. Seeing how the Company specifically mentioned many Local ordinances it wished to invalidate in Article 18 – Sick Leave, it's probably not an accident that similar language that would benefit our Membership was not addressed.

Oh, and lest we forget, the Tentative Agreement does away with the \$0.30 per hour Customer Contact Premium. The Chart on the next page makes this quite clear.

CSA & CAR PHL Pay Rate Comparison Current / Proposed

Current CBA

	Start	1	1.5	2	3	4	5	6	7	8	9	10	11	12
CSA * †	\$12.00	\$12.00	\$12.00	\$12.02	\$13.08	\$14.03	\$14.95	\$15.90	\$16.62	\$17.33	\$18.07	\$18.82	\$19.62	\$21.44
CAR * †	\$12.00	\$12.00	N/A	\$12.00	\$12.00	\$12.00	\$12.74	\$13.11	\$13.46	\$13.77	\$14.22	\$14.57		

Proposed TA

	Start	1	2	3	4	5	6	7	8	9	10	11
CSA	\$13.48	\$14.31	\$15.07	\$16.07	\$17.26	\$18.62	\$20.08	\$21.44	\$22.69	\$24.30	\$27.25	\$29.27
CAR †	\$12.00	\$12.00	\$12.00	\$12.00	\$12.49	\$15.55	\$16.01	\$16.45	\$16.84	\$17.40	\$17.84	

Wage Increases

	Start	1	2	3	4	5	6	7	8	9	10	11	
CSA	\$1.48	\$2.31	\$3.05	\$2.99	\$3.23	\$3.67	\$4.18	\$4.82	\$5.36	\$6.23	\$8.43	\$9.65	\$7.83
CAR	0	0	0	0	\$0.49	\$2.81	\$2.90	\$2.99	\$3.07	\$3.18	\$3.27		

* = Includes \$0.30 per hour Customer Contact Premium

† = Reflects City of Philadelphia \$12.00 Airport Minimum Wage

So, the CAR Group (or should we rename them CSA-light) have their job duties radically altered and for this they're rewarded, here in PHL, with no raise at all until after four years of service. Then after ten years of service they can expect a total pay increase of \$3.27 per hour. Agent job duties at Vendor pay with no exclusively protected work. To paraphrase Nancy Reagan: Just Vote NO.

Article 4 – Classifications

There's so much wrong with this Article, it's difficult to find where to start.

- Loss of BSO work
- Loss of curbside work
- Erosion of exclusivity language for CSC/CSA Group
- Radically changed work duties for the CAR Group
- No exclusivity language for the CAR Group
- Increased roles for Contractors (Vendors) in Section 3
- Section 4, ie: work Management may perform
- Loss of International document delivery work
- Move most international work out of POC
- Vendors handling gate checked bags

Let's look at more closely sections 3 and 4 of Article 4:Section B

3. Work that may be performed by CSCS, CSAS, CARS or by a contractor at airport terminals includes:
- *delivering gate checked baggage to fleet service (except for CARS);*
 - assisting boarding, deplaning, and transporting nonambulatory or other special assist passengers;
 - assisting, boarding, deplaning and transporting unaccompanied minors;
 - assisting customers needing special assistance or in-station transportation;
 - accepting and checking passengers' baggage at non-airport locations;
 - customer service work associated with handling regional flights and charter/ ground handling agreements or contracts;
 - *all curbside work (other than ticketing transactions);* and
 - handling of oversized and/or heavy checked baggage (not limited to overweight bags) in ticket counter areas.

4. Work that may be performed by CSCS, CSAs, CARS, **contractors, or other Company employees** includes:

- accepting, processing and delivering cargo, small packages, and material;
- *providing connecting passengers with gate information;*
- *paging;*
- classroom customer service instruction and training of employees;
- operating air-stair vehicles;
- Admirals Club and frequent traveler enrollment;
- *coordinating with contractors in regards to hotel accommodations and/or transportation for distressed passengers;*
- *assisting international passengers through customs/immigration, including baggage recheck;*
- *delivery of boarding passes, international flight documents and customs/immigration forms;*
- transporting of checked baggage;
- *Baggage Service Office work (e.g., processing and tracing mishandled or” damaged baggage, including but not limited to lost and found items);*

- auditing of all accountable items, documents and monies associated with customer service work;
- **cart/vehicle transportation of customers;**
- load planning and related operations work; and
- ***any other passenger assistance or station work not listed above.***

As you can see from the sections highlighted in yellow, the Company is trying to regain through this Tentative Agreement what legacy US and AA employees overwhelmingly voted against in the 2014 Union Representational Election. To erode our protected, exclusive work and give it to Vendors (red coats, green vests, etc).

Basically, the Tentative Agreement leaves very little exclusive work for the CSA/CSC Group. In place of exclusivity Article 4 spells out a bleeding of work duties that allows the Company far more freedom to utilize Vendors and Management while, at the same time, stating that just about any work can be assigned to the CSA/CSC Group when Management deems it so. Just think this way: **NO** work protection = a **NO** Vote.

Article 9 – Filling of Vacancies

At first glance little seems changed, there are subtle changes in wording to Section K:7:a-d of the Tentative Agreement that have a major impact. Let's look at Section K:7:a-d:

7 System transfers will be awarded as follows:

- a. The senior **part-time** or full-time employee in the group, classification, and **location** where the vacancy exists who has a system transfer bid on file to the available position;*
- b. The **senior qualified full-time or part-time employee within the group** who has a transfer request on file to the position/location;*

The term “within the group” refers to employees who are actively working in the respective group (Customer Service, Customer Assistance, Premium Customer Services, or Reservations) or those employees who are on furlough from the group from which they were most recently employed and have not accepted a transfer to a different group. [additional text excised]

- c. The senior qualified full-time or part-time employee outside the group but within passenger service with a transfer request on file to the position/location;*
- d. Applicants from outside Passenger Service.*

If read carefully, what the highlighted text is stating is that a Part time CSA in the location will get a Full time CSA position before another Full time CSA not in the location as long as they're qualified for that position.

Now, for the next example, let's hone in on the meaning of the word "qualified" in the highlighted text.

If a senior Part time CSA not in the location with the vacancy has paneled for a CSC position, that "qualified" Part time senior CSA would get an open CSC position before a CSC not in the location with the vacancy. That's because subsection "b" does not mention classification, only group.

Does that sound fair? Hard to say. A Part time employee might say yes; however, a Full time employee would most certainly cry foul. It's always been a basic tenet of Union Philosophy that Full time jobs are careers and contracts have been bargained as such. Why the change in focus?

The language for filling of vacancies is, as written, like placing a soft fence around individual locations to makes transferring more difficult than needed. Vote for fairness, Vote NO.

Other Contractual Protections

Overtime Pay – The Tentative Agreement returns us to the language we enjoyed prior to the 2002 USAirways Bankruptcy. That means: 1.5 times rate for the first four hours worked on scheduled work days, the first eight hours on days off and 2.0 times rate for all other overtime. This is similar to the IAM Fleet Service language at our Airline and with the IAM Customer Service language at United Airlines. In other words, industry standard.

Union Protections – Article 25:Section C of the Tentative Agreement adds “Weingarten Rights” for all covered employees. An important protection that was long overdue. Article 34: Section L provides for “where available, the Company will provide a private room at work locations for Union representatives to conduct local Union business related to the handling of grievances”. Necessary and also long overdue.

Shift Trades – The Tentative Agreement will increase our Quarterly number of shift trades from 26 to 32. Sounds good, but there's more to consider. While we at the airports must submit our shift trades no later than 4:00PM the day prior, our Brothers and Sisters in Reservations will enjoy one hour prior shift trade language. Why the difference? This costs the Company absolutely nothing. In fact, writing such disparate language seems nothing but mean-spirited and disrespectful. Vote NO to any agreement that doesn't include one hour prior Shift Trade language for all members.

Grievance Procedures – There are major changes in Article 25 of the Tentative Agreement that effect the Grievance Procedure. The Step III hearing has been removed and replaced with an expedited Quarterly Board of Arbitration (outlined in Article 26 of the Tentative Agreement). Historically, our Local's more important Grievance wins, including numerous termination overturns, have come at Step III hearings. It's unlikely that the changes outlined will actually expedite the Grievance Process; however, losing one of our two Grievance Step hearings will definitely effect this Local's ability to procure positive Grievance decisions.

There's one other changes worth noting. The time limit for filing a Grievance has been extended from five to seven days. The time limit for the Company to issue discipline, however, was left unchanged at thirty days. The current IAM Fleet Service Contract language limits the time frame for issuing discipline to fourteen days. "Just Cause" tests used by Arbitrators include tests for fair, complete and *timely* investigations. We need reasonable language limiting Managements time in which to issue discipline similar to what our Fleet Service Brothers and Sisters enjoy.

Profit Sharing – It's well documented that the 3% above Delta's Pay rate is in lieu of profit sharing. United, Delta and Southwest airlines all, voluntarily, give Profit Sharing to all their employees: is 3% guaranteed in our pay a fair exchange?

Holiday options – Only option II (2 extra weeks vacation) remains in the Tentative Agreement. That by itself is not a big issue, what is an issue is how vacation weeks are earned then used at AA. Legacy US employees are bidding their Holiday weeks for 2016 even though they are yet to be earned. Legacy AA, however, will not be allowed to bid those same weeks until 2017. Union Brotherhood and Equality mean nothing if such discrepancies are allowed to exist.

No Signing Bonus – the Company and the Union bargainers have both stated that they have built any signing bonus into our greatly increased pay rates and that this is a good thing. Really?

Let's look at recent events.

In 2013, Flight Attendants ratified a Tentative Agreement that included a \$1700.00 “ratification bonus” for all active members.

In 2014, Fleet Service ratified a Letter of Agreement to their existing Contract that included a \$1500.00 Full time / \$750.00 Part time signing bonus.

Just last week, AA posted a 1.7 Billion Dollar adjusted Profit for the third Quarter of 2015. That brings the Airlines adjusted profit – year to Date – to 4.3 Billion Dollars. Don't forget that a portion of those profits were delivered to shareholders due to our artificially and unnecessarily depressed pay rates.

Let's do some math.

AA Profits 2015/2014 Year over Year			
	2015	2014	+ /-
Third Quarter	1.693 Billion	942 Million	+ 751 Million
Year to Date	4.329 Billion	2.285 Billion	+ 2.044 Billion

Cost of a Signing Bonus

$$\$1700^* \times 14000^{**} = 23.8 \text{ Million Dollars}$$

$$\$1500/\$750^\wedge \times 14000^{\wedge\wedge} = 16.9 \text{ Million Dollars}$$

* - Flight Attendant Bonus ** - Total Eligible Membership

^\wedge - Full/Part time Fleet Service Bonus

^\wedge^\wedge - Assumes 8500/5500 Full/Part time Eligible Membership

As you can see, with 2.044 Billion increased profits, funded in part through our low pay rates, 16-24 Million for a Signing Bonus isn't even a drop in the bucket. Demand what is rightfully yours: vote NO to any Tentative Agreement without a meaningful Signing Bonus.

Pay Date Seniority

There's a Letter of Agreement at the end of the Tentative Agreement that addresses two issues: Protection for certain language desks and pay date seniority. The first part has to do solely with Reservartions, the second part, however, deals with an old issue left unresolved from the US / HP merger in 2005. It reads as follows:

4. Pay Date Seniority Review. As a result of the December 2004 Transformation Plan Agreement, certain legacy US Airways' employees were subject to pay date seniority adjustments and freezes, as detailed below:

- Effective January 1, 2005. CSAs, CSSs, RSAS, CTO Agents, CTO Leads, and Club Reps were placed one pay step lower on the applicable pay scale for a period of 16 months (1/1/2005 — 4/ 1/2006, "the freeze period") and had their pay date seniority adjusted accordingly. This also included employees who transferred to one of these positions during the freeze period.*
- Effective January 1, 2005, CARs, DMSCs, BCCs, MDAs and Mainline Express agents were frozen at their current pay step during the freeze period (1/1/2005 – 4/1/2006).*

- *Employees returning or recall from furlough during the freeze period had their pay seniority reduced by the number of full years spent on furlough.*

These employees shall have 60 days from DOS of the JCBA to request that the Company adjust their pay date seniority as if Articles 14.H, 36.B, 36.C, and 36.D of the 2005 collective bargaining agreement between the Company and the Association had not been applied. Any such requests must be submitted in writing via regular mail or electronic mail to Labor Relations. If an employee fails to submit a written request within 60 days after DOS of the JCBA, he/she shall be deemed to have waived his/her right to review. Within 60 days after the deadline for submission of requests for review (i.e., 120 days after DOS of the JCBA), the Company shall make a determination, in its sole discretion, of whether to adjust the pay date seniorities of employees who submit timely and meritorious requests. The Company's determination shall be final and binding and there shall be no right to further review pursuant to Articles 25 and 26 of the JCBA or otherwise.

To the extent that there are disputes regarding the application or interpretation of this agreement, the Association and the Company shall meet promptly to resolve such disputes.

Are they Kidding? Ask Management nicely, and in a timely fashion, and maybe you'll get your lost seniority back. Oh, and Management is the sole arbiter. You have no right to Grieve. If it wasn't clear before, it's crystal clear now. Don't vote NO, vote HELL NO!

Report Card

Well, how well did the Tentative Agreement do? Let's see.

Grading System

A = 4 Pts	Best Possible	3-4
B = 3 Pts	Above Average	2-3
C = 2 Pts	Average	1-2
D = 1 Pts	Below Average	<1
F = 0 Pts	Unacceptable	0

Grades for Major Parts of Tentative Agreement

Wages	A / 4	Top out good
Work Rules / Scope	D / 1	Erosion of core Scope
Medical Coverage	D / 1	Far worse than current
Furlough Protection	C / 2	Only protection for BSO
Other Rules *	C / 2	Similar to other CBA's
Signing Bonus	F / 0	None
Profit Sharing	D / 1	3% over DL in place of

Final Grade = C / 1.6 Just Average

* - Overtime, Shift trades, Union protections, Grievance procedure changes.

Okay, so what will you do now? Approve a barely average Tentative Agreement, or vote NO and demand an A+ Contract?

The Verdict

Although the Tentative Agreement has negotiated positive gains in pay and has some other positive gains, after long hours of research, it is clear that this Tentative Agreement – as written – is far from the best possible.

Therefore, it is the recommendation of your Local leadership to vote NO to this Tentative Agreement and send an unequivocal message to AA Management. They can and must offer better.

Take this to heart: If one scurries around like a rat after crumbs then all one can expect to receive is crumbs. If one stands tall, demands respect and is willing to suffer for ones demands they will be respected.