



AMFA–Alaska Airlines Contract Negotiations Update

Update # 17 **December 13, 2016**

Participants for AMFA:

*Bret Oestreich – National Director
Earl Clark – Chairman and Region I Director
Jason Munson – Airline Representative, Local 14
Mark Dahl – Airline Representative, Local 32*

Participants for Alaska Airlines:

*Ben Minicucci – President & COO
Greg Mays – VP Labor Relations
Kurt Kinder – VP Maintenance & Engineering
Sonia Alvarado – Manager, Labor Services M&E
Megan Koering – Senior Financial Planning Analyst*

The Negotiating Committee is providing this update to the AMFA Membership at Alaska Airlines (ASA). This is the only official authorized source of negotiating communications by the Committee.

We would like to announce that we have reached an Agreement in Principle (AIP) on our contract with ASA. On December 9-10, 2016, AMFA and ASA met to continue negotiations at the Westin Hotel in Bellevue, WA. We started at 10:00 AM on Friday and finished at approximately 11:15 PM. We continued our session from 9:00 AM to 6:00 PM on Saturday, whereas we came to an AIP with the Company.

While the major components have been agreed upon, we still have some specific language that remains to be written and agreed upon to have a formal TA (Tentative Agreement). Over the next few weeks we will be meeting with the Company to finalize the agreement for your consideration. We will then commence a road show to the major stations to answer questions on the agreement before the ballots are mailed out. We are anticipating the vote on the agreement to be finalized around the beginning of March 2017.

Throughout this negotiation process our Committee had continued to push for enhancements to Article 2, Scope, Retirement Plans, and Insurance along with increases to our dental plan benefits, with reduced contribution caps on our Medical Plan. In these areas the Company has been unwilling to move from their position of “No.”

The agreement contains the following enhancements to our current contract:

Wages and Duration: 5-year term from October 17, 2016

Signing Bonus of \$2500 for each employee

Schedule A Scale Increases for Aircraft Technicians and above:

As of October 17, 2016 (Retro Pay)	17.6% increase = \$46.05 “all-in” top of scale rate
October, 17 2017, and subsequent years	1.5% increase to the “all-in” rate

All-In rate is the combination of Base pay, License Premiums, Line Premium and Longevity.

Schedule A Increases for Tech Helper/Janitor:

As of October 17, 2016 (Retro Pay)	17.249% increase
October 17, 2017 and subsequent years	1.5% increase

Apply a license premium of \$2.00 per hour, one license only. License not to be exercised for work of a Technician or above.

Wage Rule Increases

- Increase of License Premiums to \$2.00 for first and \$3.00 for the second license for a total of \$5.00
- Increase of Line premium from \$0.40 to \$0.60
- Increase to Longevity Allowance to all steps of \$0.05
- Increase to Inspector, RII, Lead and Trainer to \$1.75 up from \$1.50
- Increase to shift differential, 2nd Shift \$0.60 up from \$0.52, 3rd Shift \$0.75 up from \$0.58, 4th shift \$0.80 up from \$0.61
- Annual Wage Review stays intact with 1.5% minimum wage increase on “all-in rate”

Retirement

- No changes to the Defined Benefit Plan
- No Changes to the Defined Contribution Plan
- All employees are eligible to receive adjusted Company match portion to the 401(k) of 50% match on 8% employee contribution, up from 50% match on 6% employee contribution.

Healthcare

- Current 2016 contribution caps apply in 2017; 7 % increase to caps in 2018; then 8% increase to caps in 2019, 2020, and 2021.
- Increased chiropractic care from 12 to 24 visits per year.
- Increased hearing aid benefit from \$300.00 per ear every 24 months to \$3000.00 total every 24 months
- Increased Life and A.D. & D. as follows:

Basic monthly earnings	Life Insurance	A.D. & D.
\$1,000.00 but less than \$2,000.00	\$36,000.00	\$36,000.00
\$2,000.00 but less than \$3,000.00	\$54,000.00	\$54,000.00
\$3,000.00 but less than \$4,000.00	\$72,000.00	\$72,000.00
\$4,000.00 but less than \$5,000.00	\$90,000.00	\$90,000.00
\$5,000.00 but less than \$6,000.00	\$108,000.00	\$108,000.00
\$6,000.00 but less than \$7,000.00	\$126,000.00	\$126,000.00
\$7,000.00 and over	\$150,000.00	\$150,000.00

Other Significant Items

- LOA # 9, Job Protection extended with the additional stations of Las Vegas, Orange County, Sacramento, San Diego and San Jose. The letter is dated back to October 18, 2016. Additionally, it says that the Company will not subcontract any aircraft maintenance to McGee Air Services, Inc.
- Article 3.E. 2 – Provides AMFA advance notice of a merger or acquisition
- Article 7. G.3 – Synchronize banked holiday and DAT timing
- Article 13.5.a – Allow an employee to add extra days to either end of his vacation period
- Article 15.C.1.b – Increased moving expenses in the case of an involuntary move
- Article 17. H.3b – Clarifying arbitrator language
- Article 19.B – Increased severance allowance, with a maximum of 13 weeks

Article 21.S – New paragraph regarding a video surveillance policy

Article 23 – Updated wage review dates and the affected carriers

LOA # 12 – Vacation Buyback Program, allowing an employee to cash out vacation up to two times a year and be received as cash or a contribution to his 401(k) plan, which will be Company match-able.

Remember to check your Local's website for the most up-to-date information on times and locations of the upcoming road show: www.amfa14.org and www.amfa32.com. If you have any questions, please contact your Airline Representative or attend your next monthly membership meeting for a question and answer period.

Sincerely,

Your Negotiating Committee

Upcoming Road Show Dates – Upcoming meeting accommodations and times are yet to be determined. Please also stay tuned for the dates of the ballot mail-out and tally.