

Mechanic and Related - Summary Comparison: AA 1113 (c) Filing vs. July 10, 2012 TA

Issue	AA 1113(c) Proposal 3/22/12 (Effective with a "NO" Vote and Contract Rejection)	July 10, 2012 Tentative Agreement (Effective with a "Yes" Vote)
COMPENSATION		
Hourly Pay Rates	Wage increase terms will not apply if not a consensual agreement and court rejects contract.	<p>Modify Article 4 to provide Base Pay Rate increases for all Classifications on the following pay scale</p> <p>-effective DOS 3.0%</p> <p>-effective DOS+ 12 months 3.0%</p> <p>-effective DOS+ 24 months 3.0%</p> <p>-effective DOS+ 36 months 3.0%</p> <p>-effective DOS+ 48 months 1.5%</p> <p>-effective DOS+ 60 months 1.5%</p> <p>Special Wage Adjustment DOS+ 36 months that adjusts mechanic and all classifications wages to industry average.</p> <p><u>*Special Wage Adjustments – Article 4</u></p>
Title II Pay Scale	Adjust Plant Maintenance Mechanic pay scale in 4(b) from 5 years to 9 years for new employees only	Modify Article 4 to provide Base Pay Rate increases as shown above. With Special Wage Adjustment DOS+ 36 months.
MRT	Modify 4(c) to eliminate the Midnight Retention Premium.	<u>Retain Midnight Retention Premium</u>
Profit Sharing	Profit Sharing terms will not apply if court rejects contract. Current AIP Plan would be eliminated	<i>*Implementation of the enhanced profit Sharing Plan (See "Enhanced Profit Sharing Plan LOM)</i> Now 5% of pretax earnings
Gain Sharing		Provide for a joint committee to explore appropriate metrics and financial payouts of a gain sharing program for Line Maintenance, and separately, for Base Maintenance and Title II (See Employee Gain Sharing letters)
SCOPE		
Title II Staffing	Modify Article 1(d) to Provide for staffing with the TWU represented employees at station s with more than 7300 annual AA departures (Title II Only)	Modify Article 1(d) to Provide for staffing of TWU (Title II) at stations where TWU Fleet Service Clerks are staffed (Me Too with Fleet).Continue Staffing with 5475 or more annual departures
Title II Scope	<p>Modify Article 1 to permit the outsourcing of the following Title II work:</p> <p>OUTSOURCE: cabin cleaning, eliminate Cabin Cleaner classification; all existing building cleaner work, and eliminate Building Cleaner classification; Ground Service Equipment work at Bases, and create a "Hot Shot" crew to provide support/emergency GSE support; High Voltage Electrical Maintenance at Bases; Fire Extinguisher Maintenance at Bases; Central Plant Operation and Maintenance at Bases; Waste Water treatment Operation and Maintenance at Base; painting projects at Bases; concrete, fencing, and carpentry projects at Bases ; Ground Service Equipment work on non-powered equipment at Line Stations; Lock and Key functions; Ground Service Equipment and Facility Maintenance work related to the Cargo facilities; all Facilities Maintenance work at HDQ, FSU, GSW, AFW, and SOC; Terminal and Hangar Facilities Maintenance work, except for bag systems, carousels and jetbridges (including PCA and KVA).</p>	<p>Modify Article 1 to permit the outsourcing of the following Title II work:</p> <p>OUTSOURCE: cabin cleaning, eliminate Cabin Cleaner classification; existing building cleaner work, and eliminate Building Cleaner classification; Outsource High Voltage (13500 and above) Electrical Maintenance at Bases.; Central Plant Operation and Maintenance at Bases TULE will consist of a 20 Plant Maintenance Mechanics and 20 Plant Maintenance Men;-Qualifications for TAESL (TAESL operations, CUP, IWTP, Haz waste) will be PM92. The support for TAESL will consist of 2 Plant Maintenance Mechanic Crew Chiefs, 28 Plant Maintenance Mechanics. There will be no GSE support; Outsource concrete, fencing, and major carpentry projects at TULE. All Ground Service Equipment work on non-powered equipment at DAS Stations, to be done by PMM. All Facilities Maintenance work at HDQ, FSU, GSW, AFW, and SOC; Outsource all Facility and GSE related work associated with Cargo where Fleet Service is not staffed. *See Article 1 language</p>
Title II		<ul style="list-style-type: none"> <u>Change the name of Plant Maintenance Man to Maintenance Support Person. Establish Maintenance Support Person pay scale</u> <u>Establish new qualification requirement for Plant Maintenance Mechanic and Plant Maintenance Man (unless required by local/state law)</u>
Title II		<ul style="list-style-type: none"> <u>Expand MSP (formerly PMM) job scope</u> <u>Establish a journeyman progression program for MSP.</u> <u>Increase system cap of 35% on MSP. (formerly PMM)</u> <u>Modify local procedures/policies to encompass changes such as OT, VC, and shift.</u> <u>Implementation of these Title II provisions will be within a six (6) month period. If mechanic reductions are not realized by attrition, a Reduction in Force will result (RIF).</u> <u>Company retains the right to outsource non-routine work.</u>

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Title I Out Source	<p>Modify Article 1 and all other applicable sections and Attachments to the Agreement and all other LOA's related to this provision to permit outsourcing of up to 40 % of aircraft-related maintenance work currently done in house, measured in man-hours. For the purposes of valuation they have listed examples of the initial plans; however other work may be contracted out in the future so long as the 40% is not exceeded.</p> <p>(From Presentation)</p> <ul style="list-style-type: none"> Company to close AFW, [TAESL remains open and staffed until the Joint Venture decides otherwise]. Outsource – 777 MBV, 777 AD's, 767 H/C, 767 L/C, 767 F/S, 767 ATE/Maui/Winglets, 737 Retrofit, 757 H/C and CIP, 757 L/C, 757 Maui, 757/767/777 NGS, other Aircraft Modifications, other special visits and associated back shop support. Outsource peak demand work. Line Maintenance – outsource (within the total of 40% for M&E), for example, <ul style="list-style-type: none"> Scheduled Line Work Specialty Work Select B Checks (1 W/B and 2 N/B) Int'l Maintenance Overnight Maintenance Fuel Tank Work 	<ul style="list-style-type: none"> Modify Article 1 and all other applicable sections and Attachments to the Agreement and all other LOA's related to this provision to permit outsourcing of up to 35% of aircraft-related maintenance spend done in house. . For the purposes of valuation they have listed examples of the initial plans; however other work may be contracted out in the future so long as the 35% is not exceeded. Company to close AFW, [TAESL remains open and staffed]. AFW work relocated to TULE or DWH – 767 LC/HC, 777SV, 777TRV, Slide shop, coffee makers/oven shop, and battery shop. Outsourced – 777 MBV, 767 FS, 757 HC, 757 MC, 767 SIP associated back shop support, Window Shop, Blade and Vane Shops, Main Cabin Extra Special Visits – All Fleet Types, B737 Air Data Probe ASB/AD Outsource peak demand work. Line Maintenance – outsource up to 15% of Line Maintenance spend (within the total of 35% for M&E), for example, <ul style="list-style-type: none"> <u>Line MX (CFPs)</u> <u>Int'l Maintenance</u> <u>Overnight Maintenance</u> <u>Fuel Tank Work</u> Non-powered work performed by Line Maintenance may be outsourced <p>*See Article 1 language</p>
WORK RULES		
Hours of Work	<ul style="list-style-type: none"> Modify Article 3 and Article 21 to permit management to establish work week, work cycles, and frequency of shift bids. Eliminate all local letters of agreement connected to Articles 3 & 21. Modify Article 3(i) to permit management to establish work schedules that include Saturdays and Sundays without restriction (eliminate 1/7th rule). 	<ul style="list-style-type: none"> <i>Modify Article 3 and Article 21 for Base and Line to permit management to establish work week, work cycles, and frequency of shift bids. Eliminate all local letters of agreement connected to Articles 3 & 21. All shift bids are fixed for all stations, retained rotating shifts in TUL.</i> <i>Modify Article 3(i) to permit management to establish work schedules that include Saturdays and Sundays without restriction (eliminate 1/7th rule).</i>
Overtime	<p>Modify Article 6:</p> <ul style="list-style-type: none"> Provide for weekly (day off) overtime after an employee has worked in excess of 40 hours in a work week Permit the Company to distribute overtime within the crew or appropriate work group as equitably as practicable Eliminate all local letters of agreements connected to overtime 	<p>Modify Article 6:</p> <ul style="list-style-type: none"> <i>Eliminate all local letters of agreements connected to overtime. Company and TWU will meet and confer for 30 days following DOS to resolve and reach agreement on procedures. If no agreement is reached, the dispute will be mediated/arbitrated at the next scheduled Maintenance System Board</i> <i>Where applicable, have terminal and hangar operations in Class I stations solicited from separate overtime lists for holdover overtime.</i> <i>In Line Maintenance - Propose holding an employee past the end of his scheduled shift on overtime for the purposes of job continuity, for up to 3 hours. For the first 30 minutes employee would be paid for time worked. If assignment extends past 30 minutes but less than an hour employee will be paid 1 hour. For hour 1 through hour 3 employee will be paid for time worked.</i> <i>One set of universal Overtime Procedures for Line Maintenance (Class I Stations)</i> <i>Ability for management to call overtime (Staff Admin) within any of the 4 OT buckets (HO, ECI, RC and DO) regardless of anticipated workload.</i> <i>Line Maintenance - Probation employees and 12(M) not eligible for overtime until probation/qualification period is complete.</i>
Holiday	Eliminate all local letters of agreement concerning holidays	<i>Eliminate all local letters of agreement concerning holidays. (ORD Holiday Off letter)</i>

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Vacation	<ul style="list-style-type: none"> Modify Article 8 to provide Flex vacation language stating that bidding will be completed no later than December 15. Employees must bid regular vacation first and then bid vacation weeks. Flex weeks will be available after number of weeks purchased are identified. Reduce maximum vacation accrual from 30 days to 25 days. Eliminate Paid Personal Vacation Days (PV). Eliminate all local letters of agreement concerning vacations. 	<ul style="list-style-type: none"> <i>Modify Article 8 to provide Flex vacation language stating that bidding will be completed no later than December 15. Employees must bid regular vacation first and then bid vacation weeks. Flex weeks will be available after number of weeks purchased are identified.</i> <i>Reduce maximum vacation accrual from 30 days to 25 days.</i> <i>Eliminate Paid Personal Vacation Days (PV). Eliminate ORD VCO letter.</i>
Promotion and Jobs to be Posted	<ul style="list-style-type: none"> Modify Article 12 consistent with language from the May 5, 2010 AA/TWU Maintenance and Related Tentative Agreement, with following exceptions: Add process for selection of Crew Chiefs using existing Tech Crew Chief process. Remove SMA Classification. Modify language on transfers to state that once a transfer has been accepted, the employee cannot refuse and the Company cannot rescind the transfer. Modify language in 12(m) to provide for upgrade transfers to pass qualifications test prior to reporting for the new position. Modify 12.1 labor loan provision to provide a broader definition of a business unit which will allow for greater flexibility of manpower within the defined area and eliminate all local letters of agreement concerning Labor Loans and manning. 	<ul style="list-style-type: none"> <i>Modify Article 12 consistent with language from the May 5, 2010 AA/TWU Maintenance and Related Tentative Agreement, with following exceptions:</i> <i>Add process for selection of Crew Chiefs using existing Tech Crew Chief process, and eliminate TUL Tech Crew Chief letter.</i> <i>Modify language in 12(m) to provide for upgrade transfers to pass qualifications test prior to reporting for the new position.</i> <i>Modify 12.1 labor loan provisions to provide a broader definition of a business unit (One shop operations) which will allow for greater flexibility of manpower within the defined area.</i> <i>Electronic bidding for higher capacity.</i> <i>Eliminate ORD temporary re-assignment of work load letter, and DFW reassignment of manning procedure.</i>
Reduction in Force	<p>Eliminate Article 14 (b) and modify Article 15 as follows:</p> <ul style="list-style-type: none"> Crew Chief, Tech Crew Chief, and Inspector will be surplus back to basic classification at their location. Employees identified as being subject to RIF or displacement will be given 15 days to complete an online option form. The RIF will be conducted virtually, the forms will be processed with vacancies being filled first then bump options, after which employees will be given 14 days to report. Modify Article 15(i), I(4) to provide that if an AMT or PM Mechanic, as a result of a reduction in force, elects to fill an OSM or PMM position he will not carry his classification and chart rate as an AMT or PM Mechanic into the OSM or PMM position. 	<p><i>Modify Article 15 as follows:</i></p> <ul style="list-style-type: none"> <i>New LOM for a one-time restructuring for initial RIF</i> <i>Revise Title II pay protection for reduced Mechanic to MSP – See Article 15 - Attachment 15.2.</i> <i>AMT who chooses to RIF to an OSM position will keep their AMT base pay rate less license/skill premium. (Current language)</i>
Recall	<p>Substitute Article 16 from the May 5, 2010 AA/TWU Maintenance and Related Tentative Agreement with the exception of 16(a), which shall be modified to reflect 5 year recall rights.</p>	<p><i>Substitute Article 16 from the May 5, 2010 AA/TWU Maintenance and Related Tentative Agreement with the exception of 16(a), which shall be modified to reflect 10 year recall rights.</i></p>
Leaves of Absence	<p>Modify Article 17 – Leaves of Absence to reduce the duration of a SLOA and IDLOA from 5 years to 3 years.</p>	<p><i>Modified Article 17 adopted previous TA maintained SLOA and IDLOA at 5 year duration.</i></p>
Training	<p>Clarify that, pursuant to Article 23, training will be assigned to those that will perform the work, without regard to occupational seniority.</p>	<p><i>Clarified that, pursuant to Article 23, training will be assigned to those that will perform the work, <u>with regard to occupational seniority</u>.</i></p>
Field Work	<p>Modify Article 26 to provide that Management will develop Field Trip Procedures to include distribution and utilization procedures, eliminate all local agreements concerning Field Trips and Man for Man letters.</p>	<p><i>Company and TWU will meet and confer for 30 days following DOS to resolve and reach agreement on procedures. If no agreement is reached, the dispute will be mediated/arbitrated at the next scheduled Maintenance System Board</i></p>
Sick Leave	<p>See Attachment B – "Sick Leave" Utilize 'Health Vendor Management System". Similar to using Short Term Disability.</p> <ul style="list-style-type: none"> First 24 hours at 100% Next 14 hours days unpaid More than a 40 hrs in order to get paid sickness/ Illness has to be certified by the Health Management Vendor 	<p><i>Modify Article 34 to provide for 50% pay for the first day of absence.</i></p>

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Meal Period	N/A	<i>In the event an employee is not provided a meal period, the employee will be coded as No Meal by his Manager, and will be permitted to badge off shift 30 minutes prior to his scheduled off time.</i>
One Station Agreements	Eliminate DFW Hangar 5 (DWH) letter and DWH Title II License/Testing Requirement letter. DWH will be a stand-alone base whether in its current location or at another location at DFW Airport.	<i>Eliminate DFW Hangar 5 (DWH). DWH will be a stand-alone base whether in its current location or at another location at DFW Airport.</i>
CLASSIFICATION		
	<ul style="list-style-type: none"> Modify Article 11(e) and (f) to permit management to establish qualifications and to implement changes to the Qualifications Administration Manual, and eliminate all attachments to Article 11. Eliminate restrictions on OSM utilization in Base operation. OSM's will be allowed to perform semi-skilled work in the hangar and shop operations and increase OSM cap to 30%. Eliminate Avionics Crew Chief and Avionics AMT position at Line Stations, and all Avionics local letters of agreements. Clarify that Tech Crew Chief and Crew Chief can assist crews as necessary to insure completion of assignments. Also, confirm Tech Crew Chief may perform the duties of a regular Crew Chief on a non-regular basis. Consolidate Aircraft Cleaners and Parts Washers classifications; group will be identified as Cleaners. Modify Job descriptions to encompass the changes in Article 1 and Article 12. 	<ul style="list-style-type: none"> <i>Modify Article 11(e) and (f) to permit management to establish qualifications, review changes with TWU, and to implement changes to the Qualifications Administration Manual, and provide for a dispute resolution procedure.</i> <i>Modify restrictions on OSM utilization in Base operations. OSM cap remains at 25%.</i> <i>In Line Maintenance - Agree to streamline and standardize the utilization of an Avionics Technician by focusing the scope by ATA chapters (Scope TBD). Create a guideline of work scope. During normal work hours the alignment of work will be in accordance with the proposed scope, however, it does not preclude Avionics or General Technicians from doing either bill of work.</i> <i>In Line Maintenance - Avionics tasks are performed by utilizing the "Cradle to Grave" approach to assignments.</i> <i>Eliminate all Avionics local letters of agreement.</i> <i>Clarify that Tech Crew Chief and Crew Chief can assist crews as necessary to insure completion of assignments. Also, confirm Tech Crew Chief may perform the duties of a regular Crew Chief on a non-regular basis.</i> <i>Consolidate Aircraft Cleaners and Parts Washers classifications; group will be identified as Cleaners.</i> <i>Modify Job descriptions to encompass the changes in Article 1 and Article 12.</i>
BENEFITS		
Pension	<ul style="list-style-type: none"> Amend the Basic Agreement so that the company is not required to provide for future benefit accruals under the defined benefit pension plan (hard freeze). Amend the Basic Agreement to provide that the Company is not required to maintain or fund or provide benefits under a defined contribution pension plan, except as provided below. 	<ul style="list-style-type: none"> <i>Amend the Basic Agreement so that the Company is not required to accrue future service benefits in the defined benefit pension plan (hard freeze).</i> <i>Amend the Basic Agreement to provide that the Company is not required to maintain or fund or provide a defined contribution pension plan, except as provided below.</i>
401 (k)	"Freeze" Defined Pension Plan. No replacement benefit will apply if court rejects contract.	<i>Amend the Basic Agreement to provide that the Company will offer a replacement benefit through a Super Saver 401(k) Plan. Employees that aren't enrolled in super saver will be automatically enrolled (with an option to opt out) at a pre-tax contribution of 3% of eligible earnings per payroll period, with a Company match of up to 5.5% of eligible earnings_e.g all wages, overtime, CSW, etc.</i>
Active Medical	Standard Plan in the Contract (See March 22, 2012 Term Sheet attachment C) <ul style="list-style-type: none"> Deductible \$1,000/\$3,000 (single/family) in network Out of Pocket in network Max \$3000/ \$9000 (single/ family) 	Standard Plan in the Contract (see Article 41) <ul style="list-style-type: none"> Deductible \$750/\$2,250 (single/family) in network Out of Pocket in network Max \$2000/ \$5000 (single/ family) Employee contributions for the Standard and Core medical options for 2013 will be 18%, 2014 will be 19%, 2015 will be 20% and 2016 and thereafter will be 21% of the total projected cost of each forecasted year of healthcare expenses.
Retiree Medical	Company funded retiree medical and life insurance benefits will be eliminated. Employees will have access to a company sponsored pre-65 retiree medical option. Over 65 employees will be offered chance to purchase a guaranteed issue Medicare supplement plan through a third party administrator. The employee portion of prefunding balances will be returned to employees.	<i>Company funded retiree medical and life insurance benefits will be eliminated. Employees will have access to a company sponsored pre-65 retiree medical option. Over 65 employees will be offered chance to purchase a guaranteed issue Medicare supplement plan through a third party administrator. <u>The employee prefunding balances will be returned to employees plus interest and employer portion of prefunding balances will be returned to employees contingent on successful resolution of the Section 1114 process.</u></i>

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JOB PROTECTION		
Job Protection	Eliminate Article 42 and Attachment 42.1, which currently limit the Company's ability to layoff protected employees.	Eliminate Article 42 and Attachment 42.1, which currently limit the Company's ability to layoff protected employees
MISCELLANEOUS		
ASM Cap	Eliminate Attachment 1.5 "Seat Miles Scheduled by Commuter Air Carriers	Eliminate Attachment 1.5 "Seat Miles Scheduled by Commuter Air Carriers
Moving Expenses/ Option Special Severance	Eliminate Article 44, which provides for a supplemental moving allowance of \$12,500 to each employee who moved base stations during a layoff, or a special severance allowance of \$12,500 to a laid off employee who relinquishes recall and re-employment rights.	<ul style="list-style-type: none"> Eliminate the provision in Article 44, which provides for a supplemental moving allowance of \$12,500 to each employee who moved base stations during a layoff. <u>Retain, on a one time basis, the special severance allowance of \$12,500 to a previously protected laid off employee who relinquishes recall and re-employment rights for the purposes of the reductions in force associated with the restructuring agreement. One time designation of previously protected employees. See Early Out Incentive Allowance proposal.</u>
Severance & Early Out Program	Regular severance allowance per Article 37.	<p>Regular Severance per Article 37</p> <p><u>Early Out Incentive Allowance – all employees requesting early out will be granted early out.</u></p> <p><i>Eligibility - Employees subject to a reduction in force in connection with implementation of the restructuring agreement:</i></p> <p style="padding-left: 40px;"><i>Provide regular severance</i></p> <p style="padding-left: 40px;"><i>12,500 special severance payment under Article 44. (If eligible)</i></p> <p style="padding-left: 40px;"><i>Must relinquish recall and re-employment rights</i></p> <p><i>For all employees, whether affected by a reduction in force or not, who are willing to voluntarily separate from the Company to reduce the involuntary reductions at that station or on the system and who are 45 years of age or older and have 15 years or more of Company seniority, the Company will:</i></p> <p style="padding-left: 40px;"><i>Provide regular severance</i></p> <p style="padding-left: 40px;"><i>12,500 special severance payment under Article 44. (If eligible)</i></p> <p style="padding-left: 40px;"><i>\$10,000 separation allowance/\$5000 for part time employee.</i></p> <p style="padding-left: 40px;"><i>Must relinquish recall and re-employment rights</i></p> <p><i>Based on the number of employees willing to choose the Early Out the Company will offer release dates based on operational requirements and occupational seniority will determine when employees can exit the company.</i></p>
Duration	Company proposal seeks six year duration. TWU position is that No vote leads to continued negotiations and no duration.	Agreement covering 6 year period from Date of Signing. <u>(with twenty four month early opener)</u>
LOM		<u>Early Out Incentive Allowance</u>
LOM		<u>Me Too Provision</u>
LOM		<u>Eliminate Certain Local Letters of Agreement</u>
LOM		<u>SMS, ASAP and Just Policy Clarification</u>
LOM		<u>M&E Business Process</u>
LOM		<u>Title II Station Staffing</u>
LOM		<u>DFW Title I Process Improvement</u>
LOM		<u>DWH Operation</u>

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LOM		<u>Maintenance Support Person Cap</u>
LOM		<u>Maintenance Support Person Utilization</u>
LOM		<u>Maintenance Support Person Progression</u>
LOM		<u>Avionics Utilization – Line Maintenance</u>
LOM		<u>Profit Sharing Plan</u>
LOM		<u>Hours of Work</u>
LOM		<u>AFW Closure</u>