

STORES

Summary Comparison: AA 1113 (c) Filing vs. July 10, 2012 Tentative Agreement

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><i>Increase chart rates as follows:</i></p> <ul style="list-style-type: none"> • DOS 3.5% increase • DOS + 12 months: 2.0% increase • DOS + 24 months: 2.0% increase • DOS + 36 months: 1.5% increase • DOS + 48 months: 1.5% increase • DOS + 60 months: 0% increase <p>Material Logistic Specialist Premium</p> <ul style="list-style-type: none"> • \$0.45 at DOS <p>Special Wage Adjustment DOS+ 36 months that adjusts Material Logistic Specialist wages to industry average. *Special Wage Adjustments – see Article 4</p> <p><u>Provide for a joint committee to explore a gain sharing program for Stores.</u></p>
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 LOM, “Enhanced Profit Sharing Plan)Now 5% of pretax earnings</i>
SCOPE		
Scope	Delete Article 1 (e), and attachment 1.1 (C.R. Smith letter re: Contracting Out Work).	<ol style="list-style-type: none"> 1. <i>Delete Article 1 (e), and attachment 1.1 (C.R. Smith letter re: Contracting Out Work).</i> 2. <i>Vendor Management Inventory Letter.</i> 3. <i>Letter addressing ordering of parts going forward.</i> 4. New Article 1 Paragraph (e)added
	<p>Outsourcing of Aircraft Headcount Impact:</p> <p>158 Stock Clerks TULE 96 Stock Clerks AFW AO Outsource</p> <p>*57 Stock Clerks AFW Warehouse (undetermined).</p>	<p><i>Outsourcing of Aircraft Headcount Impact:</i></p> <p><i>96 Stock Clerks AFW – AO Closure</i> <i>30 Stock Clerks AFW – Warehouse Closure</i></p> <p><i>56 Stock Clerks TULE – AO</i> <i>30 Stock Clerks TULE – Shop Support</i> <i>(Note: 27 Stock Clerk positions from AFW to DWH).</i></p>

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)
WORK RULES		
Hours of Work	<p>Modify Articles 3 and 21 to permit management to establish fixed shift cycles and to determine the frequency of shift bids.</p> <p>Eliminate any local agreements, and Modify Article 3 to permit management to establish work schedules at Overhaul Bases that include Saturdays and Sundays without restriction (eliminate 1/7th rule).</p>	<p><i>Modify Articles 3 and 21 to permit management to establish a maximum of three (3) shift bids, all shift bids are fixed for all stations, retained rotating shifts in TUL.</i></p> <p><i>Eliminate any local agreements, and Modify Article 3 to permit management to establish work schedules at Overhaul Bases that include Saturdays and Sundays (eliminate 1/7th rule).</i></p>
Overtime	<p>Clarify that Article 6 permits management discretion to distribute overtime within the crew or the appropriate work group as equitably as practicable, and eliminate all local agreements.</p>	<p><i>Agreed to eliminate 40 hours worked for overtime rule</i></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>
Holiday	<p>Eliminate all local letters of agreement concerning holidays.</p>	<p><i>Eliminate all local letters of agreement concerning holidays.</i></p>
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 flex 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 flex vacation weeks. Flex weeks will be available after number of weeks purchased are identified.</i> • <i>Eliminate Paid Personal Vacation Days (PV).</i> • <i>Maintained 6th week of vacation</i> • <i><u>Eliminate ORD VCO.</u></i>
Promotion and Jobs to be Posted	<ul style="list-style-type: none"> • Modify language on transfers to state that once a transfer has been accepted, the employee cannot refuse and the Company cannot rescind the transfer. 	<p><i><u>Incorporated electronic bidding language (see Article 12)</u></i></p>
Recall	<p>Recall limit reduced from 10 years to 5 years</p>	<p><i><u>Current book.</u></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><u>Current book.</u></i></p>
Sick Leave	<ul style="list-style-type: none"> • Five (5) days accrual per calendar year. Incidental Sick – If occurrence is 7 or less consecutive calendar days, first 24 hours will be paid at 100% of regular hourly rate, subsequent hours at 60% of regular hourly rate. Managed Care Sick – If occurrence is greater than 7 calendar days, days 1 – 7 paid as Incidental Sick, day 8 and after 100% regular hourly rate. Must be medically substantiated by Absence Management Vendor (AMV). 	<p><i><u>Current book.</u></i></p>

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)
Meal Period	NA	<i>In the event an employee is not provided a meal period as outlined in paragraph (b) above, 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. 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) letter. DWH will be a stand-alone base whether in its current location or at another location at DFW Airport</i>
CLASSIFICATION		
	Modify Article 11(d) and (e) to permit management to establish qualifications and to implement changes to the Qualifications Administration Manual.	<i>Modify Article 11(d) and (e) 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>
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 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. wages, overtime, CSW, etc.</i>
Active Medical	The “Standard Plan” will be the contractual plan: 21% employee premium cost, single/family deductibles of \$1000/\$3000, and 20%/50% in/out of network coinsurance. Plan design changes for other plans may be made at Company discretion.	<i>The “Standard Plan” will be the contractual plan:</i> <ul style="list-style-type: none"> <i>Deductible \$750/\$2,250 (single/family) in network</i> <i>Out of Pocket in network Max \$2000/ \$5000 (single/family)</i> <i>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.</i>
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. 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.</i>

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)
JOB PROTECTION		
Job Protection	Eliminate Article 42 and Attachment 42.1, which currently limit the Company’s ability to layoff protected employees.	<i>Eliminate Article 42 and Attachment 42.1, which currently limit the Company’s ability to layoff protected employees</i>
MISCELLANEOUS		
ASM Cap	Eliminate Attachment 1.4 “Seat Miles Scheduled by Commuter Air Carriers.	<i>Eliminate Attachment 1.4 “Seat Miles Scheduled by Commuter Air Carriers”.</i>
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"> • <i>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.</i> • <i><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></i>
Union Business Pay	Eliminate Baker Union Business Letter for elected representatives.	<i>Eliminate Baker Union Business Letter for elected representatives.</i>
Severance Early Out Program	Regular severance allowance per Article 37.	<p><i>Regular Severance per Article 37</i></p> <p><i>Early Out Incentive Allowance – <u>all employees requesting early out will be granted early out.</u></i></p> <p><i>Eligibility - Employees subject to a reduction in force in connection with implementation of the restructuring agreement:</i></p> <p><i>Provide regular severance</i></p> <p><i>12,500 special severance payment under Article 44. (If eligible)</i></p> <p><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><i>Provide regular severance</i></p> <p><i>12,500 special severance payment under Article 44. (If eligible)</i></p> <p><i>\$10,000 separation allowance/\$5000 for part time employee.</i></p> <p><i>Must relinquish recall and re-employment rights</i></p>

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)
		<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>
Duration	Company proposal seeks six year duration. TWU position is that No vote leads to continued negotiations and no duration.	<i>Agreement covering 6 year period from Date of Signing. (with twenty-four (24) month early opener)</i>
LOM		<u>Me Too Provision</u>
LOM		<u>Eliminate Certain Local Letters of Agreement</u>
LOM		<u>Vendor Management Inventory</u>
LOM		<u>Requesting Parts</u>
LOM		<u>DWH Operation</u>
LOM		<u>Early Out Incentive</u>
LOM		<u>Profit Sharing</u>
LOM		<u>AFW Closure</u>