

February 18, 2017

LETTER OF UNDERSTANDING
and
ADDENDUM TO
the
TRANSITION AGREEMENT OF VIRGIN AMERICA EMPLOYEES
between
ALASKA AIRLINES, INC.
and
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS

In accordance with the Transition Agreement, dated February 18, 2017, formerly unrepresented employees of Virgin America were transitioned to the coverage of the existing IAM-Alaska Airlines Collective Bargaining Agreement (CBA). Included in our agreement is the ability of Alaska Airlines to continue to utilize outside vendors to perform reservations work covered by the existing CBA that Virgin America currently outsources. Alaska's ability to continue to utilize outside vendors to perform this reservations work covered by the existing CBA will continue until such time that Alaska Airlines achieves a single reservations system or two years from the effective date of the Transition Agreement, whichever is earlier. The IAM acknowledges that Alaska Airlines is not relinquishing any rights under the current CBA in regards to the subcontracting of work.

During discussion of this item in the Transition Agreement, the existing pre-merger issue of Alaska's reservations scheduling difficulties during peak-call-volume times arose. The IAM has acknowledged that this is a legitimate business related problem requiring the attention of the parties.

In recognition of the harmonious approach each of the parties have displayed during merger related discussions and in this Transition Agreement, the IAM has committed to working with Alaska Airlines to find a solution to the peak-call-volume staffing issue. The parties agreed to form an ad hoc committee of IAM and Alaska representatives to meet as soon as practicable to work on a solution that can be recommended for adoption.

The purpose of this Letter of Understanding is to memorialize our mutual commitment to this process and the goal of a more efficient company operation as it relates to peak reservations call volume issues.

And so, our commitment is made by the signatures below:

(Please note – signatures are on the original document)

FOR THE IAM:

FOR THE COMPANY:

By: _____
David Supplee, President Directing General Chairperson
District Lodge 142
INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS, AFL-CIO

By: _____
Jeffrey Butler, Vice President, Operations
ALASKA AIRLINES, INC.

By: _____
Greg Mays Vice President, Labor
ALASKA AIRLINES, INC.