

AGREEMENT BETWEEN



UNITED PARCEL SERVICE CO.

AND THE
FLIGHT CREWMEMBERS
IN THE SERVICE OF
UNITED PARCEL SERVICE CO.
AS REPRESENTED BY

THE INDEPENDENT PILOTS
ASSOCIATION

Effective:
Sept. 1, 2016 - Sept. 1, 2021

TABLE OF CONTENTS

ARTICLE 1 AGREEMENT, PURPOSE, SCOPE, SUBCONTRACTING, ACQUISITIONS

A. Agreement	1
B. Purpose	2
C. Scope	2
D. Subcontracting	7
E. Merger, Purchase or Acquisition of Another Company	17
F. Expedited Arbitration	19

ARTICLE 2 DEFINITIONS.....21

ARTICLE 3 ASSOCIATION MEMBERSHIP

A. Association Membership	31
B. Initiation Fees and Dues Deduction	31
C. Failure to Pay Dues	32
D. Dues Deduction Error	33
E. [RESERVED]	33
F. Information Dissemination	33
G. Continuation of Benefits for Association Business	34
H. Appointed Representatives	36
I. Discrimination	37

ARTICLE 4 DRESS AND CONDUCT

A. Uniform Responsibilities	39
B. Personal Appearance and the Wearing of Accessories	40
C. Personal Conduct	40
D. Uniform Changes	40

ARTICLE 5 GENERAL

A. Physicals	41
B. Crewmember Responsibility	41
C. Physical Examination Notice	42
D. Additional Physical Examination	42
E. Off Duty Flying	44
F. Safety and Hazardous Assignments	45
G. Cockpit, Flight Recorders and Voice Recorders or Any Other Devices	46
H. Lodging and Environmental Conditions	51
I. Immunizations, Passports and Visas	63
J. Polygraph	64
K. War/Governmental Action Clause	64
L. UPS-IPA 401(k)	64
M. Applicable Laws and Government Regulations	64
N. Discrimination	65

O. Personnel Files.....	65
P. Protection from Damage	65
Q. Management - Employee Relations	65
R. Theft of Personal Property	66
S. Jumpseats	66
T. Crewmember Flight Case.....	68
U. Mandatory Alcohol and Drug Program.....	68
V. Use of Gender	69
W. Prohibition on Use of Social Security Numbers	69
X. Recorded Telephone Lines	69
Y. Joint Working Groups	69
Z. Expedited Crew Screening Program	70

ARTICLE 6 HEALTH AND WELFARE BENEFITS

A. Health and Disability Coverage	71
B. Loss of License Insurance	78
C. VEBA for Post-Retirement Health Expenses	79
D. Coverage for Medical Recertification	79
E. Payroll Deduction Programs	80
F. Child Care	81
G. Crewmember Contributions.....	81
H. Social Security Numbers.....	84

ARTICLE 7 GRIEVANCE PROCEDURES

A. Nondisciplinary Grievances.....	85
B. Discipline and Discharge.....	87
C. Disciplinary Grievance Procedure.....	89
D. General.....	90
E. System Board of Adjustment.....	93

ARTICLE 8 SENIORITY

A. Seniority List.....	105
B. Protests	105
C. Seniority Accrual	106
D. Seniority Rights	106
E. Period of Probation.....	107
F. Loss of Seniority.....	107
G. Furlough and Recall	107

ARTICLE 9 LEAVES OF ABSENCE

A. Sick Leave	113
B. Personal/Emergency Leave	118
C. Maternity, Paternity, and Family Leave.....	118
D. Crewmember Assistance Leave	119
E. Bereavement Leave of Absence	121
F. Jury Duty	121

G. Military Leave	122
H. Missing/Internment	126
I. Return From Extended Leaves of Absence	127
J. [RESERVED].....	127
K. Rehabilitation Welfare Plan Benefits	127
L. Maternity, Paternity, Adoption Leave Welfare Plan Benefits.....	128
M. Benefits Payable under Welfare Plans and Annual Bank Hours.....	129
N. Leave Benefits.....	130

ARTICLE 10 TRAINING

A. Classification	133
B. Performance Standards	133
C. Training Assignment.....	134
D. Training Pay and Credit.....	142
E. Training Records	143
F. Flight Training.....	144
G. Oral Examinations	149
H. UPS/IPA Training Interface	149
I. Unsatisfactory Performance	154
J. Special Tracking Program	155
K. Training Support.....	155
L. Qualified Crewmembers During Evaluations and Check Rides	156
M. Discontinuation of Aircraft Type - Training Freeze.....	156
N. Self-Directed Study Courses.....	156
O. Union Membership	157
P. Return to Line Duty	157
Q. Rights Reserved.....	158
R. Work Availability for Flight Training and IOE Instructors.....	158
S. Flight Training Instructors.....	159
T. IOE Instructors	164
U. Crew Resource Management Training	166
V. Supplemental Proficiency Program.....	166
W. Training Out Of Domicile.....	167
X. Pay Protection in the Event of Unsatisfactory TrainingEvent	168
Y. Simulator Support Assignment	170
Z. Distance Based Learning Rules	171

ARTICLE 11 VACATIONS

A. Vacation Accrual	175
B. Bid Preference.....	176
C. Vacation Buy Back	179

D. Vacation Adjustments.....	180
E. Vacation Pay and Credit.....	182
F. Company Cancellation of Vacation Period(s)	184
G. Optional Crewmember Vacation Utilization (OCV)	185

ARTICLE 12 COMPENSATION

A. General.....	197
B. Pay Factors	197
C. International Pay	203
D. Guarantees.....	204
E. Airport Standby.....	204
F. Hours	204
G. Per Diem.....	205
H. System of Compensation	207
I. CRAF Activation	207
J. Flight/IOE Instructor Compensation	207
K. Relocation Expenses.....	207

ARTICLE 13 SCHEDULING

Preamble	217
A. Flight and Duty Time Limitations and Required Rest..	219
B. Bid Line Construction	236
C. Bid Package	280
D. Bid Line Adjustments.....	284
E. Revision of Trips.....	310
F. Open Time Scheduling.....	322
G. Junior Manning.....	326
H. Deadheading at Company Request	327
I. Check In/Reporting for Duty	342
J. Failure to Report.....	344
K. Open Time Pick Up	345
L. Miscellaneous Flying	348
M. Management Flying.....	350
N. Reports	354
O. Circadian Rhythm Parameters	355
P. Trip Board.....	357
Q. Miscellaneous Multiple Domicile Scheduling Issues ..	361
R. Scheduling Issues Related to Crew Augmentation on Two-Pilot Aircraft	364
S. Double Crew Duty Limits	365

ARTICLE 14 DOMICILE STAFFING

A. Domiciles.....	371
B. Classifications: Bid Positions and Wage Classifications.....	374
C. Domicile Staffing	374

D. Posting of Permanent Bid Positions (Vacancies).....	375
E. Awarding of Permanent Bid Position (Vacancies)	376
F. Realignment Vacancy Bids	384
G. Displacement.....	385
H. Awarding of Displacement Notices	386
I. Displacement for Medical or Mandatory Retirement Reasons	392
J. Temporary Flying	395
K. [RESERVED]	396
L. Vacancies for Crew Augmentation on Two Pilot Aircraft	396
M. [RESERVED]	397
N. Special Rules for the Introduction of a New Aircraft Type	397
O. Special Rules for the Elimination of an Aircraft Type...	398
P. Permanent Staffing Formula For Cross Domicile Reserve Usage.....	399

ARTICLE 15 RETIREMENT

A. Money Purchase Pension Plan	401
B. Additional Health and Welfare Benefits for Retirees...	403
C. 401 K Plan	403
D. Defined Benefit Pension Plan	403
E. Administration of the UPS Retirement Plan	412
F. Benefit Security	412

ARTICLE 16 CRAF OPERATIONS

A. General.....	413
B. CRAF Activation	413
C. CRAF Volunteers	415
D. CRAF Scheduling	415
E. Jumpseats on Military Charter Flights and CRAF Flights.....	416

ARTICLE 17 JOINT TECHNOLOGY COMMITTEE

A. Purpose/Scope.....	417
B. Committee Structure	417
C. Authority	417
D. Information Confidentiality.....	418
E. Flight Operations Website	418
F. Data Sharing with the IPA	422
G. SDF Sleep Room Wake-Up System	422
H. Crewmember Earnings Statement Improvements	422

**ARTICLE 18 DURATION AND EFFECT ON OTHER
AGREEMENTS423**

**LETTERS OF AGREEMENT / MEMORANDUMS OF
UNDERSTANDING**

LOA Implementation425
LOA IPA Expanded European Routes434
LOA Signing Bonus Distribution436
LOA Extended Pension Flat Dollar Formula Beyond
Amendable Date439
LOA Competition Committee444
LOA Fatigue Safety Action Group445
MOU Joint UPS/IPA Safety Task Force451
MOU Joint UPS/IPA Security Task Force457
LOA Drug and Alcohol & LOA Drug Testing464
LOA UPS Drug and Alcohol Rehabilitation Program for
Crewmembers471

ARTICLE 1
AGREEMENT, PURPOSE, SCOPE,
SUBCONTRACTING, ACQUISITIONS

A. Agreement

1. This Agreement is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between United Parcel Service Co., hereinafter known as the "Company", and the crewmembers in the service of United Parcel Service Co. as represented by the Independent Pilots Association ("IPA"), hereinafter known as the "Association".
2. The Independent Pilots Association has furnished evidence that in conformity with the provisions of the Railway Labor Act, as amended, it has been duly certified as the exclusive representative of the crewmembers employed by the Company, and is authorized to negotiate and conclude an agreement on their behalf with the Company with respect to rates of pay, rules and working conditions.
3. The Company will not enter into any agreement or contract with crewmembers, individually or collectively, which in any way changes, is in addition to, or conflicts with the terms and provisions of this Agreement. Any such Agreement shall be null and void.
4. The Company retains all rights except as otherwise provided in this Agreement, including, but not limited to, the promulgation and enforcement of any policies, procedures, and rules concerning crewmember conduct or the operation of its business, provided such policies, procedures or rules are not contrary to the provisions of this Agreement and are not unreasonable, arbitrary, or discriminatory.
5. The parties agree that for the duration of this Agreement no sympathy strike, or observance of picket lines established by employees of a company unrelated to United Parcel Service Co., shall be permitted or authorized by this Agreement. This prohibition shall not be applicable to legal primary picket lines established by employees of the Company, its parent or their subsidiaries. The recognition of any legal primary picket line or sympathy strike allowed under this paragraph must be authorized by the Association. The Railway Labor Act shall govern the parties' rights to take economic action.

6. Nothing in paragraph A.5. above shall require Association members to deadhead, train, or perform any other service, on or for an air carrier which is on strike.
7. It shall not be a violation of this Agreement and it shall not be cause for discharge or disciplinary action if a crewmember refuses to perform any service which the Company undertakes to perform as an ally of an employer whose employees are on strike, which service, but for such strike, would be performed by the employees of the struck employer.

B. Purpose

The purpose of this Agreement is, in the mutual interest of the Company, the Association, and the crewmembers in the employ of the Company, to provide for the operation of the Company under methods which will further, to the fullest extent possible, the safety of air transportation, the efficiency of operation, and the continuation of employment of crewmembers under reasonable working conditions and proper compensation. It is recognized to be the duty of the Company, the Association, and the crewmembers to cooperate fully for the attainment of these purposes.

C. Scope

1. The execution of this Agreement on the part of the Company shall cover crewmember operations of all aircraft operated pursuant to the Company's Airline Operating Certificate IPXA 097B, and of all aircraft operated pursuant to any additional Part 121 Airline Operating Certificate or any foreign equivalent Airline Operating Certificate acquired by the Company, or any affiliate of the Company in and for the service of the Company or any affiliate or wherever located, presently operating, or to be operated in the future, except as otherwise provided in Articles 1, 13 and 16.
2. It is agreed that all present and future domestic flying on aircraft with a payload weight of more than 12,899 lbs. [19,000 lbs. for international flights] including but not limited to, revenue flying, ferry flights, charters, training flights, test flights, or other utilization of Company owned or leased aircraft in and for the service of the Company, or any affiliate of the Company, shall be performed by crewmembers on the United Parcel Service Crewmember Seniority List in accordance with the terms and conditions of this Agreement or any other applicable agreement between the Company and the Association, except as otherwise provided in this Agreement. However, no combination of domestic or

international feeder aircraft on any route within a service system shall have a payload capacity which equals or exceeds the payload capacity of a B-727-100 aircraft or any smaller payload aircraft which may become covered by the scope clause of this Agreement. In addition neither the Company nor any affiliate shall conclude any sale, lease, transfer or other dispositions, whether directly or indirectly, of aircraft or international routes owned or leased by the Company or any affiliate to any person(s) or entity (the Purchaser) where the Purchaser or any air carrier that controls or is under the control of the Purchaser directly or indirectly uses such aircraft or international routes to provide or receive feed, to or from the Company, pursuant to an agreement or an arrangement with the Company or an affiliate. Nothing in this paragraph shall effect the Company's right to lease, transfer or otherwise dispose of aircraft or international routes to entities not involved in providing or receiving feed to or from the Company or to entities providing feed where such feed is provided in accordance with Article 1.

3. Neither the Company, nor any affiliate shall perform any flying for other carriers unless such flying is conducted by UPS pilots in accordance with the terms and conditions of this Agreement. The Company, or its affiliates may enter into and maintain marketing and schedule coordination agreements with other carriers which are in accordance with the provisions of this Article.
4. As used in this Article only, international operations shall be limited to flights within a foreign country or between two or more foreign countries. Domestic flying shall include, but not be limited to, flights which originate and/or terminate in the United States.
5. Notwithstanding paragraphs 1. and 2. above, the Company shall have the right to establish an interchange agreement with a foreign carrier(s) in order to use that carrier's pilots to cover for unavailable UPS crewmembers on an international flight segment(s) contained within countries of the European Union. No mixing of UPS crews with non UPS crews will be allowed. UPS crewmembers who are available for such flight segment(s) will be pay protected and treated as displaced in accordance with Article 13.E.9. The unavailable crewmember(s) will be paid in accordance with the Agreement. Any such interchange agreement will not affect

the Company's obligation to provide the minimum reserve coverage required by Article 13 should the Company establish an international domicile.

6. Exclusions

- a. The terms of this Agreement shall not extend to any aircraft used by the Company, or its affiliates its parent or their subsidiaries for the purpose of corporate/executive air travel. The Company shall have sole discretion over the routing of aircraft and the type of aircraft utilized.
- b. The Company may utilize up to ten (10) Convairs (maximum payload of 15,800 lbs.) in its domestic feeder system. However, no more than one (1) Convair may be operated on the same route within a service system. In addition, no combination of domestic feeder aircraft on a route shall be allowed to equal or exceed the payload capacity of a B-727-100. A Convair shall be treated as a feeder aircraft for purposes of Article 1. There are two service systems for the purpose of this paragraph - NDA which shall include all departures between 8p.m. and 8a.m. local time and 2nd Day Air which shall include all departures between 8a.m. and 8p.m. local time. The above times may be changed upon written notice to the Union provided there shall always be two time periods with no overlap.

7. Resolution of Disputes Concerning International Operations

If any dispute arises as to the interpretation or application of Article 1 to international operations as defined in paragraph 4 above, the dispute shall be submitted to final and binding arbitration in accordance with Article 7 and Article 1.F. of this Agreement. The Company, its affiliates, the Association, and their successors agree, that in connection with any dispute before an arbitrator or in court, not to raise as a defense the non-applicability of the Railway Labor Act to international operations as defined in C. above or flights which originate or terminate in the United States. It is also agreed that the provisions of this paragraph are specifically enforceable. The duty to arbitrate as well as the judicial review of any arbitration award under this paragraph shall be specifically enforceable in either the Federal District Court for the Western District of Kentucky or the Jefferson County Circuit Court, Louisville, Kentucky. For these purposes the parties

consent to jurisdiction and venue in these courts. The parties further agree that the choice of law in any such proceeding under this paragraph will be Sections 153 and 184 of the Railway Labor Act, 45 U.S.C. Sections 151 et seq. If the Jefferson Circuit Court refuses to exercise jurisdiction, either party may file suit under this paragraph in any state court which has jurisdiction over the parties.

8. International Domiciles

Prior to bidding or opening an international domicile outside the United States the Company will meet with the Association to negotiate and mutually agree upon the resolution of any legal or contractual conflicts or problems, any changes in the scheduling rules, per diem, additional cost-of-living provisions, moving expense rules or any provisions of Article 12 and 13. The Company will not open an international domicile in any location where it would be illegal for the Association to represent crewmembers with respect to rates of pay, hours and working conditions.

9. In the event the Company or any affiliate or any successor in interest of the Company or its affiliates violates any provision of C. or D. of this Article and does not make whole all bargaining unit members and the Association for any and all losses suffered, including lost work and advancement opportunities, as a result of such violation, the Company shall be required to make those members and the Association whole for such losses.

10. Mandatory IPA Training Instructor Requirements

a. By October 1, 2016, IPA instructors will conduct:

- (1) A minimum of seventy-five percent (75%) of all full-motion simulator events (excluding Line Operational Evaluation checking events (LOEs) and CQ Maneuvers Validation simulator events (MVs)).
- (2) A minimum of twenty-five percent (25%) of non-CQ MVs.
- (3) All IPA instructors will be qualified and receive FAA certification to conduct MVs.

- b. Additionally, by date of ratification plus three (3) years, IPA instructors will also conduct a minimum of fifty percent (50%) of non-CQ MVs.
 - c. Additionally, by September 1, 2021 (i.e., the amendable date of this agreement), IPA instructors will also conduct:
 - (1) A minimum of seventy-five percent (75%) of non-CQ MVs.
 - (2) A minimum of ten percent (10%) of CQ MVs.
 - d. The percentages above will be determined annually on a system wide basis. For the purposes of this section, the Company shall not be required to meet these percentages between the peak period (i.e., November 15th to January 1st). Any simulator training event offered to or scheduled for an instructor which is not performed by any IPA Instructor due to unavailability will count toward the required percentages. The Company will provide a report to the Association after each pay period listing the simulator events covered by IPA Instructors and Flight Qualified Supervisors. This report will also include simulator events that were offered to IPA Instructor(s), but performed by Flight Qualified Supervisor(s).
 - e. Instructor simulator support events shall not be included in the percentage minimums referenced in paragraphs a.-c. above.
 - f. The Company may declare an extreme operational emergency if the number of instructors needed to fly precludes the Company from meeting the percentages in paragraphs a. and b. above. If so, the requirements will be suspended for the period of the extreme operational emergency.
11. System wide Management Emergency Flying (MEF) Cap

On a calendar year basis the total block time flown by management crewmembers as MEF will not exceed one-quarter of one percent (0.25%) of the total block time accumulated by all IPA-represented crewmembers cumulatively (e.g. One (1) flight with 5:00 block hours crewed by two (2) IPA crewmembers equals 10:00 block hours for

purposes of this paragraph). There are no exceptions to this limitation, including but not limited to, any MEF performed during an open time ban or peak.

D. Subcontracting

1. Domestic Subcontracting

- a. For the purpose of preserving work and job opportunities for the crewmembers covered by this Agreement, the Company agrees that no work or services of the kind, nature or type, and including new operations, covered by, presently performed, or hereinafter assigned to the collective bargaining unit will be subcontracted, transferred, leased, assigned or conveyed in whole or in part, to any other person or non-unit crewmembers, except under circumstances described elsewhere in this Article. It is understood, except as otherwise specified in this Agreement, that this obligation applies to carriage of express freight by air domestically or internationally, including but not limited to, the express air freight business associated with the purchase of Menlo.
- b. Leasing of aircraft by the Company for its operational needs shall not be considered subcontracting, if all flying on such leased aircraft is performed by crewmembers on the United Parcel Service Crewmember Seniority List in accordance with this Agreement.
- c. (1) Notwithstanding D.1.a., the Company may charter aircraft and crews to cover increases in volume which exceed the lift capacity of the Company's regularly scheduled aircraft operations between November 15 and January 1 or in cases of emergencies. If the lift capacity should be exceeded at some other time, subcontracting shall be limited to thirty (30) days annually or the time required to lease or purchase additional aircraft and train the necessary crewmembers, provided that the parties mutually agree on the continuation of any subcontracting which exceeds forty-five (45) days. The Association will not unreasonably withhold such agreement provided the Company demonstrates that it is making a good faith and reasonable effort to purchase or lease the necessary equipment to be operated by Association members and that the needs of the service require the continuation of the subcontracting.

Emergencies shall refer to substituting for Company airlift when a Company aircraft is grounded due to mechanical problems or grounded due to catastrophic weather phenomenon (e.g. earthquake, hurricane, typhoon, tornado, winter 1994 snowstorm). Mechanical problems shall be limited to unexpected events versus grounding due to normal advance scheduled maintenance.

- (2) For purposes of the thirty (30) to forty-five (45) days of subcontracting referenced in paragraph (1) above, any calendar day in which the Company operates a subcontracted aircraft and crew will count as a day for purposes of this provision. Further any calendar day in which the Company can, by contract, use a subcontract aircraft and crew counts as a day for purposes of this provision except for contracts to cover peak, CRAF contingencies and emergencies under c.(1) above shall not be included.
- (3) Any crewmembers whose trips are flown by a subcontractor due to an emergency under paragraph c.(1) above shall be considered displaced in accordance with Article 13.E.9.
- (4) It is the Company's intent to handle permanent increases in volume through the acquisition of additional airlift capacity rather than subcontracting, and to utilize crewmembers on the United Parcel Service Crewmember Seniority List to the maximum extent possible as they are available and qualified.
- (5) In the event crewmembers are on furlough and the Company utilizes a subcontractor for the 30 to 45 day annual period provided in c.(1) above, the Company shall pay protect those crewmembers who in seniority order could have performed the flying provided: (i) The subcontractor is a carrier operating aircraft leased from the Company, (ii) the affected crewmembers have not already been recalled to work and are in training and (iii) the affected crewmember(s) has not refused recall. This paragraph shall not apply to common carriage movements. The number of crewmembers to be pay protected will be based on the number which would

be necessary to operate the subcontractor's route(s) under this Agreement.

- d. When entering into subcontracts under paragraph c. above, the Company will utilize unionized carriers whenever such union carrier is available, can provide the same type of equipment and same level of service as other non-union carriers and can provide the service at a comparable cost. This paragraph shall not require the Company to seek unionized subcontractors who do not otherwise indicate their interest in such subcontract work.

2. International Subcontracting

- a. Notwithstanding C.1. above, the Company shall not be required to utilize Company aircraft operated by Association represented crewmembers in international operations if the Company, or its affiliates, do not possess all the requisite regulatory authority and all traffic authority, taking into account the most expeditious and efficient movement of the traffic, for that international operation, any other legal bar to the utilization of Association crewmembers but not differences in crewmember labor costs. In addition, the Company shall retain the right to utilize subcontractors in international operations if it is not operationally feasible to utilize Company aircraft and crewmembers. The Company shall also have the right to charter aircraft and crews to cover temporary volume surges and Company aircraft grounded due to mechanical emergencies, or circumstances in which common carriage is not available on international routing, provided such movements do not exceed the common carriage limits stated in Article 2 - Definitions.
- b. All international flights presently conducted by IPA represented crewmembers will continue to be flown by such crewmembers. The Company will continually pursue additional route authority on a good faith basis. As the Company secures additional international route authority, it will take all reasonable steps to assure that such routes are flown by IPA crewmembers in accordance with this Agreement within two (2) bid periods of the date the route authority was granted. If the Company's use of a subcontractor exceeds the two (2) bid periods under circumstances cited in this paragraph,

the Company will meet with the Association to discuss the reason(s) for the delay. In no event will the Company take more than twelve (12) months to transition the new flying to the IPA, unless the parties mutually agree otherwise. The Company will report all use of subcontractors pursuant to this Section to the Association.

- c. The Company will not include a cabotage route segment on an international route unless there is a legitimate operational or service reason(s) for doing so.

3. General

- a. Nothing within this Article shall preclude the Company from removing Company aircraft from routes and utilizing the below-referenced aircraft or common carriage whenever the utilization of the Company aircraft is not operationally feasible. The Company agrees, however, that no crewmember will be laid off as the result of the use of common carriage or the replacement of a Company aircraft with an aircraft not covered by this Agreement (under 12,899 lbs. payload weight domestic, or 19,000 lbs. payload international) unless there is a severe reduction in package volume which results in more than five percent (5%) of the Company's scheduled trips during a six (6) month period being canceled and replaced with the above-referenced aircraft. Likewise, nothing in this Agreement shall prevent the Company from moving volume by means other than air transportation.
- b. The Company shall notify the Association in writing of any development or testing by or on behalf of UPS, involving single pilot aircraft, unmanned aerial systems, or remotely piloted aircraft capable of transporting volume by air in excess of the pay load capacity of a B727-100.

4. Reporting

- a. On a quarterly basis, or as mutually agreed, the Company will meet with the Association to review the sub-contracting reports provided by the Company. The Company shall provide a written account of any use of subcontractors under Section D.1.c. or 2. above on a monthly basis. The report will include the Company's

plans with regard to the use of such subcontractors in the upcoming month. The written account shall, at a minimum, provide the reason for the subcontract, the subcontractor involved, the equipment which was or is expected to be utilized, the dates of the subcontracting, and the routes which were or are expected to be operated. In addition, the Company will provide the Association an accounting of any common carriage movements domestically whenever the volume being moved between two locations on a scheduled basis is equal to or greater than five (5) package containers. This information will include the prior month's activities and the Company's plans for the upcoming month. Finally, the Company will provide the Association information with regard to scheduled domestic feeder aircraft movements in its system within six (6) weeks of the end of the month for which the report is generated.

- b. It is agreed that the Company will timely provide any information relevant (or information that could reasonably lead to relevant information) for the purpose of verifying compliance with this Article. The Company will continue to provide information on compliance with this Article via the Association's "Scope Tracker" information page on the Association's password protected, members only web site.
- c. In addition to paragraph b. above, the Association may request a report for up to five (5) airports within each calendar year detailing the common carriage movements. The following provisions shall apply to the report:
 - (1) The report for each airport will be for a two (2) week period designated by the Association.
 - (2) There will be a one hundred twenty-five (125) mile radius applied to each airport.
 - (3) The reports for the five (5) airports can be requested at the same time, or at different times throughout the year for specific airports.
 - (4) The data will include inbound and outbound common carriage movements, including name of carrier, arrival/departure locations and times, number of pieces, weight and ULD quantity and types.

(5) The Association may request a follow-up, two (2) week audit of a specific lane(s) with a copy of the underlying paperwork to substantiate the data outlined above.

d. In addition to paragraph 1.D.4.c. above, the Association may also make ad hoc requests for information pertaining to common carriage pursuant to Article 1.D.4.b. Such ad hoc request(s) may not require more than two (2) weeks of data related to a specific airport. The Association agrees that such request(s) will only be made based on a good faith concern over contract compliance.

5. Supply Chain Solutions ("SCS")

a. It is understood that the Company has established an affiliate which provides freight forwarding services to third party customers which can involve arranging for service by air. The activities of SCS will not be conducted so as to create a double breasted operation, or for the purpose of depriving IPA represented crewmembers of flying opportunities, or diverting flying opportunities to other pilot groups.

The same obligation will apply to any other affiliate providing similar services.

b. In order to assure that SCS operates in conformance with the above commitment, SCS services will be restricted as follows:

(1) SCS will not participate in arranging more than seven (7) dedicated wet leases of aircraft operating on a regularly scheduled basis (i.e., more than twelve months and more than three times per week);

(2) The seven (7) wet leases permitted under Section 1 above will not be exceeded unless the Company first meets with the Association to discuss proposed additional permanent routings and reaches agreement with the Association on the matter;

(3) SCS, in providing freight forwarding services, has the right to use less than full plane block space and common carriage to arrange for transportation of

freight, provided that aircraft involved in such service are not in or for the service of UPS or any affiliate.

- (4) All service by air supplied pursuant to paragraphs 1 and 2 above or any other aircraft charter(s) that is wholly dedicated to an SCS movement will be reported to the Association in accordance with Section D.4. above.
6. The attached “LOA – IPA Expanded European Routes” shall remain in effect for the duration of this Agreement. It is further agreed that prior to suspending service utilizing IPA members on account of security concerns on any route, the Company and the Association must first mutually agree to such suspension and, if agreed to, the terms of any such suspension. Neither party shall unreasonably withhold agreement.
7. Common Carriage Limitations
 - a. Common carriage within the fifty (50) United States will be in accordance with the definition of “Common carriage (within the fifty (50) United States)” contained in Article 2.
 - b. The “Common Carriage Weekly Aggregate Limits” set forth in paragraph c. below are maximum limits on utilization of common carriage on all scheduled service between international points (i.e. those outside of the U.S.); on flights between an international point and the Western U.S. region; and on flights between an international point and the Eastern U.S. region. An “international point” for purposes of this section shall include a one hundred and twenty-five (125) nautical mile radius of the international airport of departure/arrival. The “Western U.S. region” and “Eastern U.S. region” will be determined as outlined in Article 1.D.7.e.(4) below.
 - c. Weekly aggregate limits between two international airports or between an international airport and a U.S. region (as described above) will be based on the Company’s frequency/utilization of common carriage service:
 - (1) Five (5) or less service days per week:

If the flight is 5:00 block hours or less, UPS is limited to no more than forty-five (45) containers per week when the Company utilizes any common carrier for five (5) or less service days per week. In those cases where the scheduled flight time between locations is over 5:00 block hours, the limit shall be no more than fifty (50) containers per week.

(2) Six (6) service days per week:

If the flight is 5:00 block hours or less, UPS is limited to no more than fifty-four (54) containers per week when the Company utilizes any common carrier for six (6) service days per week. In those cases where the scheduled flight time between locations is over 5:00 block hours, the limit shall be no more than sixty (60) containers per week.

(3) Seven (7) service days per week:

If the flight is 5:00 block hours or less, UPS is limited to no more than sixty-three (63) containers per week when the Company utilizes any common carrier for seven (7) service days per week. In those cases where the scheduled flight time between locations is over 5:00 block hours, the limit shall be no more than seventy (70) containers per week.

- d. In the event UPS exceeds any common carriage limitation listed above, each such exceedance will be reported to the Association and will be counted as a subcontracting day pursuant to the limitations on subcontracting contained in Article 1.D.1.c., unless UPS has invoked Article 1.D.7.e.
- e. Temporary Common Carriage Flex

For the purpose of developing new markets for the Company, and new work opportunities for crewmembers represented by the IPA, the parties have agreed that the regular "Common Carriage Weekly Aggregate Limits" may be "flexed" to temporarily allow for greater utilization of common carriage than stated in Article 1.D.7.c. in accordance with the following rules and limits:

- (1) The parties have established a Joint Competition Committee (JCC) (see Letter of Agreement). In order to test the viability of expanding a market by increasing normal common carriage limits, the Company may declare a one-time per route, thirty-nine (39) week “flex period.” During the flex period, UPS may utilize up to one hundred and fifty (150) containers per week on the route (between the international points; between international points and U.S. regions as outlined above). If a route has been “flexed”, subsequently reverts back to normal limits and then exceeds the limits set forth in Article 1.D.7.c., each such exceedance will count as a subcontracting day in accordance with this Section unless the JCC agrees that another flex period is warranted.
- (2) At the conclusion of the thirty-nine (39) week flex period, the JCC will meet and conduct an analysis of the route. If the average weekly common carriage meets or exceeds the following volume triggers, then UPS will either transition the flying to IPA represented crewmembers within fifty-two (52) weeks of the initiation of the flex period, or the common carriage limits will snap back to the normal limits outlined in Article 1.D.7.c. above. Based on the Company’s frequency/utilization of common carriage service, the triggers are as follows:
- (a) Five (5) or less service days per week:
- If the flight is 5:00 block hours or less, fifty (50) or more containers triggers IPA flying. In those cases where the flight time between locations is over 5:00 block hours, the trigger is one hundred (100) or more containers.
- (b) Six (6) service days per week:
- If the flight is 5:00 block hours or less, sixty (60) or more containers triggers IPA flying. In those cases where the flight time between locations is over 5:00 block hours, the trigger is one hundred and twenty (120) or more containers.
- (c) Seven (7) service days per week:

If the flight is 5:00 block hours or less, seventy (70) or more containers triggers IPA flying. In those cases where the flight time between locations is over 5:00 block hours, the trigger is one hundred and forty (140) or more containers.

- (3) In the event volume levels have grown above the normal common carriage weekly aggregate limits, but have not reached the “trigger levels” outlined above, then the JCC may consider a waiver on a case-by-case basis. In the absence of a mutually agreed to written waiver, normal limits will be reinstated within fifty-two (52) weeks of the initiation of the flex period.
 - (4) Waivers will be considered by the JCC if continuation of the “flex” is expected to increase IPA member work opportunities. For example, a waiver may be granted if a particular route is expected, at some point, to grow to the level necessary to “trigger” the addition of IPA flying. Even for those routes not expected to reach “trigger” thresholds, the parties may determine that the addition of extra volume into the UPS system is supportive of maintaining or expanding IPA flying opportunities system wide. Any waiver to the normal common carriage rules will be placed in writing, signed by the parties, and limited to no more than one (1) year in duration. Renewals will be considered. The Company will designate which U.S. airports are considered UPS “Western Region” versus UPS “Eastern Region” and notify the JCC.
 - (5) The JCC will receive quarterly reports of any common carriage movements which have been “flexed” in accordance with Article 1.D.7.c. above. The JCC will meet upon written request to review the Company's use of common carriage movements in a “flex” state and to determine whether such movements comply with the criteria in Article 1.D.7.
- f. The Company's utilization of common carriage, including the limitations and opportunities to temporarily “flex” those limitations, will not be used to reduce existing flying or to deprive IPA represented crewmembers of opportunities for additional flying. Under no circumstances will the Company's rights to use common

carriage be used as a mechanism for creating an independent or alternative transportation system.

E. *Merger, Purchase or Acquisition of Another Company*

1. In the event of a merger, purchase or acquisition of another company that employs pilots or has a lease arrangement for pilots, the Company and the Association shall meet to discuss the merger, acquisition, or purchase, to include the equipment to be utilized, and the effect of the merger, acquisition, or purchase upon Association crewmembers. No such merger, purchase, or acquisition will be consummated without as much notice and discussion as reasonably possible on the above issues with the Association. At a minimum, notice of a merger, purchase, or acquisition will be provided to the Association prior to any public disclosure.
2. Labor Protective Provisions
 - a. In the event of a merger, acquisition, or purchase by United Parcel Service Co. of another company that employs pilots, the labor protective provisions of Allegheny-Mohawk 59 CAB 22 (1972) shall be applicable to the affected crewmembers, except as specified below:
 - (1) The term employee shall be defined to exclude probationary employees, as well as temporary or part-time employees.
 - (2) The amount of the displacement allowance provided to crewmembers on the UPS/IPA seniority list prior to the merger, acquisition, or purchase shall be calculated based only on the affected crewmember's pay period guarantee and the reduction in compensation must be a direct result of the merger, purchase or acquisition.
 - (3) The dismissal allowance provided by Allegheny-Mohawk shall not be applicable to any crewmember who is deprived of employment as a result of the merger, acquisition, or purchase. Nothing herein shall be construed to deprive a crewmember of benefits payable due to dismissal or furlough by virtue of any other provision of this Agreement.
 - (4) The moving expense provisions of Allegheny-Mohawk shall not be applicable to any crewmember

required to relocate as a result of the merger, acquisition, or purchase. Nothing herein shall be construed to deprive a crewmember of moving expenses payable based on other provisions of this Agreement.

- b. The integration of the seniority lists of the respective pilot groups shall be governed by the applicable provisions of Allegheny-Mohawk, 59 CAB 22 (1972) and the Association's merger policy provided that the Company approves the policy or any changes thereto. If the two pilot groups agree on integration of seniority, the Company reserves the right to object. In the event the Company objects to the agreement between the two pilot groups, the matter will be resolved by a neutral arbitrator selected by the IPA and the Company. The arbitrator will be selected from a list of seven (7) arbitrators provided by the American Arbitration Association. Each party shall take turns striking names from the list with the initial strike determined by coin toss. All arbitrators on the list shall have experience resolving airline pilot seniority list integration disputes.
 - c. The pilot groups of each carrier shall remain separated until such time as the seniority lists are integrated in accordance with paragraph b. above, and in the event representational disputes are raised by employees or employee organizations, until such disputes are resolved by the National Mediation Board (NMB), provided that this does not preclude the Company's compliance with the NMB's merger policies. Nothing in this section is intended to alter the authority of the National Mediation Board to resolve representation disputes in accordance with the Railway Labor Act.
3. In the event of a merger, acquisition, or purchase of another company that employs pilots or has a lease arrangement for pilots, the Company shall have the right to maintain the acquired employees and company as a separate operation for the period of time necessary to merge the operations, not to exceed twelve (12) months. The reporting requirements in Section D.4. will apply to the acquired company no later than three (3) months from the date of the closing of the transaction. The terms of this Agreement shall become applicable to the acquired employees upon the merger of the

operations or one year from the date of acquisition, whichever is earlier.

4. The Company or its affiliates shall require any successor, assign, assignee, transferee, administrator, executor and/or trustee resulting from the transfer (in a single transaction or in multiple transactions) of the control of all or substantially all of the equity securities and/or assets of the Company to agree in writing as an irrevocable condition of the transaction to assume and be bound by this Agreement and to meet and confer with the Association.
5. In the event of a merger or successorship transaction in which the successor is an air carrier or any person or entity that controls or is under the control (as defined in Affiliate) of an air carrier, the Company or its successor shall provide the Company's pilots with the seniority integration rights provided in the IPA's approved Merger Guidelines.

F. Expedited Arbitration

At the Association's option, any grievance filed by the Association concerning the Company's subcontracting of work or the scope provisions of Article 1 will proceed directly to the arbitration within thirty (30) days of the filing. Arbitrator selection and procedures will continue to be governed by Article 7 of this Agreement.

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ARTICLE 2 DEFINITIONS

Active service - means all accumulated time, commencing with date of hire as a crewmember, for which the crewmember is paid by the Company, including any time receiving sick leave pay. A pay period of active service will be credited if the crewmember is in pay status for fourteen (14) days or more in any pay period. This will be prorated for a thirty-five (35) day pay period.

Adjustment period - the period(s) of time prior to the beginning of a new bid period, as outlined in Article 13, Section C, in which designated crewmembers may submit requests for open time needed to adjust their lines.

Advanced qualification program (AQP) - AQP is an alternate qualification program for personnel operating under FAR parts 121 and 135 and for evaluators and instructors of recognized training centers that will provide such training. An AQP integrates a number of training features and factors aimed at improving airman performance when compared to traditional programs. The principal factor is true proficiency-based qualification and training.

Affiliate - means (i) any Subsidiary, Parent or division of the Company, or (ii) any other Subsidiary, Parent or division of either a Parent or a Subsidiary of the Company or (iii) any Entity that controls the Company or is controlled by the Company whether directly or indirectly through the control of other entities.

Airport standby duty - An assignment to be available at specific domestic gateway(s) or a domicile (or in a day room at gateway(s) or a domicile) for a specific period of time (i.e. 8:00 consecutive hours) without a deadhead or flight assignment. A crewmember assigned airport standby is obligated to be contactable by the Company during the specific period of time unless he is given a deadhead or flight assignment, or released from duty. He will be considered to have performed airport standby at the gateway or domicile where he reported for duty, including occurrences where he is given an assignment upon reporting.

Airport standby lines - a line of time so identified in a bid package for a pay period which is constructed to consist of designated airport standby duties at domicile and intervening calendar days off.

Assignment - Duty performed as directed by the Company to include trips, airport standby, reserve availability, training, training support and Company directed travel.

Average line value - means that value determined by adding the pay generated by all the bid lines in effect during that pay period in the affected crewmember's status and equipment and dividing that total by the number of bid lines.

Bid line - means a crewmember's scheduled activities for a bid period (as defined herein) including scheduled flights, layovers, deadhead time or other duties assigned by the Company.

Bid period - a fifty-six (56), twenty-eight (28), or thirty-five (35) day period of time for all scheduling, bidding, and flying purposes beginning on a Sunday at 0300 local domicile time and ending on a Sunday at 0259 local domicile time.

Blank reserve lines - a line of time which is so identified and published in the bid package without any duties assigned and with no days off assigned. Such lines will be filled in accordance with Article 13 with time dropped from other reserve lines due to vacation, training, long term sick/injury leave, leaves of absence, and transition conflicts.

Block to Block - the time from the moment the aircraft first (1st) moves from the ramp under its own power or under tow for the purpose of flight until the aircraft comes to rest at the next point of landing.

Calendar day - means, unless used in connection with a crewmember's day off, from midnight to midnight local domicile time, unless otherwise specified.

Calendar day off - (airport standby lineholders and gateway airport standby lineholders) - means a 24:00 hour period of time free of all duty with the Company commencing at the domicile at 0300 local domicile time and ending at 0259 local domicile time.

Calendar day off (LCO days) – Means a 24:00 hour period of time free of all duty with the Company commencing at the domicile at 0800 local domicile time and ending at 0759 local domicile time.

Calendar day off - (regular flying, VTO and reserve move-up lineholders) - means a 24:00 hour period of time free of all duty with the Company commencing at the domicile at 0300 local domicile time and ending at 0259 local domicile time.

Calendar day off - (reserve) - means a 24:00 hour period of time free of all duty with the Company commencing and ending at the domicile at the times specified in Article 13.6.d.(1) for each category of reserve duty (i.e. A, B, "C" or "D").

Calendar day off - (while in training) - means all crewmembers (reserve, flying line(s), airport standby, reserve move-up lines) will have a 24:00 hour period of time free of all duty with the Company commencing at the domicile at 0300 local domicile time and ending at 0259 local domicile time.

Captain - means a pilot who is in command of the aircraft and its crew while on duty, who is responsible for the manipulation of, or who manipulates the controls of the aircraft, including take-off and landing of such aircraft, and who is properly qualified to serve as such, and holds a current effective airman's certificate authorizing him to serve as such pilot.

Charter flight - a trip in which the entire capacity of an aircraft is operated domestically or internationally generally for one party and/or customer.

Common carriage (within the fifty (50) United States) - scheduled service provided by an air carrier not affiliated with the Company and independent of business provided by the Company. Air transportation service provided for the Company by another air carrier involving more than one (1) package container per flight will be considered common carriage if such flight has been scheduled and operated at least a year in advance of the time its cargo space is first utilized to transport parcels for UPS. Service involving more than five (5) containers of volume per flight will be considered subcontracting.

Common carriage (flights between international airports; flights between an international airport and the Western U.S. region; and flights between an international airport and the Eastern U.S. region) - means the purchase of space on an aircraft operated by other than the Company, or its affiliates, when said aircraft is not scheduled or operated only to service the Company. Such an airline shall operate two (2) flights, or one (1) round trip a week on the same day or days of the week for eight (8) or more weeks in any ninety (90) consecutive days or a total of thirty-six (36) or more flights or eighteen (18) or more round trips in any ninety (90) consecutive days. The container limits for these flights are set forth in Article 1.D.7.

Common carriage (express freight) – Movements of express freight will be subject to the definitions of common carriage are set forth above, subject to the provisions of Article 1.D.5.

Container - means the volume which can be contained in the A1 container currently used by the Company (i.e., 507 cubic feet). If loose packages are loaded in the belly of an aircraft, a container shall equal fifty-six hundred (5600) pounds. If volume is palletized, it shall equal one container if its area is equal to or less than the footprint (i.e., 125 inches x 88 inches) of an A1 container.

Continuing Qualification (CQ) – CQ is an FAA approved recurrent training program necessary to maintain position qualification in accordance with current FARs and the Company's Advanced Qualification Program (AQP) standards document.

Continuous employment - means a period of uninterrupted service by the crewmember with the Company for which the crewmember is compensated.

Continuous employment (for Article 7.D.9. only) - means any accumulated period of service by the crewmember with the Company for which the crewmember is compensated.

Control - over any entity for purposes of Article 1 means the authority to directly or indirectly (a) manage or direct all or substantially all of the entity's air operations or provide managerial services such that the persons or entity providing such services manage or direct all or substantially all of the carrier's air operations; or (b) has the power to choose all or substantially all of the entity's officers; or (c) has the power to appoint, elect, or prevent appointment or election of enough members of the entity's Board of Directors so that such members have the power to choose the carrier's officers or designate the members of the entity's Executive Board or Committee with similar authority; or (d) owns a controlling stock interest in the entity.

Crewmember (excepting Management Crewmembers) - means the Captains, First Officers, Professional Flight Engineers and Second Officers and employed by the Company, who are currently on the seniority list or will be added to the seniority list in accordance with this Agreement.

Currency - means those flight training requirements imposed by the Federal Aviation Administration regulations in order for a pilot to remain or become current in his status and equipment type.

Day off - means a 24:00 hour period free of all duty with the Company commencing when he is released from duty. A day off may include the calendar days above provided the day begins and ends at the specified time. However, wherever it is provided that a crewmember is entitled to a day off, such day off shall be defined as a 24:00 hour period of time.

Deadhead - Company directed travel required to position a crewmember before or after an assignment.

Domestic duty period - a duty period in which all departures and arrivals are within the continental United States.

Domicile - means a single airport designated by the Company at which crewmembers are based.

Domicile-within-a-domicile - means a domicile established within another domicile at the same airport. However, Article 13. Sections B.1. and B.2., will be applied as if there is only one domicile.

Duty day - a 24:00 hour period, or fraction thereof, commencing at the scheduled report time of the crewmember and continuing until his release time upon completion of duty.

Duty period - means all the elapsed time between the time a crewmember reports for duty, as required, and he is released from duty at a layover station or his domicile.

Equipment category (type) - means B-747, DC-8, B-757/767, B-727 type equipment and any other type(s) of equipment introduced into service shall be considered separate equipment type unless otherwise mutually agreed.

Executive Board - means those crewmembers on the United Parcel Service Crewmember Seniority List who have been elected to a position as an officer with the Association and are designated as a part of the Executive Board by the Association's Constitution or By-laws.

Express package - Next Day Air, 2nd Day Air, or other small package with an equivalent service commitment.

Express freight - a freight movement which is guaranteed to be delivered the next or second day, or is otherwise time sensitive, after pick-up and must be transported by air in order to ensure delivery.

F/S/D – means Fleet/Seat/Domicile which is a reference to a particular aircraft type, seat position and domicile.

First Officer - means a pilot who is next in command after the Captain of the aircraft, whose duty is to assist or relieve the Captain in the manipulation of the flight controls of an aircraft while underway, including take-off and landing of such aircraft, and who is properly qualified to serve as and who holds a current effective airman's certificate authorizing him to serve as such First Officer.

Flight - means the time from the takeoff of an aircraft to the final landing of the aircraft designated by a flight number.

Flight crew - means those crewmembers necessary for the operation of the aircraft which can be either a three person crew (i.e. Captain, First Officer, and Second Officer/PFE), two person crew (i.e. Captain and First Officer) or augmented or double crew as specified in Article 13.

Flight segment(s) - means the time from the takeoff of an aircraft to the landing of the aircraft. A flight may include several flight segments.

Flying lines - means regular flying lines, VTO lines and reserve move-up lines in a pay or bid period.

Gateway - means a designated location where Company aircraft stop on a scheduled basis for the purpose of loading or unloading packages or cargo.

International duty period - means a duty period which contains a flight segment which originates or terminates outside the contiguous forty-eight (48) states.

Intransit stop - means any stop by a crewmember during a duty period at a location after a flight or deadhead segment.

Junior available (junior manning) - when a crewmember, in accordance with Article 13, is given an assignment which occurs during time off.

Layover - means when a crewmember receives a legal rest away from the domicile.

Line operational simulation (LOS) - A LOS is a simulator training and/or evaluation session that emphasizes the operational aspects of a

flight and that accurately replicates interaction among a flight crew and between a flight crewmember and dispatch personnel, other crewmembers, air traffic controllers, and ground operations. LOS includes Line Oriented Flight Training (LOFT) and Line Operational Evaluation (LOE). Instruction and training is based on learning objectives, behavioral observation, assessment of performance progress and instructor debriefing or critique (feedback).

Line oriented flight training (LOFT) - The LOFT is a simulator training session that facilitates transition from flight simulation to operational flying. The session allows the crew to practice those technical items presented in previous training in a "real world line environment." It is desired that this training occur in an uninterrupted setting, however, in certain cases facilitator intervention may be required to meet the instructional objectives. The primary objective of LOFT is the integration of technical knowledge, flying skills, procedural knowledge and Crew Resource Management.

Line operational evaluation (LOE) - LOE is an evaluation of individual and crew performance in a flight training device or flight simulator conducted during real time LOS.

Longevity - means all time a crewmember is in the active service of the Company.

Open time - trip(s), simulator support or airport standby periods in domicile which become uncovered for any reason.

Operationally feasible - the absence of operational restrictions or contingencies (such as airport size/condition, slot availability, service requirements) which make it impractical to provide service with UPS aircraft and crewmembers.

Pay buffer – the difference between the crewmember's bid line credit for a pay period and pay period guarantee when the bid line credit is below guarantee. This difference may change throughout the pay period as credit is added or subtracted from the crewmember's line.

Position - means the domicile, status and equipment type which a crewmember has been awarded or assigned by virtue of his seniority.

Professional Flight Engineer - a certified flight engineer who was hired and designated as such by the Company and whose duties include responsibility for assuring the airworthy condition of the aircraft on which he is to serve before departure, including recognition and correction of malfunctions, and for enroute ground maintenance

and/or supervision thereof as well as those duties of the Second Officer. A Professional Flight Engineer shall hold a current effective airman's certificate authorizing him to serve as a Flight Engineer in his current equipment, and an Airframe and Powerplant Mechanic's Certificate.

Regular flying lines - means a crewmember's scheduled activities and intervening days off for a pay period which shall be constructed to include only scheduled flights, deadhead assignments, and layovers.

Reschedule - means the crewmember is being assigned a revised or substitute trip.

Reserve assignment - An assignment in accordance with Article 13.B.6. performed by a crewmember functioning as a Category "A", "B", "C" or "D" reserve.

Reserve crewmember - means a crewmember who holds a reserve assignment in his status and equipment type.

Reserve line - a crewmember's scheduled activities and intervening days off for a pay period. Reserve lines shall be constructed to contain one of the four categories of reserve duty outlined in Article 13. There shall be two (2) reserve lines in a fifty-six (56) day bid period.

Reserve move-up lines - means a crewmember's scheduled activities and intervening days off for a pay period which are constructed after the adjustment period and include only scheduled flights, deadhead assignments, and layovers.

Retirement date (as used in Article 14.E.3) - means the age established by the Federal Aviation Administration after which a crewmember is no longer allowed to occupy the position of Captain or First Officer.

Revision - a change in the crewmember's originally scheduled trip as defined in Article 13, Section E.

Route - means for purposes of Article 1 scheduled aircraft operations between two or more gateways.

Second Officer - a pilot who is third (3rd) in command of the aircraft whose duty is to perform the duties of a Second Officer as specified by the Company, and who holds a currently effective airman's certificate authorizing him to serve as such, and who holds at least a

current effective Commercial Airman's Certificate and Instrument Rating.

Single visit training (SVT) - SVT is an FAA approved training program that allows all crewmembers of an airline to receive Recurrent Training on an annual basis. SVT is an interim step to implementation of an AQP program.

Status - means the crewmember's position as a Captain, First Officer, Second Officer or Professional Flight Engineer.

Traffic authority - means the government authorization to transport all traffic either originating from or destined to all points along the aircraft's routing.

Transition trip - a trip which begins in one bid period and ends in the following bid period.

Trip - means a flight or series of flights that make up a crewmember's activities from the time he reports for duty at his domicile until released from duty at his domicile for a legal rest period. A trip may include several flights.

Turn - means a trip without an intervening legal rest.

VTO lines - a line of time for a pay period which is so identified and published in the bid package without any trips or other duties assigned and with no days off assigned. Such lines will be filled with credit hours dropped due to vacations, training, long term sick/injury leave, leaves of absence, transition conflicts, charters, airport standby, other open time and LCO days. Further, a VTOR line will not contain LCO days, but may include reserve types "A", "B", "C", or "D"

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ARTICLE 3

ASSOCIATION MEMBERSHIP

A. Association Membership

It shall be a condition of employment that all employees of the Company covered by this Agreement, or any part thereof, shall:

1. On the effective date of this Agreement become and remain members in good standing in the Association;
2. If hired on or after its effective date shall, on or before the ninetieth (90th) day following the beginning of such employment, become and remain members in good standing; and
3. No provision in this Article shall apply to the extent that it may be prohibited by applicable law.

B. Initiation Fees and Dues Deduction

1. The Company will deduct from the wages of all crewmembers covered by this Agreement said crewmember's initiation fees and dues as directed and established by the Association upon receiving the crewmember's checkoff authorization signed by the crewmember authorizing the Company to make such deductions. The Company will pay over to the proper officers of the Association the monies withheld for such fees and/or dues. Monies due the Association will be deducted from each wage/compensation check.
2. The Company will remit to the Association by wire transfer with notification to the Association of the transfer time and amount, an amount covering all deductions for Association dues and initiation fees made in that period, within four (4) banking days after deduction from a crewmember's compensation. Wire transfers will be made to accounts as specified by the Association.
3. The Company will forward to the Association concurrent with such payment, sufficient information to identify payments with respect to each crewmember involved, as well as any adjustments and corrections relative to previous submissions. Such information, in alphabetical order will include at a minimum, the name, employee number, gross income and Association dues and initiation fees deducted for each crewmember involved. Also included will be additions of new non-probationary crewmembers added to the dues checkoff

and marked as such; monetary and participant totals; deletions and terminations by name and reason (i.e. sick leave, military leave, management, etc.); corrections or adjustments of previous submissions if not calculated by individual; and additions of new hires.

C. *Failure to Pay Dues*

1. If any crewmember covered by this Agreement is required to make payment of Association initiation fee(s), dues, or assessments (not including fines and penalties) uniformly applied to all members is delinquent in making or causing such payments to be made, the Association may notify such crewmembers, that the crewmember is delinquent in payment, the total amount of money due, and that the crewmember is subject to discharge as an employee of the Company. The Association agrees such letter shall also notify the crewmember that he must remit the required payment, or execute the necessary documentation to cause deduction from pay, within a period of thirty (30) days or be discharged from his employ with the Company. Such notification shall be made by certified mail, return receipt requested, to his last known address, with a copy to the Labor Relations Manager of the Company, by certified mail, return receipt requested.
2. If, upon the expiration of the thirty (30) day period provided in C.1. above, the crewmember still remains delinquent, the Association may certify in writing that the crewmember has failed to remit payment or authorize remittance to the Association within the grace period allowed, and is therefore to be discharged immediately. Such certification shall be sent to the Company's Air Group Labor Relations Manager by certified mail, return receipt requested, with a copy to his last known address, by certified mail, return receipt requested. The Company shall take proper steps to immediately discharge such crewmember from the service of the Company. A crewmember discharged by the Company under the provisions of this paragraph shall be deemed to have been "discharged for cause" within the meaning of the terms and provisions of this Agreement.
3. It shall be the responsibility of the crewmember to maintain a current and correct mailing address and phone number on file with both the Association and the Company. The Company shall make a form available on the Flight Operations website

that crewmembers will use to update their home address and/or telephone number(s).

D. Dues Deduction Error

Once a crewmember has authorized a dues checkoff it shall be incumbent upon the Company to keep a proper accounting of fees/dues owed/paid. The Company will make appropriate adjustments resulting from insufficient deduction or over deduction on the wage payment subsequent to the error notification if sufficient accounting time exists, and if not, on the next subsequent wage payment. Adjustments made shall be accompanied by sufficient documentation to identify the crewmembers involved, the amounts and reasons for such adjustments.

E. [RESERVED]

F. Information Dissemination

The Company shall provide a clear plexiglass covered or similar type bulletin board at crewmember domicile(s) and at these specified gateways:

Newark, NJ
Philadelphia, PA
Dallas, TX
Denver, CO
Ontario, CA
Oakland, CA

Anchorage, AK
Columbia, SC
Rockford, IL
Taipei, Taiwan
Cologne, Germany

Such boards will be added in additional domestic or international gateway(s) by the Company when the number of crewmembers passing through such additional gateway(s) equals or exceeds the number passing through the smallest of the eleven listed gateways, and when the crewmembers would not regularly pass through the above listed gateways or the domicile(s).

These boards are for the exclusive use of the Association. Such boards shall be located in the crew ready room in domicile(s) and in an easily accessible location in gateway(s). Postings shall be confined to official business of the Association and identified by Association letterhead or logo. Postings not in accordance with this criteria shall be removed by the Association. If the Company observes postings not meeting such criteria, the Company shall notify the Association. Should the Association fail to remove such material in a reasonable period of time, Company management may remove it and in such cases will immediately notify the Association of such

action and provide a facsimile transmission of the subject document to the Association.

The Company shall provide at each of the gateways referenced above a location for distribution to crewmembers of official Association printed material such as magazines, newsletters, advisories, and forms. This location will be conveniently accessible and available to all Association members transiting the gateway.

G. Continuation of Benefits for Association Business

1. Service to the Association shall not result in any gaps in longevity computations for any purpose, including future seniority integrations as the result of merger, purchase or acquisition. Time in service to the Association shall be considered to be time in service to the Company.
2. The Company agrees to grant the necessary time off, without discrimination or loss of seniority rights and without pay, to any crewmember designated by the Association to serve on official business in any temporary capacity of two (2) weeks or less, provided 48:00 hours written notice is given to the Company by the Association specifying length of time off. Additionally, excluding Executive Board members, up to six (6) additional crewmembers will be granted reasonable periods of leave, not to exceed three (3) months, for Association business. (For the purpose of Company contract negotiations, such leaves will be granted to correspond with the requirements and duration of the negotiations.) The Association agrees that in making its requests for time off for Association activities, due consideration shall be given to the number of crewmembers affected in order that there shall be no disruption of the Company's operations due to lack of available crewmembers.
3. Crewmembers on Association leave will continue to earn, accrue and be eligible for all benefits to which they are entitled under this Agreement or Company policy. In any event, benefits will not be reduced simply because a crewmember is on Association leave.
4. For those periods for which proper documentation in accordance with G.2. above has been provided to the payroll department, the Company will not reduce the crewmember's pay for the approved pay period(s) during which the Association leave was taken. The crewmember will indicate on the appropriate claim form the designated information

necessary to show the credit hours the crewmember misses for Association leave.

5. The Company will then deduct from the next month's dues remittance, or any subsequent dues remittance within a six (6) month period, the amount of pay for all such credit hours plus benefit expenses and taxation expenses in accordance with the agreed upon schedule. Note: Schedule intended to be a formula as mutually agreed upon in a separate document. The Company will not seek reimbursement for any benefit cost for credit hours of leave to the extent they exceed the pay period guarantee or any payroll tax not actually paid by the Company. The billing will include employee name, employee number, dates, pairing numbers, associated compensation and copies of the Association authorization.
6. In addition to leaves granted in G.2. above, the Association's Executive Board of up to seven (7) members will be treated in accordance with G.1. through G.5. above, and will be granted Association leave concurrent with their elected terms of office or for shorter periods of time as may be required. Executive Board members on Association leave will be permitted, but not required, to maintain currency.
 - a. If an Executive Board member fails to maintain currency while on a permanent Association leave during any term he holds an Association elected position, the Company shall be required to provide him with training to requalify in current status. The Executive Board member may request this requalification training at any time during the term of his leave, and such training will be provided within sixty (60) days of such request. The Company shall not be required to compensate the Executive Board member during any such training conducted while he is on permanent Association leave.
 - b. An Executive Board member on Association leave may displace a crewmember in his status to maintain currency. The displacement will be in accordance with displacement guidelines outlined in Article 13 and will be treated as a fly-no-pay event.
 - c. If an Executive Board member on permanent leave is not current at the end of his elected term of office, the Company shall provide training to requalify him in his

current status, or any status to which he is entitled by seniority, within sixty (60) days of the request.

- d. If an Executive Board member fails to maintain currency while on temporary or short duration Association leave, the Company shall be required to provide training at the end of the leave to requalify him in his current status within sixty (60) days of the request.
 - e. If the training requested under G.6.c. and G.6.d. above is not completed within sixty (60) days of the request, the Company will begin paying the Executive Board member his bid line, or in the event there is no bid, the average line value in the status and equipment to which he is entitled by seniority. Such training shall be completed in accordance with Article 10.
7. In the event that a crewmember takes a leave of absence to be a representative of the Association at the Company's written request, and with the approval of the Executive Board of the Association, referencing this Article and section, to work for and under the direction of Company management, the Association will not be required to reimburse the Company for trips dropped for this purpose. This is not intended to include negotiations, grievance resolution, or System Board participation.

H. Appointed Representatives

- 1. The Company recognizes the right of the Association to appoint representatives. The authority of these representatives designated by the Association shall be limited to and shall not exceed, the following duties and activities:
 - a. The investigation and presentation of grievances with the Company in accordance with the provisions of Article 7 of this Agreement.
 - b. The collection of dues when authorized by the Association.
 - c. The transmission of messages and information which originate with and which are authorized by the Association or its officers, provided that such messages and information:

(1) have been reduced to writing; or

- (2) if not reduced to writing, are of a routine nature and do not involve work stoppages, slowdowns, refusal to handle goods, or any other interference with the Company's business.
2. These representatives have no authority to take strike action or any other action which would interfere with or interrupt the Company's business, except as authorized by official action of the Association. The Company, in recognition of the limitation placed upon such representatives, shall not hold the Association liable for any unauthorized acts. However, in the event such a representative has led, instigated or encouraged unauthorized strike action, slowdown or work stoppages in violation of this Agreement, that representative may be subject to more severe discipline, up to and including discharge, than other employees who participate in such strike, slowdown or work stoppage.
3. Appointed representatives of the Association shall have access to the Company's establishment during working hours for the purposes set forth in H.1. above provided, however, that there is no interruption or interference with the Company's business, and provided that such authorized representative adheres to the Company's security procedures. Appointed representatives include Association employees. Such employee's access to Company property shall be subject to all UPS policies and practices.

I. Discrimination

Any member of the Association, acting in any official capacity, shall not be discriminated against for acts as an officer of the Association, nor shall there be any discrimination against any crewmember because of Association membership or activities.

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ARTICLE 4 DRESS AND CONDUCT

A. *Uniform Responsibilities*

1. Crewmembers shall wear the standard uniform as prescribed by the Company while on duty. Because of dramatic climate variances inherent in certain operations, the uniform blazer may be omitted when summer conditions exist. The standard summer uniform is required when the blazer is omitted.
2. The cost of the uniform and any prescribed change in uniform shall be at the Company's expense. The standard uniform issue will include one (1) blazer; two (2) pairs of pants; ten (10) shirts; two (2) neckties; one (1) hat; insignias for shirt, blazer and hat; one (1) leather jacket; one (1) belt; one (1) safety vest; one (1) flight bag; and one (1) travel suitcase of the crewmember's choice from the Company provided options. The Company will continue its practice of reimbursing crewmembers for alterations to standard uniform parts up to the amount charged by UPS' vendor.
 - a. The Company will be responsible for uniform replacement resulting from normal wear in accordance with the following:
 - (1) For the annual replacement schedule, the Company will provide each crewmember with sufficient points to obtain the following uniform parts: two (2) pairs of pants, three (3) shirts, two (2) ties, one (1) belt and two (2) sets of epaulettes. It is understood that a crewmember may forego standard uniform parts and apply the value to other uniform parts and approved sweater. The crewmember may make-up the difference in the price if necessary. In addition, the Company will maintain an approved winter coat for purchase.
 - (2) Blazer and hat replacements as well as the EFK bag replacement will be available on a five (5) year cycle. Leather jacket replacement will be available on a fifteen (15) year cycle. Suitcases will be available for replacement on a thirty-six (36) month cycle.
 - b. Each crewmember shall be responsible for the loss of any of the above items or subsequent replacements. However, the Company will waive crewmember

responsibility after evaluating individual situations and circumstances, provided there is no negligence or misconduct on the part of the crewmember. Any reimbursement for Company items to the crewmember will be remitted to the Company.

- c. The Company will provide shipping for uniform parts to and from a crewmember's residence. The Company will provide shipping for a suitcase when a crewmember lives fifty (50) miles or more from the SDF domicile.
3. The Company will provide the insignias (including those needed for an upgrade or downgrade), flight bags (defined to include EFK bag if applicable), uniforms and suitcases described above, however, these items shall remain the property of the Company.
4. Upon normal or medical retirement, subsequent to age fifty-five (55), each crewmember may retain one (1) article each of the complete uniform, excluding flight bags and suitcases, if he desires to do so.

B. Personal Appearance and the Wearing of Accessories

The Company has the right to establish and maintain reasonable standards concerning personal grooming and appearance and the wearing of uniforms and accessories.

C. Personal Conduct

All crewmembers while wearing the Company uniform, shall conduct themselves in a professional and courteous manner which will reflect favorably upon the Company. Under no circumstances will a crewmember consume alcoholic beverages while dressed in their Company uniform. For the purpose of this paragraph, the uniform shirt and slacks without Company insignia and epaulets does not constitute a Company uniform.

D. Uniform Changes

The Company agrees to meet at least semi-annually with the Association Crew Equipment Committee and will give consideration to recommendations of the Association Crew Equipment Committee prior to making any substantive changes in style, color, quality, or materials of uniforms.

The current practice of allowing the wearing of Association pins on uniforms and/or union insignia on flight bags will continue.

ARTICLE 5 GENERAL

A. *Physicals*

1. Captains must maintain a current FAA First Class Medical Certificate. First Officers, Professional Flight Engineers and Second Officers must maintain current FAA Second Class Medical Certificate as established by the Federal Aviation Administration at that time. Crewmembers functioning as an International Relief Officer (IRO) in accordance with Article 14 may be required to maintain an FAA First Class Medical Certificate.
2. The physical standards required to be maintained by a crewmember shall be the standards established by the Federal Aviation Administration, including its waiver and exemption policy for that crewmember's appropriate airman's certificate.
3. A crewmember shall be responsible for the cost of any FAA medical examination.
4. Failure to Pass an FAA Physical Examination
 - a. A crewmember who fails to pass an FAA required physical examination shall be removed from flight duties until he has been re-examined and found to be physically able to perform those duties.
 - b. A crewmember who failed his FAA medical examination may elect to correct the problem and requalify with an additional FAA medical examination at the crewmember's own expense. If successful and the crewmember passes this examination he shall immediately be returned to flight duties and scheduled in accordance with this Agreement. If the crewmember fails this second examination, he shall remain subject to the FAA guidelines. In any case, the appropriate government agency established procedures must be followed and the crewmember shall remain subject to the rules and procedures of the FAA and the National Transportation Safety Board (NTSB) and as stated above.

B. *Crewmember Responsibility*

It is the responsibility of the crewmember to provide Flight Operations with a copy of their new FAA medical certificate at least ten (10)

calendar days before their old medical certificate is due to expire. If the crewmember does not request an extension of time to provide the medical certificate, he may be relieved of duty without pay in the last five (5) days of the month the physical is due. The Company will continue its practice of granting crewmembers' requests for an extension of the ten (10) day limit.

C. *Physical Examination Notice*

The Company will advise all crewmembers of the due date of their FAA physical examination. Written notice shall be placed in the crewmember's V-file during the first week of the month prior to the month in which the physical examination is due. The Company shall also provide electronic advisements to all crewmembers of their FAA physical examination due dates via the Flight Ops website. Crewmembers may also sign up for ESS notification of their due date. This provision does not relieve any crewmember of their responsibility under Section B of this Article.

D. *Additional Physical Examination*

1. Objective of Examination

- a. The objective and purpose of any medical program established by the Company for its crewmembers shall be to aid and assist them in maintaining their physical health and prolonging their career. If there is objective evidence indicating that a crewmember has a medical problem which could interfere with his ability to safely function as a crewmember, the Company may require the crewmember to have a medical examination other than a routine FAA required physical examination. A crewmember may be removed from duty with pay until the medical examination is completed. Such removal from duty must be approved by the Chief Pilot.
- b. If an examination is deemed necessary pursuant to D.1. above, such examination will be administered by a Company doctor. A crewmember will not be required to be examined by a medical specialist prior to being examined by the Company designated Aero Medical Examiner (AME).
- c. If transportation is necessary, the Company will provide positive jumpseat or commercial transportation to the location of the medical examination and will reimburse any reasonable and necessary expenses incurred by the crewmember. If the examination is scheduled on a

crewmember's day(s) off, then, the crewmember will be compensated for each day or fraction thereof at a rate equal to that generated by the greater of the trip rig or the minimum pay per duty period as defined in Article 12.

- d. If the examination establishes that the crewmember does not meet the minimum standards for an FAA Medical Certificate, the crewmember shall continue to be relieved of duty except that it will be without pay. At such time, the crewmember shall be entitled to utilize any available sick leave credit.
- e. A crewmember relieved of duty pursuant to this section shall have the right to have a doctor of his choice conduct an examination. If the results of that examination conflict with the conclusion reached by the Company's doctor, then the provisions of Article 5.D.3. below apply to resolve the matter.

2. Return to Work Following Serious Illness or Injury

- a. It is understood by the parties that once a crewmember notifies the Company that he has been released to return to work by the crewmember's doctor, if the Company requires an examination, the Company doctor must examine the crewmember within three (3) working days from the time the crewmember notifies the Company or brings the return-to-work slip to the Company. Any such examination will be limited in scope to applicable FAA medical standards which pertain only to the serious illness or injury which led to the medical leave of absence. This does not preclude the Company doctor from meeting his obligation as an AME.
- b. A physical under this section shall be conducted in the crewmember's domicile, and if possible, be scheduled on the day the crewmember is required to report to his domicile to resume his duties.
- c. If it is not possible to schedule a crewmember pursuant to paragraph b. above or he prefers not to be scheduled on the day he returns to duty, he will be scheduled for the physical earlier by mutual agreement between the crewmember and the Medical Services Department. The crewmember will have the right to waive the three (3) working day requirement contained in this section.

- d. If the crewmember is scheduled pursuant to paragraph c. on what would otherwise be a day off, the Company, at its option, will provide positive jumpseat transportation (Priority 4) or commercial air transportation to and from the crewmember's residence for the purpose of taking the physical. If the crewmember is subsequently bumped from the jumpseat for any reason, he will either be provided a commercial ticket or will be scheduled for the next available jumpseat.
- e. If the crewmember is returning to his bid line and is delayed in doing so either because the physical examination cannot be scheduled in a timely manner or he is bumped from his jumpseat under paragraph d. above which delays his physical, then he will be pay protected for his trip provided he is available for reschedule in accordance with Article 13.D.4.b. If a crewmember is returning to training, the training will not be delayed as a result of not obtaining the physical examination.

3. In the Event of a Disagreement

If the two (2) doctors disagree, the Company and the Association shall mutually agree upon a third (3rd) doctor within ten (10) working days, whose decision shall be final and binding on the Company, the Association and the crewmember.

If the third (3rd) doctor agrees that the employee should be returned to work, the crewmember shall be pay protected back to the date of the examination by the Company doctor. It shall exclude any time the crewmember was not available for examination. The Association will pay for the third doctor if he agrees with the Company and the Company will pay the doctor if he agrees with the employee.

E. Off Duty Flying

It is the crewmember's responsibility to assure he is available and within FAA guidelines when reporting for work regardless of any flying activity outside of Company business. However, no crewmember shall perform flying, which would count toward his maximum flight/duty limitation under the FARs, other than that performed for the Company, except as provided in Article 10.V. This does not restrict

the flying of military aircraft by a crewmember affiliated with a military guard or reserve organization.

F. Safety and Hazardous Assignments

1. Under no circumstances will a crewmember be required or assigned to engage in any activity involving dangerous conditions of work (i.e. danger to a person or property or a violation of a government regulation).
2. The parties agree that the Federal Aviation Regulations (FARs) are designed to promote airline safety. The Company will notify the Association and will provide a full written draft copy of the requested exemption not later than five (5) business days prior to the request for exemption being filed with the FAA. The Association will notify the Company and provide a draft copy of any filing concerning a proposed change to the FARs or any objection to a UPS proposed exemption at least five (5) business days prior to filing with the FAA. The five (5) business days will be reduced, if necessary, in response to FAA imposed filing deadlines. At a minimum a copy of any filing will be provided on the date of filing with the FAA. In addition, if there are any changes in the draft copy, a final copy of the filing with the FAA will be provided at time of filing.
3. The Aviation Safety Action Partnership (ASAP) is a safety program based on a partnership among the FAA, the Company and the Association to identify safety issues within the airline. Flight Operations Quality Assurance (FOQA) is a program designed to enhance flight safety through controlled analysis of recorded flight data information. The parties agree that a principle of any FOQA/ASAP Plan will be a prohibition against use of any information or data developed through the program for disciplinary purposes. Such data can only be used to enhance crewmember performance and training. Details of the ASAP and FOQA programs will be as outlined in the attached Letters of Agreements.
4. The Association and Company FOQA representatives will continue their practice of reviewing, analyzing, and preparing non-FOQA flight data information. In the event the parties cannot agree on the interpretation of flight data, they will consult the aircraft manufacturer to review the data that is in dispute. The qualified IPA gatekeeper and UPS FOQA Supervisor/Analyst will continue their practice of analyzing non-FOQA flight data for presentation purposes.

5. a. In recognition of the importance of implementation of an FAA mandated Safety Management System (SMS) (i.e. Safety Policy, Safety Risk Management, Safety Assurance and Safety Promotion) at United Parcel Service Co., the IPA Director of Safety or his designated representative(s) will have the right to attend the Company's Safety Analysis Forum (SAF) for each aircraft type and the Flight Operations Safety Action Group(s) (SAG). In the event the IPA Director of Safety designates someone to attend these meetings on his behalf, the Company shall have the right to approve the designee. The Company shall also have the right to approve the attendance of a future IPA Director of Safety if he is a UPS crewmember. The Association representative will be included on all group correspondence (including emails) and have access to the information/documentation that will be used or reviewed in the SAF or SAG meetings, as applicable, on the same basis as other participants. The Company may place limitations on the dissemination of any documents or emails. The Association will participate on a non-voting basis with the Company's SAF and SAG. This paragraph will apply to any successor to the SAG or SAF groups or any additional groups which might be created to perform the same or similar functions.
- b. The parties acknowledge and agree that IPA members of the SMS group(s) will sign a Non-disclosure Agreement (NDA) prohibiting the public dissemination of any sole source information provided to IPA in the above-referenced meetings. If the nondisclosure agreement is violated, UPS may withdraw the opportunity to attend future SAF and SAG meetings with five (5) days written notice. At the Association's option, any grievance filed by the Association concerning UPS' position that an NDA was violated will proceed directly to expedited arbitration within thirty (30) days of the Company's notice. Arbitration selection and procedures will be governed by Article 7 of this Agreement.

G. Cockpit, Flight Recorders and Voice Recorders or Any Other Devices

1. Association Notification

It is recognized that the primary use of any equipment installed on the aircraft is either safety related or to monitor the performance of the aircraft. The Company shall advise the Association in writing of the equipment presently on Company aircraft which is capable of monitoring crewmember performance on an aircraft and what that equipment is currently used for. If such equipment is not presently being used for such purpose, the Company shall advise the Association in writing before such equipment is used for such purpose. The Company, on an ongoing basis, shall advise the Association in writing of any equipment, and its intended use, which is to be installed on Company aircraft in the future and which is capable of monitoring crewmember performance on an aircraft. The Company shall also immediately advise the Association of any additions or changes to this intended use.

2. Video, Cockpit Voice, and Flight Data Recorders

The Company shall not use any information gathered from cockpit voice recorders, flight data recorders or any other recording devices installed in the aircraft, as a basis in whole or in part, for any discipline or discharge actions, other than those resulting from an NTSB defined aircraft accident or incident requiring investigations, and such information shall not be used to initiate a proficiency check or line check. The Company will not require copies of NASA reports. The Company will not utilize video recorders in aircraft operated by crewmembers.

3. Aircraft Accident/Incident Investigations

In the course of any investigation and prior to any investigatory meetings or hearings concerning a possible aircraft accident or incident the Company will provide the crewmember(s) involved with copies of any potentially relevant information including but not limited to cockpit voice recordings, flight data recordings, and any FAA recordings or information in the Company's possession. Initial meetings may take place prior to processing the flight data recorder and voice recorder information. The crewmember(s) involved will have the right to consult with IPA representatives before any such meetings or hearings and be represented by same during the course of any such meetings or hearings. However, meetings between the Company and crewmembers will not be unnecessarily delayed.

4. Information Usage in Non-Accident/Incident Situations

For purposes of this paragraph, prior to making use of any information gathered from equipment installed on the aircraft, the Company shall meet with the crewmember who may if he desires have an Association representative present at such meeting. Prior to the meeting, the Company will provide the crewmember and Association, if present, copies of the information being discussed. If it is deemed necessary by the Company after such meeting that training may be required because safety or aircraft performance is being compromised, such training shall be provided. Information gathered prior to such training, or the meeting referred to above, will not be used as a basis for any future discipline. If evidence indicates that the same problem continues to exist after training, such information gathered from equipment installed on the aircraft may be used to initiate further corrective action. Such action must be taken within seven (7) calendar days of receipt of information by the Company. In any case, such information will not be utilized until it is provided to the crewmember and the Association, if present, and a meeting is held to review the accuracy of such information. The above shall not be applicable in the event of an accident or incident.

5. Confidentiality

Except as provided in this paragraph, information obtained from a flight data recorder, cockpit voice recorder, or any other recording devices installed in the aircraft, shall not be disclosed or released by the Company to a third party without the express written consent of the Association and of all the crewmembers involved. This paragraph does not preclude the Company from releasing such information pursuant to its self-disclosure program to any governmental agency, as legally required, or in connection with any legal proceedings or as provided in Section F.3. above. The Company will provide the Association notice prior to producing in any litigation any data pertaining to a crewmember obtained from any recording device installed in the aircraft.

6. Safety Investigations/Meetings

- a. Prior to the commencement of any safety related investigation resulting from an accident/incident, the

Company agrees to notify the Association's designated representative. The parties shall notify each other in the event of any accident/incident of which it becomes aware, other than those contained in an event report.

- b. Association representatives shall have the right to participate in investigatory safety meetings and hearings. In addition, the Association shall have access to any facts or information gathered during the safety investigation. If in the course of a safety related investigation, the flight data recorder, cockpit voice recorder, or any other data, is pulled or downloaded from the aircraft, the Association will be notified as soon as practical, but no later than 48:00 hours after the data capture. Nothing in this section is intended to preclude either party from using facts uncovered during a safety investigation in any other proceeding between the parties.
- c. The Company agrees it will solicit input from the Association for report(s) generated during an accident/incident investigation. The Association may provide recommended changes to be considered by the Company. A copy of the final report will be provided to the Association. The Company retains the right to formulate recommendations and implement changes.
- d. The Association shall cooperate with the Company and participate in a timely manner in the conduct of a safety-related investigation. The Company agrees to waive the 48:00 hour written notice requirement for trip drops in Article 3.G.2, if necessary, in order for the Association to participate in an investigation. In the event of an aircraft accident or incident investigation, the Company will provide a minimum of one (1) non-operating deadhead seat for an IPA designated Association representative. Additional seats on the flight will be made available to Association representatives, if available. The Company shall have no obligation to provide transportation to Association representative(s) if the Company representatives are traveling via commercial carriers.
- e. The Association agrees that any facts and information obtained as a result of an investigation pertaining to this section will not be provided to any third party without the Company's written approval.

- f. Nothing in this section will be applied so as to interfere or conflict with NTSB rules & procedures.

7. Event Reports

- a. If the Company is required to automatically provide an Event Report (ER) to the FAA without request, the ER will contain a notice to the crewmember that the ER, once submitted to the Company, will be transmitted verbatim to the FAA. In addition, the Company will include a notice on the UPS ER website, FOM and on all other ERs that they may be forwarded to the FAA upon its request.
- b. ERs not covered by paragraph a. above will only be provided to the FAA upon request by the Agency. At the time the ER is provided to the FAA, an ASAP Report will be filed by the Company on behalf of the crewmember(s) who have filed an ER. The crewmember(s) shall have the right to revise, or withdraw, a submitted ASAP Report until the Event Report Committee (ERC) meets and reviews the ASAP Report. If the crewmembers' right to access ASAP pursuant to this paragraph is ever lost, the Company and Association will immediately meet to agree on an alternative solution to this issue. Agreement will not unreasonably be withheld.
- c. The Company will notify the affected crewmember(s) and the IPA Director of Airline Safety, or his designee, via email or phone whenever an ER is submitted to the FAA. If an ER is requested and submitted to the FAA during the weekend or on a holiday, the Company will notify the Association and the crewmember(s) on the next business day. The Company will provide the crewmember a copy of his ER upon request.
- d. The Company will notify the Association within 48:00 hours when a written report and/or statement is requested by the NTSB for investigative purposes. The Company may use information contained within the Event Report, but will not submit the crewmember's written statement in the ER, unless legally required to do so.

- e. The Company will notify the Association within 24:00 hours when it submits to the FAA a report involving a crewmember pursuant to the Voluntary Disclosure Reporting Program, or any successor program.

H. Lodging and Environmental Conditions

1. Lodging

a. Intransit Stop Hotel Accommodations and Transportation

- (1) The Company will provide at no cost to the crewmember suitable single occupancy hotel room accommodations and transportation thereto, when a crewmember is on duty or on a flight assignment, or any Company assignment including training, during any intransit stop, away from his permanent domicile, if more than 5:00 hours from block to block. Crewmembers with a qualifying intransit stop in SDF, ONT, RFD, EWR, PHL, or CGN shall use an available on-site private sleep room instead of the day room. If no private sleep room is available, the crewmember shall still be entitled to the single occupancy day room.
- (2) If it is determined that due to a revision or a delay an intransit stop will exceed 5:00 hours from block-in to block-out time and prior arrangements for a hotel day room have not been made, the Captain shall contact Crew Scheduling immediately. Crew Scheduling will make the necessary arrangements to provide suitable single occupancy hotel rooms and transportation and, if necessary, the crewmember(s) will be reimbursed for any expenses incurred in accordance with H.1.c. of this Article.
- (3) For those crewmembers with an intransit stop that exceeds 3:00 and up to 5:00 hours (block to block) and airport standby crewmembers, the gateway or domicile facilities will require all the provisions specified in this Agreement in addition to the following:
 - (a) Private rooms:

- (i) The Company will construct a minimum of an additional fifty-four (54) private sleep rooms beyond those which currently exist in SDF.
 - (ii) The Company will also redesign the existing floor space to construct private sleep rooms at the following domiciles and gateways:
 - a. PHL - fourteen (14)
 - b. ONT – eight (8)
 - c. RFD – eight (8)
 - d. EWR - six (6)
 - e. CGN - see Article 5.H.1.a.(3)(c)
 - (iii) Hot standby crewmembers will have first priority for the private sleep rooms then operating crewmembers scheduled for a 3:00 to 5:00 hour intransit stop then crewmembers scheduled for an intransit stop greater than 5:00 hours block to block. In SDF sleep rooms will be assigned to other crewmembers in the following priority: crewmembers scheduled with less than a 3:00 hour intransit stop; crewmembers commuting into SDF for assignment who are not yet on duty. Any remaining rooms will be assigned on a first come, first served basis.
- (b) Semi-private sleep rooms: These rooms will provide a quiet undisturbed rest area consisting of beds in an individual space with noise reducing dividers. The Company will also redesign the existing floor space to construct and maintain semi-private sleep rooms in the following locations:
- a. SDF – fifty (50)
 - b. PHL - eight (8)
 - c. ONT – four (4)
 - d. RFD – ten (10)
 - e. CGN- see Article 5.H.1.a.(3)(c)

The Company will maintain the existing number of semi-private sleep rooms that currently exist in its other gateways and domiciles.

- (c) Within ninety (90) days of ratification, the parties will agree on the number of private and semi-private sleep rooms to be constructed in CGN. The parties agree that eight (8) private and eight (8) semi-private sleep rooms in CGN are desirable. The Company will not unreasonably withhold agreement to construct this minimum number of rooms in CGN.
 - (d) Whenever the Company constructs a new facility or substantially remodels any existing gateway or domicile facility, the Company shall meet with the Association to discuss including additional sleep facilities if necessary, in the modified facility.
 - (e) To the extent changes in the number of airport standby crewmembers or 3:00 to 5:00 hour intransit stops result in the existing semi-private sleep rooms being insufficient, the parties will meet to determine if additional semi-private sleep rooms can be added within available space in the existing facility.
 - (f) The Company will soundproof all exterior sleep rooms in SDF. The Company will soundproof the sleep rooms in the RFD gateway including any noise that may come from the roof. The parties will meet and agree on soundproofing standards for RFD and SDF within ninety (90) days of ratification.
 - (g) The parties may modify or alter any of the private or semi-private sleep room requirements specified above by mutual agreement. The blueprints for the additional private and semi-private sleep rooms are attached to the M&I for Article 5.
- b. Scheduled Layover/Legal Rest Hotel Accommodations and Transportation

The Company will provide at no cost to the crewmember suitable single occupancy hotel room accommodations and transportation thereto, when a crewmember is on duty or on a flight assignment, or any Company assignment, including training, during a scheduled

layover or legal rest. The facilities shall provide the following:

- (1) Security, cleanliness and, when possible, non-smoking rooms. In addition, the Company will ensure that free in-room, wireless internet service will be provided in all primary layover or long term training hotels. If a crewmember is required to use a secondary or temporary hotel, the Company will reimburse the crewmember for the actual expenses incurred for internet usage. The reimbursement procedure in Article 5.H.1.c. will apply.
- (2) 24:00 hour restaurant availability or timely transportation to a suitable equivalent.
- (3) Transportation within 30 minutes of block-in. Transportation companies for purposes of this article will be selected by the Company based on comfort and safety. All such surface transportation will be at no cost to the crewmember.
- (4) Domestic hotels will provide, when possible, personal check cashing agreement with only UPS identification required, to at least One Hundred Dollars (\$100) USD. Internationally, the availability of currency exchange or an ATM can be substituted for the check cashing provision.
- (5) A consideration in selecting hotels will include the availability of exercise facilities, provided there is no additional cost to the Company.
- (6) It is the parties' mutual intent that hotel rooms should be available when a crewmember arrives and that the crewmembers should be able to receive undisturbed, uninterrupted sleep while in rest in a hotel. The Association can file a grievance on the selection or removal of a hotel based on its failure to satisfy the criteria of this section. If the grievance is not resolved within seven (7) calendar days, the parties will schedule the arbitration within the next thirty (30) calendar days. The arbitrator will make a decision on whether the hotel meets the contractual requirements on the day of the hearing. If the arbitrator determines the hotel does not meet the contractual requirements,

the parties will use the sourcing process described in paragraph (9) below to select a replacement hotel. If a replacement hotel is not selected within forty-five (45) calendar days of the arbitrator's decision, the parties will transition to the secondary hotel established pursuant to paragraph (12) below. If the Association alleges and the arbitrator finds an egregious violation of Article 5.H.1.b., the Company will immediately transition to the secondary hotel(s) provided in paragraph (12) below.

- (7) In those instances where the Company is obligated to provide hotel accommodations in the crewmember's domicile, the criteria of this Section will apply.
- (8) In those instances where the Company is obligated to provide hotel accommodations during long term training, the criteria of this section will apply. In addition, such hotels will provide a designated work area (i.e., desk and lighting), in-room microwave and refrigerator, on site laundry, and proximity to full service dining. If a hotel with these amenities is not available, the Company and Association will meet to agree on alternative lodging. Agreement will not unreasonably be withheld by either party.
- (9) In the selection of new hotels regularly used for layover as part of the published bid package, the Company will meet with the Association's Hotel Committee to discuss the selection of the hotel. New hotels selected by the Company will be comparable in safety, quality, and amenities, to hotels utilized by the Company as of January 4, 2012. A minimum of sixty (60) days' notice will be provided, when possible, to the Association of the need to select a new hotel. The Company or its hotel management vendor will provide the parties the initial list of potential hotels for selection. The Association shall have the right to add hotels to this list for consideration. The Company will reconsider any hotels requested by the Association which were not included on the initial list or otherwise declined to bid. The Association will provide the Company, upon request, any information in its possession that would justify such reconsideration. If either party eliminates a hotel from the list for selection, that party will

provide the reason(s) for its request to eliminate the hotel. The final list of hotels shall be subject to joint inspections, when possible, by the parties. In all cases, reasonable time shall be allotted for purposes of the hotel inspection(s). The parties' agreed upon hotel guidelines will be used for purposes of RFPs and hotel inspections. The guidelines will not be changed, except by mutual agreement. Association representatives will not communicate any information to the hotels under consideration which would affect the Company's ability to negotiate a contract with the hotel selected. Both parties retain the right to elevate any disagreements during the process to the Association's President and Office of Chief Pilot, for mutual resolution within fourteen (14) calendar days. If no agreement can be reached, the Association retains the right to grieve the selection of any hotel which does not meet the criteria of this section.

- (10) Notwithstanding the provisions of paragraph (9) above, the Company may select a new hotel in order to address emergencies. The Association's Hotel Committee will immediately be notified of such emergency selection. Such a hotel must still meet the criteria of this section. In the event of an emergency selection, the provisions of paragraph nine (9) will be initiated within thirty (30) days. The Company will not enter into an emergency contract for a new hotel for more than a sixty (60) day period.

The Company may also select hotels on a temporary basis, which meet the criteria of Article 5.H.1.b., when the hotel is necessary for charter trips, Article 14.J. purposes, training, or Article 13.B.6.b.(13) assignments. If such hotels are going to be used for more than sixty (60) days, then the Association may invoke paragraph nine (9) above. The Company will meet with the Association to discuss the selection of the temporary hotel(s).

- (11) The parties agree that the RFP, sourcing and information sharing process that has been established for the purpose of selecting hotels, as described in paragraph (9), will also be used for the purpose of selecting ground transportation vendors. Any disputes between the Company and the

Association shall be handled in the same fashion as disputes under paragraph nine (9) above.

- (12) Secondary hotels assigned for use when rooms at the primary hotel are not available, will meet the contractual requirements of this section. In the event the joint selection process described in paragraph nine (9) above is used to select a new primary hotel, the remaining hotels on the joint list will be added as the preferred secondary hotels. If the Company is not able to provide a pre-paid secondary hotel room, the cost of the room can be placed on the Company issued travel card provided the crewmember obtains pre-approval from the Company and submits the hotel receipt for the room.
- (13) It is the parties' intent in applying the procedures and processes set forth in Article 5.H.1.b., to select hotels and transportation vendors based on mutual agreement. However, if mutual agreement is not reached, both parties retain their contractual rights.
- (14) If a crewmember knows that he is not going to use a scheduled hotel room, he shall make a reasonable effort to notify the Company in a timely manner so that the room can be cancelled. The procedure and contact information for the cancellation shall be published as part of the bid package. If, after a hotel room is cancelled, a crewmember decides that he wants to use the room, he shall contact the Company as soon as possible so it can re-book a room.

c. Alternate Accommodation/Transportation

If applicable suitable single occupancy hotel room accommodations or transportation are not provided by the Company or are not available, a crewmember shall obtain suitable hotel room accommodations and/or transportation and be reimbursed for reasonable actual expenses by the Company. Such expenses will normally be reimbursed on the crewmember's next expense check. If the expenses incurred by a crewmember exceed One Hundred Dollars (\$100), then the crewmember shall have the right to request reimbursement immediately and shall be paid by the Company within seven (7) days of receipt. Should

transportation be unavailable 30 minutes after block-in, the crew shall obtain, and be reimbursed for, the first available transportation. If minimum rest requirements are in jeopardy when the crewmember arrives at the alternate hotel, he shall contact Crew Scheduling immediately and will be provided with a minimum reduced rest period as defined in Article 13.A.5. from the time he arrives at the alternate hotel.

d. Crew Meals/Restaurant While on Duty

- (1) If a crewmember is scheduled to be on continuous duty for 7:30 hours or more and is not scheduled for an intransit stop of 3:00 hours where ground transportation to a restaurant is provided, a crew meal will be furnished by the Company, provided schedule integrity is not jeopardized. If the intransit stop is projected to be less than 2:30 hours actual, and/or the actual duty period is projected to exceed 7:30 hours, the Captain shall contact Flight Control, at the earliest possible time, which will make the necessary arrangements to provide crew meals.
- (2) Crew meals shall be provided for all crewmembers on duty on all flight segments which originate or terminate in a domicile and which are scheduled in excess of 4:30 hours block to block. Crew meals shall also be provided for all crewmembers on duty on all flight segments which neither originate nor terminate at a domicile and which are scheduled in excess of 4:00 hours block to block. A pilot on airport standby who is assigned a flight not otherwise eligible for catering shall receive catering. The flight crew will notify Flight Control as soon as possible if the crew meals are not on board the aircraft.
- (3) In addition, flights scheduled in excess of 3:30 hours block to block will be catered from layover gateways when these flights are scheduled to depart between 0100 - 0900 local time and a restaurant is not available either at the layover hotel or adjoining facilities.
- (4) The Company will provide food and drink items of reasonable quality and adequate nutritional value on the aircraft. The Association will be consulted

regarding content and nutrition of food and drink items placed on the aircraft. The Company and Association will meet as necessary to discuss and investigate catering issues under this section, including whether food and drink items meet the above standards.

- (5) The Company will provide crewmembers the option of menu selection in locations where it is feasible and cost effective. If menu selection is not provided, the Company will make its best effort to provide a rotation of food in the catered meals. In the event a crewmember's menu request is not provided as requested, then the flight shall not be delayed.
- (6) In addition to those flights identified by this section, the Company agrees it will provide catering on flights that do not meet contractual parameters, if it is reasonable to do so based on considerations such as length of duty day, food/restaurant availability, time of day and length of rest periods before or after duty, and overall safety considerations. Additions or deletions to catering will be by mutual agreement. Agreement will not unreasonably be withheld.
- (7) It is the parties' intent in applying the procedures and processes set forth in Article 5.H.1.d., that the Company will consult with the Association and attempt to reach mutual agreement on catering issues related to nutritional content, quality control and vendor selection. However, if mutual agreement is not reached, both parties retain their contractual rights.

e. Lounge/Rest Facilities

If an intransit stop is scheduled in a gateway to exceed 2:00 hours or, if on airport standby duty, a suitable rest facility shall be provided for the primary use of the crewmembers. This facility shall include the following:

- (1) Be clean and sanitary.
- (2) Summer/winter climatically controlled.

- (3) Adequate seating for crewmembers in the recreation section with a television with satellite or cable service provided.
- (4) A section free of disturbances with adequate lounges, couches or beds to obtain proper rest for all crewmembers desiring their use.
- (5) A clean, sanitary washroom having hot and cold running water with toilet facilities. The Company further agrees to provide separate toilet facilities for male and female crewmembers in all future, newly constructed buildings.
- (6) Accessibility to refreshments and snacks.

If no facility is available, the Company will provide the flight crew with a suitable single occupancy hotel rooms and the necessary transportation to the location.

After ratification of this Agreement, the Company shall meet once each quarter with a designated Association committee to evaluate and mutually agree upon the adequacy of the above lodging and environmental conditions.

f. Dayroom Procedures

- (1) When dayrooms are required by the provisions of Article 5.H.1.a.(1), they may be requested for individual dates or the entire bid period.
- (2) Dayrooms may be requested by one crewmember for the entire crew.
- (3) Notification of the need for a dayroom shall be, at least, 24:00 hours prior to scheduled arrival in order to ensure availability. If less than 24:00 hours notice is provided, the Company will make its best efforts to obtain a room.
- (4) If a crewmember requests a dayroom to be available and then discovers it will not be necessary, he shall make a reasonable effort to contact UPS, at least, 12:00 hours prior to his scheduled arrival for

domestic dayrooms. For international dayrooms, the crewmember shall make a reasonable effort to contact the Company as early as possible.

- (5) Reserve and junior available crewmembers assigned a trip requiring a dayroom will be guaranteed a dayroom upon request to crew scheduling.

g. Protection of Crewmember Baggage

Upon ratification of this agreement, the parties shall create a working group(s) to investigate and determine the most feasible method of securing and protecting crewmembers' personal baggage from the elements prior to placement on or removal from Company aircraft. The working group(s) shall make a recommendation within sixty (60) days of ratification. Such recommendation shall be implemented within one hundred and twenty (120) days of ratification. Agreement will not unreasonably be withheld by either party.

2. Parking

The Company shall provide, at no cost to the crewmember, parking facilities at the crewmembers' domicile. The Company will make its best efforts to resolve problems with parking arrangements at gateways as necessary. The Company will provide crewmembers with parking procedures and contact phone number(s) for each gateway.

3. Aircraft Environment

Both the Company and the Association recognize the importance of, as well as the need for a proper aircraft environment. The Company commits to provide on a best efforts basis the following minimal aircraft environmental conditions as outlined below. In exchange for the Company's agreement to make its best effort, the Association agrees that crewmembers will not utilize this Section to unreasonably withhold their service in connection with any flight, recognizing crewmembers shall have the right to grieve such conditions should they persist without just cause.

a. Aircraft Heating/Cooling

All aircraft shall have operable heating and cooling systems for flight operations.

The Company shall not require any flight crew to remain in any aircraft on the ground that is not properly heated or cooled for more than 50 minutes when the outside air temperature is less than thirty-two (32) degrees Fahrenheit or more than ninety (90) degrees Fahrenheit.

b. Toilet Facilities

All aircraft will be equipped with operable and sanitary toilet facilities. No aircraft with inoperative toilet facilities will be scheduled for a flight segment in excess of 2:00 hours.

- c. All aircraft will be provided with instant coffee packets and at least one (1) ice chest containing ice, water and juices.
- d. Aircraft scheduled for a flight segment in excess of 4:00 hours block to block shall be provided with either a hot cup and/or oven or thermos for each crewmember.
- e. On those aircraft equipped with sleep facilities, the Company shall provide sanitary bedding material for each individual crewmember to use whenever the aircraft is being operated with an augmented or double crew.
- f. In order for an aircraft to have a double crew assigned, the following facilities shall be provided:
 - (1) Potable water/running water
 - (2) Functional lavatory
 - (3) At least two (2) bunks
 - (4) Adequate ventilation and temperature control
 - (5) Adequate lighting
 - (6) Refrigerator, oven and coffee pot
 - (7) Reclining seats
 - (8) Fresh linens, blankets and pillows per operating crewmember per duty period
- g. Before the Company acquires any new or replacement stairs it will meet with the Association to discuss and agree on which stairs will be acquired. Agreement will not be unreasonably withheld.

4. New aircraft fleets acquired after the ratification of this agreement shall, in addition to the facilities listed above, have passenger style seating and bunks separated from the cockpit area if a double crew is going to be assigned to the aircraft.

5. Locker in Domicile

The Company will continue to provide each crewmember at his domicile (or any new domicile) access to an individual locker which can be secured. The Company shall consult with the Association regarding the location and specific lockers to be obtained in any new domicile. Only crewmembers with proper identification will be allowed in the locker area.

6. The Company will continue to make available for crewmember use internet connections in SDF, MIA, DFW, ONT, RFD, PHL, CAE, CGN, ANC or another newly established domicile or major gateway. If the Company makes wireless internet available in other Company gateways it shall be accessible by crewmembers on the same terms as other UPS employees in that gateway.

I. Immunizations, Passports and Visas

1. When the Company reaches an agreement on an open time charter trip, it will be posted in open time and the Company will simultaneously provide any information as to necessary immunizations, passports or visas. The Company will reimburse crewmembers for the costs of immunizations, passports and visas when required. The Company will pay protect crewmembers for any trip or portion of trip lost due to the Company's failure to meet passport, visa or immunization requirements.
2. In the event a crewmember's passport is lost or stolen, the Company will assist the crewmember in obtaining the necessary documents to leave the country including a passport and visa(s) and return to domicile, continuing hotel accommodations, per diem and transportation expenses.
3. Crewmembers will exercise their best efforts in reasonably securing their passport. It is understood, however, that in spite of these best efforts, passports may occasionally be stolen while on a trip. If a crewmember has his passport

stolen and files a police report with the appropriate authorities, or provides a sworn statement to UPS Security:

- a. The Company will pay protect the crewmember for the trip they are currently on until return to the domicile.
 - b. After return to the domicile the crewmember will be pay protected provided he makes himself available for duty in accordance with 13.D.4.
 - c. The Company will reimburse the crewmember the costs of obtaining a new passport and visa(s) including expedited processing services.
4. In cases of lost passports, stolen passports not covered by paragraph 3, or passports lost or stolen on days off:
- a. The crewmember will bear the cost of obtaining a new passport and visa(s).
 - b. At the crewmember's request, he will be considered on leave of absence consistent with Article 9.C.7.
5. Once a crewmember is qualified to return to duty, he will return to work in accordance with Article 13.D.4.b.

J. Polygraph

No applicant for employment and no crewmember will be required to take any form of a lie detector test as a condition of employment.

K. War/Governmental Action Clause

In the event of war, federal declaration of emergency, imposition of mandatory economic controls by the federal government, other governmental action or any other events which have a significant adverse effect on the financial structure of the Company, either party may re-open the Agreement in accordance with the procedures set forth in Section 156, Title I of the Railway Labor Act, to renegotiate the provisions of the Agreement directly affected by such action.

L. UPS-IPA 401(k)

The Company will continue the current UPS-IPA 401(k) plan.

M. Applicable Laws and Government Regulations

It is understood and agreed that the provisions of this Agreement are subject to all applicable laws and governmental regulations now or hereafter in effect and all lawful rulings and orders of all regulatory

agencies now or hereafter having jurisdiction. If any provision is determined to be invalid or contrary to law, none of the remaining provisions shall be affected thereby and the parties shall meet to discuss and/or modify the affected provision only.

N. Discrimination

There shall be no discrimination by the Company or the Association in the application of the terms of this Agreement because of race, color, religion, national origin, age, sex, or handicap.

O. Personnel Files

Any crewmember personnel file, in its entirety, except for pre-employment related material, will be available upon advance notice during regular business hours of the Company for inspection by a currently employed crewmember in the presence of a Company representative. The Company shall provide the crewmember's file within 48:00 hours of his request.

P. Protection from Damage

The Company shall, at no expense to the crewmember, provide legal representation for a crewmember named as a defendant in any legal proceedings arising out of the crewmember's performance or non-performance of his duties as a crewmember, so long as he was acting within the normal scope of his employment, and is not determined to have engaged in intentional misconduct.

The Company agrees to indemnify and hold harmless a crewmember or his estate, for the full amount of any monetary judgment or awards rendered against a crewmember or the Company arising out of the crewmember's performance or non-performance of his duties as a crewmember, so long as he was acting within the normal scope of his employment and is not determined to have engaged in intentional misconduct.

The Company will have no obligation under this Section to reimburse crewmembers for any fine or penalty imposed on a crewmember by the FAA or NTSB, or to provide representation before the FAA or NTSB.

Q. Management - Employee Relations

It is understood that the Company will not overly supervise or unfairly coerce crewmembers in the performance of their duties. Not more than one (1) member of management will check the performance of any one (1) crewmember at the same time, except for the purposes of training or observing management personnel. All Flight Operations

management personnel shall wear management identification while on Company property and aircraft.

R. *Theft of Personal Property*

1. The Company shall reimburse crewmembers for loss of personal money or property in a theft while on duty up to a maximum of two hundred dollars (\$200) per crewmember. To be entitled to reimbursement, the theft must occur while the crewmember is on airport property, traveling between a hotel and airport or laying over at a hotel. A crewmember shall also be entitled to reimbursement up to two hundred dollars (\$200) for thefts from his hotel room while on layover. Crewmembers must promptly report such theft/holdup to the Company and police, and cooperate in the investigation of such theft. Crewmembers will be paid for all time involved. Crewmembers shall not be required to reimburse the Company for stolen manuals or other related items which had been provided by the Company. If the crewmember is subsequently reimbursed for the loss, he shall reimburse the Company up to the two hundred dollars (\$200) but only to the extent the total received by the crewmember exceeds his loss.
2. Recognizing that it is often necessary for crewmembers to carry more cash on trips containing an international flight segment, the Company agrees that the maximum amount which is reimbursable pursuant to paragraph 1. above is up to two hundred and fifty dollars (\$250.00).

S. *Jumpseats*

1. Crewmembers will be allowed the personal use of jumpseats on a subload priority basis in accordance with applicable governmental regulations.
2. The Company will not issue a warning letter or letter of concern or discipline to any crewmember who no-shows or is late for a trip or any Company assignment as a result of getting bumped from a reserved jumpseat, the cancellation or delay of a commercial flight, or otherwise being prohibited from commuting to the assignment on a Company aircraft (e.g. cancellation or delay of a Company flight).
3. The crewmember who does not report for the origination of a trip on any Company assignment for one of the reasons listed in paragraph 2 shall be returned to a paid status when he notifies crew scheduling he is available for duty. At the point

of notification, the Company shall return the crewmember to duty in the same manner as crewmembers returning from sick leave under Article 13.D.4.b. Pay shall be calculated the same way as a crewmember returning from sick leave. Debit of sick leave shall not be applicable.

4. The Company agrees that if a crewmember is revised so as to preclude him from using a jumpseat previously booked to return home the following rules shall apply: If the crewmember books another available jumpseat within 24:00 hours of notification of the revision, the crewmember shall have priority over other UPSCO employees (Priority 8) and Priority 9 and 10 jumpseaters with regard to the order in which the jumpseaters are bumped in the event it is necessary to bump any jumpseaters from the flight. [For example: a crewmember books a jumpseat within 24:00 hours of revision where a Priority 8 jumpseater had made a prior reservation. If a military courier then shows up, the Priority 8 jumpseater will be bumped before the crewmember, even though the Priority 8 made his reservation earlier.]
5. The Company will notify and discuss with the Association any plan to deny a request by another carrier for a reciprocal jumpseat agreement, including the reason(s) for the proposed denial.
6. The Company agrees that it will not impose any time limitations on booking an international jumpseat beyond those required by law.
7. The following shall apply to the jumpseat standby list:
 - (a) A crewmember shall only be allowed to place his name on a jumpseat standby list if there are no jumpseats available on the applicable UPS flight.
 - (b) In addition, any crewmember who is bumped from a jumpseat will automatically be placed at the top of the applicable standby list. When more than one crewmember is bumped from a jumpseat, they will be placed on the standby list in the order in which they were originally booked for the jumpseat.
 - (c) A crewmember on the standby list for a flight will be automatically booked on the jumpseat based on the order of the standby list if a jumpseat becomes available.

- (d) A crewmember may only book one jumpseat for a flight(s) (i.e. same origin/destination) on the same "Z" date. This shall not preclude a crewmember from listing himself on other standby lists on the same "Z" date. If a crewmember is already booked for a jumpseat, he will not be auto-booked on any flight, as defined above, for which he is on a standby list.
 - (e) A crewmember will be notified of his auto-booking via the ESS system. A crewmember who does not elect to be notified via ESS will be responsible for determining if he has been auto-booked.
 - (f) The auto-booking function will cease adding crewmembers from the stand-by list 1:00 hour from the jumpseat departure, domestically, and 1:30 hours internationally.
 - (g) Except for paragraph a. above, the jumpseat standby list shall be available to any other individual utilizing the UPS jumpseat system.
8. The Company agrees that carriers shall be added to the CASS and ICASS system to the maximum extent possible. The Company will not unreasonably withhold approval in adding additional carriers to CASS and ICASS as they become eligible.

T. Crewmember Flight Case

In no case shall the Company issued flight case, including the materials required to be carried therein, exceed a total of thirty-five (35) pounds.

In addition, the Company agrees it will seek FAA approval in a timely manner so as to provide, within eighteen (18) months of ratification that: (i) Jeppesen bricks are used on all aircraft type and (ii) the AOM and FOM are included on all aircraft as part of the aircraft library. Further, the Company agrees it will continue to evaluate how existing paper flight kits can be replaced with electronic flight kits.

U. Mandatory Alcohol and Drug Program

If Congress/DOT/FAA enacts any changes to any mandatory alcohol program or additional mandatory drug program or changes, including drug/alcohol testing, which will become effective during the term of this Agreement, the parties will meet, as expeditiously as possible, to

develop a mutually agreeable procedure for the fair and equitable implementation of the mandated program or changes.

V. Use of Gender

The use of the masculine or feminine gender in this Agreement shall be construed as including both genders and not a sex limitation unless the Agreement clearly provides otherwise.

W. Prohibition on Use of Social Security Numbers

The Company agrees to hold crewmembers' social security numbers in confidence and limit their use to internal accounting, payroll, benefits and pension purposes or as otherwise required by a governmental entity.

X. Recorded Telephone Lines

If crewmember telephone conversations with the Company are recorded, the crewmember will be informed that such conversation is being recorded, and such recordings shall be archived by the Company for a period of not less than sixty (60) days.

Y. Joint Working Groups

1. The Company and Association representatives will meet quarterly or more frequently, if necessary, on the following subjects: facilities, catering, hotel, uniforms, security, safety, jumpseats, facilities and aircraft environmental conditions. The parties may mutually agree to create additional joint working groups.
2. The Company and Association will designate representatives with authority to meet and resolve issues for each group. The intent of the parties is that the joint working groups will establish and maintain a positive, collaborative working relationship with a goal of fact sharing and mutual problem solving.
3. Joint working groups will review and discuss results of surveys conducted by the Association concerning the subject matter of the working groups.
4. If a joint working group cannot agree to resolution of an issue identified by the working group, the issue will be elevated to the Chief Pilot and President of Association or their designees for resolution. If mutual agreement cannot be reached on the issue, the Association may grieve any issue which it believes is in violation of the contract.

Z. Expedited Crew Screening Programs

The Company agrees to maintain membership in any TSA-approved national expedited flight crew screening program, such as Known Crewmember (KCM) or any similar successor program, which requires air carrier approval and involvement to participate. This commitment is based on the condition that the cost of participation will remain comparable to the present costs, with the understanding that inflationary and other reasonable adjustments based on new technology and other changes in the security environment, may be required.

ARTICLE 6 HEALTH AND WELFARE BENEFITS

A. *Health and Disability Coverage*

1. a. The Company agrees to provide health coverage as outlined herein to crewmembers who are covered by this Agreement including newly hired crewmembers on the first day of their active employment and to eligible retirees who were, formerly crewmembers. Active crewmembers and those on approved leaves of absence who are eligible in accordance with Article 9 Section N. will be provided coverage as outlined in the UPS Crewmembers Benefit Package. Eligible retirees will be provided benefits as outlined in the UPS Crewmembers Benefit Package for Retired Employees. Benefits will be maintained at levels outlined in these two programs throughout the term of this Agreement.

Under the UPS Crewmembers Benefit Package, effective January 1, 2017, active eligible crewmembers will be provided for the term of this Agreement:

- (1) At least four (4) levels of health care coverage: Option 0 - No Coverage, (by the selection of the crewmember, no health care coverage provided by UPS) Option 1 [the Flex HSA plan], Option 2 [the Preferred Provider Organization (PPO) plan], Option 3 the Traditional Indemnity Plan for areas where Option 1 the Flex HSA plan and the Option 2 PPO Plan are not available.
- (2) At least four (4) levels of dental coverage: Option 0 by selection of the crewmember, no dental care coverage provided by UPS, Option 1 PPO Dental, Option 2 Limited Dental providing a lower level of dental care benefits than dental Option 1, or Option 3 traditional indemnity coverage.
- (3) At least two (2) levels of vision care coverage: Option 0 – Exam Only, Option 1 - Exam Plus Glasses or Contacts.
- (4) Prescription benefits will continue to be provided by Express Scripts/Medco.

- b. On an annual basis eligible crewmembers will have the option of deciding their level of coverage (health, dental, vision option) for the succeeding year. The contribution, if any, due from the crewmember or credit due to him will be as specified in Section G. below. Pursuant to the Affordable Care Act (ACA), there is no lifetime maximum. If the ACA is ever repealed or modified to eliminate the requirement of an uncapped maximum, the lifetime maximum for crewmembers, and any eligible dependents covered under the UPS Crewmembers Benefit Package will be two million dollars (\$2,000,000) each, with annual restoration as specified in the SPD.

Crewmembers who become eligible for health care coverage when they first begin employment will receive Option 1 Flex HSA Medical, Option 1 Dental (the Aetna Dental PPO network) and Option 1 Vision. Within thirty (30) days of the beginning of employment the crewmember may switch to Option 0 or 2. The crewmember may wait until the next annual election period at which time they may decide their coverages for the succeeding year. Notwithstanding the above, if a new crewmember lives in an area where Option 1 or Option 2 are not available, he will be enrolled in Option 3 (Traditional Indemnity Plan).

- c. Each calendar year, retirees will be able to select benefits in accordance with the following paragraphs, depending on their retirement date:
 - (1) Eligible retirees who are retired before the date of ratification will be provided, for the duration of this Agreement, the medical benefits as outlined in Article 6.A.1.a. above. There shall be an annual election at the same time as the active employees each Fall. These participants shall maintain the retiree medical coverage provided by the predecessor labor agreement until January 1, 2017. This new paragraph shall become effective January 1, 2017. The retiree shall be responsible for monthly contributions for such coverage, effective January 1, 2017, as set forth in Section G.3. below. The lifetime maximum for each retiree will be one million dollars (\$1,000,000) with annual restoration as specified in the SPD. In lieu of those benefits provided in Article 6.A.1.a. above, eligible retirees who are retired before the

date of ratification and their dependents may choose to participate in the Health Retirement Account (HRA) as described below in Article 6.A.1.c.(2)(a).

- (2) Eligible crewmembers who retire subsequent to the date of ratification of this Agreement shall have an annual option to elect to be covered by paragraph (a) or (b) below. If a crewmember dies, an eligible surviving spouse or dependent(s) shall have the same two options. An initial selection between option (a) or (b) below shall be made when the retirement is effective. The default option shall be Article 6.A.1.c.(2)(b). Thereafter, the crewmembers' annual election shall occur at the same time as all other active crewmembers as provided in Article 6.A.1.b. above. This paragraph shall become effective on January 1, 2017. Crewmembers who retire between the date of ratification and January 1, 2017, shall be provided the retiree medical benefit coverage as set forth in the predecessor labor agreement. The two (2) options, effective January 1, 2017 will be:

(a) Health Retirement Account (HRA)

- (i) In lieu of Company-provided medical, dental, and vision benefits, the eligible retiree will be provided six thousand two hundred fifty dollars (\$6,250) annually per participant (i.e., retiree, spouse and dependent, if any), up to a maximum of three (3). The monies will be deposited into the retiree's HRA to be used as allowed by law. Unused monies can be rolled over year-to-year for subsequent use. If a retired crewmember has a spouse or dependent, the HRA account will be established jointly, to allow unused monies to pass to any eligible survivors. The annual contribution for a participant will stop when a participant dies or becomes eligible for Medicare. A spouse or dependent must thereafter maintain eligibility. An HRA account will end and any unused monies will revert to the Company when the last participant ceases to be eligible to participate. The six thousand two hundred

fifty dollars (\$6,250) will be prorated for any partial years that may occur.

- (ii) Eligibility for the HRA will be determined by the terms of the current retiree SPD.
- (b) UPS Crewmembers Benefit Package for Retired Employees (Retiree Package).
- (i) Eligible retirees, spouses and dependents may elect annually to maintain coverage through the Retiree Package. It will provide medical, dental and vision benefits equal to those provided to active crewmembers pursuant to Section A.1.a. above.
 - (ii) The Retiree Package shall have a one million dollar (\$1,000,000.00) lifetime maximum.
 - (iii) The retiree will have an annual election as to the benefit level for the upcoming year. The election shall be made at the same time as active crewmembers.
 - (iv) If a retired crewmember is married to another crewmember who is still actively employed, medical coverage will be provided to the retiree and any eligible dependents through the active crewmember's coverage. When the second crewmember of the couple retires, Article 6.A.1.c. shall become applicable.
 - (v) A retired crewmember (or eligible spouse or dependent if they survive the crewmember) shall be responsible for a contribution equal to the per capita cost in excess of six thousand two hundred fifty dollars (\$6,250) annually per participant. The contribution shall be monthly. The Company shall provide the Association the relevant data used to determine the excess over six thousand two hundred fifty dollars (\$6,250). Each participant, up to a maximum of three (3), shall be eligible for a six thousand two hundred fifty dollars (\$6,250) annual credit.

The eligible participants shall be notified by the Company of the required monthly contribution each year.

- (vi) Eligibility for coverage will be determined by the terms of the retiree SPD in effect on the date of ratification.

(3) The \$6,250 maximum set forth herein is a mandatory subject of bargaining in subsequent negotiations. Either party may seek to change the maximum during negotiations on a successor agreement.

- d. All active employees who elect health care coverage shall be eligible to participate in the following additional UPS Crewmembers Benefit Package features: supplemental AD&D coverage, supplemental life insurance coverage, group legal plan, financial planning, mortgage assistance plan, or group purchasing plan.
 - e. For those crewmembers who continue to use out-of-network providers the benefit levels will be as specified in the SPD for out-of-network providers. Alternatively, crewmembers on the seniority list on the date of ratification may opt for Option 3 (traditional indemnity coverage) during each annual enrollment period. Benefit levels for Option 3 shall be as specified in the SPD in effect for crewmembers in 1997. Option 3 includes dental coverage at 80/20 of reasonable and customary (based on the Ingenix database or its successor); \$50 single/\$100 family deductible; no annual maximum; and an out-of-pocket annual maximum of \$1500. Election of Option 3 shall not preclude the crewmember from selecting a different option during the next annual enrollment period.
 - f. The Company will continue to make the AON Retiree Exchange or a mutually agreed upon successor insurance plan available to those crewmembers who have previously retired or who retire in the future from the Company who are age 65 and over. The retiree shall receive the necessary paperwork directly from the provider upon turning age 65.
2. In the event of an enactment of a Federal law directly and substantially impacting how medical services are provided,

the Company or Union shall have the right to reopen Article 6. Section A.1. by serving notice of such reopening pursuant to Section 156 of the Railway Labor Act. Such a reopener shall not be permitted until at least two (2) years after the date of ratification.

3. a. The Company shall provide health coverage for crewmembers on a leave of absence, and their eligible dependents, in accordance with Section A.1. above and Article 9. Section N. For those crewmembers who have lost the ability to hold a medical certificate, the Company shall provide, at an active crewmember rate, health coverage for the first two (2) years. Coverage, at the active crewmember rate, shall be available for years three (3) through five (5) after the loss of the medical certificate provided the crewmember is not earning at other employment a salary equal to or greater than fifty percent (50%) of pre-disability salary (based on his last full calendar year W-2 earnings) or has other health coverage available. After five (5) years [or earlier if the crewmember's income exceeds the fifty percent (50%) limit] medically disqualified crewmembers and their dependents may continue their medical coverage under the provisions of COBRA. Following the exhaustion of COBRA benefits, such crewmembers and their dependents may continue their medical coverage under the UPS Crewmembers Benefit Package by paying rates not to exceed COBRA premiums (at a 102% rate) for years six (6) through ten (10). If a crewmember remains on medical leave for more than ten (10) years the COBRA rate will be at a 150% rate. However, the Company will cover one-half of any COBRA costs for those crewmembers who had more than fifteen (15) years of service at the time they lost their medical certificate and the entire COBRA costs for those crewmembers with more than twenty (20) years of service when the medical certificate was lost. Eligible medically disqualified crewmembers and their dependents will be provided health care at age fifty-five (55) in accordance with the terms of the UPS Crewmembers Benefit Package for Retired Employees.
- b. The availability of health coverage in a. above for the disabled crewmember and dependents will cease if the crewmember obtains health coverage through any other means or regains his medical certificate. Health coverage

at COBRA rates will not be available to a crewmember who qualifies for Medicare but, in such event, will continue to be made available for eligible dependents. A crewmember who qualifies for Medicare shall be eligible for retiree coverage as outlined in Section 1.c.(1) above. Such retiree coverage shall be secondary to Medicare. A crewmember who regains his medical certificate and returns to active status as a crewmember will be covered by the UPS Crewmembers Benefit Package. Any crewmember who loses the ability to maintain UPS coverage for reasons set forth in this paragraph, shall be allowed to enroll in the UPS Crewmembers Benefit Package for Retired Employees provided: (i) there is not more than a ten (10) year break in the Company provided coverage, (ii) he has maintained continuous medical coverage during the break, and (iii) he is otherwise eligible for the coverage in accordance with the terms of the UPS Crewmembers Benefit Package for Retired Employees.

- c. If an active or disabled crewmember dies, the surviving spouse and any eligible dependents will be provided the health coverage in effect at time of death for twenty-four (24) months from the date of the crewmember's death. He or she and any eligible dependents shall then be entitled to continue health coverage at the COBRA rates (102%) until he/she remarries, otherwise obtains health coverage or becomes eligible for Medicare. If the crewmember was eligible for retiree medical coverage but continued to work, the surviving spouse and any eligible dependents will be provided retiree medical coverage pursuant to paragraph A.1.c.(2). Continued eligibility for coverage or the right to participate in the HRA will be determined by the SPD.
 - d. The Company will establish a procedure to audit those crewmembers receiving COBRA-like coverage to ensure that there is no break in the continuity of health care coverage. If there is a break in coverage through no fault of the crewmember, the Company will be obligated to retroactively cover any expenses the employee incurred which would have been paid by the Plan.
4. The Company will provide all crewmembers with the Summary Plan Description (SPD) describing all benefits prior to or at the time coverage commences, and provide

crewmembers with an explanation of any changes to the SPD required by governmental law or regulation. The Company shall make the SPD available by posting it on the Company's website and providing the Association a copy suitable for posting on its website, both within ninety (90) days of ratification. The on-line version will be updated annually to reflect any changes. In addition, once each year, the Company will provide the Association with a complete copy of the underlying plan documents for any health care plan and other welfare benefits being offered to crewmembers under this Agreement.

5. For the duration of this Agreement, the Company will maintain within its Human Resources department employees to assist crewmembers and their families regarding problems associated with health care claims and reimbursement procedures.
6. The Company agrees that before it ever replaces any established medical or dental PPO or Flex HSA network utilized by crewmembers covered by this Agreement, it will meet and discuss with the Association the reasons for making a change, and provide any and all relevant information to the Association about the new network. The Company will take any and all steps possible to avoid changes in crewmember health care providers. No change in networks will be made prior to such meeting and discussion with the Association.
7. If a crewmember who lives in Alaska goes out of network for medical services, they will be treated as if the service was in-network. Reasonable and customary will not be applied. There will be no change in the medical, dental or vision coverage in Anchorage without first consulting with the Association.

B. Loss of License Insurance

1. The Company agrees to provide loss of license insurance for crewmembers who are unable to exercise the privileges of their medical certificate due to medical problems. Said insurance shall be subject to a six (6) month waiting period from the date the crewmember is unable to exercise the privileges of his/her FAA medical certificate.
2. Each pay period the crewmember shall receive sixty six and two-thirds percent (66.67%) of his pay period guarantee.

Such benefit will be payable for up to twenty (20) pay periods. The above shall exclude pre-existing conditions prior to becoming insured and all alcohol and drug related medical failures.

3. In order to be eligible for loss of license insurance, a crewmember must immediately notify the Office of the Chief Pilot and the Medical Services Manager upon becoming ineligible to exercise the privileges of his FAA medical certificate and provide documented proof of such ineligibility. The Company may subsequently require any crewmember to be examined by a Company doctor as a result of a claim for loss of license benefits.
4. If the crewmember consents the Company may contact the FAA on behalf of the crewmember in order to remove any restrictions associated with his medical certificate.

C. VEBA for Post-Retirement Health Expenses

Effective the first pay period beginning on or after September 1, 2017, for each full hour of a Crewmember's pay, one dollar (\$1) shall be deducted from such pay and contributed by the Company to such crewmember's retiree health reimbursement account (HRA) in a voluntary employees' beneficiary association (VEBA) trust established by the Association. Reimbursements shall only be for the retirees', their spouses' and dependents' (as defined in Internal Revenue Code Section 152) medical expenses as allowed by Internal Revenue Code Section 213(d). Such contribution shall be in the form of a salary reallocation per pay check. It shall be included or excluded from gross income as determined by the law. Contributions shall be made within five (5) business days of when the crewmember's compensation is paid. No amounts shall be forfeited or applied against any Company contribution obligation. The Association shall have the responsibility for establishing and administering the VEBA. The Company shall have no obligation other than the deduction and remission of the money.

D. Coverage for Medical Recertification

If the IPA Aeromedical Advisor deems it desirable for a crewmember to be evaluated and/or treated for the purpose of retaining or regaining his FAA medical certificate by a medical specialist who would otherwise be unavailable pursuant to the terms of the UPS Crewmembers Benefit Package, the crewmember's cost will not exceed what it would have been under his current in-network medical coverage. The Company will directly pay its share of such costs, if the UPS Crewmembers Benefit Package will not authorize payment.

Any medical bills for such an evaluation must be submitted to the Company's Human Resources department. Such evaluations or treatment may not include an on-going course of care or treatment outside of the network, unless the IPA Aeromedical Advisor reasonably determines that such evaluation or treatment is necessary in order to expedite or insure the retention or regaining of the crewmember's medical certificate.

E. Payroll Deduction Programs

The Company agrees to maintain the payroll deductions necessary to cover the costs of the group insurance plan coverage or health and welfare benefit plans established by the Association. These plans may include additional Flexible Spending Accounts (FSA) and a Voluntary Employee Benefit Association (VEBA), established by the Association. All such FSAs or VEBAs shall be in full compliance with all applicable IRS requirements and be subject to review and approval by the Company.

1. Company and Association representatives shall meet and agree on the forms and procedures which crewmembers shall utilize to provide the necessary authorization to make payroll deductions and information to implement such program(s).
2. The Association will designate whether the withheld amount(s) shall be remitted to the Association or to program provider(s).
3. Prior to the implementation of any payroll deduction, existing crewmembers shall complete the necessary forms and authorization. New crewmembers will be allowed to elect participation in the various Association programs as early as during the Company's initial orientation training. Thereafter, crewmembers will be allowed to adjust their deductions in accordance with the schedule provided by the Company payroll department and coordinated with bi-weekly payroll dates.
4. As of the date of the ratification of this Agreement, current payroll deductions include those for the Mutual Aid Plan for UPS Pilots, the IPA Group Life Plan, the IPA LTD Plan, and the IPA Foundation. However, the limitations in this paragraph shall not apply to the program the Association may establish in Section C of this Article.

5. As a part of the new health care program contained in A.1., the Company agrees to establish, maintain, and administer a Flexible Spending Account (FSA) for Child/Elder Care (CECSA) and for Health Care (HCSA) for all eligible crewmembers. This FSA for child care will replace, upon implementation, the current Association established FSA. The CECSA and HCSA will be implemented at the same time as the new health care package.

F. Child Care

1. Payroll deductions for dependent care expenses will be processed in the manner outlined in Section E. above if the Association elects to continue the existing FSA for dependent care or to establish VEBA for such purpose.
2. The Company shall provide a crewmember, upon the crewmember's request, with a listing of organizations obtained through research which provide child care services in the domicile or a gateway. The Company shall have no liability whatsoever associated with the furnishing of this information, or with the crewmember's use of these providers.
3. In addition to the above steps related to child care services, the Company will attempt at the written request of the Association to secure corporate discounts for child care services from providers of such services at the crewmembers' domicile(s). Furthermore, based on the success of its efforts in complying with this paragraph, and the level of use of such services at its domicile(s), the Company will attempt to secure corporate discounts at large gateway locations where a sufficient number of crewmembers indicate potential use of such services.

G. Crewmember Contributions

The employee contributions or credit for each pay period will be as specified in the chart below beginning with the paycheck on January 16, 2017.

1. Active crewmember per pay period contributions
(Divide these amounts by two (2) to arrive at per pay check deduction.)

	Medical –Flex 80/20 HSA Plan (Medical - Option 1)			Medical – PPO 90/10 (Medical - Option 2)		
Year	You only	You + Spouse/ You + Child	You + Family	You only	You + Spouse/ You + Child	You + Family
2017	\$41.62	\$83.24	\$124.86	\$105.39	\$210.80	\$316.19
2018	\$44.33	\$88.66	\$132.98	\$112.24	\$224.50	\$336.75
2019	\$47.21	\$94.42	\$141.62	\$119.54	\$239.09	\$358.63
2020	\$50.27	\$100.56	\$150.83	\$127.31	\$254.63	\$381.95
2021	\$53.54	\$107.10	\$160.63	\$135.59	\$271.18	\$406.78

Medical Option 0, no coverage, no cost. Crewmember will be paid per pay period \$17.00 (single); \$34.00 (employee plus); or \$47.00 (family)

Medical Option 3, traditional indemnity coverage, no cost

Active crewmember pay period contributions

(Divide these amounts by two (2) to arrive at per pay check deduction.)

	Dental - Aetna/USHC PPO Plan (Dental –Option 1)			Dental – Traditional Indemnity Plan (Dental – Option 3)		
Year	You only	You + Spouse / You + Child	You + Family	You only	You + Spouse / You + Child	You + Family
2017	\$8.64	\$17.27	\$25.90	\$9.61	\$19.24	\$28.83
2018	\$9.07	\$18.14	\$27.19	\$10.09	\$20.20	\$30.28
2019	\$9.52	\$19.04	\$28.55	\$10.60	\$21.21	\$31.79
2020	\$10.00	\$20.00	\$29.98	\$11.13	\$22.27	\$33.38
2021	\$10.50	\$21.00	\$31.48	\$11.69	\$23.38	\$35.05

	Vision - Exam + Glasses or Contacts (Vision – Option 1)		
Year	You only	You + Spouse / You + Child	You + Family
2017	\$1.44	\$2.88	\$4.34
2018	\$1.48	\$2.97	\$4.47
2019	\$1.53	\$3.06	\$4.60
2020	\$1.57	\$3.15	\$4.74
2021	\$1.62	\$3.24	\$4.88

Dental Option 0, no coverage, no cost. Crewmember will be paid per pay period; \$15.00 (employee plus) and \$22.00 (family)

Dental Option 2, limited dental coverage, no cost.

Vision Option 0, exam only, no cost.

- * In order to opt out, a crewmember must provide documentation that he is covered by another health insurance plan.

2. Active and retiree prescription costs (Maximum Amounts)

	Flex HSA Plan (Medical – Option 1)		Medical – PPO (Medical - Option 2)	
	30 Day	90 Day	30 Day	90 Day
Generic	\$10	\$20	\$10	\$20
Preferred	\$25	\$50	\$20	\$40
Non-Preferred	\$50	\$100	\$30	\$60

3. Retirees and Eligible Dependents Who Are Retired Prior to the Date of Ratification

Year	Medical - Flex HSA Plan (Medical – Option 1)			Medical – PPO (Medical - Option 2)		
	You only	You + Spouse/ You + Child	You + Family	You only	You + Spouse/ You + Child	You + Family
2017	\$65.78	\$131.57	\$197.35	\$192.48	\$385.02	\$577.50
2018	\$103.91	\$207.81	\$311.86	\$238.82	\$477.77	\$716.60
2019	\$144.51	\$289.03	\$433.68	\$288.22	\$576.51	\$864.73
2020	\$187.75	\$375.63	\$563.38	\$340.81	\$681.68	\$1,022.49
2021	\$233.88	\$467.76	\$701.51	\$396.77	\$793.74	\$1,190.51

These rates above include medical, dental and vision options.

H. Social Security Numbers

The Company will only use crewmembers, spouses' and dependents' social security numbers as required by law.

ARTICLE 7 GRIEVANCE PROCEDURE

A. Nondisciplinary Grievances

Any crewmember or group of crewmembers covered by this Agreement who have a grievance, except matters involving discipline or discharge, shall have such grievance(s) considered and processed in accordance with the following procedure. It is the intent of the parties to resolve grievances or potential grievances informally, whenever possible, and there shall be an earnest effort on the part of all parties to settle grievances promptly in accordance with the procedure outlined herein.

A grievance is hereby jointly defined to be any controversy, complaint, misunderstanding, or dispute arising as to interpretation, application or observance of this Agreement.

1. If the grievance cannot be resolved through informal discussions between the crewmember(s) and their immediate management, the grievance shall be submitted to the Office of the Chief Pilot, or his designee:
 - a. via the IPA/UPS Grievance website, or
 - b. reduced to writing and submitted to the Association for electronic transfer.

In either case, the grievance must be submitted within fifteen (15) business days from the date of the occurrence giving rise to the grievance, or within fifteen (15) business days after the crewmember(s) reasonably would have knowledge of the facts upon which the grievance is based. The grievance shall contain a statement of the facts, the basis of the grievance and the relief sought.

When a grievance is filed electronically, all Company responses to the crewmember(s) will be electronic, with copies to the Association. If the crewmember(s) elect(s) to file a grievance in handwritten form through the Association, the Company will respond electronically to the Association. The crewmember can select whether to receive all Company responses electronically or have them forwarded via the Association.

2. Within ten (10) business days after receipt of the grievance, the Office of the Chief Pilot, or his designee, shall issue a decision to the grievant(s), with copies to the Association.
3. If an appeal to this decision is desired, such appeal shall be made to the Manager of Flight Operations, or his designee, within ten (10) calendar days after the written decision of the Chief Pilot, or his designee, was received by the grievant(s).
4. The appeal hearing shall be scheduled by the crewmember. The crewmember shall select a date for the hearing from those available on the IPA/UPS Grievance website. Appeal step hearing dates will be available at least 60 days in advance. The crewmember is encouraged to schedule the hearing as soon as possible, but not less than two (2) business days in advance. The cancellation of the appeal hearing may be accomplished through the website or by contacting a UPS or IPA grievance representative. A crewmember may also request on the website an electronic confirmation of his scheduled appeal hearing date. The appeal hearing must be scheduled and heard within twelve (12) months of the date of the appeal, or it will be administratively closed. The twelve (12) month period may be extended by mutual agreement between the Company and the Association. Agreement will not unreasonably be withheld by either party. The crewmember will have Association representation at such appeal hearing. Within ten (10) calendar days after the close of such appeal hearing, the Manager of Flight Operations, or his designee, shall announce his decision in writing to the grievant(s) with copies to the Association.

The Company and the Association will mutually agree upon a sufficient number of potential appeal step hearing dates to be available on the website. The number of potential hearing dates shall accommodate the expected number of appeal step hearings and provide the maximum scheduling flexibility for crewmembers.

5. If the grievance remains unresolved after the appeal step hearing, further appeal, if made, shall be to the "IPA/UPS System Board of Adjustment." Such appeal shall be submitted by the Association within thirty (30) calendar days from receipt by the grievant(s)/Association of the written

decision of the Manager of Flight Operations, or his designee, with copies to the same.

6. Negotiated settlement agreements reached at any level shall be final and binding except on grievants or grievances not party to the specific resolution, unless otherwise agreed to by the Company and Association. Such settlement agreements shall be signed and in writing with copies to the Association.

B. Discipline and Discharge

1. Verbal warnings, warning letters and letters of concern which do not include loss of pay, loss of a benefit, suspension or termination shall not be considered discipline for purposes of the grievance procedure.
 - a. Such reports, written or otherwise, involving the counseling or reprimand of a crewmember shall not be used to initiate subsequent suspension or discharge unless such letter or warning is dated within nine (9) months of the date of the most recent incident being considered. Furthermore, such letters or warnings shall not be introduced into evidence by the Company at any hearing concerning subsequent discipline or discharge unless dated within one (1) year of the current incident under consideration, unless the Association introduces testimony or evidence that the crewmember's discipline should be mitigated due to the crewmember's overall performance or length of service. Nothing in this Section or Article is intended to require verbal warnings, warning letters, and/or letters of concern be on file prior to the removal of a crewmember from the payroll for just cause.
 - b. The crewmember receiving such letter or warning shall have the right to have his written version of the incident placed in his personnel file adjacent to such letter or warning, provided that the explanation does not exceed ten (10) standard letter size pages per incident.
2. If an incident occurs which results or may result in the loss of pay, loss of a benefit, suspension or discharge of a non-probationary crewmember, the crewmember shall be notified and entitled to a prompt and complete hearing. The crewmember shall:

- a. Have Association representation at such meeting unless specifically waived by the crewmember. The waiver notice shall be as follows:

Waiver Notice

In accordance with Article 7.B.2.a. of the labor agreement between United Parcel Service and the Independent Pilots Association, a crewmember has the right to Association representation in connection with any hearing or meeting which may result in the loss of pay, loss of a benefit, suspension or discharge. A crewmember also has the right to waive representation. If you desire to waive representation, you must sign this waiver. You may revoke this waiver at any time.

Crewmember:_____ Date:_____

- b. Continue on full pay and credit with benefits, and except for a period following a serious accident or incident, will not be removed from flight status during an investigative process unless there is probable cause as to the crewmember's inability to safely or legally conduct his duties. Probable cause shall include, but not be limited to, violations of FAA/NTSB directives or regulations, positive drug/alcohol test results, or verified medical reasons.
 - c. Following the conclusion of an investigation, be exonerated, disciplined, suspended or discharged.
 - d. In the case of discipline, suspension, or discharge be notified in writing with copies to the Association, of the precise charge or charges against the crewmember.
 - e. Not be suspended retroactively without the concurrence of the grievant and the Association.
3. Any grievance protesting Company disciplinary action filed by a probationary employee is subject to the limitations of Article 8.E. However, a crewmember on probation may have an Association representative present at an investigation or disciplinary hearing if he requests.
 4. Letters concerning discipline which involve a loss of pay, loss of a benefit, suspension or reduced termination shall not be

used to initiate subsequent suspension or discharge where progressive discipline is appropriate, unless such letter is dated within eighteen (18) months of the date of the most recent incident being considered. Furthermore, such letters or warnings shall not be introduced into evidence by the Company at any hearing concerning subsequent discipline or discharge unless dated within two (2) years of the current incident under consideration, unless the Association introduces evidence that the crewmember's discipline should be mitigated due to the crewmember's overall performance or length of service.

C. *Disciplinary Grievance Procedure*

1. Within fifteen (15) business days after receipt of written notice of the discipline taken against the crewmember, such crewmember may file an electronic grievance with the Manager of Flight Operations, or his designee, challenging the propriety of the action taken.
2. A hearing will be held by the Manager of Flight Operations, or his designee, within twenty (20) calendar days at a mutually acceptable time after receipt of the grievance. The grievant shall have Association representation present. Such hearing shall include a presentation by the Company of the evidence upon which the disciplinary decision was based, with the grievant and the Association having the right to question such witnesses present and to copy all the evidence presented.
3. Within ten (10) calendar days after the close of the hearing, the Manager of Flight Operations, or his designee, shall inform the grievant in writing of the decision with copies to the Association.
4. If the grievant is not satisfied with the decision of the Manager of Flight Operations, or his designee, such decision may be appealed to the "IPA/UPS System Board of Adjustment". Such submission shall be made in writing within twenty (20) calendar days from the date of receipt by the grievant of the decision of the Manager of Flight Operations, or his designee, with copies to the same.
5. In the case of discharge or discipline involving 37:30 hours or more loss of pay, the grievance may be appealed directly to the IPA/UPS Arbitration System Board of Adjustment.

6. Cases of discipline involving less than 37:30 hours loss of pay shall be subject to the regular grievance procedure except there shall be no appeal step hearing unless mutually agreed to by the parties. Further, notwithstanding any other provision of this Agreement, the parties agree the grievant and the Company manager responsible for the disciplinary decision shall be present to testify at the IPA/UPS System Board of Adjustment.

D. General

1. a. The Association may file or process a grievance on behalf of any crewmember. In addition, the Association may file or process a grievance on behalf of any group of crewmembers covered by this Agreement provided the grievance is signed by a person properly designated by the Association before the filing of the grievance.
 - b. Once the Association files a grievance on behalf of a group of crewmembers pursuant to Article 7.D.1, it shall not be necessary for an aggrieved crewmember to follow the procedures for non-disciplinary grievances as specified in Article 7.A. Rather, a crewmember who believes he is aggrieved shall have fifteen (15) business days from the date of the occurrence giving rise to the grievance, or when he reasonably would have had knowledge of the occurrence, to file a written statement with UPS and the Association indicating he wants to be included in the group grievance filed by the Association. The statement shall be placed on a form developed by the Association and provide a written account of the facts supporting the crewmember's position.
 - c. The resolution of an Association group grievance shall be limited to those crewmembers who provide written notice in accordance with paragraph b.
2. The time limits set forth in this Article may be extended in writing by mutual agreement of the Manager of Flight Operations, or his designee, and the grievant(s) or the Association.
3. If any decision of the Company under the provisions of this Article is not appealed by the grievant(s) within the time limits prescribed herein for such appeal, or any extension mutually agreed upon, the decision of the Company shall be considered final and binding upon the grievant. Failure to

timely process a grievance filed by the Association on behalf of all or a group of crewmembers shall result in the Company's decision being binding on all affected crewmembers. If any hearing or decision required of the Company under the provisions of this Article is not provided within the time limits herein, or any extension mutually agreed upon, the grievant(s) may consider the request denied and appealed to the next step of the grievance procedure. In those cases where the Company intentionally fails to respond to a grievance within the time limits specified, the Company's position shall be deemed waived with regard to that grievance. None of the above is intended to include failure to meet time limits as a result of illness, family emergency, unscheduled lengthy duty assignments, or similar circumstances, provided that such filing or processing occurs in a timely manner after such circumstances are resolved.

4. If, as a result of any hearing or appeal there from, a crewmember is totally or partially exonerated, the crewmember's personnel record shall be cleared of the unsubstantiated charge(s) upon which the discipline or discharge was based, consistent with the award, and if the crewmember has been held out of service, such crewmember shall be reinstated with full seniority and longevity and made whole for any lost pay and benefits consistent with the award.
5. The filing of all written grievances, decisions and appeals thereof, and all written notifications shall be accomplished electronically or by personal delivery, verified by initialed copy, or by a delivery system prepaid, with return receipt requested, addressed to the last known address of the person(s) to whom the notice is being given, with a copy to the Association.
6. When hearings or conferences are scheduled with a crewmember concerning a matter which may result in discipline or discharge, the crewmember shall have the right to have an Association representative present. Further, when a crewmember is requested to appear at such investigative hearing or conference, he shall be advised of the nature of the subject to be discussed.
7. At such time that there is an active grievance on file relating to discipline or discharge of a crewmember, the crewmember or Association representative authorized by the crewmember shall have access to the personnel file of the crewmember

involved. Such access, with the right to copy same, shall include all letters of warning and concern issued to the crewmember, and all records of disciplinary actions initiated by the Company relating to the crewmember, as well as all current and available grievance related material regarding the current disciplinary action which would become part of a crewmember's personnel file in accordance with Company filing practices. In addition, the Association shall have the right to make reasonable requests and obtain copies of any other documents in the Company's possession which are relevant to the grievance.

8. No Company generated disciplinary material, including warning and letters of concern, may be placed in a crewmember's personnel file without the crewmember being copied, or indicating knowledge of such placement into his file by initialing the item.
9. The Company agrees not to initiate disciplinary action with a crewmember as a result of background checks relative to pre-employment history more than one (1) year after the initial date of continuous employment. The Company will not require a crewmember to fill out any forms for the purpose of background checks after the probationary period has been completed. This paragraph shall not be applicable to checks initiated or required by the FAA relating to an individual's FAA certification or other government required certification or license.
10.
 - a. As per past practice, the Association shall have the right to request and be provided with Company records that reasonably relate to (or records that potentially can lead to records that reasonably relate to) a grievance or potential grievance. The Company will provide such records as soon as reasonably possible but no later than thirty (30) days after the request.
 - b. In addition, the Company will provide to the Association all pertinent information used in developing its response to the grievance at the time the response is provided. For those grievances which relate to the scheduling of a crewmember, the Company will automatically provide a copy of the pertinent CMS audit(s) and scheduling advisement(s) with MESCO hardcopy. The RADAR and/or JA list(s) will also be automatically provided when appropriate.

- c. The Company will provide the Association as provided herein with view-only access to its Crew Management System (CMS) or any like successor system via electronic link with the Association's office computers. The Association's access to CMS will be limited to those fields which have been mutually agreed upon by the parties under the prior agreement.

E. System Board of Adjustment

1. Railway Labor Act Compliance

In compliance with Section 204, Title II, of the Railway Labor Act, as amended, there is hereby established a System Board of Adjustment for the purpose of adjusting and deciding disputes which may arise under the terms of this Agreement and any amendment or additions thereto, and which are properly submitted by the Association, which Board shall be known as the "IPA/UPS System Board of Adjustment", hereinafter referred to as the "Board".

2. Composition of the Board

- a. The Board shall consist of four (4) members, two (2) of whom shall be selected and appointed by the Company and two (2) of whom shall be selected and appointed by the Association and such appointees shall be known as "Board Members." In addition, the Company and the Association shall each designate an alternate(s), and in the event of unavailability of a Board Member(s), such alternate(s) shall serve in place of the absent Board Member.
- b. The two (2) Board Members appointed by the Company and the two (2) Board Members appointed by the Association, and their alternates, shall serve until their successors have been duly appointed. Vacancies shall be filled in the same manner as is provided herein for the selection and appointment of the original Board Members and the original alternates.
- c. The terms of office of Chairman and Vice Chairman shall be one (1) year. Thereafter, from year to year, the Board shall designate one (1) member to act as Chairman and one (1) member to act as Vice Chairman for one (1) year terms or until his successor has been duly selected.

Such terms of office shall commence on January 1st of each year.

- d. The office of Chairman shall be filled and held alternately by a Board Member appointed by the Association and by a Board Member appointed by the Company. When a Board Member appointed by the Association is Chairman, a Board Member appointed by the Company shall be Vice Chairman, and vice versa. The Chairman, or in his absence the Vice Chairman, shall preside at meetings of the Board and at hearings and shall have a vote in connection with all actions taken by the Board.
- e. The Board shall meet each month on dates to be mutually agreed upon, except no Boards will be scheduled between November 15 and January 1. Each Board session will consist of two (2) consecutive days. Up to eight (8) grievances may be scheduled to be heard on the first day of the Board. In order to ensure the maximum usage of these available time slots, IPA shall select an additional four (4) cases as alternates to be slotted into the first day in the event of the resolution/postponement of any of the original eight (8) cases. The second day each month will be used for either Executive Sessions or to hear any of the eight cases not heard on the first day. Cases previously presented to the System Board but still undecided will also be reviewed by the current system board members on the second day. Board meetings will normally be held in Louisville, Kentucky, commencing at 8:00 am local time, unless a different time and/or place of meeting is agreed to by a majority of the Board, and shall hear all cases properly referred to the Board at that time. If necessary, the parties may schedule additional System Board hearings by mutual agreement. The agreement will not be unreasonably withheld by either party.
- f. The grievant shall electronically schedule his case for hearing by the System Board within twelve (12) months of the date of the System Board submittal notice. The case must be scheduled and heard within this twelve (12) month period or it will be administratively closed. The twelve (12) month period may be extended by mutual agreement between the Company and the Association. Agreement will not unreasonably be withheld by either party. If two (2) or more Board Members, at least one (1)

from the Association side and one from the Company side, consider a matter of sufficient urgency and importance, then it shall be scheduled at such earlier date and place as the Chairman and Vice Chairman shall agree, within thirty (30) days after such request for a meeting is made by the two (2) Board Members. The Chairman and/or Vice Chairman shall give the necessary notices of such meeting to the other Board Members.

- g. In order for a case to be heard on a particular System Board hearing date, it must be scheduled and confirmed at least ten (10) calendar days in advance of the hearing date, absent mutual agreement of the parties. This ten (10) day limit shall also apply to the designated alternate cases. With less than ten (10) days notice, the Company has the right to postpone any scheduled case if the Association provides notice of its intent to include additional contract references as a part of its case presentation. Such case may be rescheduled at any System Board during the one year period. However, if the postponement was on the last available System Board date for that case, it must be rescheduled on the next scheduled System Board date unless otherwise mutually agreed to in accordance with paragraph f. above.

3. Jurisdiction of the Board

The IPA/UPS System Board of Adjustment and IPA/UPS Arbitration System Board of Adjustment shall have jurisdiction over any dispute properly submitted to it by the Association growing out of the interpretation or application of any of the terms of this Agreement or amendments thereto when such dispute(s) have not been previously settled in accordance with the provisions of this Article. The jurisdiction of the IPA/UPS Arbitration System Board of Adjustment shall not extend to changes in hours of employment, rates of compensation, or working conditions covered by this Agreement or other existing Agreements between the parties hereto.

4. Proceedings Before the Board

- a. All disputes properly referred to the Board for consideration shall be addressed to the Chairman, with a copy to the Company designee. Five (5) copies of each

submission including exhibits in connection therewith, shall be forwarded to the Chairman, who shall provide one (1) copy thereof to each member of the Board at the commencement of the Board hearing. Each case submitted shall show:

- (1) Question(s) at issue;
- (2) Statement of facts;
- (3) Position of the grievant(s);
- (4) Position of the Company, if known, and
- (5) Copy of the original grievance.

- b. Crewmembers covered by this Agreement shall be represented at Board hearings by such person or persons as may be designated by the Association. The Company shall be represented by such person or persons as it designates. Evidence may be presented either orally or in writing, or both.
- c. Both the Company and the Association may provide their own witnesses for their presentation. Normally, not more than four (4) witnesses will be called by either party to testify concerning the same event, transaction, or policy, unless a majority of the Board determines such testimony is necessary for a fair resolution of the case. The Board may restrict redundant or irrelevant testimony.
- d. Any Board Member may summon material witnesses to a Board hearing who are Company officials, Association members, or Company employees not represented by the Association. The Board Member may summon these adverse witnesses only after requesting approval of same in writing from at least one (1) Board Member from the other party of the Board and provided that the adverse witness is available. Such approval will not be unreasonably withheld. Such other concurring Board Member and witness must be so notified at least one (1) week prior to the scheduled Board date.
- e. The Board shall be competent to hear the disputes properly submitted to it and decide said disputes by a majority vote of all members of the Board. Decisions of

the Board shall be final and binding upon the parties hereto.

- f. The Association, in contract disputes, and the Company, in discipline cases, will commence presentation supporting their respective position through witnesses, if desired, with the opposing party having the right to cross-examine witnesses or to question presenters. The Board may restrict redundant or irrelevant testimony.
- g. In four (4) member System Boards, the order of procedure will be:
 - (1) Presentation;
 - (2) Cross examination of witness or questions of presenter by opposing party;
 - (3) Opposing presentations;
 - (4) Cross examination of witness or questions of presenter by opposing party;
 - (5) Rebuttal of original presentations, cross examination of rebuttal witnesses or presenter and closing statements;
 - (6) Questions by the Board;
 - (7) Executive session will normally be held at the end of the morning's hearings and again at the end of the afternoon hearings.

The Chairman may deviate from this schedule with the concurrence of the Board.
- h. The Board may ask clarification questions at any time during the proceeding and during rebuttal.
- i. Each side will normally be allowed 10 minutes to cross examine each of the opposing witnesses or presenters. The presiding Chairman will have the authority to control relevancy and redundancy during witness questioning.
- j. The function of Board Members during the proceeding is to hear and clarify evidence presented. Board Members

shall not enter evidence into the proceeding or otherwise function as presenters unless called as a witness. It is understood that decisions are to be rendered based on the evidence presented to the Board in the process of the hearing. Any Board Member may request and be granted an executive session of the Board during the proceeding in order to clarify Board procedure.

k. Records of the Board

- (1) The Board shall maintain a record of all matters submitted to it for its consideration and of all findings and decisions made by it.
- (2) Either party may have a court reporter present for disputes heard by the Board. If mutually requested, the cost of such reporter shall be shared equally, and both the Company and Association shall be provided copies of the transcript.
- (3) If unilaterally obtained, the cost of the reporter shall be borne by the requesting party. The other party shall be entitled to any or all of the transcripts of the disputes heard after sharing half the total cost of the reporter for that System Board session, except that if the only transcript copy requested is that of a deadlocked case, such transcript copy shall be provided to the other party at no cost.
- (4) A court reporter will be provided for all disputes heard at the IPA/UPS Arbitration System Board of Adjustment and the cost of such reporter will be mutually shared by both parties.

5. Deadlock Procedures

- a. When a dispute is properly submitted to the Board for hearing and the Board is unable to decide the dispute by majority vote within three (3) days after the date of the hearing, the Board shall declare itself deadlocked. When a deadlock occurs, the Board by written notice, shall immediately notify the Company and the Association of such deadlock, including the date thereof, and the need for the services of a third (3rd) member of the Board.

- b. If the Association desires to submit the case to such three (3) member Board, it must do so by written notice to the other party with copies to the Chairman and Vice Chairman of the Board within ten (10) days from the receipt of notice from the Board that the Board was deadlocked.
 - c. If neither party serves such notice within the ten (10) day period, the Board shall have no further jurisdiction in such case and the controversy shall be considered withdrawn and no action thereon shall be taken thereafter by any party.
 - d. If notice is served, an arbitrator shall be selected and the dispute submitted to an IPA/UPS Arbitration System Board of Adjustment ("Arbitration Board"). The Arbitration Board shall consist of three (3) members, one (1) neutral chosen as provided from the Panel of Arbitrators contained in E.6. below, who shall serve as Chairman, one (1) Board Member selected and appointed by the Association and one (1) Board Member selected and appointed by the Company and such appointees shall be known as "Arbitration System Board Members". The Arbitration Board shall hear the dispute including the presentation of such witnesses and evidence as the Arbitration Board shall in its discretion permit. The Arbitration Board so composed, shall be competent to decide said dispute by majority vote. Decisions of the Arbitration Board shall be final and binding on the parties.
 - e. The Arbitration Board shall meet by the following schedule providing there are cases to be docketed. One (1) or two (2) days, as needed, during the last full week of each month except in the months of July and December, when there will be no meeting and in the month of November when the week preceding Thanksgiving week will be used.
6. Selection of a Third (3rd) Board Member (Arbitrator)
- a. Within fifteen (15) days of the signing of this Agreement, the Company and the Association shall exchange a list of thirty (30) arbitrators each, all of whom shall be members of the National Academy of Arbitrators and shall have

experience in adjusting disputes within the airline industry.

- b. Within forty-five (45) days of the signing of this Agreement, the Association and Company shall meet and each strike an equal number of names from an alphabetical list which has combined the two (2) lists in 6.a. above. The equal number each party strikes will be the number required to reduce the list to no less than twenty (20) or twenty-one (21) names. The first strike shall be determined by coin toss. The names remaining will constitute the panel from which arbitrators will be selected for subsequent Arbitration Boards.
- c. The remaining names listed in alphabetical order, (last name, first name, middle initial or name) will constitute the order of selection of arbitrators on a case by case basis for the Arbitration Board. No arbitrator will be selected to hear more than one (1) case per month unless otherwise mutually agreed to by the parties.
- d. An arbitrator can only be eliminated from the panel during the term of this Agreement by mutual agreement in writing between the Company's Air Group Labor Relations Manager and the President of the Association. Within fifteen (15) days of the mid-term of this Agreement, or if through attrition, the panel ever becomes less than fifteen (15) arbitrators, either party may request that a new panel be developed in accordance with 6.a., b., and c. above, and such procedure beginning with 6.a. shall be implemented within thirty (30) days of the receipt by the other party of such request.
- e. The Company and the Association shall jointly notify, or otherwise mutually agree on a procedure of notification, all arbitrators selected for scheduling on the Arbitration Board that they have been so selected, along with an explanation of the selection procedure that will be utilized for scheduling.
- f. Within five (5) days from the date of the first notification by the Association or Company that a deadlock is to be arbitrated, the Association and the Company will meet to select the initial arbitrator from the panel to be used in accordance with the procedure outlined in this Section. If

agreement cannot be reached on the selection of an initial arbitrator, the Association and the Company shall alternately strike from the panel, until there is one (1) arbitrator left. The order of striking for this initial selection shall be determined by coin toss. In subsequent cases, the parties shall utilize the procedure in paragraph g. below until a new panel is implemented, which will then result in this procedure being repeated.

- g. When subsequent notice is provided of the desire to convene the Arbitration Board, the Association and the Company shall appoint the next arbitrator alphabetically on the list immediately after the last arbitrator who was assigned a grievance. The Association and Company will jointly send, within five (5) days from the date of notification, an e-mail or fax to the appointed arbitrator. The arbitrator will be requested to respond by e-mail or phone within five days of notification as to their availability on the arbitration dates under 5.e. above. If the unresolved grievance is protesting a discharge, the arbitrator will be requested to provide a hearing date within ninety (90) days of the fax or e-mail. If an arbitrator does not accept the appointment or is unavailable within the requested time frame the parties may jointly elect to keep the arbitrator and hold the arbitration outside of the designated time frame, or shall contact the next arbitrator on the list. A party's unavailability shall not result in the replacement of the arbitrator. If the arbitrator is skipped he shall maintain his place on the list and be assigned to the next grievance to be scheduled for Arbitration Board. Once an arbitrator accepts an appointment he shall not be eligible for another appointment until the list rotates back to him in alphabetical order. A substitute appointment will not be given to an arbitrator even if the matter to which he was appointed settles or cancels for any other reason.
- h. If the number of deadlock cases exceeds the number of dates available within a four (4) month period from the date of receipt of the notification request for the Arbitration Board, for scheduling in accordance with the procedure herein, the following will occur:
 - (1) The Company and the Association shall schedule all such cases in accordance with 6.g. on mutually

agreeable dates that occur within the subsequent four (4) month period.

(2) Should the availability of arbitrators on the panel make it impossible to schedule all such cases within the four (4) months, the parties shall select the additional arbitrators necessary by mutual agreement. If no mutual agreement can be reached on the selection of an arbitrator, the Association or the Company may petition the National Mediation Board (NMB) for a list of seven (7) names from which the third (3rd) member shall be selected. Either party shall have the right to reject the first list of arbitrators sent by the NMB in its entirety, in which case the parties will request a new list of arbitrators from the NMB. The first strike in the alternate order of striking can be determined by coin toss. The parties agree that they desire to have cases arbitrated in a timely fashion and that in cases where this procedure is followed the case(s) involved will be heard on the arbitrator's first available date(s) unless otherwise mutually agreed to.

- i. Deadlock cases shall be scheduled for arbitration in order of the original date of the grievance unless otherwise mutually agreed. Deadlock cases involving suspension or termination shall be given priority and in the case of suspension, will be scheduled by mutual agreement at one (1) of the next two (2) scheduled Arbitration Boards. In the case of termination, such case will be scheduled for arbitration within sixty (60) days.

7. General Expense of the Board

- a. Each of the parties hereto will assume the compensation, travel expense and other expenses of the Board Members selected by it and each of the parties hereto will assume the compensation, travel expense and other expenses of the witnesses called or summoned by it. However, so far as space is available, the Company will provide positive jumpseat transportation over its lines from the point of duty or residence to the point at which they must appear as witness and return to point of duty or residence, for active, suspended, and furloughed crewmembers, (including those on medical leave) in accordance with existing federal regulations, for any

Board Member, grievant or other Company employee who is called or summoned as a witness. The reasonable expense and compensation of the third (3rd) member arbitrator appointed to the Arbitration Board will be borne equally by the parties hereto. The Chairman and the Vice Chairman of the Board, acting jointly, shall have the authority to incur such other expenses as in their judgment may be deemed necessary for the proper conduct of the Board, and such expenses shall be borne equally by each of the parties hereto.

- b. A crewmember who has been terminated and subsequently reinstated at the hearing or System Board level shall be reimbursed by the Company for the cost, if incurred, of a properly documented seven (7) day advance fare commercial coach airline ticket used to travel to and from such hearing or System Board and the home location. If the Association has provided such ticket, the reimbursement shall be by the Company to the Association upon presentation of proper documentation.

8. Freedom to Act

It is understood and agreed that each and every Board Member shall be free to discharge his duty in an independent and uncoerced manner, without fear that his individual relations with the Company, with other crewmembers, or with the Association will be affected in any manner by any action taken by any Board Member in good faith.

9. Time Limits

Time limits as set forth in this Article may be extended in writing by mutual agreement of the Association and the Company.

- 10. Board Members, representatives and witnesses of the Association who are employees of the Company's shall be granted necessary time off for purposes of performing Board duties or appearing before the Board.

11. Rights Under Railway Labor Act

Nothing herein shall be construed to limit, restrict, or abridge the rights or privileges accorded either to the crewmember or to the Company, the Association or to their duly accredited

representatives under the provisions of the Railway Labor Act, as amended.

ARTICLE 8 SENIORITY

A. *Seniority List*

1. The United Parcel Service Crewmember Seniority List of December 10, 1991 shall be accepted as final and binding on all parties.
2. All crewmembers hired by the Company subsequently will be added to the bottom of the seniority list established above.
3. The Company shall post on its Flight Operations Website an electronic copy of the United Parcel Service Crewmember Seniority List. Such list shall contain the names of all crewmembers entitled to seniority, whether active, or inactive, the date of employment as a crewmember, date of birth and the crewmember's permanent bid position.
4. The list shall be brought up to date on the first business day of each month.

B. *Protests*

1. Each crewmember, including a probationary crewmember, may protest his alleged improper placement on the seniority list up to sixty (60) days after his name initially appears on the new seniority list.
2. The crewmember shall protest in writing to the Company any alleged omission, or incorrect listing affecting his seniority on the list. If a crewmember is not satisfied with the response from the Company, he may grieve his position in accordance with the grievance process provided in Article 7 of this Agreement. The parties will accept the positions that are awarded as a result of this process.
3. If that crewmember is on vacation, leave of absence, furlough, sick leave, or away from his domicile on a flying assignment at the time of posting of the list, the crewmember shall have a period of sixty (60) days from the date of his return to domicile in which to file such protest.
4. The Company shall reply to the crewmember within thirty (30) days of the protest.

C. Seniority Accrual

1. Seniority shall begin on the date a crewmember is first employed by the Company as a crewmember and begins basic indoctrination or initial training, whichever first occurs and shall continue during such period of active employment, except as otherwise provided in this Article or elsewhere in this Agreement. When two (2) or more crewmembers are employed on the same date, they shall be placed on the seniority list according to their age, i.e., the oldest crewmember shall receive the more senior position on the list. Should two (2) or more crewmembers have the same birthdate, they will be placed on the seniority list, based on the last four (4) digits of the crewmember's social security number, the lower number being the more senior. Seniority shall always be system wide seniority and shall not refer to seniority in status or equipment.
2. A crewmember who is on vacation or an approved leave of absence or who is transferred to non-flying duties or special assignment during the term of this Agreement shall retain seniority.
3. After a crewmember is offered and accepts a transfer to non-flying duty or special assignment due to any physical incapacity, or becomes sick or injured while on such non-flying duty or special assignment, the crewmember shall retain and continue to accrue seniority during such period of sickness or injury regardless of whether or not the crewmember is able to maintain the certificate or certificates required for the crewmember's status, until the crewmember is able to return to flying duty.
4. Notwithstanding the above, it is understood by the parties that the Company shall have no obligation to offer non-flying duty or special assignments to crewmembers. If, however, the Company so elects to offer non-flying duty to a crewmember, the Association agrees the Company shall bear no obligation to make the same or a similar offer to other crewmembers.

D. Seniority Rights

1. Placement on the seniority list shall govern all crewmembers in case of promotion or demotion in status, their retention in case of reduction in force, their assignment or reassignment due to expansion or reduction in flight time, their recall after furlough, and their choice of vacancies. This Section shall

apply unless specifically exempted by some other provisions of this Agreement.

2. When a junior crewmember is promoted over a senior crewmember, by reason of the failure of the latter to qualify in his turn, the senior crewmember shall continue to retain his placement on the seniority list.

E. Period of Probation

Crewmembers shall be on probation for the first 365 days of accumulated active service as a crewmember with the Company. Termination of a crewmember's employment during his probationary period for any reason shall result in the removal of such crewmember from the crewmembers' seniority list. When a probationary crewmember is furloughed or recalled, the Company shall do so in accordance with the provisions of this Article.

F. Loss of Seniority

Any crewmember, once having established a seniority date hereunder, shall not lose that date except as provided in this Agreement. A crewmember shall cease to have seniority and his employment with the Company shall be terminated for all purposes when:

1. He voluntarily quits the Company's employment, retires or resigns;
2. He is discharged for just cause;
3. He is separated from employment in accordance with G.6.a. and G.6.b. of this Article;
4. He fails to return from medical leave at the end of seven (7) years; or
5. He is not offered recall within seven (7) years from the date of furlough.

G. Furlough and Recall

1. Furlough Notice
 - a. When a reduction in crewmembers covered by this Agreement becomes necessary, crewmembers will be furloughed in reverse order of seniority. Each crewmember to be furloughed shall be notified of the furlough and, if possible, of the probable duration thereof

in writing at his last filed address. When it becomes necessary to furlough crewmembers covered by this Agreement, at least ninety (90) calendar days notice of such furlough shall be given to all crewmembers affected, or pay in lieu thereof, except in cases when the furlough is caused by:

- (1) Acts of God;
- (2) Circumstances over which the Company has no control (which by definition shall not include a reduction of volume); or
- (3) Strikes or other work stoppages.

- b. A crewmember who is furloughed shall have the right to use the Company jumpseat system until the end of the pay period in which he is furloughed. Any crewmember who is furloughed and is on duty until the last day of the pay period in which he is furloughed shall be provided a coach class ticket to his residence at the Company's expense.
- c. A furloughed crewmember shall have the discretion to cash out his sick leave account balances up to one hundred percent (100%) of the value. The crewmember shall elect the amount to be paid out prior to the last day of active employment. The Company shall pay the designated sick leave account balance within twenty-eight (28) days of his furlough date.

2. Recall

Recall from furlough shall be accomplished in order of seniority and prior to the employment of new hires. Crewmembers furloughed prior to the completion of their probationary period shall be required to complete the remainder of their probationary period subsequent to recall.

3. Assignment After Recall

Crewmembers returning from furlough shall resume active service in accordance with their seniority. The Company shall return furloughed crewmembers to work using either paragraph a. or b. below. The Company shall be limited to using either the procedure in paragraph a. or b. in connection

with each group of furloughed crewmembers recalled on the same date.

- a. The Company shall issue a vacancy bid which creates a sufficient number of new vacancies to accommodate those crewmembers being recalled to work.
 - (1) Those crewmembers to be recalled will be provided an opportunity to preference one of the following three choices which will be awarded in seniority order:
 - (a) the earliest training date available to a recalled crewmember;
 - (b) the latest training date available to a recalled crewmember; or,
 - (c) his choice of positions that may be available subsequent to the closing of the bid award.
 - (2) A recalled crewmember will be assigned, in accordance with paragraph (1) above, to an available training date prior to any active crewmember being allowed to bid a training class date as part of the same training award. In addition, the Company will make at least fifty percent (50%) of the seats in any training class date available for recalled crewmembers by position.
 - (3) Once assigned a training class date a recalled crewmember cannot be moved to an earlier training class date without his consent.
 - (4) If a senior recalled crewmember's training is delayed so as to allow a junior recalled crewmember to begin training earlier than him, he shall be pay protected beginning on the earlier training date. Pay protection shall be on a one-for-one basis.
 - (5) If there is a subsequent recall pursuant to this paragraph and an earlier training class date is made available to a junior furloughed crewmember, a recalled crewmember who has not started training shall have the option of selecting the earlier training date. This subparagraph shall only apply to a recalled

crewmember who originally preferenced the earliest training class date.

(6) A crewmember recalled under this paragraph will be returned to pay status on the date he begins training or the system bid effective date, whichever is earlier.

b. The Company shall return the crewmember to the position from which he was furloughed provided he is returned to active service within three hundred sixty-five (365) days of his last day of active employment. A crewmember recalled under this paragraph will be returned to pay status the date he begins training.

4. Filing Address/Telephone Notice

At the time of furlough, each furloughed crewmember shall file his correct address and telephone number in writing with the Office of the Chief Pilot and shall, within seven (7) calendar days, advise the Office of the Chief Pilot, in writing, of any subsequent change of address or telephone number while he is on furlough.

5. Recall Notice

Furloughed crewmembers shall be notified of their recall in writing. The notification shall specify the earliest possible training class dates for each fleet that may be available to the crewmember. A recalled crewmember may, but shall not be required to, return to active service less than thirty (30) calendar days after the date of receipt of such notice. When justifiable circumstances exist, additional time to report for duty may be permitted by the Company.

6. Recall Notice Answer

Each crewmember shall answer his recall notice in writing. Such answer must be received by the Office of the Chief Pilot within twenty (20) calendar days from the time the recall notice was received by the crewmember as evidenced by the delivery notice to the crewmember's last filed address. The twenty (20) days' notice shall be reduced to fourteen (14) days if the Company makes personal contact with the crewmember within five (5) days of the notice being issued. The answer shall state the crewmember's intent to accept or reject recall.

- a. Recalls shall be offered in seniority order and assigned in reverse seniority order.
- b. A crewmember shall have the right to decline recall but shall indicate the date upon which he is available for recall provided that he must be available within one (1) year from the date of receipt of the notice of recall. However, if during the period of furlough the crewmember entered into a legally binding pilot employment contract, the crewmember shall have up to two (2) years from the date of the recall notice to return to work if a position is available. The Company shall return the crewmember to the first position which becomes available to which he is entitled after the above date provided by the crewmember. If the crewmember fails to return to work when he is notified of such opening, he shall cease to have seniority and his employment with the Company shall be considered terminated for all purposes.
- c. At the time of furlough, crewmembers shall retain their seniority number for seven (7) years at which time such furlough shall expire and seniority shall be forfeited.
- d. Notifications and answers thereto required under this Article shall be made by UPS Next Day Air (NDA) within the time limits specified in this Article. Crewmembers may alternatively provide an answer electronically but shall, in such case, secure a confirmation of the e-mail from the Company.
- e. A crewmember who is unable to hold a medical certificate at the time of his recall shall maintain the right to return to work for up to seven (7) years from the date he was unable to exercise the privileges of his medical certificate, or the date of furlough, whichever comes first. Once the crewmember has a valid medical certificate, he shall be returned to work prior to the recall of a crewmember with lower seniority or the hire of any new crewmember. If he is not recalled within one (1) year of the date he regains his medical certificate, the Company shall create a vacancy for the crewmember. At any point during this process the crewmember, upon request, shall provide the Company documentation related to his disqualifying medical condition.

- f. If any crewmember is recalled to work while on military leave he shall be entitled to reemployment at the end of his military leave in accordance with USERRA.

7. Delayed Furlough

If the Company notifies a crewmember that he will be furloughed and then delays the furlough date, the crewmember may decline the later furlough date and keep the earlier date provided he has entered into a legally binding employment contract. If a crewmember elects to take the earlier furlough date and the furlough is canceled prior to his delayed furlough date, the crewmember's line will reflect that he was on a leave for that time frame. The crewmember may elect to remain on the approved leave of absence for up to the two (2) year period specified in Section G.6.b. above provided he has entered into a legally binding agreement.

ARTICLE 9 LEAVES OF ABSENCE

A. Sick Leave

1. Computation of Sick Leave

- a. A crewmember will accrue sick leave at a rate equal to 5:30 hours for each pay period. A crewmember with a date of hire during the first fourteen (14) days of the pay period shall accrue sick leave credit for that pay period and those crewmembers with a date of hire after the fourteenth (14th) day will not accrue sick leave credit for that pay period. Accrual will continue while sick leave is being used.
- b. For the purpose of sick leave accrual, a crewmember who is entitled to compensation equal to at least fifty percent (50%) of his pay period guarantee shall accrue sick leave for the pay period at the rate set forth in the preceding paragraph.
- c. Credits for sick leave so accrued shall be credited to a crewmember's sick leave account on the first December following his employment by the Company as a crewmember; thereafter, accrued sick leave credits shall be credited to a crewmember's sick leave account as they are earned. For crewmembers hired after the ratification of this Agreement, accrued sick leave shall be credited to the crewmember's account upon completion of probation.
- d. There shall be no maximum amount of sick leave that can be accrued by a crewmember except as provided in paragraph e. below.
- e. Between January 1 and January 15 of each year, the crewmember will be paid for all accrued sick leave in excess of 148:00 credit hours at the hourly rate in effect as of December 31 of the prior year. The payment will include all sick leave accrued through the end of the November bid period. The 148:00 hour limit shall be increased by 10:00 hours in each January during the duration of this contract up to a maximum of 218:00 hours. Any crewmember may opt to be paid for hours in excess of 148:00 by providing notice to the Company of

his election by the first Monday in December of the prior year.

- f. UPS/IPA Defined Contribution/401(k) plan participants will have the option of deferring income received pursuant to this section (accrued sick leave in excess of the credit hours specified in Section A.1.e. above) into their respective 401(k) accounts. Crewmembers may elect or decline this option on an annual basis. Monies due will be paid on an annual basis, whether to the individual as income or to his 401(k) account, no later than January 15 of each year.
- g. All unused sick leave accumulated will be paid to a crewmember when he resigns/retires.
 - (1) A crewmember who elects to downbid under this Agreement due to his inability to maintain the appropriate medical certificate for his position will retain the full value of his current sick leave bank by figuring the dollar value of the sick leave accrued at the higher hourly rate and subtracting the dollar value of those hours at the new lower hourly rate. The crewmember shall be paid the difference on the effective date of the downbid. (Example: A Captain with 100:00 hours of sick leave turns 60 on June 1st and bids and is awarded a Second Officer position. On the effective date of his new Second Officer assignment, his 100:00 hours of sick leave is converted at the appropriate Captain's hourly rate to cash. This 100:00 hours of sick leave is then converted at his appropriate Second Officer hourly rate to cash. This crewmember is then paid the difference between these two converted amounts in cash, or as contributions not to exceed IRS limits to his 401(k) account. 100:00 hours of Second Officer sick leave remains in his sick leave account, subject to the accrual provisions of Article 9.A.1.)
 - (2) Any crewmember who has sick leave adjusted in accordance with (1) above and who subsequently upgrades shall have the cash value of his sick leave hours at the appropriate First or Second Officer hourly rate converted on the effective date of his new assignment to an equivalent number of sick leave hours at the appropriate higher hourly rate for the

new position. (Example: A First Officer who has previously had his sick leave adjusted in accordance with (1) above bids and is awarded a Captain position with an effective date of June 1st. He has 100:00 hours of accrued sick leave. This 100:00 hours is converted at his appropriate First Officer hourly rate to cash. This cash amount is then reconverted into sick leave hours at the crewmember's appropriate Captain hourly rate).

- h. In the event of a crewmember's death, the unused accumulated sick leave due such crewmember shall be paid to the crewmember's beneficiary as soon as possible.
- i. Sick leave credit hours shall not count toward a crewmember's credit cap.

2. Use of Leave Credits

- a. A crewmember shall not be considered on sick leave when sick or injured unless he is unable to report for or perform his assigned duties.
- b. When a crewmember notifies Crew Scheduling of his illness or injury, he shall be removed from his schedule and shown unavailable until such time as he notifies Crew Scheduling of his availability. Such crewmember will then be scheduled in accordance with Article 13.D.4.
- c. If a crewmember does not operate any portion of a trip which begins with deadhead segment(s) and he does not call sick until after the deadhead segment(s), he will be coded sick for the entire trip. This shall not apply if there is documentation that a crewmember has performed the deadhead segment(s), or the crewmember's home of record is within one hundred thirty (130) miles of the first operating segment of the trip and the crewmember normally drives to the first operating segment of a trip.
- d. A reserve crewmember who calls in sick when he is advised that he is being turned will be debited 2:00 hours of sick leave or the credit value of the remainder of the duty period that was assigned, whichever is greater.

3. Sick Leave Compensation

- a. Sick leave shall be compensated at the crewmember's current rate of pay up to the number of sick leave credit hours available in the crewmember's sick leave account.
- b. A regular, VTO or airport standby lineholder who misses flying or training due to illness or injury shall be paid for trips or standby periods missed or guarantee, whichever is applicable. Reserve crewmembers will have their sick leave bank debited at a rate of MPDP per day missed and consistent with Article 13.D.4.h. for portions of days missed except that a reserve unavailable for an entire pay period will be debited an amount equal to his guarantee. Open time trips will become a part of a crewmember's bid line and will be deducted from the crewmember's sick leave account subject to make-up under paragraph 4 below. A crewmember who expects to be on sick leave for more than fourteen (14) days shall have the option of dropping the open time trip provided he gives the Company notice, as soon as possible, and at least by the 12-24 check-in period for the open time trip.
- c. Crewmembers on sick leave shall be entitled to continuation of medical coverage in accordance with Article 6.A.3.

4. Sick Leave Make-up

Sick leave may only be used to cover hours missed due to illness or injury and only up to the total number of hours in the crewmember's original bid line for a pay period. A crewmember may elect to make-up such sick leave used during a pay period by flying trips from open time or by the additional credit generated by trip trades with open time during that pay period or the following two pay periods and having such time credited to his sick leave account.

5. Sick Leave Bidding

A crewmember on sick leave for an entire bid period will bid a line, for pay purposes only, as if he were not on sick leave in accordance with Article 13 of this Agreement.

6. Injury or Illness on Company Assignment/Occupational Injuries or Illnesses

- a. If a crewmember has an accident or becomes ill while on assignment outside the United States, the Company shall pay all medical costs associated with the medical treatment obtained outside the United States by the crewmembers without regard to any health plan limits. Crewmembers who become sick or injured on any assignment outside of their domicile will be returned to their domicile by the Company at the earliest possible time.
- b. A crewmember who sustains an occupational injury or sickness for which he receives Worker's Compensation shall be eligible for up to 225:00 credit hours of occupational injury/sickness leave for each occupational injury or illness. These credits will be used to make-up credit deficits up to the crewmember's pay period guarantee. If the 225:00 credit hours are exhausted, another 75:00 hours of credit shall be available to the crewmember. The additional 75:00 hours of credit will be paid to the crewmember at a rate equal to eighty percent (80%) of his pay period guarantee. Sick leave shall not be used for occupational injuries or illnesses until occupational injury/illness credit is exhausted. During any leave under this paragraph, the crewmember will be eligible for benefits in accordance with the chart in Section N. of this Article.
- c. A crewmember shall notify his immediate supervisor as soon as practical of any occupational injury or illness.
- d. A crewmember shall provide the Company medical documentation verifying an occupational injury/illness and its anticipated duration.
- e. Crewmembers will reimburse the Company for that amount of Worker's Compensation payments which, when added with payment from the crewmember's sick leave bank, exceeds the crewmember's pay period guarantee.
- f. If a crewmember believes that the Company's workers compensation administrator has unduly delayed the processing of his claim, which is ultimately determined to be work related and, as a result, the crewmember has used sick leave, he can request the Company to restore

the sick leave. Restoration will be by mutual agreement. Neither party will unreasonably withhold agreement.

7. Medical Leaves of Absence

A crewmember who is unable to exercise the privileges of his FAA medical certificate due to illness or injury will be treated as being on a medical leave of absence and shall be eligible for benefits in accordance with the chart in Section N. of this Article.

B. Personal/Emergency Leave

1. Any crewmember desiring a personal/emergency leave of absence from employment shall secure written permission from both the Association and the Chief Pilot. In emergency circumstances verbal permission will be allowed. The maximum leave of absence shall be for ninety (90) days and may be extended for like periods. The Company has the right to deny any request for a personal leave of absence where the crewmember will be engaged in gainful employment. A crewmember on personal leave shall retain his seniority.
2. A crewmember who takes personal or emergency leave shall be eligible for benefits in accordance with the chart in Section N. of this Article.

C. Maternity, Paternity, and Family Leave

1. Maternity leave for female crewmembers shall be granted for up to two (2) months before her due date and two (2) months after birth or for such period of time as her physician shall determine that she is physically unable to perform her normal duties. A female crewmember physically fit to return to duty may extend her two (2) month leave after birth by utilizing any remaining accrued sick leave and then all accrued vacation. A female crewmember on maternity leave shall be eligible for benefits in accordance with the chart in Sections L. and N. of this Article.
2. A leave of absence will be granted, for a male crewmember whose spouse is pregnant, for each such pregnancy. The leave shall be for a period not to exceed two (2) weeks, to commence at the crewmember's discretion, at either the date of birth or the date the spouse is released from the hospital. The crewmember will be eligible for benefits in accordance with the chart in Section N. of this Article.

3. A male or female crewmember shall be granted a two (2) week leave of absence for the purpose of adoption of a child. Such leave shall commence on the date the family receives the adopted child. The crewmember will be eligible for benefits in accordance with the chart in Section N. of this Article.
4. A crewmember who becomes pregnant shall notify the Office of the Chief Pilot. She will be allowed to continue flying provided she has the approval of her physician. The Company shall provide pregnant crewmembers with a maternity uniform.
5. A crewmember shall be granted up to ninety (90) days of unpaid family leave in any twelve (12) month period for the purpose of taking care of a severely or terminally ill child, members of his immediate family (i.e. siblings, spouse, or parents), or other purposes provided for by the Family and Medical Leave Act (FMLA). The crewmember will be eligible for benefits in accordance with the chart in Section N. of this Article. Consistent with the FMLA, the Company may count days of paid sick leave and vacation (except 7 days) toward the twelve (12) weeks of FMLA leave. Such leaves will be granted in accordance with the FMLA and regulations promulgated thereunder. Leaves provided by this paragraph will remain effective by contract regardless of any future repeal of the Act or court ruling construing the FMLA as inapplicable to crewmembers.
6. During any period of a maternity leave, paternity leave, family illness leave, leave for purpose of adoption, sick leave or other period of disability, a crewmember shall have the right to utilize any accrued sick leave and then any accrued vacation the crewmember may have. A crewmember may request to use vacation first, provided it is not in the current bid period.
7. Other requests for leaves not listed in paragraphs 5 and 6 above will be considered by the Chief Pilot's Office. If leave is granted under this paragraph, then the benefits of paragraphs 5 and 6 above will apply.

D. Crewmember Assistance Leave

1. A crewmember who voluntarily, either on his own initiative or at the direction of the UPS System Chief Pilot under the guidelines of the UPS Co. Drug and Alcohol Rehabilitation

Program for Crewmembers (Rehabilitation Program), seeks rehabilitation for drug or alcohol misuse shall be permitted to take a leave of absence for the purpose of undergoing treatment, rehabilitation, and recertification. A crewmember may voluntarily seek such a leave of absence prior to notification of a drug or alcohol test which subsequently is verified as positive or conduct subject to termination pursuant to paragraph 6 below. Leaves will be granted for six (6) months and may be extended if medically necessary. On a one time per career basis, a leave under this section may be taken with continued pay and benefits as outlined in Sections K. & N. of this Article provided the crewmember participates in and complies with the Rehabilitation Program.

2. A crewmember who has taken a leave under paragraph 1 above and returns to work shall be allowed a second leave of absence for the purpose of drug or alcohol rehabilitation through the Rehabilitation Program up to twelve (12) months which may be extended by mutual agreement. The leave must be voluntary as defined in paragraph 1 above, and requested prior to the notification of any FAA required drug or alcohol test which subsequently is verified as positive or conduct subject to termination pursuant to paragraph 6 below. Such leave will be without pay and without accrual of longevity. Medical benefits will be provided in accordance with the Summary Plan Description, including COBRA benefits.
3. If a crewmember successfully completes rehabilitation and is re-issued a valid FAA medical certificate, the crewmember will be returned to his former position, provided that such return occurs within four (4) years of the initial commencement of treatment and is otherwise in accordance with the existing Agreement.
4. The Rehabilitation Program has adopted the principles and structure of the FAA sponsored Human Intervention Motivation Study (HIMS). The program will operate according to the Rehabilitation Program and subsequent revisions agreed to by UPS and IPA.
5. FAA required drug testing will continue to be performed in accordance with the attached Letter of Agreement which is incorporated by reference in its entirety. FAA required alcohol testing will be conducted in conformity with the Letter

of Agreement which is incorporated by reference in its entirety.

6. This Section does not amend or alter the disciplinary provisions of the Letters of Agreement with regard to positive alcohol or drug tests. Likewise, this Section does not prevent the Company from disciplining crewmembers for using alcohol or illegal drugs on the job or within eight hours of a scheduled flight. In addition, the Company may terminate any crewmember who refuses rehabilitation after being evaluated by a Substance Abuse Professional who recommends the crewmember receive treatment. The Company may also take appropriate disciplinary action in the event a crewmember refuses evaluation after an intervention. In no event will disciplinary action be based on information gathered through the Rehabilitation Program. Crewmembers may grieve disciplinary action of any kind using the procedures of Article 7 and any discipline shall be for just cause.

E. Bereavement Leave of Absence

In the event of the death of a family member a crewmember shall be allowed a reasonable time off to attend the funeral, not to exceed the number of scheduled workdays as provided below. Such time off may include up to two (2) working days following the funeral.

1. A crewmember shall receive up to four (4) days off in the event of the death of the crewmember's spouse, child, stepchild, grandchild, father, mother, stepparents, brother, sister, grandparents, mother-in-law and father-in-law.
2. A crewmember shall receive one (1) day off in the event of the death of a crewmember's brother-in-law or sister-in-law.

Seniority crewmembers shall receive pay and credit for all bid assignments missed during the period. Probationary crewmembers shall also be pay protected. Both of these categories of crewmembers will be eligible for benefits in accordance with the chart in Section N. of this Article. Days off for purposes of this section shall refer to calendar days off with reference to the crewmember's original line award (e.g. calendar day off for reserves).

F. Jury Duty

When a crewmember is called for jury duty, the crewmember shall be excused from regular duties on the days the crewmember is required

to be available to appear in court. For any regularly scheduled workday in which time off for jury duty is granted, crewmembers shall be guaranteed pay and credit for all bid assignments missed, less any amount received as a jury duty fee for scheduled workdays. The crewmember shall be required, however, to supply the Company with adequate proof of his jury duty and compensation in order to receive the compensation provided in this Section. In addition, the crewmember shall cooperate with the Company and utilize his best efforts to obtain an excuse or deferral from jury duty when Company operations deem it necessary. A crewmember on jury duty shall be eligible for benefits in accordance with the chart in Section N.

G. Military Leave

1. Crewmembers enlisting or entering the military or naval service of the United States, pursuant to the provisions of the Military Selective Service Act of 1967, as amended, and the Uniformed Services Employment and Re-employment Rights Act of 1994 (USERRA), shall be granted all rights and privileges provided by these and other applicable statutes. Wherever the term "military leave" is referenced in this Agreement, it shall mean "service in the uniformed services" as defined in USERRA Title 38 USC Chapter 43.
2. A crewmember who takes a military leave approved in accordance with the law will be eligible for benefits in accordance with the chart in Section N. of this Article.
3. A crewmember who makes up time due to credit hours dropped for a military leave and whose original bid line does not contain fourteen (14) days or 75:00 credit hours will have such make-up hours added to his reduced pay guarantee, regardless of the current credit hours of his line. Such make-up hours will be added to the reduced pay guarantee to the point it restores him to the 75:00 hour guarantee. This credit may be restored by open time pick-up or trip trade(s) with open time which generate additional credit. Any additional open time hours flown will be treated in accordance with Article 13.K.7.b.

Example: A pilot has a 70:00 hour line. The line guarantee is 75:00. Due to a military leave, the pilot drops 6:00 credit hours. In order to return his line to the 75:00 guarantee, the crewmember can pick up 6:00 hours from open time or trip trade with open time to generate 6:00 additional hours and will be required to pick up no more than the original 6:00 hours dropped.

4. A crewmember may also restore accruals lost as a result of military leave through the pick up of open time or through additional credit generated as a result of a trip trade(s) with open time. This may be done up to two (2) pay periods after the pay period in which the military leave is taken. Additional credit generated under this paragraph will be treated in accordance with Article 13.K.7.b.
5. A crewmember who takes military leave in a pay period shall have his pay reduced from his pay period guarantee or line credit, whichever is greater.

Example: A pilot has a 70:00 hour line. The line guarantee is 75:00 hours. Due to military leave, the pilot drops 6:00 credit hours. His pay for that pay period is 69:00 hours.

6. Crewmembers returning from a military leave shall be covered by Article 9.I. However, if a crewmember returning from military leave would not be available to fly at least fifty percent (50%) of the bid period, he shall still be entitled to bid a line for purposes of establishing his days on/days off for that period of time he is eligible for duty in that bid period. Article 13.D.9.b.(1)(b) shall be applicable.

7. Military Open Time Bank

- a. A crewmember will be given the opportunity to bank money generated by hours earned by picking up open time trips if they would generate pay and credit under Article 13.K.7. The maximum amount of money that can be banked in his account is 100:00 hours times that crewmember's then current hourly rate of pay.
- b. The monies in a crewmember's military open time bank will automatically be paid to him if his line is reduced below pay period guarantee as a result of military leave. The restoration will be to the crewmember's pay period guarantee as set forth in Article 12.D. Article 9.G.3. will be applied to any restoration to guarantee.
- c. Any remaining monies in the military open time bank will be paid out to a crewmember prior to the end of the calendar year to comply with the Internal Revenue Code Section 409.A.

8. Military Banked Vacation (MIL BV) Days:

- a. Crewmembers may elect to bank up to an additional seven (7) vacation days beyond the fourteen (14) BV days pursuant to Article 11.G.3.a. for the sole purpose of covering military leave. These additional days, up to seven (7), shall be coded as MIL BV days.
 - (1) The banking of MIL BV days must comply with the whole week increment requirement in Article 11.G.3.a.
 - (2) The election to bank MIL BV days must be made fourteen (14) days prior to the Primary Vacation Bid in accordance with Article 11.G.3.a. In addition, a crewmember may request additional BV days in accordance with Article 11.G.3.c., which also may be used for military leave.
 - (3) Any MIL BV days designated in the Primary Vacation Bid can only be used for the purpose of covering military leave.
 - (4) MIL BV days must be used prior to other BV day(s) to cover scheduled assignment(s) that are dropped for military leave.
- b. If a crewmember elects to use BV day(s) to drop assignment(s) for military leave other than reserve, BV days must be used to cover the assignment up to the depletion of the crewmember's BV bank. A trip will be converted to days to determine the number of BV days needed to cover the trip. The TAFB will be divided by 24 and then rounded up. There will be a 4:00 hour buffer after each 24:00 hour period where the result will be rounded down. If he does not have sufficient BV days to cover the entire trip, his credit reduction will be determined as follows:
 - (1) The available BV days will be applied beginning on the first day of military leave (MIL) to the end of the trip.
 - (2) If the crewmember still has additional BV days, they will be applied to the crewmember's trip beginning on

the first day before the MIL begins working back to the beginning of the trip.

- (3) Any portions of the trip uncovered pursuant to paragraphs 1 or 2 above, as applicable, will have a credit reduction calculated as is current practice.
- c. If BV days are used to cover all or part of a reserve block the following rules shall apply:
 - (1) If one (1) to five (5) reserve day(s) are dropped for military leave and breaks the reserve block into two (2) separate reserve blocks, one additional BV day will be added to the front of the reserve day(s) dropped.
 - (2) If the military leave does not create two (2) separate reserve blocks, or if the number of reserve days dropped is greater than five (5), the number of BV days to be applied will be equal to the number of reserve days dropped for military leave.
- d. If the crewmember provides the Company notice of military leave at least 240:00 hours from the start of the "Trip or Duty Block," as defined in Article 11.G.2.b., the use of BV days shall be automatically approved and will not count toward the quota in Article 11.G.4.b.(7).
- e. If the crewmember does not provide the Company notice of military leave at least 240:00 hours from the start of the "Trip or Duty Block" the request to use BV days will be processed in accordance with the provisions in Article 11.G.4.b.(7) and 11.G.4.b.(10).
- f. Any unused designated military BV days at the end of the vacation year will paid to the crewmember by January 15th of the next year. The hours will be paid out at the crewmember's hourly rate as of December 31st of the prior year. Each unused military BV day will be worth 5:00 hours.
- g. Nothing in this Section shall restrict or alter the current process for dropping assignment(s) for military leave.

- h. The use of BV or MIL BV day(s) to cover assignment(s) dropped due to military leave is at the sole discretion of the crewmember.
- 9. Use of Awarded Vacation for Military Leave
 - a. A crewmember who takes military leave shall be allowed to move a week (i.e. seven (7) days) of scheduled vacation from a future bid period to cover all or a portion of the military leave in the current awarded bid period.
 - b. If there are any vacation days in excess of the military leave, those days will be converted to BV days to be used in accordance with provisions of Article 11.G.4.

H. Missing/Internment

- 1. Any crewmember who in the course of his employment becomes involuntarily missing, or who is interned or held hostage, shall be entitled to compensation equal to the crewmember's applicable current minimum pay period guarantee until released from internment or the hostage situation, or, if missing, until proof of death is established in fact (or until there is a reasonable presumption of death). Such compensation will be paid to the beneficiary or beneficiaries designated in writing by the crewmember as set forth in 5. below for a period of up to four (4) years.
- 2. Any payments due to any crewmember under this Article which are not covered by a written direction shall be held by the Company for such crewmember and in the event of his death shall be paid to the legal representative of his estate.
- 3. Crewmembers covered by this Section shall be eligible for benefits in accordance with the chart in Section N. of this Article.
- 4. A crewmember who requires the use of sick leave due to acts covered under this Section shall be allowed to use such leave with no charge to his sick leave account. Either the provision of 9.A.3.b. or 9.A.3.c. above will apply.
- 5. The crewmember's pay period guarantee provided under Article 12 - Compensation, shall be disbursed by the Company in accordance with the written directions from the crewmember. Dependents of the crewmember shall continue

to receive full health and welfare, and pension benefits during this period.

I. *Return From Extended Leaves of Absence*

1. Crewmembers shall return from an extended leave of absence to a position their seniority will allow.
2. Crewmembers will be allowed to bid a line for the bid period in which they are to return in accordance with Articles 10 and 13, provided they have supplied the Company adequate documentation that they will be available to fly at least 50% of their bid line.
3. Crewmembers returning from extended leaves of absences, who require training, will give as much notification as possible to the System Chief Pilot for the purpose of scheduling training. If a crewmember provides the Company at least two (2) weeks notice of his expected return to work date, he shall be pay protected from the date he is available for duty. If the crewmember does not provide two (2) weeks notice, he shall be returned to pay status on his first day of training or seven (7) calendar days from the first day of availability, whichever occurs first.

J. *[RESERVED]*

K. *Rehabilitation Welfare Plan Benefits*

1. A seniority crewmember who utilizes rehabilitation leave under Article 6.D. can use, at his option, any accrued sick leave and/or vacation benefits prior to using the benefits provided under this Section. The Plan will pay a maximum of three hundred (300) credit hours to eligible seniority crewmembers. Such hours will be debited from the bank in an amount equal to 66.67% of credit hours missed by the crewmember as determined in Section M.1. below.
2. The Company shall be allowed between November 15th and January 1st of each year to utilize management crewmembers to fly the number of credit hours specified in Article 9.M.3. below. Flight qualified management shall be allowed to recoup these credit hours by assignment of open time trips. The open time trips may be assigned to management at any point the trip becomes open after the first day of the November bid period. No open time trip may be assigned which is scheduled to return to domicile after

January 1. The Company shall not assign any open time trip which would cause the Company to exceed the number of credit hours established in Article 9.M.3. below. Nothing in this paragraph shall affect the Company's rights under Article 13.M.

3. Management flying other than that allowed under this section, will be assigned and flown in accordance with Article 13.M.

L. *Maternity, Paternity, Adoption Leave Welfare Plan Benefits*

1. a. The Company shall establish a maternity, paternity and adoption leave welfare plan which will pay an eligible crewmember 66.67% of the credit hours missed as

determined under Section M.1. below, during a two week period of any leave approved under Article 9.C.1., 2., and 3. In addition, a crewmember on maternity leave who is physically unable to perform her normal duties as documented by her physician shall be eligible for benefits up to the maximum of three hundred (300) credit hours payable during the period of disability. Such hours will be debited from the plan in an amount equal to 66.67% of credit hours missed by the crewmember as determined in Section M.1. below. Any available sick leave or vacation benefits can be utilized, at the crewmember's option, prior to payment of benefits under this paragraph.

- b. If any crewmember on maternity leave does not use the maximum 300:00 credit hours available under paragraph a. above, her sick leave account will be credited with one-half (1/2) of the unused credit hours, up to a maximum of 100:00 hours. Such sick leave will be made available to the crewmember upon return to active status.
2. The Company shall be allowed between November 15th and January 1st of each year to utilize management crewmembers to fly the number of credit hours specified in Article 9.M.3. below. Flight qualified management shall be allowed to recoup these credit hours by assignment of open time trips. The open time trips may be assigned to management at any point the trip becomes open after the first day of the November bid period. No open time trip may be assigned which is scheduled to return to domicile after January 1. The Company shall not assign any open time trip which would cause the Company to exceed the number of credit hours established in Article 9.M.3. below. Nothing in

this paragraph shall affect the Company's rights under Article 13.M.

3. Any credit hours placed in a crewmember's sick leave account under paragraph L.1.b. above shall be available to the Company in accordance with paragraph 2.
4. Management flying other than that allowed under this section, will be assigned and flown in accordance with Article 13.M.

M. Benefits Payable under Welfare Plans and Annual Bank Hours

1. For regular and VTO lineholders, the benefits payable under Sections K. and L. above shall be 66.67% of trips missed if the crewmember is unavailable for a portion of a pay period or 66.67% of guarantee if he is unavailable for the entire pay period. For reserve and airport standby lineholders, the benefits, under Sections K. and L. above, shall be a prorated portion of assignments missed if he is unavailable for a portion of a pay period or 66.67% of guarantee if he is unavailable for the entire pay period.
2. The Company shall provide the Association with an accounting of all management flying by status, equipment, number of credit hours, and pairing numbers, allowed by Sections K and L of this Article.
3. Based on the credit hour banks created for crewmembers utilizing the benefits of Article 9.K. and L., the Company shall have a total of 2500 credit hours for use for management flying each peak as described in Article 9.K.2. and L.2. above. These hours will be assigned to management crewmembers in accordance with past practice. If the Company has any MEF duty periods, as defined in Article 13.M.6.b., which are in excess of the credit hour limits in this paragraph, those duty periods will be considered MEF for purposes of Article 13.M.6. (Reserve Recovery Days) and Article 1.C.11. (System-wide Management Emergency Flying Cap).

N. Leave Benefits

Type of Leave #	Paid	Vacation Accrual	Sick Leave Accrual	Longevity Accrual	Pension Payment	Medical Benefits
Sick Leave	Yes	A	A	B	Yes	Yes
Occupational Leave	K	A	A	Yes	E	G
Medical Leave*	C	A	A	B	E	D,G
Personal/ Emergency*	L	A	A	B	E	B,D
Maternity Leave*	J	A	A	B	E	D,H
Paternity Leave*	J	A	A	B	E	D,H
Adoption Leave*	J	A	A	B	E	D,H
FMLA	L	A	A	B	E	Yes
Crewmember Rehab Leave	F	A	A	B	E	H
Bereavement Leave	Yes	Yes	Yes	Yes	Yes	Yes
Jury Duty	Yes	Yes	Yes	Yes	Yes	Yes
Military Leave	L	A	A	Yes	E	B,I
Missing /Internment	Yes	Yes	Yes	Yes	Yes	Yes

Notes

- # Seniority status shall be unaffected by a leave except as specified in Article 8.F.
- * May count as FMLA leave. Consistent with the FMLA, the Company may count days of paid sick leave and vacation (except seven (7) days) toward the twelve (12) weeks of FMLA leave.
- A Must earn fifty percent (50%) of pay period guarantee to accrue for a pay period (Article 6.B., 9.K. and 9.L. payments do not qualify) (Article 9.A.6.b., sick leave and vacation payments qualify).

- B Must be in pay status for fourteen (14) or more days in twenty-eight (28) day pay period, or must earn fifty percent (50%) of pay period guarantee, prorated for thirty-five (35) day pay period (Article 6.B., 9.K. and 9.L. payments do not qualify).
- C Paid to extent crewmember utilizing sick leave, vacation, occupational injury bank, Section L., and/or Section M. benefits.
- D If FMLA, medical benefits provided for up to twelve (12) weeks.
- E Defined Contribution Pension Plan payments based on income received from the Company (Article 6.B., 9.K., and 9.L. payments do not qualify) (Article 9.A.6.b., sick leave and vacation payments qualify).
- F Has the option to use sick leave and vacation prior to receiving the sixty-six point sixty seven percent (66.67%) of guarantee, max 300 hours (Section 9.K.).
- G Health coverage as outlined in Article 6.A.3.a.
- H Medical benefits provided to extent crewmember is in a paid status for fourteen (14) or more days in a twenty-eight (28) day pay period (prorated for a thirty-five (35) day pay period) or earning at least fifty percent (50%) of the pay period guarantee (sick leave, accrued vacation, Article 9.A.6.b. payments, Article 9.K. or L. benefits qualify).
- I Medical benefits provided for first thirty (30) days.
- J Has the option to use sick leave and vacation prior to receiving the sixty-six point sixty seven percent (66.67%) of guarantee, max 300 hours (Section 9.L.).
- K 300 credit hour bank - no requirement to exhaust sick leave or vacation. Will coordinate with workers' compensation so as not to exceed the crewmember's pay period guarantee.
- L Pay for any portion of the pay period worked.

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ARTICLE 10 TRAINING

A. Classification

The provisions of this Article shall apply to scheduled training. This shall include, but not be limited to, initial, upgrade, transition training, advanced qualification program (AQP) training, continuing qualification (CQ), overwater training, navigation training, initial operating experience (IOE), requalification training, oral examinations and all training associated with aircraft differences. It does not include special or miscellaneous training such as airport qualification films, voluntary Company meetings, or training requested by the crewmember on a voluntary basis, or other activities of this nature.

A Captain, First Officer and, if required, a Second Officer, will receive training as a crew as a part of the current CQ12. If simulator support is necessary to cover for an unavailable crewmember, Article 10.Y. will apply.

B. Performance Standards

1. Acceptable performance guidelines for initial, transition, and upgrade training and AQP are specified in the Flight Training Policy Manual, the Qualifications Standards Document and in the Flight Operations Manual. The syllabus, maneuvers, forms and any revisions for CQ will be discussed and reviewed by the CQ advisory group. The initial content of, and any revisions to, the Line Operational Evaluation (LOE) shall be developed and approved by the appropriate Article 10.H. Advisory Group.

2. Grading

Computer Based Training (CBT) programs may be used to test students during various training sessions. A written and/or computer based examination may be administered to each crewmember at the completion of classroom instruction during ground training. At least an eighty percent (80%) grade is required to pass. If a crewmember fails a written examination, the crewmember will be retrained and retested one (1) time. Oral examinations will be graded as satisfactory (s) or unsatisfactory (u). Flight and simulator training will be graded as either satisfactory (s) or unsatisfactory (u) or incomplete (i). To obtain an overall grade of unsatisfactory (u) in simulator or flight training, one (1) or more specific graded areas must be marked unsatisfactory (u). Additional

grading criteria may be used to evaluate a student's progress during training.

3. If the Company adds any AQP grading criteria, these additional grading criteria will be agreed upon within the CQ Advisory Group and will not be implemented without the Association's agreement.

C. Training Assignment

1. Long term training (i.e. training of more than six (6) calendar days excluding any travel days) will be scheduled by the Company in accordance with the following:
 - a. Training class dates will be either bid in accordance with paragraph h. below, or assigned depending upon the number of training class dates available to the crewmember;
 - (1) If there is only one training class date available to a crewmember who is being trained as a result of the system bid award, he will be assigned that training class date. In this case, he shall be personally notified as far in advance as possible but in no case less than seven (7) calendar days prior to being scheduled to receive long term training. If there is no personal contact, a crewmember will be considered notified by the posting of the training class bid award.
 - (2) If there will be multiple training class dates available to the crewmember, he shall bid for those dates in accordance with paragraph h. below. In no case will training be scheduled less than seven (7) calendar days from the posting of the training class bid award as specified in paragraph h. below.
 - (3) If a crewmember is assigned long term training for a reason other than a system bid award, he shall be personally notified as far in advance as possible, but in no case less than seven (7) calendar days prior to being scheduled to receive long term training.
 - (4) If a crewmember volunteers for long term training with less than seven (7) calendar days' notice and does not have a scheduled calendar day off between the time of notification and the time he is required to

depart his domicile to report for training, he will be provided with a day off prior to entering training.

- b. Training periods, including those for CRM and recurrent training will be bid and compensated in accordance with Articles 12 and 13. A training period is a duty period in which a crewmember is scheduled to work one (1) or more training events as either a student or an instructor. The training period shall be from show until release for rest or days off.
- c. If long term training is scheduled in advance of the effective date, compensation will commence at the new pay rates at:
 - (1) Actual, scheduled, or revised return to domicile after completion of the release to the line check. When a crewmember is scheduled to, but does not return to domicile on a deadhead, then his scheduled or revised return time, whichever occurs first will be used; or
 - (2) The report time for a flight or reserve assignment in his new status; or
 - (3) On the effective date; whichever occurs first.
- d. If training commences after the effective date, the new pay rate will commence on the effective date of the bid award.
- e. No crewmember will be reassigned to their previous duty position after the start of training without:
 - (1) A displacement bid as per Article 14.G.; or
 - (2) Unsatisfactory performance as per Article 10.I.; or
 - (3) Cancellation of vacancy as per Article 14.E.
- f. If the start of training for an awarded position as a result of a vacancy or realignment bid is delayed, the crewmember will remain in his present equipment and status; however, compensation at the new pay rate for the awarded position will commence on the effective date of the bid award. If the start of training for a position

awarded in a displacement bid is delayed beyond the effective date, the crewmember will continue to fly and be paid in his current position until he enters training. However, if the displacement award is a transition only, the crewmember may not be required to remain in his displaced position for more than three (3) months from the original bid effective date unless he provides written consent.

- g. If as a result of a cancellation of a vacancy bid, a crewmember is returned to his former position prior to the completion of IOE, any subsequent initial, upgrade, or transition training will start at the beginning of the applicable training course. Crewmembers returning to their former positions due to cancellation of a vacancy bid must be granted simulator time prior to a line flight if requested.
- h. Training class dates established as a result of a system bid award will be bid and awarded in accordance with the following:
 - (1) A system bid award will specify the bid window for the training class bid.
 - (2) The training class bid shall specify the training class dates which are available for that crewmember, and designate the maximum number of crewmembers in each of the critical position(s) the crewmembers are leaving which may be bypassed in the awarding of training class dates. Prior to the posting of the training class bid, the Company shall communicate with the Association regarding the reasons for the designation of the critical positions and the potential restricted class start dates.
 - (3) The training class dates will be awarded in seniority order. If the Company utilizes the critical seat language, then the class dates will be re-awarded, in seniority order, bypassing up to the maximum number of crewmembers in the critical positions identified in paragraph (2) above. The crewmembers to be bypassed will be identified in reverse seniority order. If there are multiple restricted class dates, those dates will be awarded based on the crewmember training bid preferences in seniority

order. Any crewmember bypassed will be identified in the training class posted award. Crewmember(s) bypassed will be pay protected in accordance with Article 14.E.3. The Company will provide the Association with a copy of the seniority only bid award, the actual award that would identify critical seats, bypass awards and long term training bids on file.

- (4) The training class bid shall be open for a minimum of seventy-two (72) hours. It will always be timed to close at 1000 SDF time. It will close no earlier than one hundred twenty (120) hours after the posting of the system bid award. The bid results will be posted forty-eight (48) hours after the closing of the training class bid unless otherwise noted in the training bid posting.
 - (5) The critical seat provisions of this section may only be utilized in connection with Initial Qualification/Transition training.
2. The minimum rest period between the time a crewmember is released from duty and begins a training assignment shall be:
 - a. Twelve (12) hours free of all duty following a domestic duty period (reducible as outlined below), for the purposes of and limited to CQ only, the minimum rest may be reduced to ten (10) hours, provided that the first day of CQ is ground school with no simulator training. If a crewmember has been free of all duty for twelve (12) hours, he may travel from a duty assignment or domicile to training and perform a training assignment in the same period, provided the total period, including transportation, does not exceed ten (10) hours. However, an assignment, including transportation and training, that begins between the hours of 0700 and 1400 crewmember domicile time may be extended to twelve (12) hours. If a crewmember has not had twelve (12) hours free of all duty, the rest period will begin after transportation to the site of training. Such rest period away from domicile shall be considered part of the training period for pay and credit purposes.

- b. Forty-eight (48) hours free of all duty following an international duty period (non-reducible unless waived by the crewmember).
3. The minimum rest period between any two (2) classroom training periods shall be fourteen (14) hours free of all duty.
4. Classroom training and Computer Based Training (CBT) must not be scheduled in excess of eight (8) hours, exclusive of a one (1) hour meal break, in any calendar day. In order to accommodate unique scheduling needs, classroom training can be extended upon the concurrence of the majority of attendees (by secret ballot) to ten (10) hours maximum. This provision may only be invoked one (1) time in any five (5) day period. Each hour of classroom training shall include an average of 10 minutes free of instruction.
5. A crewmember may be scheduled for non-recurring ground training of 1:30 hours or less, excluding local transportation, during a flight assignment. A crewmember may not be required to participate in this type of training more than four (4) times in a calendar year.
6. A crewmember shall not be required to train in a training device (cockpit procedures trainer, cockpit systems simulator, flight management systems trainer, or flight simulator when used as a training device, e.g. no visual or motion systems) for more than five (5) hours per training period, excluding brief/debrief time.

A crewmember shall not be required to perform LOEs between 0200-0600 unless waived by the crewmember.

7. During long term training, the minimum rest break between any two (2) training periods shall be sixteen (16) hours. During short term training the minimum scheduled rest break between any two (2) training periods shall be fourteen (14) hours but a crewmember shall not actually receive less than twelve (12) hours. Any CQ training periods which by definition can contain one or more training events will not be scheduled for more than eight (8) hours exclusive of a one (1) hour meal break. If there is an interruption or delay, the actual training may be extended by two (2) hours beyond the originally scheduled training period, however, training must be completed within ten (10) hours inclusive of at least a one (1) hour debrief and exclusive of a one (1) hour meal break.

This two (2) hour extension may not be invoked during any two (2) consecutive training periods or during any training period that includes a checking event. The minimum rest break between any two training periods will be twelve (12) hours.

8. Simulator or aircraft training/checking events shall not be scheduled in excess of five (5) hours of block time to include one (1) break during a simulator period of at least 15 minutes. Aircraft training will be limited to a maximum of two (2) students for initial/upgrade/transition training and a maximum of four (4) students for all other training. However, these limits do not apply for repositioning flights where aircraft training is conducted outside the domicile. For the purposes of simulator scheduling for long term training, a minimum rest break of sixteen (16) hours will be observed except that the minimum rest period may be reduced to thirteen (13) hours not more than four (4) times during the course of the program. Any training period that includes an FBS training event must be followed by a minimum of fifteen (15) hours of rest. The maximum number of rest periods that can be reduced will be 50%, rounded down to the nearest whole number, of the total number of syllabus scheduled training periods that includes an FBS to a minimum of fourteen (14) hours. Example: Nine (9) syllabus training periods that include an FBS equals a maximum of four (4) reducible rest periods.
9. Training schedules for crewmembers in domicile will provide for two (2) consecutive calendar days off during each seven (7) day period during ground school and simulator training. If a crewmember is training outside of his domicile he will receive forty-eight (48) consecutive hours off during each seven (7) day period during ground school and simulator training. After the last training event in the training facility (UPS or vendor facility) and before the start of IOE, he shall be guaranteed a minimum of six (6) consecutive calendar days off. A crewmember may waive any portion of these days off.
10. The minimum rest period between the time a crewmember is released from training and placed on any other duty will be twelve (12) hours. A crewmember shall not fly revenue flights while in training status, provided however, that such a crewmember will fly revenue flights for the purposes of the crewmember's line qualification. However, a crewmember

who is training away from his domicile may perform a training assignment and then travel back to his domicile in the same duty period in accordance with the following:

- a. The total duty period, including transportation, may not exceed ten (10) hours. If an assignment that includes training and transportation begins between the hours of 0700 and 1400 crewmember domicile time, the duty period may be scheduled up to twelve (12) hours.
 - b. A crewmember with training and travel in the same duty period will be provided a minimum of twelve (12) hours rest upon his return to domicile.
11. IOE shall be scheduled in accordance with Article 13. When a crewmember has completed a release to the line check, he shall be considered released to the line for purposes of scheduling on the same day his new pay becomes effective pursuant to section C.1.c. The crewmember shall assume his new position in accordance with Article 14.
 12. Time limits in this Section may be waived at the discretion of the crewmember.
 13. Changes to Recurrent Training Base Month
 - a. For the purposes of this section, the term "base month" means the calendar month during which a crewmember is due to receive required recurrent training. A crewmember's recurrent training shall be scheduled in his base month or in the month preceding or following his base month.
 - b. The Company may advance a crewmember's base month subject to the following:
 - (1) The Company shall post advance notice of the need to change base month(s) for one (1) or more crewmembers. Such notice shall be posted at least twenty (20) calendar days prior to the distribution of the schedule bid package for the bid period in which the Company wishes to advance the base month(s).
 - (2) Crewmembers may volunteer to advance their base month by submitting a standing preference. These volunteers must indicate their preferences no later

than 0800 SDF time, ten (10) calendar days prior to schedule bid package distribution.

- (3) Volunteers will be granted base month changes in seniority order. If there are insufficient volunteers, the Company will advance the base month(s) in reverse seniority order.
 - (4) The results of base month(s) changes will be incorporated into the schedule bid package.
 - (5) The Company may need to advance base month(s) less than ten (10) calendar days prior to schedule bid package distribution. Such changes will also be made in accordance with paragraph (3) above except it will be by personal contact with the affected crewmembers. In no case will a crewmember's base month be advanced with less than forty-eight (48) hours notice prior to the closing of the schedule bid.
- c. Crewmembers will not be scheduled for or required to perform training assignments in a training facility (UPS or contract) on Thanksgiving Day, Christmas Day, New Year's Eve or New Year's Day. Company directed travel to or from such assignment will not require crewmembers to travel during the aforementioned holidays.
14. There is a dual responsibility between the Company and each crewmember to ensure his take-off and landing ("t/l") currency, subject to the following:
- a. A Captain shall have primary responsibility for ensuring his own t/l currency. Captains shall also cooperate to the fullest extent possible to ensure t/l currency of his operating crewmembers. Further, all First Officers, including those performing IRO duties, are responsible for notifying their assigned Captain prior to each flight if their t/l currency is going to expire within the next twenty-one (21) calendar days.
 - b. Crewmembers who are unable to maintain their t/l currency through the operation of trips may schedule the flight simulator to maintain t/l currency as follows:
 - (1) The simulator must occur on the crewmember's day off;

- (2) The crewmember must accomplish three (3) take-offs and landings;
- (3) The crewmember is responsible for completing and forwarding the appropriate documentation to Crew Scheduling; and
- (4) Compensation for the simulator event shall be in accordance with Article 10.D.5.

D. Training Pay and Credit

1. Initial new hire crewmembers or crewmembers having no bid line to reference will receive the minimum guarantee for the vacancy he holds until he is released to the line.
2. A crewmember who is awarded any long term training during a bid period shall receive pay and credit for the bid line he is awarded or the credit value of the carry-in trip, whichever is greater, excluding open time not flown. However, if the crewmember has a carry-in trip the crewmember will receive the credit value of the carry-in trip or the conflicting trip in the crewmember's bid line, whichever is greater. During any pay period, in which IOE is performed, the crewmember shall be entitled to the greater of his pay protected line or the credit value earned by actual flying, including IOE.
3. A crewmember who is awarded short term training (six (6) or less calendar days, excluding any travel days) will receive pay and credit for trips dropped. A crewmember in short term training on his scheduled days off will receive the minimum pay per duty period (MPDP) as contained in Article 12.
4. When a crewmember is assigned a crew position in support of another crewmember's flight simulator or aircraft training, he shall receive MPDP credit for a training period or credit for the actual aircraft or simulator block time during the training period, whichever is greater. (A crewmember may not be assigned more than one (1) training period/duty period without an intervening rest period.) Section C.7., 8. and 12. shall apply. If a crewmember volunteers for such duty, the duty shall be non-compensable. The crewmember shall not receive additional pay and credit when he is flying support in conjunction with his training or check ride assignment.

5. Crewmembers shall be paid as follows for a simulator event completed pursuant to Article 10.C.14 above:
 - a. Crewmembers who schedule a simulator event on a day off for the purposes of take-off and landing (t/l) currency will be paid an MPDP unless a review of the crewmember's schedule reveals he had sufficient operating flights, which would have allowed him to remain current within the previous ninety (90) days. Sufficient flights do not include trips dropped for leave under Articles 9 and 11 (except PLOA), illegalities resulting in trips dropped with pay protection, displacement, cancellations, equipment swaps and unavailability of take-offs/landings due to FAR/FOM/AOM restrictions.
 - b. If the Company decides not to pay a crewmember in accordance with paragraph a. above, it will first contact the crewmember to discuss why he did not obtain sufficient take-offs and landings. In such event, the crewmember must have a reasonable explanation as to why he did not have the opportunity to obtain the necessary take-offs and landings. If, after that discussion, the Company makes a final decision to deny pay, such decision will be reviewed by the manager of the UPS Labor Department or his designee and an IPA Scheduling representative.

E. Training Records

1. All records of training or evaluation of a crewmember, including any handwritten notes made part of a crewmember's training records, may be reviewed by the crewmember. A copy will be given to him if requested. The request will be made to Flight Training Records. If the crewmember disagrees with a grade or overall evaluation, he shall be given an opportunity to state in writing as part of his record the basis for his disagreement. A crewmember shall be allowed to review and photocopy any portion of his training record during normal business hours at the facility where the record is kept. If a training record becomes a part of his personnel file, then Article 5.O. shall apply.
2. During simulator debriefing, training video and/or audio tapes will only be used during the debrief, which will immediately follow the training session. Only the crewmembers recorded in the training session and only the instructors who conducted the training session will view the tapes. Tapes will be erased

by the crewmembers immediately at the conclusion of the debrief. No copies will be made of video or audio tapes, photographs, or written transcriptions. These provisions may be waived with the written consent of all involved crewmembers.

3. Electronic measuring, pictorial, audio, and/or visual records used during simulator training/checking shall not be used in any disciplinary action against any crewmember, nor be introduced in any arbitration, hearing, or court of law.
4. Data reported to the FAA for CQ purposes will be de-identified and separated from any crewmember's training record.

F. Flight Training

1. The provisions of this Section apply to training conducted in an aircraft, a simulator or training device. All such training will be conducted in a simulator, except where the FAA has denied authorization or it is otherwise impermissible to do so in a UPS simulator. This paragraph shall not preclude the Company from using aircraft for the limited purpose of crewmember's recency of experience (i.e. training, landing currency).
2. A simulator period shall be preceded by a briefing period not to exceed two (2) hours. A training device period shall be preceded by a briefing period not to exceed four (4) hours.
3. Line Operational Evaluations (LOE) shall be subject to the following:

The initial content of, and any revisions to, the Line Operational Evaluation (LOE) shall be developed and approved by the appropriate Article 10.H. Advisory Group.

4. A crewmember shall not be scheduled to have more than two (2) different instructors assigned to him for simulator training. During long term training only, a crewmember who is scheduled for six (6) or more simulator training events shall not be scheduled to have more than three (3) different instructors assigned to him for simulator training. This paragraph excludes a check airmen conducting, LOE. If the student requires additional training, no more than one (1) additional instructor may be assigned without the consent of the student.

5. A crewmember shall be granted, at his request and without prejudice, one (1) change of a Flight Training Instructor and one (1) change of an IOE Instructor per block of short or long term training. To request a Flight Training Instructor change, the crewmember shall call Training Scheduling who will forward the request to the Flight Standards and Training Manager or his designee. To request an IOE Instructor change the crewmember shall call IOE Scheduling who will forward the request to the Flight Standards and Training Manager or his designee. If unable to contact either Training Scheduling or IOE Scheduling the crewmember shall contact the SDF Duty ACP who will forward the request to the appropriate Manager. In all cases, within twenty-four (24) hours of the verbal request the crewmember shall provide a written request to the appropriate Manager, with a copy to the Association. This change will not be considered as a scheduled change of instructors for the purposes of F.4. above.
6. In the event of an unsatisfactory LOE, the check airman performing the evaluation shall not evaluate the crewmember during the recheck unless the crewmember specifically requests, in writing, that said check airman administer the recheck. In addition, a crewmember has seven (7) days following an unsatisfactory LOE to notify the Flight Standards and Training Manager's Office that he desires a different check airman for his next recurrent training bid. Such request, however may limit the Company's ability to honor that crewmember's next recurrent training bid. In such event, the Company will schedule the crewmember for the next available date with a different check airman. If the Company is unable to schedule the crewmember prior to the end of his grace month, then the crewmember will be pay protected provided he was not responsible for the training delay (e.g. sick on scheduled training date or no show for training).
7. Company crewmembers will take precedence over all outside contract training for scheduling the most desirable training periods. For this purpose, the consideration for assignments will be in the following order:
 - a. 0800 to 2000
 - b. 2001 to 2400

c. 0001 to 0400

The Company may schedule up to twenty percent (20%) of the (a) and (b) periods listed above in each pay period per aircraft type for contract training. This paragraph is only applicable when the Company's and contract training are run concurrently at Company facilities. Random periods (single periods or periods resulting from gaps between long term training i.e. days off between simulator training blocks) should not be considered as priority periods.

8. The Company agrees it will provide a warm-up period when requested by a crewmember under the following conditions:
 - a. The warm-up period may be requested by any crewmember who has been on a leave of absence for one hundred and twenty (120) days or more or who has been off equipment for one hundred twenty (120) days or more. For the purpose of Article 10.F.8., "off equipment" shall be defined as a crewmember who has not operated the aircraft equipment type as a result of a system bid award.
 - b. The warm-up period is voluntary and must be requested by the crewmember. A crewmember who is returning from a leave of absence must request the warm-up period at the point he first discusses with Training Scheduling his return to work training. A crewmember who has been off equipment for more than one-hundred-twenty (120) days as a result of a system bid is entitled to a warm-up period pursuant to Article 10.F.8.. He shall notify Training Scheduling of his request for a warm-up period within ninety-six (96) hours of the system bid award. Training Scheduling will schedule the warm-up period at the time of the request.
 - c. The warm-up period shall be scheduled prior to beginning any duty period with a full motion simulator. However, it will not be scheduled on the same day as any requalification training without the crewmember's agreement. It is the parties' intent that no compensation would be generated for the crewmember by the warm-up period unless he is in a pay protect status as a result of returning from the leave. In addition, any voluntary warm-up period shall not result in a crewmember being removed from a scheduled trip.

- d. The warm-up period provided by Article 10.F.8. shall not be available to those crewmembers who are going into long-term training or requalification training (i.e. CQ plus).
 - e. The warm-up period shall be either a two (2) hour full motion simulator or one (1) hour in the full motion simulator and one (1) hour in a Level 4 or higher training device.
 - f. The full motion simulator period and the Level 4 flight training device or higher training device period (if used) will be conducted either by a Check Airman or IPA Flight Training Instructor. The Check Airman or IPA Flight Training Instructor may provide “seat support” for the period(s). At the crewmember’s option, he may obtain his own “seat support” other than the Check Airman or IPA Flight Training Instructor. If the crewmember obtains his own seat support, any supporting crewmember will be in a non-pay status.
 - g. The intent of the warm-up period is to focus on aircraft familiarization, normal checklists and flows. Maneuvers may be practiced more than once. End level proficiency shall not be required. The warm-up period will not include any type of evaluation.
 - h. The Company and Association may need to make changes in the warm-up period but agree it will never be less than a two (2) hour period absent mutual agreement between the parties. Any revisions to the program will be made in accordance with Article 10.H.
 - i. If a crewmember has not operated equipment for one-hundred-twenty (120) days and does not meet the criteria for a warm-up period outlined in Article 10.F.8.a and 10.F.8.b above, he may request a warm-up period. If the request is denied, the crewmember may request a review by the Fleet Training Manager. Agreement to provide a warm-up period will not be unreasonably withheld.
9. [RESERVED]
10. Minimum IOE and Flight Training Instructor Experience Requirements

- a. All crewmember instructors who instruct other crewmembers will meet the following requirements except as provided otherwise in this Section.

	Total Time (Hrs)	In Type /In Seat at UPS (Hrs)	PIC (Hrs)
Flight Training Instructors (utilized as Flight Training Instructor in simulators using motion and/or visual)	4000	200	----
IOE Instructors	4000	200	1000*
S/O Flight Training or IOE Instructor	2000	200	----

- * IOE Instructor must have a minimum of 1000 hours of Pilot in Command (PIC) in FAR 121 operations or turbo jet operations, and 500 hours as a UPS Captain. This 500 hour restriction may be reduced by credit for landings [one (1) landing equals one (1) hour] for up to two hundred fifty (250) hours after completion of release to the line check. When reducing the five hundred (500) hour restriction with landing credits, the minimum time in type/in seat will be no less than two hundred fifty (250) hours.

- b. However, individuals assigned to any instructor position listed above prior to January 1, 1996 will not be required to meet the above criteria for the position held. Crewmembers who become instructors after November 7, 1996 must meet the above criteria except as provided in paragraph c. below. Any crewmember who became an instructor between January 1 and November 7, 1996 must meet the above criteria by date of ratification of this Agreement in order to maintain their positions.
- c. In the event and for as long as there is an insufficient number of qualified crewmember applicants for any instructor position above, the appropriate advisory group shall consider other crewmembers for the needed positions. The Company retains the right in the event of insufficient recommendations from the Advisory Groups to offer instructor positions to other IPA members who satisfy the criteria of this Section. The minimum

experience criteria will not apply to instructors on a new aircraft requiring a new type rating, for one year following delivery of the first new aircraft type.

- d. In January of each year, the Company will notify all crewmembers that they can volunteer to be considered for the position of Flight Training Instructor and/or IOE Instructor. Crewmembers will be selected for those positions through the UPS/IPA Advisory Group process detailed in Articles 10.S.2 and 10.T.2.
11. The Company will work with the IPA Security Committee in the development of any security training. Any disagreement will be presented to UPS VP of Flight Operations and IPA President for resolution.

G. Oral Examinations

Oral examinations which are required in connection with FAA type ratings will be conducted on a day other than the LOE. Oral examinations in connection with an LOE will normally be conducted on the same day as the LOE.

H. UPS/IPA Training Interface

1. The Flight Standards and Training Manager, System Chief Pilot and the Association's Training Committee Chairman will meet on a quarterly basis, or more frequently if necessary, to discuss areas of concern to include course content, instructor evaluations, and major program changes. The Company will notify the Association of any planned changes in its training program prior to any development of a change in training. The Training Committee Chairman and Flight Standards and Training Division Manager will mutually agree at what point joint development will occur in the course development process. If mutual agreement cannot be reached, the process in Article 10.H.2.e. will be used. If agreement is not reached concerning whether or not a UPS proposed change in a program is training related (and therefore subject to the Article 10.H. process), then any such disagreement itself will be subject to the Article 10.H. dispute resolution process.
2. Advisory Groups

The Company and the Association will establish Crew Resource Management (CRM), Flight Instructor, Flight Standards/IOE Instructor and CQ Advisory Groups. These

groups will be formed and maintained under the following conditions:

- a. The Company shall designate one (1) representative per equipment type, and the Association shall designate one (1) Instructor, per equipment type, to serve on each Advisory Group.
- b. The advisory groups will jointly develop and revise all training programs and courses involving crewmembers and conduct training footprint reviews. They will also address, suggested changes relating to standards or training, and crewmember performance.
- c. The Advisory Groups will meet on a quarterly basis, or more frequently if necessary for the purposes stated in 10.H.2.b. above. The advisory group will forward its findings to the UPS Flight Standards and Training Division Manager and IPA Training Committee Chairman.
- d. Captains and First Officers removed from line duties at the Company's request to work on an Advisory Group for the purpose of course development or teaching will be compensated at one hundred twenty five dollars (\$125) per day in addition to their bid line pay credit. Second Officers under this paragraph will receive one hundred twenty five dollars (\$125) per day in addition to their bid line pay credit. This provision does not apply to Company - Association meetings.
- e. In considering training issues, the Advisory Group(s) will issue written joint recommendation(s), if possible. Such recommendation(s) will be forwarded to the UPS Flight Standards and Training Division Manager and the IPA Training Committee Chairman, for timely implementation.
 - (1) If the recommendation(s) is not implemented, the Company will provide a specific explanation in writing to the appropriate Advisory Group(s).
 - (2) If no joint recommendations are made, unilateral recommendation(s) will be processed in the same manner.
 - (3) In the event a joint recommendation cannot be reached or the UPS Manager or IPA Training

Committee Chairman rejects or modifies a unilateral or joint recommendation, then the issue will be submitted to the UPS Director of Operations and IPA President, for resolution.

- f. The Flight Standards/IOE Instructor advisory group shall develop recommendations for matching a crewmember's IOE experience with the type of flying which a crewmember will experience in his domicile.
3. The Company shall provide the following information to the IPA Training Committee Chairman and the applicable IPA Fleet Representative by e-mail or other mutually agreed upon procedure:
 - a. Notice of failures of an LOE or line check will be provided at the same time the Company notifies the FAA;
 - b. Placement into the Special Tracking Program will be included on a monthly report;
 - c. Any decision that a crewmember will be required to undergo significant additional training (i.e. more than two (2) additional training events or fifty percent (50%) more operating experience than currently planned).
4. UPS/IPA Training Review Board (TRB)
 - a. The TRB will be comprised of two (2) UPS representatives and two (2) IPA representatives. For UPS, these shall be a Flight Standards and Training Division Manager and Fleet Representative or their designees. For IPA, these shall be the IPA Training Committee Chairperson and Fleet Representative or their designees.
 - b. The TRB shall meet, in person or electronically, as follows:
 - (1) At least annually to review data necessary to evaluate past TRB events and the effectiveness of any previous remediation plans. The TRB may meet more frequently for this purpose as subject to mutual agreement between the parties.

- (2) To review individual crewmember performance issues. Such meetings will be scheduled if a crewmember has two (2) LOE and/or line check failures within the previous twelve (12) months; fails to progress in training; or based on any other factual circumstances in which the TRB mutually agrees to review a crewmember's performance. Such meetings will be scheduled as soon as possible, but no more than two (2) business days after the triggering event.
 - (3) Upon request, by either the Company or IPA, subject to mutual agreement.
 - c. The TRB shall establish written operating rules which shall be subject to change by mutual agreement.
 - d. Discussions by the TRB relating to individual crewmembers shall be maintained confidentially except as it is necessary to be shared on a need to know basis. Deliberations and discussions of the TRB shall not be referenced in any disciplinary and/or grievance proceedings between the parties. The parties retain all rights under the contract.
 - e. If the TRB cannot reach agreement then the issue will be submitted to the UPS VP of Flight Operations and IPA President, for resolution.
5. Flight Crew Performance Review Board (PRB)
- a. The PRB will be comprised of two (2) Association representatives and two (2) Company representatives. The Association will designate its representatives. Those representatives will be existing instructors. If an IPA designated crewmember is a Flight Training Instructor, the PRB associated work will be performed on the project days or course development days provided in Article 10.S.1. The primary purpose of the PRB will be to review flight crewmember performance and identify potential risk mitigation strategies.
 - b. Initially the PRB will meet to mutually develop the operating rules and procedures. The parties will also jointly develop the criteria to be used for the risk formula.

This risk formula would be subject to modification as deemed necessary by the PRB.

- c. The PRB will meet at least annually. It will meet upon request if necessary based on the Flight Crew Risk Assessment (FCRA) report. The Company will provide a copy of the FCRA report to the Association on a monthly basis. In addition, any individual crewmember will be provided his own risk score from the PRB upon request.
 - d. The PRB will attempt to reach mutual agreement on any issues considered by it. Committee members will have authority to make recommendations on behalf of their respective parties. If the PRB cannot reach agreement then the issue will be submitted to the UPS Director of Operations and IPA President for resolution.
 - e. Any information or data developed by the PRB will remain confidential and will not be provided to any third party. This shall not preclude the Company from complying with any legal requirement. The Company will provide the Association advanced notice, if possible, prior to producing any covered information or data to a third party.
 - f. If the Company ever develops a successor procedure or program that would serve the same purpose as the PRB, the Association would retain the rights to participate in the same manner as set forth in Article 10.H.5. This includes any name change to the PRB.
 - g. Nothing within the provisions of Article 10.H.5. shall limit the UPS Director of Operation's regulatory authority.
6. The Company will provide the Association with access to the Company systems which track all changes (including approvals and revisions) related to training programs and training manuals (included but not limited to revisions, bulletins, operations manuals, regulatory manuals, training manuals) . The intent of the parties is to provide access to the information above via the Airline Manual Interface and Approval System (AMIAS) and Sharepoint or any successor systems.

I. Unsatisfactory Performance

1. A crewmember who has failed to qualify in a higher status or on different equipment shall return to his former status or equipment as described in Article 14. He shall not be eligible to again be awarded such status or equipment for twelve (12) months from the original effective date except under the provisions outlined in Section M. The Company may waive this twelve (12) month prohibition.
2. A crewmember who fails on two (2) occasions to qualify in a bid for a higher status will be returned to his former status. The crewmember shall be eligible to again be awarded such status after sixty (60) months from the original effective date, provided the crewmember can complete to the Company's satisfaction a flying skills evaluation in a Company simulator. The Company may waive this sixty (60) month prohibition.
3. Once a crewmember has been notified of his unsatisfactory performance, the crewmember shall have the right to immediately request a review of his performance at a conference between the crewmember, the Flight Standards and Training Manager, and an Association representative. Any decision which affects a crewmember's status or promotional rights by virtue of his failure to qualify for the open vacancy he holds, shall be subject to the grievance and arbitration procedure set forth in Article 7 of this Agreement.
4. Individual crewmembers not receiving a satisfactory grade during a LOE will be provided additional training as necessary followed by a recheck. The other crewmembers will be considered complete and returned to the line.
5. [RESERVED]
6. If a displaced crewmember fails to qualify in his displaced position, he shall be placed in the next position on his system wide preference listing, which he has seniority to hold. If the crewmember does not have seniority to hold that position, or he fails to qualify for the new position, he shall be returned to his former equipment in the next lower status. He shall not be eligible to be awarded a vacancy on the failed equipment for twelve (12) months from the original bid effective date. If a crewmember cannot be placed in a lower status on his former equipment (i.e. First Officer on a two (2) person aircraft) one of the following two options shall apply:

- (1) the crewmember shall go to the First Officer position in which he has had the most recent previous experience; or
- (2) if the crewmember has no prior experience as a First Officer, the Company may select the equipment on which he will be trained as a First Officer.

Any crewmember who fails to qualify for the new position under this paragraph shall be pay protected in status as long as he continues to make himself available for retraining. If the position for which the crewmember is awaiting training is in a lower status the pay protection shall be in that lower status from the date of the training failure.

J. Special Tracking Program

1. Special Tracking may be scheduled for crewmembers under the following circumstances:
 - a. Initial Upgrade Captains for the first year after their upgrade training; or
 - b. Crewmembers who voluntarily request Special Tracking subject to the approval of the Flight Standards and Training Manager; or
 - c. Pilots failing an LOE or line check; or
 - d. Where objective evidence indicates that the crewmember has performance problems that may affect the safe operation of an aircraft.
2. Special Tracking will be compensated/scheduled as per Articles 12 and 13.D.8. (Short Term Training).
3. Special Tracking will be on a train to proficiency basis.
4. Participation and performance in the Special Tracking program shall not be used to support disciplinary action.

K. Training Support

A crewmember assigned to occupy a crew position during another crewmember's simulator training shall not be graded or be required to participate in the oral exam. During CQ, data may be collected, de-identified and reported to the FAA. A crewmember in long term training will not be required to perform training simulator support for

an event which is not required to complete his training, unless he and the Company mutually agree.

L. Qualified Crewmembers During Evaluations and Check Rides

1. When a crewmember is administered any evaluation or check ride specified in this Article, the other crew positions will be occupied by qualified crewmembers or qualified management crewmembers. A crewmember in long term training will not be allowed to perform simulator support during an evaluation or check ride.
2. No flight crewmember shall be required to perform the duties of a support crewmember on FAA administered type rides or LOE. The Association shall provide the Company with a list of crewmembers willing to volunteer for such support checks.
3. The Association will designate crewmembers who may volunteer as observers. A crewmember may request one (1) such observer to be present during a recheck or an evaluation to determine whether or not training should continue. The scheduled event will not be delayed or postponed due to the absence of an Association observer.

M. Discontinuation of Aircraft Type - Training Freeze

If a crewmember has received a training failure freeze and the aircraft type in which he is frozen is removed from service, the freeze will be lifted and he may bid any crew position to which his seniority entitles him. The crewmember must qualify through initial, upgrade, transition, recurrent or CQ training as appropriate, except that the crewmember covered in Section I. above shall only have the right to transition to another aircraft type.

N. Self-Directed Study Courses

1. Non-compensable self-directed study courses may be used to supplement ground school. Such courses shall not exceed ten (10) hours of classroom credit time in any consecutive twelve (12) months. Any required self-directed study above ten (10) hours will be compensated at a rate of 1:2 (one paid hour per two study hours). Completion credit time for all newly implemented self-directed study will be mutually established by UPS and IPA. Should the parties fail to agree on the completion credit time for any required home study, the issue will be submitted for binding interest arbitration. Such arbitration will be held on an expedited basis within thirty (30) days of the failure to agree. Arbitrator selection

and procedures will otherwise be governed by Article 7 of this Agreement. The Company shall have the right to implement any home study courses pending receipt of the arbitrator's decision.

2. Prior to distributing any home study course to crewmembers, the UPS Flight Standards and Training Manager will submit the home study course to the IPA Training Committee for evaluation and review.
3. Crewmembers in training for a different aircraft type or domicile are not required to complete the self-directed study course(s) specific to their previous aircraft type or domicile.

O. Union Membership

Crewmembers used as Flight Training Instructors, IOE Instructors and Advisory Group participants shall be members in good standing in the Association, as set forth in the Constitution and Bylaws of the Association, at the time of application and selection, and shall remain as such.

P. Return to Line Duty

1. Crewmembers returning to the line during a pay period will be given credit for each training period worked as a Flight Training Instructor and this shall be compared to the number of duty days in the line that he bid for pay purposes. The crewmembers shall be responsible for picking up open time to make up any difference. If sufficient open time is not available, the Company and the crewmember shall mutually agree upon reserve duty periods for which he must be available in order to restore the original number of duty periods in his line. Such open time and/or reserve duty periods will not be compensated over his original bid line credit.
2. The Company will attempt to rotate flight training instructors back to line duty for at least three (3) pay periods per calendar year. It will also be the Company's goal to evenly distribute work in the Training Center among the instructors on the fleet. Crewmembers will be rotated into the Training Center on a last name basis based on instructor preference, instructor/student training continuity, or availability. Availability includes items such as scheduled vacation, leaves of absence, line staffing needs on a particular fleet/seat/domicile, and the instructor's training. If a crewmember is bypassed in the rotation, the Flight Standards

and Training Manager will provide notification and explanation of the reasons of the bypass to the Association's Training Committee Chairman. It will also be the Company's goal to evenly distribute work, to include simulator support assignments, in the Training Center among the instructors on the fleet.

Q. *Rights Reserved*

1. Crewmembers assigned as Flight Training Instructors, IOE Instructors and all Advisory Group Participants shall retain the rights conveyed by this Agreement, including but not limited to continuation of seniority, longevity accrual, pension and benefits.
2. Discipline related to the performance or non-performance of duties of the positions listed in Q.1. above shall be limited to removal of the individual from the position and reassignment to regular line duties in accordance with P. above.
3. The Company shall, at no expense, provide legal representation for crewmembers functioning in positions listed in Q.1. who are named as a defendant in any legal proceedings which arise out of the crewmember's performance or non-performance of his duties providing, he was acting within the normal scope of his employment, unless he is determined to have engaged in intentional misconduct.
4. The Company agrees to indemnify and hold harmless a crewmember or his estate, for the full amount of any monetary judgments or awards rendered against him when in a position listed in Q.1. above, arising out of his performance or non-performance of his duties, if he was acting within the normal scope of his employment, unless he is determined to have engaged in intentional misconduct.

R. *Work Availability for Flight Training and IOE Instructors*

In accordance with past practice, the Company will offer crewmembers work as Flight Training Instructors and Initial Operating Experience Instructors. Flight Training (including work performed as an instructor outside of domicile) and IOE Instruction work, as described in Sections S. and T., will be offered to crewmembers prior to seeking outside contractors to accomplish this work.

S. *Flight Training Instructors*

Crewmembers (seniority and probationary), other than Flight Training Instructors, shall not be required to perform any duty covered by this Section. This limitation shall not apply to simulator support assignments, which may be assigned pursuant to Article 10.Y.

1. Duties

Crewmembers designated as Flight Training Instructors may be required to perform the following duties:

- a. Classroom instruction including but not limited to Initial, AQP, Transition, Upgrade, Recurrent, CQ, CPT, CRM, CBT, and Pre-Oral Preparation.
- b. Flight Instruction including but not limited to Initial, Transition, Upgrade, Recurrent, Maneuvers Validation events (MVs), FBS, VPT, CSS/CPT and CQ events.
- c. Other training mutually agreed upon by the Flight Training Advisory Group.
- d. Flight Training Instructor personnel shall be limited to instruction activities only. Such assignment will not include any supervisory or checking duties nor will any FAA authorization letters be sought for the duties of such flight instructors.
- e. Should a training assignment cancel after reporting, the instructor may be assigned alternate duties as listed above or an office project (OP) day.
- f. Simulator support assignments.

2. Eligibility and Selection

Management shall select crewmembers for the position of Flight Training Instructor from a list of candidates who have been recommended by the Flight Training Advisory Group as provided in Section F.10. The following restrictions will apply:

- a. The use of probationary crewmembers shall be limited to candidates from the Second Officer classification. These crewmembers shall be placed into the Second Officer flight instructor category and be limited to the instruction of Second Officers only. The use of probationary

employees in the Second Officer instructor group shall never exceed the percentage of probationary employees in the Second Officer classification.

- b. The Flight Standards and Training Manager will furnish the Association with a current list of Flight Training Instructors.
- c. To be eligible to instruct on an equipment category (e.g. A-300), a crewmember must hold a seniority position on that equipment.

3. Flight Training Instructor Assignment

- a. The Company will notify those crewmembers scheduled to perform instructor duties no later than seven (7) days prior to schedule bid package distribution. Crewmembers who hold a bid line awarded under Article 13 of this Agreement shall be removed from those bid line assignments on the effective date of their assignment to the position of Flight Training Instructor. Crewmembers assigned to flight instruction duties during a pay period will be given credit for the duty days worked prior to such assignment. Crewmembers may then be scheduled for up to the maximum fourteen (14) training periods minus the number of duty days credited above. Crewmembers will be entitled to MPDP and the override for any training periods offered and worked in excess of fourteen (14) training periods/duty days in a pay period. If a crewmember has a trip which extends into a pay period in which he will be assigned duties under paragraph 1. above, the Company may decide how much of the trip he will complete. Any revisions to the trip will be in accordance with Article 13, Section E.
- b. Flight assignments becoming uncovered as a result of 3.a. above shall be placed in open time in accordance with Article 13 of this Agreement.
- c. Flight Training Instructors shall not be assigned nor shall they fly, under any Article of this Agreement, in a status higher (i.e., F/O flying Captain, S/O flying F/O) than the status they hold as a crewmember.
- d. If an instructor's training center duties are cancelled before the bid period starts with no opportunity to bid and

be awarded a line, the instructor will be pay protected for the greater of a bid line for pay purposes only or the line constructed as set forth below:

- (1) If the instructor's bid line for pay purposes only is still available, the Company will return him to his bid line;
- (2) If the instructor's bid line is not available the instructor will be given days off to coincide with his pay protect line. By mutual agreement between the instructor and the Company, the bid line can be constructed with trips on what would have been days off on his original bid line for pay purposes only. The flying assignments will be made up from open time;
- (3) If open time is not available to construct the line pursuant to Article 10.S.3.d.(2) LCO days will be used which will coincide with his bid line.

4. Compensation

IPA Flight Training Instructors will continue to bid for pay purposes. Captains and First Officers will be compensated for the value of the line bid for pay purposes plus one hundred twenty-five dollars (\$125) per training period for which the instructor reports. Second Officers will receive one hundred dollars (\$100) plus the value of the line bid for pay purposes per training period for which he reports. This amount will be remitted at the time set forth in 12.H.3. Should a training assignment cancel after reporting, the instructor may be assigned alternate duties as listed in Section S.1. above.

5. Scheduling

- a. The maximum scheduled number of training periods per twenty-eight (28) day pay period shall be fourteen (14). With the instructor's consent, additional training periods may be assigned. Any training period(s) worked in excess of the instructor's original schedule will be compensated at MPDP plus the override provided for in paragraph 4, Compensation, above. Instructor schedules will be posted to CMS as soon as possible, but no later than five (5) calendar days prior to the beginning of the applicable pay period.

- b. The Company may schedule an instructor for flex days as a part of his fourteen (14) scheduled training periods. The following rules will apply unless the Instructor and the Company mutually agree otherwise:
- (1) The flex day(s) will be included as a part of the instructor's original schedule in accordance with the procedures currently used to establish instructor's pay period schedules (i.e. instructor's preference sheet);
 - (2) Flex day assignments will consist of the duties listed in Section S.1. above;
 - (3) Training scheduling will notify instructors of their flex day assignments as soon as possible. If the instructor has received no advanced assignment for a flex day, he shall contact Training Scheduling between 3:00 PM to 4:00 PM local SDF time the day prior to the flex day. If the instructor is going to be unavailable during this time period, he shall contact training scheduling to establish an alternate contact time. If no assignment is provided at this time, the instructor shall not be subject to assignment on the flex day;
 - (4) Any assignment given to an instructor for the flex day must provide at least twelve (12) hours rest prior to the beginning of the assignment;
 - (5) Flex days will be subject to the same scheduling rules (e.g. trades) as any other training period; and
 - (6) In making assignments for flex days, the Company will use its best efforts to equalize the number of training periods worked by the instructors in that pay period taking into account student needs and instructor qualifications.
- c. The scheduled start time of a training period shall begin within five (5) hours of the previous day's training period start time. This limitation may be waived by the crewmember(s) effected.

- d. Minimum rest following a training period shall be twelve (12) hours.
- e. Flight Training Instructors may pick up open time in accordance with Article 13 on their days off. Such open time trips will be paid in addition to their pay period guarantee, or bid line credit whichever is greater. On days off, instructors may also fly by displacement for no additional pay credit. Instructors flying by displacement will be treated as lineholders and receive per diem, overrides, and premium payments in accordance with Articles 12 and 13. Instructors will displace in accordance with the rules set forth in Article 13.M.3. and 13.M.4.
- f. The maximum scheduled training period for Flight Training Instructors will be eight (8) hours exclusive of a one (1) hour meal break. When training is interrupted or delayed, the training period may be extended two (2) hours beyond the end of the originally scheduled training period. The maximum scheduled number of consecutive training periods shall be seven (7). This will be followed by at least a forty-eight (48) hour rest period. With the instructor's consent, additional consecutive period(s) may be added and/or rest may be reduced.
- g. Instructors may be reassigned flying duties, on their scheduled training days during extreme operational emergencies. Such flying shall be in accordance with Article 13.M.2.a. and shall count toward the Instructor's maximum scheduled number of training periods in accordance with 10.S.5.a. Captains and First Officers reassigned to flying under this paragraph will still receive their one hundred twenty-five dollars (\$125) override for each originally scheduled training period missed. Second Officers will still receive their one hundred dollars (\$100) override for each originally scheduled training period missed. If the trip assigned is revised in a way to qualify for the premium payments in Article 13.E.4., the instructor will be eligible to receive such payments. If the trip is extended as allowed only by the provisions of Article 13.E.5.c. into his fourteen (14) days off per pay period he will receive the \$125/\$100 as applicable override for each such day.
- h. For that bid period which consists of thirty-five (35) calendar days the scheduling parameters outlined in this

section will be changed to the following:

- (1) Eighteen (18) scheduled training periods and seventeen (17) days off; and
- (2) MPDP plus override for training periods worked in excess of the eighteen (18) scheduled training periods.

T. IOE Instructors

1. Duties

IOE Instructors shall perform those duties necessary to fulfill the requirements as specified in FAR 121, Subpart O, Training Program.

2. Eligibility and Selection

- a. Management shall select crewmembers for the position of IOE Instructor from a list of candidates who have been recommended by the IOE Instructor Advisory Group as provided in Section F.10. above.
- b. The use of probationary crewmembers shall be limited to candidates from the Second Officer classification. These crewmembers will be placed into the Second Officer IOE Instructor category and will be limited to the instruction of Second Officers only. The percentage of probationary crewmembers in the Second Officer IOE instructor group shall never exceed the percentage of probationary crewmembers in the Second Officer classification.
- c. IOE Instructors shall not be assigned nor fly in a status higher than the status the individual's seniority would allow.
- d. The Company will furnish the Association with a current list of IOE Instructors.

3. Flight Assignment

- a. IOE Instructors shall bid and be awarded flight assignments in accordance with Article 13. IOE Instructors can be assigned IOE instruction duties regardless of their relative seniority.

- b. Crew Scheduling shall assign students for IOE instruction subject to the following restrictions:
 - (1) The IOE Instructor shall be the sole judge as to the continuation of the IOE flight based on weather, equipment condition and crew performance.
 - (2) As much advance notification as possible will be given to the IOE Instructor of the assignment of a student to his line. If at least ten (10) hours notice is not provided, the IOE Instructor may reject the training assignment.

4. Compensation

In addition to their bid line pay credit a Captain and First Officer IOE Instructor will be compensated at fifty-five dollars (\$55) per block hour when functioning as an IOE Instructor. Second Officer IOE Instructors will receive forty-five dollars (\$45) per block hour when functioning as an IOE Instructor.

5. Scheduling

- a. An IOE Instructor holding a flying line can be scheduled as an IOE Instructor for up to seventy percent (70%) of their original or adjusted bid line block hours in a bid line award, to include carry-in days, per pay period. This limitation may be waived by the IOE Instructor.
- b. IOE Instructors holding a reserve line can be scheduled as an IOE Instructor for up to fifty percent (50%) of their scheduled reserve days per bid period. This limitation may be waived by the IOE Instructor.
- c. IOE Instructors awarded trip trades can be scheduled as an IOE Instructor for an awarded trip trade subject to the seventy percent (70%) limitation.
- d. Awarded open time may not be scheduled for IOE except with the instructor's consent.
- e. The Company will provide a report to the Association indicating the projected training center completion dates for the students in the next bid period. This report will be provided at the same time the bid packages are distributed to the crewmembers. The estimated start date

for OE is six (6) or seven (7) calendar days after completion of the last training event. In addition, on a quarterly basis the Company will provide the Association a report indicating the number of OE flight segments flown by each OE instructor. The report will be year-to-date. Both of the above reports will be broken down by F/S/D.

U. Crew Resource Management Training

1. Crewmembers will be scheduled for CRM training in accordance with Article 13.D.8.a.
2. It is agreed that the Association will process the on-line assessments utilized in the CRM program and distribute feedback to crewmembers. The Company will reimburse the Association at the rate of four dollars (\$4.00) for each assessment processed. The Company will reimburse the Association for any additional reasonable expenses necessary to process the assessments, provided the Association obtains prior written approval from the Company. The Company and Association shall also meet as necessary to resolve any logistical problems.

V. Supplemental Proficiency Program

1. A Second Officer or Professional Flight Engineer may submit a written plan to the Chief Pilot, or his designee, for the purpose of gaining proficiency as a pilot. The written plan shall be effective for the specified bid period. The plan may include a schedule of voluntary simulator training and/or commercial flying other than for the Company. Such plan must be submitted to the Chief Pilot's Office at least 96 hours prior to the beginning of a bid period. The Chief Pilot will approve or deny the request at least 48 hours prior to the beginning of the bid period. Any conflicts will be resolved in favor of the more senior crewmember.
2. The Chief Pilot's decision will be based on staffing needs and the extent to which the program will enhance the crewmember's flying proficiency. No program will be approved for the period from November 15 – January 1. Plans that would interfere with the crewmember's scheduled duties for the Company will not be approved. Approval will not unreasonably be withheld.
3. If the program includes requests for voluntary simulator training, available periods will be scheduled for the

crewmember. Such scheduled periods will take precedence over other voluntary simulator requests.

4. The intent is for a supplemental training request to be made in accordance with paragraph #1 above. Any request to perform other commercial flying, or to modify the approved plan during the current bid period, will be granted or denied at the Company's discretion.

W. Training Out Of Domicile

1. Crewmembers may be assigned training away from their domicile. Paragraphs 2-6 below will apply to both instructors and students.
2. Per diem will be paid in accordance with Article 12. Lodging and transportation will be provided in accordance with Article 5.H. For purposes of per diem, transportation, and lodging the crewmember shall be considered to be assigned to his current domicile until released to the line in his new domicile, if applicable.
3. If there is no cafeteria available to the crewmember, the Company will provide transportation to a suitable location.
4. In the event a crewmember is jumpseating on a UPS aircraft to or from a training assignment, the Company may request the crewmember to operate the flight in lieu of the jumpseat. If the crewmember agrees to operate the flight segment(s), the pay for the flight segment(s) shall be either block time or MPDP both at 150%, whichever is greater. This shall be in addition to the pay associated with deadheading to the training assignment. The training rest provisions of this Article apply. Once a crewmember begins long term training, the Company will not request a crewmember to operate a flight segment(s) per this paragraph.
5. As per Article 10.C.9., a crewmember is guaranteed a minimum of six (6) consecutive calendar days off. During this period, a crewmember will be provided air transportation on the Company system, or on commercial air transportation as provided in Article 13.H. A crewmember may utilize this transportation to return to domicile and, if applicable, return for the continuation of long term training. The crewmember is eligible for deviation travel in accordance with Article 13.H.

6. Prior to training outside of the United States, the Company will meet with the Association to negotiate and mutually agree on any issue related to the proposed training assignment. Agreement will not be unreasonably withheld by the Company or the Association.
7. Any concerns regarding the effectiveness of training at a non-UPS training facility will be raised and resolved pursuant to the procedures in Article 10.H.2.
8. The following rules will apply to instructors scheduled for instructor duties outside of their domicile:
 - a. Instructor training assignments outside of his domicile will be on a voluntary basis only. The Company will provide the affected instructors with the proposed schedule for the pay period prior to the instructor's decision to volunteer. Any change in the proposed schedule must be by mutual agreement. The maximum scheduled number of training periods, as set forth in Article 10.S.5.a., may be entirely out of domicile, in domicile, or a combination of both.
 - b. Both travel and instruction days will count toward the maximum scheduled training periods referenced in Article 10.S.3.a. and 10.S.5. An instructor will also receive the Article 10.S.4. override for travel day(s) at the beginning and end of the training assignment.
 - c. An instructor who is performing instructor duties out of domicile will receive per diem from the report time of his positioning deadhead until he is released in his domicile at the end of the training assignment.
 - d. An instructor on a training assignment out of domicile will be provided an intermediate size automobile to use at the out of domicile location.
 - e. Instructors will be entitled to use positive space Priority 4 jumpseat status for personal travel to his home while training out of the domicile.

X. *Pay Protection in the Event of Unsatisfactory Training Event*

1. Any crewmember who, as a result of performance during a short term training event, line checking event or scheduled duty outside of long term training ("unsatisfactory event"),

would not be legal under the FARs to return to his next scheduled assignment on his bid line, must make himself available for required training and/or line check within twenty-four (24) hours of the end of the duty period in which his performance was deemed unsatisfactory in order to be covered by this Section. The Company will reschedule additional short term training required and/or line check event as soon as possible. When applicable, training/line check may not be rescheduled during a vacation or an approved leave of absence unless waived by the crewmember. However, the pay protection provided by this Section shall not apply until the crewmember returns from vacation or leave, as applicable, and makes himself available for training.

2. If the crewmember makes himself available for training in accordance with paragraph 1 above, he will be paid and credited (subject to make up) for any scheduled duty missed up to seven (7) calendar days from the date of the unsatisfactory event in accordance with LOA #06-02, paragraph 3 except the make-up period shall be limited to the next four (4) full pay periods. For the purposes of this paragraph any training within the seven (7) day period will be paid in accordance with Article 12.B.3.f and 13.D.8.b. as if the crewmember were training on a day off. The Company will deduct the credit value of any training which occurs within the seven (7) calendar day period from the credit value of any scheduled duty he will be required to make up.
3. If training and/or checking events are not started or completed within seven (7) calendar days from the date of the unsatisfactory event, the crewmember will be protected for pay and credit for any scheduled duty missed beginning on the eighth (8) calendar day from the date of the unsatisfactory event, provided he continues to make himself available for the required training in accordance with paragraph 1 above.
4. If a crewmember has a subsequent unsatisfactory event after training for the original unsatisfactory event and makes himself available in accordance with paragraph 1 above, the provisions of paragraph 2 and 3 above will apply except the seven (7) day period shall be fourteen (14) days from the date of the subsequent unsatisfactory event.
5. A crewmember will not lose his pay protection for any assignment dropped pursuant to Article 13.D.5 as a result of

an unsatisfactory event which occurs during the original pay protected duty days.

6. A crewmember who is covered under this section will not be required to make up the difference between his bidline credit and his guarantee. If the crewmember fails to make up the credit deficit for a training failure, he will only be debited the credit deficit.

Y. Simulator Support Assignment

1. Open simulator support events (i.e. uncovered events due to uneven crew complements in STT and LTT training events) which are known fifteen (15) days in advance of the beginning of each pay period will be included in the Flight Training Instructor schedules.
2. Simulator support assignments, which become known after paragraph 1. above shall be covered in the following order:
 - a. Simulator support events will be assigned to instructors who are available to cover simulator support during scheduled project days or if the instructor is otherwise available on a scheduled training center work day. Article 10.S.5.c. can be used to change the Instructor's start time.
 - b. The Company can offer the simulator support to qualified Instructors on their days off at its discretion.
 - c. If no instructor is available and paragraph b. above is not utilized, the Company will first offer the simulator support event to Instructors who are on reserve and then to all reserves on a voluntary decline list. The acceptance will be voluntary and based on the reserve being available.
 - d. If the simulator support event is still uncovered the Company will assign it to a Flight Qualified Supervisor who is assigned to the Training Center at that time and is available to cover the event.
 - e. If still uncovered, the Company can call-out a regular reserve to a simulator support assignment no more than two (2) times in a pay period. In the event all legal and available reserves have already performed two (2) simulator support assignments, a third (3rd) simulator assignment may be given. No reserve crewmember shall

ever be required to perform more than three (3) simulator support assignments within one (1) pay period. An assignment qualifying for a premium payment under Article 13.B.6.b.(17) shall count as one assignment for purposes of this paragraph. However, no crewmember may be given a two (2) day simulator support assignment if it would be his third (3rd) assignment in that pay period.

- f. Junior available, which can also be used at the Company's discretion before the Step in paragraph d. above.
 - g. Article 13.F.8. or simulator support reserve move-up lines, in accordance with Article 13.B.5.d., can be used at any point after paragraph 1. above.
- 3. No crewmember shall be required to sit simulator support for an FAA administered check or evaluation (e.g. 709).
 - 4. Prior to the beginning of each pay period, the Company will provide the Association a report of the known simulator support events. After the end of each pay period, the Company will report all simulator support events including the date, time, name of crewmember performing simulator support and location of the event.
 - 5. No override will be paid to an Instructor who only performs simulator support during a duty period.
 - 6. Multiple simulators events may be included on an Instructor's scheduled day but not to exceed a total of five (5) block hours.
 - 7. No Captain will be assigned to sit in the First Officer seat for simulator support unless he is an IPA Flight Training Instructor.

Z. Distance Based Learning Rules

- 1. Distance based learning (DBL) shall be defined to include any and all Company-directed training that does not include an instructor and a gathering of student(s) co-located in a traditional classroom.
- 2. All Company-directed training previously accomplished by home study will be continued as home study and covered by Article 10.N. Training material that is incorporated into a

training curriculum in a classroom setting or DBL shall not be converted to home study.

3. The Association will be involved in the development and implementation of DBL per Article 10.H.
4. Credit time associated with completing DBL will be mutually agreed to by UPS and the Association including any current AQP which is converted to DBL. If the parties fail to agree on the credit time for completing DBL, then the issue will be submitted for binding interest arbitration, per current 10.N. language. Eight (8) hours of existing ground school curriculum, which is converted to DBL, shall always be equal to eight (8) hours of DBL. The number of days required for the assigned DBL shall be determined by the parties.
5. DBL performance standards (i.e., pass/fail) will be established by mutual agreement between UPS and the Association.
6. DBL may be used in connection with any short-term training (STT) curriculum. Short-term training accomplished by DBL shall be paid on an MPDP for eight (8) hours of DBL or on a 1:2 ratio for partial days (1 paid hour per 2 study hours).
7. Once DBL is implemented for STT, the Company shall use what was the first day of STT to conduct a Flight Crew Leadership (FCL) workshop, at least, once every three (3) calendar years. The FCL workshop shall always be conducted in person. If a crewmember has two (2) scheduled STT events in twelve (12) months, the FCL workshop shall be scheduled in connection with the longer STT event.
8. DBL shall only be used to replace training that is currently performed in the classroom. Any training currently conducted using any other device (e.g., VPT, any flight training device, flight management systems trainer, etc.) will not migrate to DBL without the consent of the Association. For example, general subjects and aircraft systems forum classroom training currently used during CQ can be migrated. Conversely, VPT training for area navigation procedures and controller pilot data link communication procedures cannot be converted to DBL.
9. Crewmembers will have instant online verification of DBL completion.

10. Crewmembers will have access to 24/7 support for Company provided DBL hardware or software issues.
11. Crewmembers will have access to free high-speed wireless internet access at all UPS owned training facilities.
12. Days of DBL for Long Term Training (LTT) will be added to beginning of a crewmember's training block and paid and credited the same as the remainder of the LTT except no hotel or per diem will be provided. Crewmembers credited with DBL associated with LTT shall not be eligible or permitted to perform any other duty on those days.
13. A crewmember who is scheduled for DBL as a part of LTT will receive rest prior to beginning the scheduled DBL in accordance with Article 10.C.2. The rest period shall be determined based on an assumed 8:00 AM LDT start time for the first day of DBL. If such crewmember is completing LTT outside of his domicile, he shall be scheduled to travel to training after 5:00 AM LDT on the calendar day after the last day of DBL. The crewmember will be provided a minimum of twelve (12) hours of rest prior to the first (1st) report at the training center/facility. DBL days shall be considered as part of the block of training for purposes of required notice of training under Article 10.
14. If a crewmember is scheduled for more than five (5) days of DBL as a part of LTT, Article 10.C.9. will be applicable to the block of DBL.
15. If a crewmember has DBL in conjunction with STT, the report time at the training center/facility shall be used for purposes of all duty and rest rules.
16. DBL will not be used for the Basic Indoctrination portion of the training for new hire crewmembers.
17. The parties acknowledge that the Company also communicates changes in policies, procedures and other flight related information via a bulletin process. This includes, but is not limited to, systems bulletins, AOM bulletins, FOIBs and safety bulletins. In order to assist in keeping track of the bulletins, UPS will provide a monthly report to IPA of all bulletins issued. Bulletins will not be used as a substitute for home study or DBL.

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ARTICLE 11 VACATIONS

A. *Vacation Accrual*

1. General

Crewmembers shall become eligible for and receive vacation allowance in accordance with the following:

- a. Crewmembers with less than five (5) years of service shall receive 1.07 days of vacation for each pay period of continuous employment with the Company. Crewmembers with five (5) through ten (10) years of service shall accrue 1.61 days of vacation for each pay period of continuous employment. Crewmembers with eleven (11) through nineteen (19) years of service shall accrue 2.15 days of vacation for each pay period of continuous employment. Crewmembers with twenty (20) or more years of service shall accrue 2.69 days of vacation for each pay period of continuous employment.
- b. Each crewmember, as of December 31st, who has completed the service years listed below, shall be entitled to the vacation days indicated below. Service years shall accrue for each thirteen (13) pay periods of active service by the crewmember.

Service Years	Vacation Days
1 through 4	14 days
5 through 10	21 days
11 through 19	28 days
20 and above	35 days

- c. Vacations shall commence in the calendar year following the calendar year in which they were earned.
- d. Vacations may be changed by mutual agreement of the crewmember and the Company. In extreme operational emergencies, the Company may change a crewmember's vacation in accordance with Section F. of this Article.
- e. For the purpose of vacation accrual, a crewmember who is entitled to compensation equal to at least fifty percent (50%) of his pay period guarantee shall accrue the appropriate vacation days for the pay period. A

crewmember on a leave of absence will accrue vacation credit in accordance with the chart in Article 9.N.

- f. A new hire crewmember with a date of hire during the first fourteen (14) days of the pay period shall accrue vacation credit for the entire pay period and those crewmembers with a date of hire after the fourteenth (14th) day will not accrue vacation credit for the pay period.
2. Vacations shall not be cumulative and must be taken within the calendar year, unless authorized otherwise in writing by the Company.

B. Bid Preference

1. Preference of the periods in which crewmembers shall be permitted to take their vacations shall be granted in the order of system seniority within each equipment status (i.e. DC-8 Captain, First Officer, Second Officer) at the domicile at which they are based. The crewmember's award will be based on his status as of January 1 of the year in which the vacation will be taken.
2. Crewmembers with fourteen (14) days of vacation shall be eligible to bid vacation in two (2) periods of seven (7) days each. Less than fourteen (14) days of vacation will be bid in one (1) block.
3. Crewmembers with less than twenty-one (21) days of vacation may split their vacation into two periods of at least seven (7) days each.
4. Crewmembers who have twenty-one (21) or more days of vacation may split their vacation into three (3) parts - two periods of at least seven (7) days and one period to include the remaining days.
5. Crewmembers who have twenty-eight (28) or more days of vacation may split their vacation into three parts. For the twenty-eight day vacation it shall be one period of fourteen (14) days and two periods of seven (7) days each. For the thirty-five day vacation it shall be two periods of fourteen (14) days and one (1) period of seven days.

6. Primary vacation periods will be posted for bid on each type of equipment by September 1 and closed by September 15. The results will be awarded by September 18.
7. A crewmember will use the Primary Vacation Bid Preference form to indicate:
 - a. His preference for a joint vacation;
 - b. The name, seniority number, status, and equipment of his bidding partner, if a joint vacation is elected;
 - c. His preference for vacation starting dates with the number of vacation days to be taken for each start date choice. Example:

choice 1	week 22	14 days
choice 2	week 22	7 days
choice 3	week 10	21 days
choice 4	week 44	14 days
choice 5	week 3	28 days

- d. If retiring in the "vacation award year", how many, if any, vacation days he wishes to be paid in lieu of taking.
8. Secondary vacation periods are selected from the slots available after the primary vacation periods are awarded to the crewmembers. Secondary vacation periods will be posted for bid on each type of equipment by September 21 and closed by October 5. The results will be awarded by October 8.
9. A crewmember will use the Secondary Vacation Bid Preference Form to indicate his preference for vacation starting dates with number of vacation days to be taken for each start date choice. Example:

choice 1	week 44	14 days
choice 2	week 38	7 days
choice 3	week 39	14 days
choice 4	week 2	7 days
choice 5	week 11	21 days

10. A tertiary vacation bid will be posted by October 11 and closed by October 25. It will be posted by October 28. The

Tertiary Vacation Bid Form will be used to indicate his preference for vacation start dates. The number of days awarded will be his accrual for the year minus the number of days already awarded.

11. Senior crewmembers may relinquish their normal seniority for bidding of vacation periods in order to receive the same vacation period as a junior crewmember. The vacation award will be based upon the junior crewmember's seniority number and the availability of vacation periods at the time the junior crewmember receives an award.
12. Crewmembers that expect to be absent from the domicile during the bidding period may request that the vacation package be forwarded to them, leave a preference bid in writing for the Company to use as a guide, or have another crewmember bid for him during the appropriate time frame. All awards will be final and the crewmember will accept the award based on the Company's best interpretation of his bid.
13. A crewmember reaching a mandatory retirement age or who is otherwise retiring, may request that he receive pay-in-lieu of vacation, for all accrued and unused vacation credit, in his final paycheck. His request must be received prior to the bid of the next year's vacations and must be in writing. In such cases, the Company will reduce the vacation periods to be awarded. Pay-in-lieu of vacation time shall not change a crewmember's retirement date. The rate of pay for such vacation shall be at the highest status held during the previous thirteen (13) pay periods unless the crewmember was unable to maintain such status due to his failure to perform or unable to hold the status due to a reduction in force.
14. The allocation of vacation days will be based on crewmember assignments in each domicile as of December 31st of each year. The allocation of vacation periods shall be based on the total vacation liability for the calendar year. The Company will post the planned vacation allocation by status/equipment type and domicile for each pay period. Such allocation shall provide a minimum of eight percent (8%) and a maximum of twenty percent (20%) for each of the pay periods beginning in the calendar months of May, June, July, August, and September in each domicile by status and equipment. For the pay periods which begin or end in January, February, March, April, and the pay period which

starts in October, the minimum shall be four percent (4%) and the maximum fifteen percent (15%) in each domicile by status and equipment. At a minimum, the Company will also make available for each fleet/seat/domicile a two (2) percent vacation allocation for the first (1st) two (2) weeks of the November pay period. In addition, there will be at least three (3) vacation periods provided for each fleet/seat/domicile starting on December 28 of each year. The Company may, at its discretion, provide additional vacation periods for the November and/or December pay periods for any fleet/seat/domicile. The fleet/seat/domicile, which has vacation available in November and/or December, will be designated in the primary vacation bid package.

15. Vacation bid packages shall be made available to crewmembers electronically.
16. A crewmember who fails to submit a vacation bid or does not bid sufficient vacation periods will be assigned a vacation period(s) by the Company after all other vacation bids have been awarded in each of the three (3) bids. Such a crewmember will be assigned a vacation period(s) in seniority order F/S/D starting with the highest numbered available vacation period.

C. *Vacation Buy Back*

1. The Company may offer to buy back (pay in lieu of vacation) vacation blocks of weeks awarded for the following calendar year. Such buy back weeks will be published with the bid package for December and will specify fleet, seat and start date of the vacation weeks. Crewmembers who have been awarded these vacation weeks must submit their preferences for the buy back by 1000 local domicile time nineteen (19) days prior to the beginning of the bid period beginning in December. The buy back will be awarded in seniority order by position. The results will be posted within 48:00 hours.
2. In order to be eligible to be awarded a vacation buy back week, a crewmember must have a minimum of seven (7) days of vacation awarded for that vacation period. A crewmember who elects to sell back his vacation must sell back all vacation days contained in that vacation period.
3. Crewmembers who are awarded vacation buy backs will receive compensation equal to 6:00 hours per vacation day. The vacation will be paid based upon the hourly rate the

crewmember would be receiving at the time of the scheduled vacation. In January, immediately following the annual buy back award in C.1. above, the pay due for such buy backs will be included in the 1st paycheck which includes expenses and adjustments.

4. Additionally, the Company may offer to buy back awarded vacation blocks of weeks during the calendar year in which vacations are scheduled to occur. There will be two (2) bids. Such buy back weeks will first be posted no later than 0800 local domicile time forty-eight (48) days prior to the beginning of the bid period in which the buy back weeks are available. Crewmembers who have been awarded these vacation weeks must submit their preferences for the buy back within 72:00 hours after the posting. The buy back will be awarded in seniority order, by position, and the results will be posted by 0800 local domicile time no later than thirty-seven (37) days prior to the start of the bid period. If there are weeks which have not been bought in the first award, crewmembers shall thereafter have 72:00 hours to submit their preferences for a second bid. Within 24:00 hours of the closing of the preferencing period, the Company shall post the award of the second bid. Crewmembers who are awarded vacation buy back weeks shall be compensated at a value of 6:00 credit hours per day. In addition, on the first bid the Company shall pay a 5:00 hour premium to those crewmembers who sell their vacation. On the second bid the premium shall be increased to 20:00 hours. The crewmember will receive the pay due for the vacation and the premium with the check which includes expenses and adjustments for the pay period in which the vacation would have occurred.
5. The Company may, at its discretion, choose to award none, only a portion, or all of the vacation blocks which are published as available for buy back as part of the annual or bid period buy backs. All such awards will be in seniority order by position. This paragraph also applies to the second bid under paragraph 4 above.
6. The Company shall not be allowed to use this Section to buy back vacation if there is any crewmember in a non-recalled, furlough status or when there is an announced furlough.

D. Vacation Adjustments

1. Vacations will begin at 0300 on a Sunday and end at 0259 local time at the crewmember's domicile.

2. In no event will a crewmember's scheduled trip be revised to return him to the domicile beyond 0300 local domicile time on the first day of his vacation. If an unforeseen mechanical, weather, or ATC delay occurs, the Company will exhaust all possible methods to replace the crewmember and provide him transportation (i.e. including commercial transportation) which will return him to the domicile in sufficient time for the start of his vacation. If, despite these best efforts, a crewmember is returned to domicile more than 2:00 hours into his vacation day, that day will be treated as a banked vacation (BV) day to be used in accordance with Section G below.
3. The Company may offer open vacation periods in a particular status and equipment at its discretion. Such open vacation periods shall be published as early as possible and/or not later than the publication of the "Scheduled Vacation List" issued with the bid package. Crewmembers desiring such periods shall notify Crew Scheduling within 72:00 hours if published with the bid package and/or as soon as possible if published at an earlier date. The awarding of these periods shall be based on system seniority within the status/equipment at the domicile.
4. Crewmembers in the same status/equipment domicile may request a primary vacation trade of an equal number of days (i.e. fourteen for fourteen, twenty-one for twenty-one) subject to the following:
 - a. The request must be signed by one (1) of the crewmembers who is trading the vacation period.
 - b. Trades must be submitted and approved by the Company in sufficient time to be considered for the affected bid period.
5. A crewmember's vacation award is based upon his status/equipment/domicile. Therefore, if there is a change in any of these factors as a result of a transition, upgrade or downgrade not initiated by the Company, a crewmember's vacation may be re-awarded by the Company. Such re-award shall be as follows:
 - a. The Company will give written notice to the crewmember within thirty (30) days after the date of his bid award,

such notice will outline the available vacation periods;
and

- b. The crewmember shall state his preference for the available vacation periods within ten (10) days; and
 - c. Be advised by the Company of his re-awarded vacation period within ten (10) days.
6. Trips dropped due to a vacation conflict will be utilized/assigned during the adjustment period or used in the VTO lines. The self-adjustment and Company adjustment periods specified in Article 13.C. shall be applicable to any days on which the crewmember has no duty but is subject to pay protection.
 7. If a crewmember's status/equipment/domicile changes as a result of a transition or downgrade initiated by the Company, the crewmember's scheduled vacation will not be changed unless the only available training class with respect to seniority for the new position conflicts with the vacation. In such event, subparagraphs 5.a., b. and c. above will apply as soon as the Company provides notice of the available vacation periods.
 8. If a crewmember is upgrading or transitioning and has a vacation scheduled during the first thirty (30) days subsequent to the release from the training center for the purpose of IOE, the vacation may be re-awarded.

E. Vacation Pay and Credit

1. Crewmember's bid lines shall be credited with trips missed which occur during the vacation period. In addition, the crewmembers will be paid on top of guarantee 3:00 hours for each vacation day which occurs on a scheduled calendar day off. During the pay period a lineholder has a vacation he may accumulate credited hours equal to the bid period credit hour cap plus the vacation credit generated pursuant to the trip(s) dropped due to the vacation.
2. If a trip extends into or out of the crewmember's vacation periods, it will be dropped from his line at the point that it last or first transits the domicile or the entire trip will be dropped.
3. Crewmembers flying reserve lines shall be paid and credited vacation pay equal to 3:00 hours, for equipment scheduled to

be flown, for each day of vacation occurring during a scheduled duty day and provided further that such credit time shall apply toward their credit hour cap for the pay period. If the total flight time credit plus vacation credit is less than the minimum reserve guarantee, he shall receive the minimum reserve guarantee pay. In addition, the reserve crewmember shall be paid 3:00 hours on top of guarantee for each vacation day which occurs on a scheduled calendar day off.

4. When a crewmember is furloughed, retires, or resigns, he shall be paid the prorated vacation pay he has earned. A crewmember discharged for just cause shall not be paid his accrued vacation. A crewmember on a leave of absence may utilize vacation consistent with Article 9. A furloughed crewmember's vacation credit will begin accruing upon his return to active service.
5. A crewmember who elects to downbid under this Agreement due to his failure to maintain the appropriate medical certificate for his position will retain the full value of his accrued vacation in the same fashion as for sick leave in accordance with the formula contained in Article 9.A.1.g. (1) and (2).

Examples of this are:

Downbid:

Vacation Hours
 = Current Vacation Days x Vacation Daily Rate Pay Differential
 = Captain's Hourly Rate - Second Officer Hourly Rate
 Cash Payout
 = Vacation Hours x Pay Differential

Upgrade:

New Days
 = (Second Officer Hourly Rate/Captain Hourly Rate)
 x Current Vacation Days

An actual example for a crewmember downbidding is as follows:

16	(Current Vacation Days)
x 3:00	(Vacation Daily Rate)
= 48:00	(Vacation Hours)

\$150	(Captain's Hourly Rate)
- \$ 80	(Second Officer Hourly Rate)
= \$ 70	(Pay Differential)

48:00	(Vacation Hours)
x \$ 70	(Pay Differential)
= \$3360	(Cash Payout)

Crewmember retains 16 vacation days for use in his status following downbid.

Upgrade Following a Downbid, as Outlined Above:

\$80	(Second Officer Hourly Rate) /
\$150	(Captain Hourly Rate)
x 26	Current Vacation Days
= 14	Vacation days (rounding to the next highest whole number) for use in his new status following upgrade

6. In the event of a crewmember's death, the vacation pay due such crewmember shall be paid to the crewmember's beneficiary as soon as possible.
7. Flying into a trip

A crewmember who has a trip which extends up to two (2) days into his vacation period, at either its beginning or its end, may elect to fly the trip rather than have it dropped from his bid line. The election will be offered as part of the bid package. If a crewmember completes this trip; his line will be credited with the full value of the trip. In addition, the crewmember will be paid 3:00 hours for the day(s) the trip extends into the vacation period as if they occurred on scheduled calendar days off.

F. Company Cancellation of Vacation Period(s)

1. When extreme operational emergencies cause the cancellation of a crewmember's scheduled vacation period, he will be notified in writing at least 30 days in advance of such cancellation.
2. A crewmember whose vacation is canceled shall become subject to the following parameters:
 - a. A crewmember who has his vacation canceled will be allowed to rebid vacation in accordance with Section D.5. above. Additional vacation periods will be made

available in accordance with the provisions in Section B.14;

- b. The crewmember may carry his vacation into the following year, or
- c. In lieu of either a. or b. above, a crewmember may choose to be paid the full value of his vacation period. Payment for this vacation will be made in the pay period following the crewmember's election of this option. The crewmember will be paid 6:00 hours for each such day of vacation.

G. *Optional Crewmember Vacation Utilization (OCV)*

1. Two Week Vacation Options

A crewmember with fourteen (14) or more days of vacation in a single pay period may choose one of the following options:

- a. Treat all vacation as occurring on days off. In such case:
 - (1) All vacation days will be paid out as if on days off at 5:00 hours of pay per day.
 - (2) The crewmember shall be responsible for his schedule for the pay period.
- b. Treat the vacation as covering the crewmember's schedule for the pay period. In such case, the crewmember will receive his awarded bid line credit or guarantee, whichever is greater. All duty in the pay period will be dropped as if covered by vacation subject to the following rules:
 - (1) There will be no pay protection, credit deficit, or deduction in pay as a result of what would have been carry in or conflict with vacation in that pay period.
 - (2) Crewmember will have entire pay period off except as follows:
 - (a) If a crewmember has short-term training in the OCV bid period he will be required to complete that training. The short-term training will be compared to the originally dropped line to

determine whether it is on days off or not. The crewmember will be compensated as follows:

- (i) If the short-term training occurs on what would have been days off the crewmember will be paid for training as if completed on days off.
 - (ii) If the short-term training occurs on what would have been scheduled duty days, the crewmember will not receive additional pay.
- (3) Any vacation days in the pay period above fourteen (14) will be paid at the rate of 5:00 hours of pay.
 - (4) This option will not be available for the thirty-five (35) day pay period.

2. One Week Vacation Options

A crewmember with seven (7) to thirteen (13) days of vacation scheduled in a pay period may choose one of the following options:

- a. Treat all vacation as occurring on days off.
 - (1) All vacation days will be paid out as if on days off at 5:00 hours of pay per day.
 - (2) The crewmember shall be responsible for his schedule for the pay period.
- b. Slide the vacation days to the beginning or end of a trip, block of domicile airport standby, block of turn trips, LCO block, or reserve block (collectively referred to as "Trip or Duty Block" in this Section) if the vacation already conflicts with the crewmember's scheduled block of duty. A 24:00 hour or greater period free of duty between the crewmember's scheduled blocks of duty shall create separate blocks for purposes of this Section.
 - (1) For reserve or LCO blocks only: if, after sliding the vacation to the beginning or end of a block of reserve or LCO duty, there is one day of reserve or LCO left in that block the crewmember must choose one of the following options:

- (a) Move the day to the beginning or end of another block of reserve or LCO;
 - (b) Use a banked vacation day to cover the day;
 - (c) Drop the day and lose all pay and credit for that day; or
 - (d) The crewmember may elect to be a reserve or LCO on that day, but only if there is no other block of reserve or LCO duty in the pay period that would allow a move under paragraph (a) above.
- (2) A crewmember whose vacation period is already at the beginning or end of a "Trip or Duty Block" may still elect to use this Section, but is not required to actually slide his vacation.
- (3) If a crewmember has a vacation block of eight (8) to thirteen (13) days and it conflicts with a carry-out trip, he may slide it to the beginning of the trip or the end of the bid period, even though that is not the end of the trip.
- c. If vacation falls completely on days off the crewmember may elect to slide the vacation to any adjacent "Trip or Duty Block" in accordance with the following:
 - (1) The beginning or end of the "Trip or Duty Block" must be within 48:00 hours of the start or end of the vacation period.
 - (2) A 24:00 hour or greater period free of duty between domicile airport standby, turn trips, LCO, or reserve duty will be considered to create separate blocks.
 - (3) If the vacation only partially covers the "Trip or Duty Block" the crewmember must have enough banked vacation days to cover the remaining days and use them to cover the rest of the assignment. Alternatively, partial days (i.e. <24:00 hours) not covered by vacation will be dropped and pay protected. The use of banked days pursuant to this

paragraph will not count toward the limit provided in Article 11.G.4.b.(7) below.

(4) Crewmembers cannot slide vacation periods under this subsection if the "Trip or Duty Block" contains a holiday as defined in Article 13.B.2.b.(4).

- d. A crewmember may not slide a vacation period outside the OCV bid period. This shall preclude any crewmember from sliding a non-conflicting vacation onto a carry-out trip.
- e. A crewmember may not slide a vacation into the last two (2) weeks of the December pay period.
- f. Vacation block 80 may only slide away from December 25. This block may be slid even if it crosses pay periods. The crewmember may elect to use this Section even if he is unable to slide his vacation period.

3. Banked Vacation (BV) Days

- a. Fourteen (14) days prior to the Primary Vacation Bid a crewmember may elect to bank up to fourteen (14) days of vacation for the following year. Crewmembers cannot bank more than fourteen (14) vacation days and must leave whole week increments of remaining vacation days (i.e., 0, 7, 14, 21, 28).
- b. After all requests to bank vacation days have been processed, the Company may adjust the weekly allotment of available vacation periods in the Primary Vacation Bid. If the Company decides to make any adjustments, the following rules will apply:
 - (1) The Company must supply the IPA with a copy of the Primary Vacation Bid prior to any adjustment to the weekly allotment of vacation periods to be used as a base line.
 - (2) The percentages (4%/8%) will be applied to any reallocation of vacation periods pursuant to Article 11.B.14.
 - (3) The Company may reduce the weekly allotment for any fleet, seat, and domicile in blocks twenty-three

(23) to thirty-two (32) based on the number of crewmembers by F/S/D in the following chart: (unless the contractual 8% is more restrictive):

1-99 bidders by F/S/D in vacation bid: 1 week reduction per block

100-199 bidders by F/S/D in vacation bid: 2 week reduction per block

200 or more bidders by F/S/D in vacation bid: 3 week reduction per block

- c. Crewmembers will have the opportunity to request to bank additional days during the calendar year following the vacation bid, as follows:

- (1) A second bidding window will be open April 1-15.
- (2) Requests will be processed in seniority order by F/S/D.
- (3) Crewmembers may request to bank any remaining unused vacation periods for the remaining bid periods (beginning with bid period 04) of the year. Awards will be at the Company's discretion.
- (4) A crewmember must bank a full block of vacation.
- (5) The crewmember may elect which vacation period(s) they want to bank if they have more than one (1) week remaining. If a crewmember has more than one (1) week of vacation remaining and does not designate the week(s) to be banked, his request will automatically be denied.

4. BV days can be used as follows:

- a. Any credit deficit generated by the use of the one (1) or two (2) week vacation options in Article 11.G.1. and 11.G.2. above can be reduced or covered by BV days. A request to use BV days for this purpose will be automatically approved. BV days can be used under this paragraph in any bid period. Such BV use shall not count towards the limit provided in Article 11.G.4.b.(7) below.

- b. BV days can be used to drop a trip, reserve day(s), LCO, RCID, or domicile airport standby to obtain needed days off. Such BV days will be used as follows:
- (1) Crewmember must have enough BV days to cover entire trip (no credit deficit may be generated). A trip will be converted to days to determine the number of BV days needed to cover the trip. The TAFB will be divided by 24 and then rounded up. There will be a 4:00 hour buffer after each 24:00 hour period where the result will be rounded down.
 - (2) A Crewmember may cover reserve, domicile airport standby, LCO, or RCID provided the day(s) are at the beginning or end of the applicable block of days. However, such day(s) may never be used to “split” a reserve, LCO, RCID, or domicile airport standby block, or leave one (1) day of reserve, LCO, or RCID.
 - (3) Crewmember requests to use BV days will be approved on a first come, first serve basis. Crewmember may submit a request no later than 120:00 hours prior to the report time of a trip, domicile airport standby or the start of LCO, RCID, or reserve period. The Company will accept requests beginning at 1000 LDT on the Tuesday before the start of the upcoming bid period. Requests for day one (1) of the bid period must be submitted by 1700 LDT on the Tuesday before the start of the upcoming bid period.
 - (4) Only scheduled duty on the crewmember's original bid line will be allowed to be dropped for BV days, including trips added during the adjustment process in Article 13.C. Open time trips added to a line as part of a trip trade or pick up will not be dropped. This includes trips added to the line during the line improvement process.
 - (5) Any trips that carry-out from the current bid period to the next bid period can be dropped using BV days in accordance with this section. Any conflict in the subsequent bid period with the scheduled BV days will be handled in accordance with Article 13.D.5.

- (6) BV days cannot be used for requested days off during the last two (2) weeks of the November bid period and the entire December pay period.
- (7) The number of guaranteed BV days, per calendar day, will be established for each F/S/D. Requests made in accordance with this Section will be automatically approved provided each calendar day covered by the request is within the quota set forth in the chart below:

1-99: bidders in schedule bid: 1 BV day available per calendar day

100-199: bidders in schedule bid: 2 BV days available per calendar day

200+: bidders in schedule bid: 3 BV days available per calendar day

- (8) The report time for the trip(s) being requested off will be compared to the Z date to determine which calendar day to reference the automatic approval quota. When a crewmember is requesting days off for LCO, RCID, reserve or domicile airport standby, the BV day will be counted toward the Z date on which the crewmember's duty begins.
 - (9) Only BV days used to drop trip(s), reserve day(s), LCO, RCID, or domicile airport standby day(s) count against the automatic approval quota. BV days used to restore or cover credit deficit pursuant to Article 11.G.4.a. will not be counted against the automatic approval quota.
 - (10) The Company will make its best effort to approve BV day requests in excess of the automatic approval quota.
- c. All unused BV days at end of vacation year will be paid to the crewmember by February 15th of the next year. The hours will be paid out at the crewmember's hourly rate as of December 31st of the prior year. Each unused day will be worth 5:00 hours.

5. General Rules and Guidelines

- a. No crewmember shall be required to participate in any of the options outlined in Article 11.G. If a crewmember does not elect to participate in this Section his vacation will be scheduled and compensated in accordance with the remaining provisions of Article 11 and Article 13, as applicable.
- b. A crewmember with vacation in the upcoming bid period must elect to apply Article 11.G.1. or 11.G.2. in accordance with the timeline provided in Article 13.C.3.
- c. A crewmember's election to participate in OCV cannot be revoked or changed, except as provided in this Section. This will apply to VTO lineholders even though they will not know what duties will be scheduled on their line.
- d. A crewmember shall not be allowed to use Article 11.G.1.b., 11.G.2.b. or 11.G.2.c. in any pay period in which long term training (LTT) has been scheduled. If LTT is scheduled after a crewmember elects to use OCV, the vacation will either be moved or paid out as if on days off, at the crewmember's option. Any rescheduling of the vacation will be handled in accordance with Article 11.A.1.d. and current practice.
- e. A crewmember must complete LTT or short term training as scheduled. OCV options cannot be used to interfere with such training. A crewmember in LTT may elect to sell his vacation in accordance with Article 11.G.1.a. or 11.G.2.a.
- f. A crewmember on TDY may only elect to use Article 11.G.1.a. or 11.G.2.a.
- g. A reserve crewmember who elects to use Article 11.G.1.b. or 11.G.2.b. shall not be eligible to be awarded an RMUL or simulator support line.
- h. If there is a credit deficit in a pay period as a result of a crewmember participating in the options provided by Article 11.G.1.b., 11.G.2.b. or 11.G.2.c., the following rules will apply:
 - (1) If the crewmember does not want to have his line adjusted, but rather wants to have his pay deducted

by the credit value of the deficit, he must notify the Company of his election by the end of the self-adjustment window provided in Article 13.C.3.

- (2) The crewmember may use BV days to cover part or all of the credit deficit up to 5:00 credit deficit hours or less. If BV day(s) only cover part of the deficit, the day(s) will be placed immediately in front of or after the vacation period or, in the case of a carry-over trip only, at the beginning or end of the pay period. If there is any credit deficit remaining after the use of the BV days, the crewmember may elect to apply Article 11.G.5.h.(1) above. Alternatively, the crewmember may elect to restore in accordance with Article 11.G.5.h.(3) below.
- (3) A crewmember may elect to restore trip(s) to his line to reduce the credit deficit during the adjustment period provided by Article 13.C.3. If the deficit is reduced to 5:00 hours or less, the crewmember's pay shall not be reduced. If the crewmember does not restore, the Company has a right to restore. If the Company does not restore a crewmember's entire credit deficit (up to 5:00 hours), he shall have the right to use BV days to cover any remaining credit deficit necessary to restore his pay. If there is any remaining credit deficit in excess of 5:00 hours, the crewmember will have his pay deducted by the value of the credit deficit.
- (4) Any credit deficit to be deducted from a crewmember's pay will not reduce the line credit or guarantee, whichever is greater, for the pay period in which the deficit was generated. Rather, the credit deficit will be deducted from the crewmember in the fourth (4th) pay period after it occurs. If this line is below guarantee, the pay deduction shall be from the 75:00 hour guarantee (i.e. the pay buffer will not be lost). The deduction shall be from the paycheck specified in Article 12.H.3. If a crewmember leaves employment for any reason, any existing credit deficit(s) will be deducted from the crewmember's final paycheck.

- (5) Credit deficit incurred as a result of the use of Article 11.G. shall not cause a crewmember to lose his accruals in any pay period.
- (6) If a crewmember has a credit deficit as a result of OCV and a deficit as a result of a conflict with short term training and/or carry-in in the same pay period, the OCV credit deficit will remain the crewmember's financial responsibility and Article 13.D.5. or 13.D.10. will apply to the training/carry-in credit deficit. The crewmember in this situation will have the option to waive pay protection for the training/carry-in deficit. If the crewmember makes this election and then self-adjusts, any additional credit will be applied first to the OCV credit deficit. If the crewmember does not waive pay protection for the training/carry-in deficit any self-adjustment credit will be applied first to the training/carry-in deficit.
 - i. If a carry-over trip impacted by Article 11.G.1.b. and 11.G.2.b. transits the domicile, the Company shall truncate the trip so it ends or begins in domicile before or after the first day of the pay period. Any partial days of credit deficit (<24:00 hours) created as a result of breaking the trip shall not result in an adjustment or a pay reduction.
 - j. If a crewmember has a carry-in trip which conflicts with the vacation period in the new bid period and the carry-in trip has previously been subject to an adjustment or there is remaining credit deficit, a crewmember shall not be able to use any of the options under Article 11.G. other than Article 11.G.1.b. Article 11.G.5.k. shall apply to any actual flight(s) associated with the carry-in trip.
 - k. If a crewmember has a carry-in trip, which does not conflict with vacation in the new bid period, the crewmember will fly the carry-in trip to completion and receive all pay and credit associated with the trip. The only vacation option available to be used on the carry-in trip is Article 11.G.3.
 - l. If a crewmember drops a carry-out trip by the use of options provided in Article 11.G.1.b. and 11.G.2.b., there will be no pay protection, credit deficit, or deduction in

pay for the portion of the carry-out trip in the next bid period.

- m. Instructors assigned to the Training Center in accordance with Article 10.S. may only elect to use options Article 11.G.1.a. and 11.G.2.a. in this Section.
- n. A crewmember with less than a seven (7) day block of vacation for the next calendar year may only elect to use option Article 11.G.3. in the Section.

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ARTICLE 12 COMPENSATION

A. General

1. Except as otherwise provided in this Agreement, crewmembers shall be compensated in accordance with their length of service as a crewmember with the Company (i.e. longevity). A crewmember shall begin to accrue longevity on his date of hire.
2. Each crewmember shall be compensated at the rates set forth in this Article for the status in which such crewmember holds a bid position, for all flying performed on all aircraft to be operated by Association members as specified in the scope clause of Article 1 except as otherwise provided in this Agreement. If a crewmember's change in status during a pay period results in a rate change, his compensation shall be prorated, except as otherwise provided in this Agreement.
3. Those crewmembers who were furloughed in 2010 shall be credited with longevity for purposes of the pay progression in Section B. below for the period of time they were furloughed-i.e. from the last day of active employment prior to the furlough until the first day of active employment subsequent to recall. However, if a furloughed crewmember exercised his right to decline recall pursuant to Article 8.G.6.b. longevity restoration shall cease on the date he was offered to return to active service.
4. First Year Compensation
 - a. Crewmembers who have less than three hundred and sixty-five (365) days of active service shall be compensated at the first year rate set forth in the chart in Section B.2. below.
5. The rates of compensation set forth in this Article shall be the minimum.

B. Pay Factors

1. The hourly pay rates set forth below shall be applied as set forth in this Article.
2. Hourly Pay Rates

- a. Effective September 1, 2016, the below hourly rates will apply based upon longevity and seat.

Year in Which Serving	Captain	First Officer	Second Officer
First	44.72	44.72	44.72
Second	274.84	170.60	109.71
Third	275.39	170.83	129.49
Fourth	276.50	174.26	146.57
Fifth	277.59	177.74	150.24
Sixth	278.70	181.28	153.99
Seventh	279.83	184.91	156.00
Eighth	280.94	188.60	156.90
Ninth	282.05	192.37	156.90
Tenth	285.31	197.75	156.90
Eleventh	288.59	203.30	156.90
Twelfth	291.92	209.00	156.90
Thirteenth	294.10	210.05	156.90
Fourteenth	297.04	211.09	156.90
Fifteenth	300.00	212.69	156.90

- b. Effective September 1, 2017, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	46.06	46.06	46.06
Second	283.09	175.72	113.00
Third	283.65	175.95	133.37
Fourth	284.80	179.49	150.97
Fifth	285.92	183.07	154.75
Sixth	287.06	186.72	158.61
Seventh	288.22	190.46	160.68
Eighth	289.37	194.26	161.61
Ninth	290.51	198.14	161.61
Tenth	293.87	203.68	161.61
Eleventh	297.25	209.40	161.61
Twelfth	300.68	215.27	161.61
Thirteenth	302.92	216.35	161.61
Fourteenth	305.95	217.42	161.61
Fifteenth	309.00	219.07	161.61

- c. Effective September 1, 2018, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	47.44	47.44	47.44
Second	291.58	180.99	116.39
Third	292.16	181.23	137.37
Fourth	293.34	184.87	155.50
Fifth	294.50	188.56	159.39
Sixth	295.67	192.32	163.37
Seventh	296.87	196.17	165.50
Eighth	298.05	200.09	166.46
Ninth	299.23	204.08	166.46
Tenth	302.69	209.79	166.46
Eleventh	306.17	215.68	166.46
Twelfth	309.70	221.73	166.46
Thirteenth	312.01	222.84	166.46
Fourteenth	315.13	223.94	166.46
Fifteenth	318.27	225.64	166.46

- d. Effective September 1, 2019, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	48.86	48.86	48.86
Second	300.33	186.42	119.88
Third	300.92	186.67	141.49
Fourth	302.14	190.42	160.17
Fifth	303.34	194.22	164.17
Sixth	304.54	198.09	168.27
Seventh	305.78	202.06	170.47
Eighth	306.99	206.09	171.45
Ninth	308.21	210.20	171.45
Tenth	311.77	216.08	171.45
Eleventh	315.36	222.15	171.45
Twelfth	318.99	228.38	171.45
Thirteenth	321.37	229.53	171.45
Fourteenth	324.58	230.66	171.45
Fifteenth	327.82	232.41	171.45

- e. Effective September 1, 2020, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	50.33	50.33	50.33
Second	309.34	192.01	123.48
Third	309.95	192.27	145.73
Fourth	311.20	196.13	164.98
Fifth	312.44	200.05	169.10
Sixth	313.68	204.03	173.32
Seventh	314.95	208.12	175.58
Eighth	316.20	212.27	176.59
Ninth	317.46	216.51	176.59
Tenth	321.12	222.56	176.59
Eleventh	324.82	228.81	176.59
Twelfth	328.56	235.23	176.59
Thirteenth	331.01	236.42	176.59
Fourteenth	334.32	237.58	176.59
Fifteenth	337.65	239.38	176.59

3. Pay Credit

a. Flight Pay credit

- (1) The credit for each trip shall be the greater of one of the following duty period, trip rig, or turn credit pay factors:

(a) Duty Periods

The total sum of the greater of each of the duty periods calculated on:

- (i) Actual block to block hours.
- (ii) Scheduled block to block hours.
- (iii) Minimum pay time guaranteed under the duty rig.
- (iv) Minimum pay time guaranteed under the minimum pay per duty period (MPDP).

(b) Trip rig

The total sum of the minimum pay guaranteed under the trip rig.

(c) Turn credit

The credit for each turn under the turn minimum pay. A "turn" is a trip without an intervening legal rest period.

- b. When a scheduled block to block is not available due to the crewmember's trip being revised, the actual block to block for the trip shall be used.

- c. Except as noted below, when a crewmember performs duty which is assigned through the junior available process, the flight pay and credit shall be calculated as outlined in paragraph B.3.a. above, and shall be paid to the crewmember at a rate of one hundred and fifty percent (150%) as a separate event regardless of whether his pay period credit is above or below the applicable pay period guarantee. When a reserve Captain is junior manned to fly as a First Officer on a scheduled day of reserve duty, he shall receive an additional fifty percent (50%) credit for pay purposes for that assignment. The additional pay and credit generated by junior manning will not count toward the credit cap contained in paragraph F.1. of this Article.

d. Deadheading at Company Request

Crewmembers, when deadheading at the request of the Company, shall have such time included in computing flight pay credit.

e. Vacation Pay

A crewmember shall be paid or receive pay and credit for vacation pay in accordance with Article 11.

f. Training Pay

- (1) A crewmember who is assigned to any long term training during a bid period shall receive pay and

credit for the bid line he is awarded excluding open time not flown. However, if the crewmember has a carry-in trip the crewmember will receive the credit value of the carry-in trip or the conflicting trip in the crewmember's bid line, whichever is greater.

- (2) A crewmember who is assigned short term training (six (6) or less calendar days, excluding any travel days) will receive pay and credit for trips dropped. A crewmember in short term training on his scheduled days off will receive the minimum pay per duty period as contained in this Article.
 - (3) Self-directed study courses will be compensated in accordance with Article 10.N.
 - (4) A crewmember who is assigned Distance Based Learning (DBL) will receive pay and credit in accordance with Article 10.Z.
- g. When a crewmember's trip is revised he shall receive his pay and credit for the original trip(s), or pay and credit for trip(s) flown, whichever is greater, except as otherwise provided in this Agreement, and any applicable premium pay.
- h. Pay and credit for trips which crossover two (2) pay periods will be split as follows:
- (1) If the trip is on layover rest at the start time of the next pay period, pay and credit for the portion of the trip in the departing pay period will be calculated in accordance with this Agreement. The remaining pay and credit of the trip will be applied to the next, or inbound, pay period. In no event, however, will pay and credit applied for the trip to the departing pay period be less than what was scheduled to be paid and credited.
 - (2) If a duty period in the trip is in progress at the start time of the next pay period, pay and credit for the portion of the trip in the departing pay period will be calculated in accordance with this Agreement, up to the point the crewmember is released for rest. Remaining pay and credit for the trip will be applied to the next, or inbound, pay period. In no event,

however, will pay and credit for the crossover trip applied to the departing pay period be less than what was scheduled to be paid and credited.

- i. The duty day calculation for a transition trip will be as follows:
 - (1) For the departing bid period, the number of duty days to be applied will be the sum of the duty days plus any partial duty day calculated up to the start time of the next bid period.
 - (2) For the next, or inbound, bid period, the number of duty days to be applied will be the number of duty days in the trip less the number of duty days applied to the prior, or departing, bid period.
 - (3) A crewmember's pay period guarantee will not be reduced as a result of the split of crossover pay and credit.

4. Professional Flight Engineers

- a. Any future Professional Flight Engineers (PFE) shall be paid at the First Officer rates set forth in paragraph B.2. above.

C. *International Pay*

1. In addition to the compensation shown above, a Captain will be paid a premium of six dollars and fifty cents (\$6.50) and the First Officer, Second Officer or IRO will receive a premium of four dollars and fifty cents (\$4.50) per hour for each credit hour generated on an international trip as described in paragraph 2 below. This includes international deadhead flights. A Captain performing the duties of an IRO shall receive the six dollars and fifty cents (\$6.50) premium.
2. The international premium pay and IRO premium shall commence at block-out from any airport in the 48 contiguous states, when the next destination airport is outside of the 48 contiguous states unless the departure is at the beginning of a duty period in which case the credit calculation will be based on report time. International pay shall terminate after arrival at the first point of landing within the 48 contiguous states.

D. Guarantees

1. A crewmember awarded a bid line shall receive as a minimum for a twenty-eight (28) day pay period a guarantee of 75:00 hours or the time credited to his line, whichever is greater, except as provided elsewhere in this Agreement.
2. A crewmember awarded a reserve line shall receive as a minimum for a twenty-eight (28) day pay period a guarantee of 75:00 hours or the time credited to his line, whichever is greater, except as provided elsewhere in this Agreement.
3. In a thirty-five (35) day pay period, crewmembers awarded a bid line or reserve line shall receive as a minimum a guarantee of 96:00 hours or the time credited to his line, whichever is greater, except as provided elsewhere in this Agreement.
4. A VTO, move-up, or airport standby line will be considered a bid line for the purposes of a pay period guarantee.

E. Airport Standby

1. A crewmember awarded an airport standby line or duty will be scheduled in accordance with Article 13, and receive 5:30 hours of credit for each scheduled airport standby period or flight time credit under paragraph B.3.a. of this Article, whichever is greater. Regardless of whether the airport standby is assigned for the entire pay period or a portion of a pay period, the same daily standby credit (5:30 hours per airport standby period) shall apply.

F. Hours

1. A crewmember will neither be scheduled for, nor may he exceed, 208 hours of credited time in each bid period. In a twenty-eight (28) day bid period, a crewmember will not be scheduled for, nor may he exceed, 104 hours. In a thirty-five (35) day pay period a crewmember will not be scheduled for, nor may he exceed, 130 hours. However, a crewmember will be required to complete a trip which has departed the domicile, even if the above limitations are exceeded.
2. The credit time limitations provided in paragraph F.1. above shall not include pay and credit accrued during a vacation period in accordance with Article 11 or during short term training in accordance with Article 10 or as otherwise specified in this Agreement.

3. The minimum flight time credit under the trip rig at the time of implementation of this Article shall be 1:00 hour flight pay and flight time credit for each 3.75 trip hours. This credit shall be based on 01 minute for each 3.75 minutes of trip hours.
4. The minimum flight time credit under the duty rig for non-EDW duty period, shall be 1:00 hour flight pay and flight time credit for each 2:00 hours of duty. This guarantee shall be based on 01 minute for each 02 minutes on duty. If it is an EDW duty period, the credit shall be 1:00 hour flight pay and flight time credit for each 1:30 hours of duty. This guarantee shall be based on 01 minute for each 1.5 minutes on duty.
5. The flight time credit under the minimum pay per duty period (MPDP) shall be 4:00 hours of flight pay and flight time credit for each on duty period.
6. The minimum flight time credit under the turn minimum pay (TMP) shall be 6:00 hours of flight pay and flight time credit for each turn (as defined in Article 2).
7. There shall be only one (1) minimum on-duty pay and credit applicable to a duty period not broken by a legal rest period.
8. The flight time credit under the minimum pay and credit for reserve period (MPRP) shall be 4:00 hours of flight pay and flight credit time for each reserve duty period for which a reserve crewmember is on-call and does not receive an assignment.

G. *Per Diem*

1. Per diem will be paid to all crewmembers at the rates set forth below, provided the Company is required to provide hotel accommodations under paragraphs H.1.a. and H.1.b. of Article 5.
2. The per diem rates which will be paid to all crewmembers while on duty for all time away from domicile (report to release) will initially be as follows:
 - a. Domestic flights (i.e. flights in the forty-eight (48) continental U.S.) - \$2.00 per duty hour.
 - b. International flights (i.e. international flights except Pacific Rim and Europe flights) - \$2.50 per duty hour.

- c. Pacific Rim flights (e.g. flights to Hong Kong, Korea, and Japan) - \$3.00 per duty hour.
- d. Europe flights (e.g. flights to France, Germany, and the U.K.) - \$3.00 per duty hour.

The above definitions of flights shall only be applicable to this Section of the Agreement.

- 3. The international per diem shall become applicable upon block out of a flight which terminates at a gateway outside the continental United States. The Pac Rim per diem (e.g. Hong Kong, Korea, and Japan) shall become applicable upon block out of a flight which terminates in the Pac Rim. The international and Pac Rim per diem rates shall remain in effect until the crewmember first arrives back at a gateway in the continental United States.
- 4. Each January, the Company will establish crewmember per diem rates for the year. The revised rates will become effective at the start of the next bid period.
 - a. International, Pac Rim, and Europe per diem rates will be calculated based on 67% of the most current published U.S. Department of State M&IE (Meals and Incidentals Expense) rates at each layover city. A weighted average for each corresponding per diem category will be calculated based on the number of layovers occurring in the most recent published Bid Packet.
 - b. Domestic per diem adjustment shall be determined as provided below on the basis of the "Consumer Price Index for Urban Wage Earners and Clerical Workers, CPI-W (Revised series using 1982-84 expenditure patterns) food and beverages (1982-84 = 100), published by the Bureau of Labor Statistics, U.S. Department of Labor" and referred to herein as the "Per Diem Index." The domestic per diem will be revised each January as follows: Two dollars (\$2.00) multiplied by the product of the previous year's November Per Diem Index (e.g. the November 2006 Per Diem Index will be used to determine the January 2007 adjustment) divided by the November 2005 Per Diem Index (192.1). This amount will be rounded to the nearest five (5) cents.

5. For purposes of G.2. above, Europe will include: Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, San Marino, Serbia and Montenegro (Yugoslavia), Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, United Kingdom, and Vatican City.

H. System of Compensation

Crewmembers will be compensated by check or direct deposit, at the crewmembers' option, in the following manner:

1. On the first business day following the fourteenth (14th) day of the pay period, each crewmember will be paid fifty percent (50%) of his pay period guarantee less all applicable deductions and adjustments.
2. On the first business day following the last day of the pay period, each crewmember will be paid the remaining fifty percent (50%) portion of his pay period guarantee less all applicable deductions and adjustments.
3. On the first business day following the fourteenth (14th) day after the end of the pay period, the crewmember will be compensated for time flown in excess of the guarantee during the prior pay period, as well as premium payments and expenses, as applicable, less any deductions and adjustments.

I. CRAF Activation

Crewmembers shall be compensated at one hundred and fifty percent (150%) of the hourly rates set forth in Section B. above for operations into and out of a hostile area as defined in Article 16.B.4. of this Agreement. The additional pay and credit generated by such CRAF flights will not count toward the credit cap contained in paragraph F.1. of this Article.

J. Flight/IOE Instructor Compensation

Crewmembers who function as either flight, IOE instructors, or C/R/M facilitators will be compensated as specified in Article 10.

K. Relocation Expenses

1. General Eligibility Criteria

Crewmembers shall be eligible for and receive relocation benefits in the event of:

a. Domicile Closure

A crewmember whose permanent domicile is closed, in accordance with Article 14, and who moves to another domicile, shall be eligible for relocation package #1 pursuant to Section K, paragraph 3 below.

b. Displacement

A crewmember who is displaced from his domicile, in accordance with Article 14.G., and moves to another domicile, shall be eligible for relocation package #1, pursuant to Section K, paragraph 3 below. This includes a crewmember who is assigned a vacancy in another domicile pursuant to Article 14.E.5.

c. Realignment

A crewmember who transitions or upgrades from a position which has been declared excess by virtue of a realignment bid in accordance with Article 14.F., and moves to another domicile, shall be eligible for relocation package #1, pursuant to Section K, paragraph 3 below.

d. New Domicile

For the purposes of this Article, a domicile shall remain a new domicile for a period of six (6) months commencing with the effective date of the first crewmember assigned to that domicile. Crewmembers awarded permanent bid positions at a new domicile shall be eligible for relocation package #2, pursuant to Section K, paragraph 4 below.

e. New Vacancies

A crewmember awarded a new vacancy (i.e., did not previously exist) within twelve (12) months of the opening of the new domicile shall be eligible for relocation package #2.

f. Return From Extended Leave of Absence

A crewmember returning from an extended leave of absence (i.e. more than fourteen days) who would otherwise have been eligible for relocation benefits shall be afforded an opportunity to relocate and receive the applicable relocation package. Such a crewmember shall be provided the six (6) month period in K.2.g. below excluding any time off as a result of the extended leave of absence. In no event shall a crewmember be entitled to more than one relocation package on return from an extended leave of absence.

g. Return From Furlough

A crewmember who is recalled from furlough to a domicile at a different geographic location from which he was furloughed and who moves to the new domicile shall be eligible for relocation package #2, pursuant to Section K, paragraph 4 below.

h. Eligibility For Benefits Prior To Effective date

A crewmember may receive applicable relocation benefits prior to the effective date of his crew position. A crewmember shall reimburse the Company for expenditures related to his relocation if he fails to qualify for his new crew position due to training failure, voluntarily withdraws from training or separates from employment for reasons other than death or retirement.

2. Limitations

- a. No benefits under Article 12.K. are payable to a crewmember for relocation to his first crew assignment with the Company. Basic Indoctrination and New Hire Initial Training are not considered a first crew assignment for purposes of this Article.
- b. A crewmember shall not be entitled to relocation benefits unless:
 - (1) the domicile to which he is moving is more than fifty (50) nautical miles from his current domicile, and
 - (2) the permanent residence to which he is moving is more than 50 nautical miles from his current permanent residence, and

- (3) the domicile to which he is moving is more than 50 nautical miles from his current permanent residence, and
 - (4) the residence to which he is moving is within 100 nautical miles of the domicile to which he is moving.
- c. The following limitations apply to a crewmember who is eligible for relocation benefits whose current permanent residence is not located within a radius of one hundred (100) nautical miles from his current domicile and who has previously received a Company relocation package.
 - (1) The cost of transporting such crewmember's household goods shall be limited to the lesser of:
 - (a) the actual cost of transporting such goods from the crewmember's current permanent residence, or
 - (b) the cost of transporting such goods from the crewmember's current domicile, and
 - (2) The cost of air transportation benefits for housing searches for the crewmember or his spouse pursuant to Article 12.K.3.i., shall be limited to the lesser of:
 - (a) the actual cost of the airline travel from the crewmember's permanent residence, or
 - (b) the cost of air transportation from the crewmember's current domicile.
 - (3) The cost for the transportation of household goods that are in excess of the cost allowed pursuant to Article 12.K.2.c, shall be paid by the crewmember.
- d. A crewmember who receives relocation package #1 and subsequently bids and is awarded a vacancy in a different domicile with an effective date falling within eighteen (18) months of the effective date of his current crew position shall reimburse the relocation expenditures paid by the Company. The amount of such reimbursement shall be as described in Article 12.K.2.i.

- e. A crewmember who receives relocation package #2 pursuant to Article 12.K.1.d. and e., and subsequently bids and is awarded a vacancy in a different domicile with an effective date falling within eighteen (18) months of the effective date of his current crew position shall reimburse relocation expenditures paid by the Company. The amount of such reimbursement shall be as described in Article 12.K.2.h.
- f. A crewmember shall be required to reimburse relocation expenditures paid by the Company if, within eighteen (18) months after completion of his relocation he either moves outside a radius of one hundred (100) nautical miles from his domicile or leaves the Company for reasons other than death, retirement, furlough, displacement, or forced downbid. The amount of reimbursement shall be as described in Article 12.K.2.h.
- g. If a crewmember fails to complete his relocation within twelve (12) months following his effective date he shall reimburse the Company 100% of any relocation expenditures paid by the Company.
- h. A crewmember who is required to reimburse the Company for relocation expenses as provided in paragraphs f. and g. above shall reimburse the Company on a prorated basis in accordance with the following schedule:

Time when obligation to reimburse arises	Percentage of relocation benefits reimbursable
Before completion of the 12th month of required time	100%
During the 13th month of the required time	33%
During the 14th month of the required time	28%
During the 15th month of the required time	22%
During the 16th month of the required time	17%
During the 17th month of the required time	11%
During the 18th month of the required time	6%

- i. Relocation benefits to which a crewmember may become entitled may be withheld pending the crewmember's full payment of amounts, if any, he is obligated to reimburse pursuant to this Article.

3. Relocation Package #1 Shall Include The Following:

- a. Transportation of household goods from the crewmember's former residence to his new permanent residence. The Company reserves the right to select the moving company designated to move the household effects of the crewmember. The new residence must be within one hundred (100) nautical mile radius of the crewmember's new domicile. The move shall be limited to 18,500 maximum pounds. Not included are expenses of transportation associated with pets, animals, live plants, airplanes, boats, motor homes or campers, heavy shop or hobby equipment or any other unusual items not considered normal household effects, e.g. bricks, lumber, firewood, rocks, cement building supplies etc.

b. Travel Days and Expenses

- (1) A crewmember who is being transferred shall be paid travel expenses for himself and each dependent transferred with him for necessary travel days and up to seven (7) consecutive days at the new domicile in accordance with the following:

Crewmember - One Hundred Thirty Dollars (\$130)
per day beginning with the day of departure.

Dependents - Thirty Dollars (\$30) per dependent
accompanying the crewmember, for up to three (3)
dependents, per day, beginning at the day of
departure.

- (2) For the purpose of determining necessary travel days hereunder, the Company will allow a minimum of one (1) days travel for each three hundred and fifty (350) miles or fraction thereof when driving an automobile. For moves outside the 48 contiguous states, the crewmember will be allowed an additional five (5) days, not to exceed twelve (12) days from the day of departure.

- (3) If the crewmember elects to drive the automobile which is covered by this article he shall be reimbursed at the current mileage rate per IRS standards for the most direct AAA mileage between his former residence and new residence.
- c. Insurance for replacement cost of furnishings up to \$150,000 for intrastate shipments and \$200,000 for interstate shipments pursuant to the terms of the insurance policy.
- d. Maximum of ninety (90) days of temporary storage.
- e. Reimbursement of rental fees for trucks, trailers, and fuel when the crewmember moves himself. Original receipts must be submitted to the Company within sixty (60) days of incurring the expenses in order to be eligible for such reimbursement.
- f. Movement of household goods shall include transportation of one (1) automobile if the move is more than seven hundred fifty (750) miles and two (2) automobiles if the move is outside the contiguous 48 states.
- g. One pickup at the current residence and one delivery at the new residence.
- h. The Company will reimburse the costs associated with the sale of the current residence if: Sale of the residence occurs within twelve (12) months of the crewmember's effective date and the residence sold was the permanent residence of the crewmember and his family. The crewmember must provide the Company a copy of the settlement statement within twelve (12) months of his effective date. To be eligible for this benefit, the property must be a single-family dwelling or individually-owned condominium or cooperative. The sale of residence benefits are limited to the following:
 - (1) Realtor's commission may not exceed reasonable and customary commission for the geographical area, not to exceed seven (7%) percent of the sale price of the home;
 - (2) Title search and title insurance;

- (3) Reasonable attorney fees excluding fees for correcting title defects, etc.;
 - (4) Escrow agent settlement fee, not to include money placed in escrow;
 - (5) Notary Fee;
 - (6) Transfer tax, document stamps and recording fees; or
 - (7) Maximum of \$2500 in discount points, if required, i.e. VA loan.
- i. The Company will reimburse the costs associated with the purchase of the crewmember's new permanent residence if: The crewmember was a homeowner at the time he became eligible for a relocation package and the purchase was made within twelve (12) months of the crewmember's effective date. The residence purchased must be the permanent residence of the crewmember and his family and must be a single family dwelling or individually owned condominium or cooperative. The crewmember shall furnish the Company with a copy of the settlement statement within twelve (12) months following his effective date. Reimbursable costs do not include property taxes, mortgage payments, interest, hazard insurance or mortgage insurance. This provision does not apply to mobile homes or boats. Only the following fees and costs will be reimbursed:
- (1) Attorney fees related to the purchase and closing on a new residence, not to include payment of attorney fees for alleged breaches of a contract to purchase same.
 - (2) Property appraisal fee.
 - (3) Credit report fee.
 - (4) Title insurance premiums (this does not include optional coverage).
 - (5) Loan application/origination/assumption fee.

- (6) Notary fee.
 - (7) Document preparation fee.
 - (8) Maximum of \$2500 in discount points, if required, i.e. VA loan.
 - (9) Transfer fees, stamps and recording fees.
 - (10) Applicable survey fees.
 - (11) Lender's inspection fee.
 - (12) Inspection fees including fees for the detection of radon.
- j. Air transportation for a crewmember and his spouse shall be provided to the new domicile for housing searches. Travel request(s) shall be processed through the Company. A crewmember eligible for this benefit shall use the Company designated travel agency or Company jumpseats (priority 4). Air transportation benefits include two (2) round trips for the crewmember's spouse. The five (5) round trips for the crewmember shall be either commercial or Company jumpseat, at the Company's option.
 - k. A crewmember who incurs a lease cancellation penalty on his residence shall be reimbursed for such penalty, up to a maximum of six (6) months rent. The crewmember shall provide the Company with a copy of the lease at the time he submits a request for reimbursement. The leased or rented residence must be the crewmember's permanent residence. Cleaning fees and loss of deposit due to damage are not reimbursable.

4. Relocation Package #2

Relocation package #2 includes all benefits associated with relocation package #1 with the exception of Article 12.K.3., paragraphs h., i., j., and k.

5. General

- a. A relocation request form shall be submitted to Human Resources to initiate benefit eligibility.

- b. A crewmember shall advise Human Resources in writing of the completion of his relocation. A crewmember's relocation is complete when he has established a new permanent residence for himself and, if applicable, his spouse and dependent children. Unless otherwise provided in this Article a relocation must be completed within twelve (12) months of the crewmember's effective date.
 - c. The crewmember will provide documentation reasonably necessary to establish that he has completed a relocation.
 - d. The Company, at the crewmember's request, may extend any of the time limits contained in Article 12.K. Such request and agreements to extend must be in writing. Requests for extensions of time limits pursuant to this paragraph shall not be unreasonably denied.
 - e. A crewmember who challenges a termination through the procedures of Article 7 will not be obligated to reimburse the Company under the provisions of Article 12.K., until such procedures are exhausted and the termination is upheld.
6. Unpaid Moves

A crewmember transferred to another domicile as a result of being the successful bidder on a bulletined vacancy (except as provided in paragraph K.1. above) shall bear his own moving expenses, except such crewmember shall be provided the opportunity to use the necessary travel days provided herein, but shall not be paid as set forth herein.

7. All provisions of this Section shall be contingent upon a crewmember actually moving. Such move shall be limited to the dollar value of the move to his new domicile. The Company may require verification of the actual use of the above provisions.

ARTICLE 13 SCHEDULING

PREAMBLE:

This Article outlines the domestic and international scheduling policies and procedures used by crewmembers and the Company. Unless specifically restricted by the FARs, all flights of Company dispatched aircraft will be scheduled and flown according to this Article and all other provisions of this Agreement.

The parties have agreed that the following definitions and rules will be applied in this Article and other sections of the contract as may be applicable:

- (i) The Early Duty Window (EDW) is defined as the period of time from 0230 to 0459 Local Domicile time (LDT);
- (ii) Any duty period that touches (i.e. reports in, blocks-in, or overlaps) the EDW is an EDW duty period. For clarification: a duty period where the last flight segment blocks-in prior to the commencement of the EDW but in which the crewmember is released within the EDW is not considered an EDW duty period;
- (iii) Any trip that contains an EDW duty period shall be considered an EDW trip;
- (iv) The EDW limitations shall not apply to international trips except as noted in the MIA domicile specific section;
- (v) If the last duty period in a trip is a deadhead only, it is exempt from the EDW rules other than the duty limitations. Also, if the trip otherwise does not contain any EDW duty periods a deadhead only segment will not make the trip an EDW trip;
- (vi) A crossing is any duty period in which there is more than a 4.5 time zone difference between any departure airport and any arrival airport;
- (vii) The trip construction rules provided in this article shall only apply to the construction of flying lines unless expressly stated to the contrary;
- (viii) An EDW Trip is any trip with an EDW duty period;
- (ix) An EDW Line is any flying line containing an EDW trip;

- (x) An International Segment is a flight segment where the departure airport and/or the arrival airport is outside the contiguous forty-eight (48) United States. Trips into or out of Canada & Mexico are considered to be domestic for purposes of Article 13 Sections A., B., and H.;
- (xi) A domestic flight segment is any segment that is not an international flight segment;
- (xii) International duty period is a duty period which contains one or more international flight segments;
- (xiii) An international trip is any trip which contains one or more international duty periods;
- (xiv) An international line is a flying line with one or more international trips;
- (xv) A stuffer trip is any trip that is less than seventy-two (72) hours TAFB and is separated from pre-and post-trips by more than forty-eight (48) hours;
- (xvi) An extended deadhead is a scheduled duty period comprised entirely of a deadhead between 15:31 and 18:00 hours;
- (xvii) A base line is defined as a line that contains multiple trips (e.g. EDW, Non-EDW, Turns, or Layovers) constructed in accordance with Article 13.B.;
- (xviii) Americas flying for purposes of Miami specific bid line construction rules contained in Article 13, Section B. is defined as any trips that operate into and out of Central, South America, and the Caribbean.
- (xix) The Critical Report Time (CRT) scheduled duty limit shall apply to any duty period in a trip if the crewmember is required to report for duty between 0000-0459 LDT.
- (xx) Alternate Operations is the period of time between a crewmember's soft maximum and hard maximum duty limits to which a crewmember can be extended with the authorization of the Director of Operations or his designated representative if a crewmember's flight(s) is delayed due to one (1) of the reasons specified in Section A.1.a. below.

A. *Flight and Duty Time Limitations and Required Rest*

1. Early Duty Window (EDW) and Non-EDW On-duty Limitations
 - a. Domestic: A crewmember flying a CRT duty period will not be scheduled in excess of 9:30 hours on duty. A crewmember flying a domestic EDW duty period will not be scheduled to exceed eleven (11:00) hours on duty. A crewmember flying a domestic non-EDW duty period will not be scheduled to exceed thirteen (13:00) hours on duty. The soft maximum limitation for the CRT duty period shall be the originally scheduled duty time plus 3:00 hours provided, however, the soft maximum is a minimum of 8:15 hours (if the original scheduled duty period is 5:15 hours or less) up to 11:30 hours. The soft maximum for a EDW duty period shall be the originally scheduled duty time plus 3:00 hours provided, however, that the soft maximum is a minimum of 10:00 hours (if the original scheduled duty period is 7:00 hours or less) up to 13:00 hours. The rule for the non-EDW duty period as it pertains to the soft maximum shall be the originally scheduled duty time plus 3:00 hours provided, however, that the soft maximum is a minimum of 10:00 hours (if the original scheduled duty period is 7:00 hours or less) up to 15:00 hours. The soft maximum limitations for CRT/EDW and non-EDW may be extended to the hard maximums of fourteen (14:00) hours for CRT and EDW and fifteen (15:00) hours for non-EDW. Alternate Operations may only be declared if a crewmember's flight(s) is delayed due to weather, a mechanical, ATC or a sort delay in the domicile(s), or the Next Day Air sorts in PHL, DFW, CAE, RFD, BDL, or one (1) other yet to be established all points hub (this hub must include a minimum of twenty (20) departures per day). A sort delay shall include up to one (1) connecting flight segment beyond the domicile or hub as defined above. The weather and/or ATC hold must occur in the crewmember's duty period and in the crewmember's departure city or on his flight path or at his destination city. A mechanical must be on an aircraft which was scheduled to operate one of the flight segments in the duty period. For each mechanical event only one crew can be extended to the maximum duty limits. The extension beyond the soft maximum must be for the purpose of the crewmember completing his original scheduled (or one that is revised before the soft maximum) duty period. The extension beyond the soft maximum shall not be for Company convenience,

including, but not limited to any additional legs. If a crewmember is revised beyond the soft maximums provided by this paragraph he shall be entitled to a 2:00 hour premium payment. A report will be provided to the Association on a pay period basis of any crewmember assigned beyond the soft maximum.

The extension of duty for sort delays shall only be applicable to those outbound flights affected by the delayed sort. Any revisions or substitute trip assignments made prior to a crewmember reporting for duty must conform to the 9:30 hours, 11:00 hours and 13:00 hours scheduled duty limitations listed above. In the event of a trip cancellation, Crew Scheduling will make reasonable efforts to notify the crewmembers affected as soon as possible.

Chart for domestic duty limits:

Type of Duty Period	CRT	EDW	Non-EDW
Scheduled	9:30	11:00	13:00
Soft Maximum	Original scheduled duty time plus 3:00 hours or 8:15 (if the original scheduled duty period is 5:15 or less), not to exceed 11:30	Original scheduled duty time plus 3:00 hours or 10:00 (if the original scheduled duty period is 7:00 or less), not to exceed 13:00	Original scheduled duty time plus 3:00 hours or 10:00 (if the original scheduled duty period is 7:00 or less), not to exceed 15:00*
Hard Maximum	14:00	14:00	15:00

- * A crewmember with a non-EDW duty period will be eligible for a premium payment unless his scheduled duty period is 12:00 hours or greater. This is because if there is a scheduled duty period of 12:00 hours or greater the soft and hard maximums are the same – i.e. 15:00 hours.

- b. International: A crewmember flying an unaugmented international duty period which contains up to two (2)

flight segments will not be scheduled to exceed 13:00 hours on duty. The scheduled duty limitations of this paragraph will be reduced by 30 minutes for each additional flight segment beyond two (2). A crewmember may be extended to an additional 1:30 hours of duty as a soft maximum duty limit beyond the scheduled limitations. However, these soft maximum limits may be extended to the hard maximum duty limits of 16:00 hours, 15:00 hours or 14:00 hours respectively, if alternate operations as defined above is declared for the crewmember's flight segment(s). A flight segment created by an emergency or temporarily scheduled technical (not to exceed one hundred and twelve days) or an unscheduled mechanical stop will not be considered a flight segment for the purpose of reducing the duty period. Any duty period scheduled for 14:00 hours or more must be preceded with and followed by a minimum of 12:00 hours rest, which may not be reduced. Each crewmember exceeding the soft maximum duty limits shall receive a 2:00 hour premium payment.

Chart for international duty limits * #:

Number of Segments	Up to 2 Segments	3 Segments	4 Segments
Scheduled	13:00	12:30	12:00
Soft Maximum	14:30	14:00	13:30
Hard Maximum	16:00	15:00	14:00

- * The above duty limits do not apply to either double or augmented crews. The duty limits for double and augmented crews are as set forth in Article 13.R. and S.
- # The above duty limits also apply to an international duty period in which a crewmember operates a portion of the duty period and deadheads for the other portion. However, paragraph c. below applies if the crewmember operates and then deadheads to return him to the domicile for the purpose of days off.
- c. The scheduled duty periods above may be increased in the construction of trips including open time trips and reserve assignments by 1:30 hours domestic and 2:30 hours international for the sole purpose of deadheading time to return the crewmember to the domicile for the purpose of days off. If the duty period contains a

deadhead only, the duty period may be built to the soft maximum duty limitations specified in this Section except an international deadhead may only be scheduled to 15:30 hours with a maximum of 16:30 hours. A crewmember on a reserve assignment where his last duty period is scheduled using this paragraph will not be required to check-in as otherwise required by Article 13.B.6.b.(7). If a reserve crewmember is assigned a trip that was constructed with an extended deadhead under this paragraph and he is not going into days off once he returns to the domicile, he shall either be revised from the extended deadhead with a duty assignment after the required rest period or returned to the domicile on the extended deadhead and released from the next complete on-call period. A regular flying or VTO lineholder who had an extended duty deadhead pursuant to this paragraph, may request a layover hotel to be used prior to the scheduled extended duty deadhead. The request for the layover hotel must be made at least seven (7) days in advance unless the trip assignment is made with less than seven (7) days notice. The pay and credit value for the trip will not change as a result of the layover. This provision shall also apply to any crewmember awarded an open time trip or who has a junior available trip on his line.

- d. Charter trips: All known charter trips will be placed into the bid lines in accordance with Article 13.B. and the duty limitations of 13.A.1.a and b. will apply. If there is a contract in place for a charter prior to the bid package being distributed to crewmembers but the exact date of such charter is unknown, the duty limits of 13.A.1.a. and b. will apply to the trip when it is built. When a charter is obtained by the Company following bid package distribution, the duty period (scheduled and soft maximum) in a. above may be increased by 1:00 hour for domestic charter flights. The maximum duty period for domestic charters will not exceed 16:00 hours. In the case of international charters, crewmembers may be scheduled to 15:30 hours not to actually exceed 16:00 hours on duty. Upon written request, the Company will furnish dated copies of charter contracts, minus financial terms, to the Association.
- e. The scheduled, soft maximum and hard maximum duty limits provided in Article 13.A.1.a. above will be changed

to the following for the fourteen (14) zulu days prior to Christmas Day of each year. A crewmember may be extended beyond the soft maximum duty limit if alternate operations, as defined above, is declared for the crewmember's flight segment(s). Each crewmember exceeding the soft maximum duty limits shall receive a 2:00 hour premium payment.

Chart for duty limits applicable only
December 11 through December 24:

Type of Duty Period	CRT	EDW	Non-EDW
Scheduled	10:30	11:30	13:15
Soft Maximum	14:00	14:00	15:00*
Hard Maximum	15:00	15:00	15:00

- * Crewmembers with a non-EDW duty period that go to the soft maximum of 15:00 will not receive a 2:00 hour premium payment since the soft and hard maximums are the same.
- f. The FARs in effect on October 18, 1991 shall supersede the limitations contained in this Article on all Military Airlift Command (MAC) charter flights. The current FARs shall remain applicable for MAC flights unless amended to require more rest, less duty or less flight block time.
- g. The Company may request from the Association a waiver of the on-duty limitations for the purpose of constructing bid lines or trips on a case-by-case basis and the Association's concurrence must be in writing.
- h. The parties have agreed to establish a duty period shift concept for EDW duty in accordance with this paragraph. All duty within an EDW trip must fall within a 16:00 hour window determined by the earliest report time for any duty period and the latest release from any duty period as constructed with the rest periods required by this section. The 16:00 hour window also applies across any two (2) trips which have less than 30:00 hours rest between the trips even if only one of the two trips is an EDW trip. If duty in an EDW trip falls outside the 16:00 hour window a 30:00 hour rest period is required prior to that duty period. A 30:00 hour rest period resets the shift window. EDW deadhead positioning duty periods are not required

to fall within the 16:00 hour window if they contain less than 7:30 hours duty and are followed by an 18:00 hour rest period. The 30:00 hour scheduled rest period may be reduced to 25:00 hours due to weather, a mechanical, ATC, or a sort delay as described in paragraph A.1.a. above.

- i. EDW duty periods shall not have more than four (4) segments. There shall not be more than four (4) consecutive duty periods which contain four (4) segments. Segments are defined to include ground and air transportation. In addition, if an intransit stop within an EDW duty period is equal to or greater than two (2) hours then the following rules will apply to any subsequent duty within that duty period beyond that intransit stop:
 - (1) Any subsequent intransit stops must be less than 2:00 hours.
 - (2) There can be a maximum of two (2) subsequent segments provided neither segment exceeds 2:59 hours and both segments combined do not exceed 4:14 hours block time; or
 - (3) There can be a maximum of one (1) segment if the block time for that segment does not exceed 4:35 hours block time.
- j. Scheduled Rest Following Commercial Deadhead:
 - (1) There shall be an 18:00 hour rest scheduled between a commercial deadhead and the commencement of an EDW duty period in which the crewmember is operating an aircraft. If deviation travel by air is utilized with either a Company provided commercial ticket or jumpseat, the crewmember shall be expected to schedule his travel so as to obtain the required 18:00 hours rest. If a crewmember schedules deviation travel through the Company (via either a commercial ticket or jumpseat) that does not adhere to the scheduled 18:00 hour rest requirement, he shall have his pay debited for 3:00 hours. A crewmember who deviates but does not use Company provided air travel shall not incur the 3:00 hour pay penalty.

- (2) If the subsequent duty period is a non-EDW duty period there must be an 11:00 hour rest scheduled between the deadhead and the duty period.
- (3) If the last duty period in any trip is entirely a domestic deadhead the rest prior to the deadhead may be scheduled at 9:30 hours.

k. All rest referenced in this section is reducible by one-half hour (unless it is specifically stated to be non-reducible), for weather, a mechanical, or ATC delay as set forth in paragraph A.1.a. above.

2. Report and Release Times

- a. A domestic duty period commences at least 1:00 hour prior at domicile and at least 45 minutes prior at a layover point, to the scheduled/revised block-out time of the first flight leg in that duty period. This duty period continues until 15 minutes after the actual block-in time of the last flight leg in the duty period or the crewmember is released for a legal rest as defined elsewhere in this Agreement. If a crewmember's scheduled report time is reduced to 45 minutes, the crewmember shall be considered to be on duty at the originally scheduled report time for pay purposes only.
- b. Except as provided in this paragraph, an international duty period (as defined above) commences 1:30 prior to the scheduled/revised block-out time of the first flight leg of the duty period and continues until 30 minutes after the actual block-in time of the last flight leg in that duty period or the crewmember is released for a legal rest as defined elsewhere in this Agreement. The Company may adjust the report time of an international trip at the layover station, not to exceed 30 minutes for legal rest. If the required report time is reduced to less than 1:30 hours, the crewmember shall be considered to be on duty at the originally scheduled report time for pay purposes only. Notwithstanding the above, the required report time for duty periods which start and end within Europe or within Asia, shall be 1:00 hour. There cannot be an intransit stop outside of Europe or Asia during this duty period. The airports which the parties have agreed to within Europe and Asia will be published and maintained on the Flight Operations website. The same 1:00 hour report

time shall apply to any international duty period touching South or Central America which is contained in a trip in the Miami domicile. There are two (2) MIA exceptions: the MIA-BOG-MIA turn trip and any international duty period with one (1) flight segment between 7:46 and 8:00 block hours.

- c. The Company may request from the Association a waiver of duty limitations for the purpose of constructing bid lines or trips on a case-by-case basis and the Association's concurrence must be in writing.
- d. The following shall apply to crewmembers while on layover: If the Company provides actual notice to the crewmember with acknowledgment by the crewmember, more than 12:00 hours prior to scheduled departure time in the next duty period or within 1:00 hour after release into a rest period, a crewmember's departure time can be delayed and this paragraph does not apply. If a crewmember's early or scheduled departure time is delayed in the next duty period, his duty period must be completed within 20:00 hours. This 20:00 hour window will commence with the scheduled or early departure time of the first flight in that duty period. In no event will a crewmember's duty exceed the parameters of 13.A.1. If the flight segment is delayed more than 4:00 hours the Company may place the crewmember into legal rest and establish a departure time after the rest period.
- e. During a rest period, a crewmember may be contacted within 1:00 hour from the time he was released from duty. He may also be contacted any time after the completion of legal rest with the following exception: when a crewmember is on a layover of 30:00 hours or more he may not be contacted between 12:00 hours and 2:00 hours prior to the report time of his next duty period. If the layover is between 22:00 and 30:00 hours, there shall be a 6:00 hour to 2:00 hour period prior to report where the crewmember cannot be contacted. If a crewmember is notified of a delay more than 12:00 hours prior to scheduled departure, he will be given a new departure time, and a new twelve 12:00 to 2:00 hour or 6:00 to 2:00 hour period will be established. If a crewmember's scheduled departure time is delayed prior to 12:00 hours and a new non-contact period is established, the Company may not reduce the 10:00 hour non-contact

period by then revising the crewmember to an earlier departure. The Company may leave a message for a crewmember at any time provided the crewmember will not be directly contacted. Only if there is an extreme operational emergency (e.g. January 1994 snowstorm) declared by the Chief Pilot may the Company contact crewmembers during their non-contact periods. Such extreme operational emergency shall not extend for more than 48:00 hours.

- f. Whenever the term legal rest is used in this Agreement, it shall mean what is required by the contract or the FARs, whichever is greater.
- g. If a report time for an international or domestic duty period is modified in order to meet reduced rest requirements, the crewmember shall be contacted by the Company prior to the commencement of the rest period. If a crewmember is not contacted, the rest period shall be considered to have been reduced if it is now below scheduled minimum limits.

3. Co-Terminal Operations

- a. Whenever the airport of arrival and the airport of departure within a duty period or between two (2) consecutive duty periods differ, duty time as found in the table in b. below shall be added to all other stated duty. This co-terminal duty time shall not be considered as a part of any rest or other duty-free time. The Company will provide safe and efficient transportation between airports and/or hotels. The Company will monitor the time required enroute between these locations and adjust the times if required for the next bid period. The Company and Association will review the enroute times each quarter to insure their accuracy.

b. Table of Co-Terminal Added Duty Time

The Company shall maintain a link on the Flight Operations website reflecting the then current co-terminals being used for scheduling purposes. The associated duty time for each co-terminal shall also be listed. The hours will be added to the scheduled duty

hours for the trip flown in order to calculate the total scheduled duty hours for a co-terminal flight.

Example: Crewmember reports SDF 1153Z -debriefs EWR 1446Z - 2:53 duty time plus surface transportation time - EWR-LGA 1:30, total duty time is 4:23. Scheduled pick up point and time plus the drop off point and time based on the above table will be provided to the affected crewmembers by Crew Administration prior to the bid effective date.

- c. The Company and the Association will meet and determine the time to be used for any new co-terminal operations prior to their effective date. In addition, any co-terminal operations in Louisville will be scheduled or actual duty time, whichever is greater.
- d. The co-terminal times in this section are also intended to cover duty times for travel between airports and hotels which are between the co-terminal airports or in close vicinity. If a hotel is selected so that it is not between or at one of the co-terminal airports the Company and Association will meet to establish a new co-terminal time.

4. Flight Time Limitations

- a. Domestic and international flight time limitations shall be governed by the applicable Federal Aviation Regulations except as set forth in this Article or Article 14. The Company and the Association will meet to discuss the implementation of any new FAA flight and duty time limitations that conflict with this Agreement and effect the operation.
- b. In order to maintain crewmember availability for the calendar year with regards only to any calendar year FAR block hour maximums, the Company reserves the right to limit the pickup of additional block time as a result of trip trading or picking up open time. Such limitation can occur if the crewmember has exceeded 250:00 block hours in the first quarter, 500:00 block hours in the first and second quarters, and 750:00 block hours in the first, second, and third quarters of the calendar year. This limitation will only apply to the calendar quarter immediately following the period defined above that the block hours as specified were exceeded. Each affected

crewmember shall be so notified within fourteen (14) days of the start of the affected calendar quarter and a copy of such notification shall be sent to the Association office at the same time.

- c. The following scheduled block hour limitations shall apply for duty period construction purposes:

- 7:30 for domestic duty period non-augmented for two (2) or three (3) crewmember aircraft
- 7:45 for international duty period non-augmented for two (2) crewmember aircraft
- 8:00 Miami 1-leg only international duty period non-augmented
- 12:00 for international duty period for a three (3) crewmember aircraft
- 12:00 for IRO, limited to 1-2 segments
- 15:45 for double crew, limited to 1-2 segments

5. Required Rest Periods

All rest periods herein required are measured beginning at the release from duty with the Company until the beginning time of the next duty with the Company. Once off duty in accordance with 13.A.2., a crewmember may not be recalled to duty without his consent during his legal rest period.

- a. Required Rest at Domicile: A crewmember shall receive ten and one-half (10:30) non-reducible duty-free hours of domicile rest after completing a domestic duty period and twelve (12:00) non-reducible duty-free hours of domicile rest prior to beginning and after completing an international duty period as defined above. The rest following an international duty period shall never be less than what the layover rest should have been if the duty period was in the middle of a trip. Forty-eight (48:00) hours or more off shall be scheduled following an international trip greater than one hundred and twenty (120:00) hours TAFB. However, more rest than stated here may be required by other requirements of this Agreement or the requirements of the FARs. A crewmember engaged in international flights to or from Mexico or Canada will be scheduled for flight/duty/rest limitations, as if, the flight was a domestic flight.

- b. Required Rest at a Layover: A crewmember shall receive 10:00 duty-free hours of layover rest after completing a non-EDW domestic duty period. A crewmember shall receive 10:30 duty free hours of layover rest after completing an EDW duty period. However, if an EDW duty period is scheduled for 10:30 or more, or contains four (4) segments, the crewmember shall receive 12:00 duty free hours of layover rest. This 12:00 hour rest period may be reduced to 10:30 hours due to ATC, mechanical, weather, or sort delays. There shall be 12:00 duty-free hours of layover rest prior to beginning and after completing an international duty period as defined above. However, more rest than stated here may be required by other requirements of this Agreement or the requirements of the FARs.
- c. The scheduled rest periods contained in paragraph b. above may be reduced due to mechanical, weather, or ATC delays by 30 minutes, unless the rest is stated as non-reducible. Rest may not be reduced under this provision more than two (2) times within an international or an EDW trip. Greater rest may be required as specified elsewhere in the contract.
- d. When a crewmember's domestic duty period exceeds 14:00 hours he shall receive a non-reducible rest period of 12:00 hours in domicile or 10:30 hours while on layover.
- e. 24-in-7/Duty Break: Each crewmember shall receive a 24:00 hour duty-free period in each seven (7) consecutive calendar days. If this 24:00 hour duty-free period occurs away from the crewmember's domicile, the trip rig will continue uninterrupted. In addition, any crewmember on leave may have that period considered for purposes of 24-in-7 breaks, except those for Union business or paid sick leave. Reserve duty free periods must be scheduled prospectively, with the crewmember informed of the start time of the duty free period. For reserve crewmembers who are assigned the 24-in-7 break in domicile, the scheduled break shall encompass one (1) complete on-call period. However, the Company shall be allowed to reschedule the 24-in-7 break so as to not encompass a complete on-call period a maximum of two (2) times per crewmember per bid period. For those crewmembers on union leave during a period in which a

24-in-7 would have occurred, either as a part of a scheduled trip or as the result of more than six (6) consecutive days of union leave from reserve duty, the Company shall have no obligation to compensate the crewmember for that period. Rather, it shall be considered part of the union leave.

- f. An on-duty period will be broken by legal rest or a longer rest period.
6. Actual blocks and actual duty report and release times shall be used, as recorded up to the time the crewmember is contacted about a revision, to validate the crewmember's contractual and regulatory legality for any assignment.
7. Crewmember Option and Responsibility
- a. Sections 1., 2., and 5. above may be waived by the crewmember with the concurrence of Crew Scheduling and if not in violation of the FARs. It is the Captain's responsibility to notify Crew Scheduling of any circumstances which could result in a delayed departure.
 - b. The Company may post advisements for a crewmember via the UPS Flight Operations website. A crewmember will receive a message notifying him he has an advisement upon log in to the Flight Operations website. The following rules shall apply:
 - (1) A crewmember who clicks the "Defer" prompt upon log in will not be provided access to the Flight Operations website.
 - (2) A crewmember who clicks the "Continue" prompt is notified that the Company has an advisement(s) for him. The crewmember will be provided with all active advisements displayed by order of "Advise by" date. To access the full Flight Operations website, the crewmember must acknowledge each advisement.
 - (3) The Company and crewmembers maintain the right per current practice to communicate regarding advisements by means other than the Flight Operations website.

8. International Crossings

- a. Only one (1) crossing is allowed per duty period, regardless of the type of crew (e.g. non-augmented, augmented or double).
- b. There shall be a maximum of four (4) crossings within an international trip. In order to schedule a second trip containing an international crossing(s), there must be, at least, 96:00 hours scheduled rest in domicile.
- c. If there are three (3) or four (4) crossings within an international trip, there must be a minimum 30:00 hour rest period scheduled to occur at some point before the second, third, or fourth crossing. A crossing consisting of a commercial deadhead at the beginning of the trip does not count as a crossing. All other international deadheads which involve a crossing count as a crossing. If there are only two (2) crossings within a trip, the 30:00 hour rest rule does not apply.
- d. There shall be a minimum 15:00 hour rest period prior to a crossing. If the crossing consists of a commercial or Company deadhead at the end of a trip (up to two duty periods) the 15:00 hour rest requirement does not apply. The crossing would still count toward the total number of crossings allowed.

9. Rest After Block

- a. A crewmember shall receive 12:00 duty free hours rest after completing an international duty period containing 8:00 block hours or less. A crewmember shall receive 17:00 duty free hours rest after completing an international duty period containing between 8:01 and 12:00 block hours.
- b. The scheduled rest required in paragraph a. above may be scheduled at a minimum of 12:00 hours if the next scheduled duty period consists of non-extended deadhead only. A crewmember may not be rescheduled to operate a flight instead of deadheading if his rest has been scheduled less than the after-block requirements provided in paragraph a. above except as provided in 13.E.12.b.(3).

10. International Patterning Rest

- a. There shall be a maximum of three (3) consecutive layovers with rest below 14:00 hours. The fourth (4th) rest period must be greater than 14:00 hours.
- b. There shall be a maximum of four (4) consecutive layovers with rest below 30:00 hours. The fifth (5th) layover, in such circumstances must be no less than 30:00 hours. When a 30:00 hour layover is required but the only remaining duty is a deadhead, the 30:00 hours rest can be provided in domicile unless greater rest is required under Article 13.A.5.a. above. If a positioning deadhead is a commercial the following layover does not count toward the maximum allowed by this paragraph. If the positioning deadhead is on a Company aircraft the subsequent layover rest shall count toward the maximum. Notwithstanding the above, if a duty period is scheduled below 8:00 duty hours, the subsequent rest period shall not count toward the maximum of four (4) below 30:00 hours. However, this rest period would still be counted toward the maximum number of rest periods below 14:00 hours set forth in paragraph a. above.
- c. A minimum rest period of 18:00 hours must be provided at an international location after a positioning deadhead comprised entirely of a commercial deadhead. The 18:00 hour rest period must be provided prior to operating as a crewmember. If the positioning requires more than one duty period, the extended rest may be after the first or second duty period. This paragraph does not apply to deadheads which occur after the first and before the last operating duty period in the trip.

11. International Intransit Stop Limitations

If an intransit stop within an international duty period is equal to or greater than 4:00 hours then the following rules will apply to any subsequent duty within that duty period beyond that intransit stop:

- a. Any subsequent intransit stops must be less than 2:00 hours;
- b. There can be a maximum of 2:00 subsequent segments if neither segment exceeds 4:00 block hours and both segments combined do not exceed 6:00 block hours;

- c. There can be a maximum of one (1) segment if the block time for that segment exceeds 6:00 block hours;
- d. If the operating crew has an IRO the block time for a duty period will be limited to 10:00 hours if there is an intransit stop equal to or greater than 4:00 hours; or
- e. Facilities for the intransit stops referenced in this paragraph must be compliant with Article 5.

12. International Segment Limitations

- a. There shall be a maximum of four (4) segments in any international duty period.
- b. The maximum number of consecutive duty periods with four (4) segments shall be three (3).
- c. There shall be a maximum of one (1) domestic segment in an international duty period and a maximum of two (2) domestic segments within a trip. *[M&I Note: When the crewmember is performing a deadhead only duty period, in such case the crewmember may be scheduled up to four (4) domestic flight segments within the trip. If the number of domestic deadhead flight segments exceed two (2) within a trip, then those flights must be on a commercial carrier scheduled in accordance with Article 13.H. The parties discussed and agreed that not more than two (2) commercial flight segments can be used in one (1) duty period.]*
- d. For purposes of this section, a segment includes either air or ground transportation.
- e. Notwithstanding paragraph c. above, the Company shall be allowed from December 11 to December 24 of each year to build domestic duty periods for the 747-400 fleet. These duty periods shall not service more than three (3) separate domestic gateways; one (1) leg to or from SDF (e.g. multiple SDF-DFW-SDF duty periods shall count as one (1)). All domestic bid line construction, duty and rest rules will apply to the trip(s). Crewmembers operating these domestic duty periods must have positioning and deposition deadheads to and from the Anchorage domicile. These deadheads cannot be revised to be

operating legs. These trips may not be mixed or combined with any international duty period other than the referenced deadheads.

13. Extended International Deadhead Only Duty

- a. An international deadhead only duty period may be scheduled from 15:31 to 18:00 hours not to exceed 19:00 hours actual. The following criteria will apply to the extended deadhead duty period:
 - (1) There is a limit of three (3) segments (including both air and ground deadheads);
 - (2) The minimum scheduled rest after the deadhead is 20:00 hours reducible to 19:00 hours;
 - (3) The use of the extended deadhead shall be limited to use on lines containing no more than three (3) trips per bid period. However, if a line contains IRO duties, this paragraph shall not apply to lines containing less than three (3) extended deadheads;
 - (4) Coach tickets cannot be used. Rather, the class of service shall be first class unless no such service is provided within the 4:00 hour search window provided in Article 13.H. In such event, a business class ticket shall be allowed. Crewmembers shall be allowed to book tickets for extended deadheads the day after the bid lines are awarded;
 - (5) Extended international deadheads are not allowed intra-trip but only for positioning and depositioning flights; and
 - (6) The Company shall be allowed to use the facilities on any new long range freighter aircraft for extended deadheads provided the Association is involved in determining the specifications of the upper deck seating on this aircraft so as to ensure compliance with mutually acceptable extended deadhead facilities, as identified in 13.S. Agreement will not unreasonably be withheld by the parties.

14. Conflicts between a crewmember and the Company in interpreting any Federal Aviation Regulations will be

attempted to be immediately resolved. If unresolved, however, the crewmember will request that a member of the Company's management put in writing to him the order to proceed with the disputed activity. However, both parties recognize the importance of maintaining the Company's service standards and guarantees. To this end, if a dispute regarding the interpretation of the language of this Agreement arises, the crewmember shall be obligated as required by the Railway Labor Act to perform according to the Company's request and make use of the grievance procedure contained elsewhere in this Agreement.

15. B-767 Crew Rest Module

Effective upon the ratification of this Agreement, the UPS/IPA Joint Safety Task Force shall immediately begin working with the Company on adding a Crew Rest Module for augmented international B-767 flights. The Association, through the Task Force, will be involved in the development and implementation of the Crew Rest Module. At a minimum, the crew rest module will meet the minimum requirements for a Class 1 Rest Facility as outlined in the FAA Advisory Circular 117-1. The footprint will be no smaller than the size of a full container and shall contain two (2) lie flat beds. The Company will complete the review and vendor certification process within a time frame that will allow the Company to place into service the first sleep compartment in November 2017. The placement into service of the subsequent Crew Rest Modules necessary to provide the additional sleep compartments on the remaining B-767's which require augmentation, will be based on the vendor's production schedule. If the Company does not meet this November deadline, UPS will be required to schedule an enhanced sleep opportunity (ESO) in the next B-767 bid packages subsequent to November 2017. The ESO shall consist of a duty free period of at least 36:00 hours. The ESO shall be required prior to an augmented duty period in which the flight starts outside the crewmember's domicile. The ESO shall be required following an augmented duty period unless the duty period ends in the domicile. The ESO may be waived by the pilot. The ESO requirement shall remain in effect until the Company begins the actual implementation of the B-767 Crew Rest Module.

B. Bid Line Construction

1. All Flying Lines - General Parameters:

- a. The annual bid period shall consist of six (6) fifty-six (56) day bid periods and one (1) additional bid period. The annual bid period will commence on the first Sunday in December of each year. Bid periods will start at 0300 local domicile time on Sunday and end at 0259 local domicile time on Sunday. All known flying will be included on the lines under B.1.c. below unless any remaining open trips are not sufficient to construct, in accordance with the parameters of this Article, a line containing at least twenty-four (24) duty days. CRAF flying referenced in Article 16 will not be included in bid lines. MAC charters will not be included in the bid lines unless the scheduled on-duty limitations of such trips are within the on-duty parameters of Section A.1.
- b. Minimum reserve staffing by status and equipment in each domicile will be at least ten percent (10%), rounded to the next higher whole number.
- c. (1) All flying lines, in total, by aircraft type and domicile, as presented to the crewmember for bidding, shall contain a minimum of twenty-two (22) calendar days (0300-0259 local domicile time) off in a fifty-six (56) day bid period. The lines shall average no less than twenty-eight (28) calendar days off by aircraft type and domicile for the fifty-six (56) day bid period. All flying lines, in total, by aircraft type and domicile, as presented to the crewmembers for bidding, shall average no more than twenty-seven (27) duty days in a fifty-six (56) day bid period. In constructing bid lines, no crewmember will be scheduled to work more than thirty-two (32) calendar days (i.e. 0300-0259 local domicile time) in a fifty-six (56) day bid period. The twenty-eight (28) calendar day off average shall be calculated by adding up all of the calendar days off within the bid period and all flying lines by aircraft type in domicile offered or assigned to each crewmember and dividing that sum by the total number of flying lines in a fifty-six (56) day bid period by aircraft type and domicile (i.e. regular flying lines and VTO lines) offered or assigned. The twenty-seven (27) duty day average will be calculated in the same manner. Once a crewmember is awarded or assigned a flying line, that line may not have trips or

other type of duties added unless otherwise specified in this Agreement.

- (2) The average duty days and days off in (1) above will include non-conflicting time generated by carry-in trips. The parties shall meet and establish a multiplier for each aircraft type to use based off of the average of the previous six (6) bid periods. The Association and Company shall review the accuracy of the multiplier each six (6) months thereafter.
- d. No international flying line shall be constructed to exceed one hundred and seventy-nine and two tenths (179.2) credit hours (89.6 per pay period) during any fifty-six (56) day bid period. Domestic flying lines shall not exceed one hundred and seventy-two (172) credit hours (86 per pay period) during any fifty-six (56) day bid period.
- e. (1) For that one bid period each year which consists of twenty-eight (28) calendar days, (i.e. 0300-0259) the scheduling parameters outlined in this Article will be prorated to the extent the parameters are based upon a fifty-six (56) day bid period. Flying lines will be constructed to average thirteen-and-one-half duty days and will average fourteen (14) calendar days off by aircraft type and domicile. No flying lines shall be constructed to exceed 89.6 international and 86 domestic credit hours. Eleven (11) calendar days off will be guaranteed except as provided in Section D.11. below. A crewmember shall be entitled to pick up open time on his days off provided that his bid line projection does not exceed ninety-six (96) credit hours or does not interfere with his reserve availability. Flying lines will be constructed to contain the following blocks of calendar days off: one (1) block of six (6) calendar days and one block of four (4) calendar days; or one (1) block of eight (8) calendar days; or two blocks of three (3) calendar days and one block of four (4) calendar days. At least sixty percent (60%) of the lines will be constructed with long blocks except as set forth below for base trip lines and the Miami domicile.
- (2) For that pay period which consists of thirty-five (35) calendar days (i.e. 0300-0259), all scheduling parameters outlined in this Article for twenty-eight

(28) day pay periods will be prorated. At least, sixty percent (60%) of the lines will be constructed with long blocks except as set forth for base trip lines and the Miami domicile. Flying lines will be constructed to average sixteen decimal eight seven (16.87) duty days and will average seventeen decimal five (17.5) calendar days off by aircraft type and domicile. No flying lines shall be constructed to exceed 107.5 domestic and 112 international credit hours. Fourteen (14) calendar days off will be guaranteed, except when the crewmember is assigned to short term training or is junior manned. In this case, the crewmember will be guaranteed thirteen (13) calendar days off. A crewmember shall be entitled to pick up open time on his days off provided that his bid line projection does not exceed one hundred twenty (120) credit hours or does not interfere with his reserve availability. Airport standby lines will be constructed to consist of a maximum of nineteen (19) duty days. Gateway airport stand-by lines will be constructed to consist of a maximum eighteen (18) duty days. Reserve lines will be constructed to consist of eighteen (18) duty days.

- f. All flying lines will be constructed with blocks of calendar days off in domicile as defined below:
 - (1) At least sixty percent (60%) of all flying lines except as set forth for base trip lines and the Miami domicile, by aircraft type and domicile, must conform to one of the following days off patterns in each fifty-six (56) day bid period: two blocks of six (6) calendar days off plus two blocks of four (4) calendar days off or two blocks of eight (8) calendar days off. Additional calendar days off may be tagged to the blocks defined above or be used to create a new block of at least two (2) calendar days off.
 - (2) The remaining flying lines (except base trip lines and Miami) in each aircraft type will have four (4) blocks of three (3) calendar days off plus two (2) blocks of four (4) calendar days off in each fifty-six (56) day bid period. Any additional block of two (2) calendar days off may be tagged to any of the blocks defined above or used to create a new block of two (2) calendar days off.

- (3) A crewmember who has a trip that contains up to 24:00 hours away from domicile, that is immediately preceded by and followed by a day(s) off in domicile, on his original bid award may, during the applicable bid line adjustment period, request a trip trade with open time that does not reduce his credit time for the pay period.
- (4) The Company and Association may change the percentage set forth in Article 13.B.f.(1). above by mutual agreement.
- g. An initial draft of the bid lines will be provided to the Association at least six (6) calendar days prior to the bid packages being distributed to crewmembers in accordance with Article 13.C.1. The Association will submit any bid line change requests within five (5) days of receipt of the bid lines including the day the copy is received. The Company agrees to accept bid line change requests from the IPA crew planner via the Altitude system. The Association agrees their planner(s) will not change any trip(s) in the solution(s).

2. Regular Flying Lines

- a. Regular flying lines will be constructed so that each incorporate(s) similar trip pairings to the extent possible. The Company will give consideration to sleep patterns, circadian rhythms, length and timing of duty periods when building pairings and filling out lines.
- b. The following rules will apply to all flying lines except as set forth below:
 - (1) All parameters will apply to each fleet/seat/domicile. SDF and SDFZ (and any additional domicile within a domicile) shall be considered separate domiciles for the purpose of this section.
 - (2) No stuffer trips will be allowed on any EDW line. In addition, stuffer trip(s) will not be placed on any line that already meets or exceeds guarantee.

- (3) If a line is built with complete trip(s) at or above guarantee, additional trips cannot be placed on the line to reach the construction cap.
 - (4) For a UPS holiday observed on a weekday, that results in the cancellation of normal scheduled flights on a bid line, an additional trip will be allowed for that pay period on EDW week on/week off and Miami lines. The additional trip cannot be separated from another trip by more than 48:00 hours and must occur within an eight consecutive calendar day period (i.e. both trips must start and end within the same eight (8) consecutive calendar day period). The additional trip shall only be allowed on lines that would have been constructed to work the week of the holiday using the week-on/week-off patterning. The holiday must fall within the allowable eight (8) day time frame. The trip must match the line, i.e. EDW or non-EDW line. UPS Holidays for purposes of this paragraph shall be limited to: New Year's Day, New Year's Eve, Christmas, Labor Day, Thanksgiving, Day after Thanksgiving, Fourth of July, and Memorial Day.
 - (5) No EDW turns will be placed on an international line, an EDW layover line or a non-EDW layover line. Non-augmented, non-EDW turns can be placed on international lines and non-EDW lines. However, only one (1) non-augmented, non-EDW turn may be placed on an international line. If non-EDW turns are placed on a non-EDW line they must be placed on a line consecutively without intervening single calendar day(s) off.
- c. Any trip which contains an EDW duty period may only be placed on a line that exclusively contains EDW trips (hereinafter referred to as EDW lines). One hundred percent (100%) of EDW lines must be four trips or less. In addition, at least, seventy-five (75%) of the lines must provide a minimum of five (5) calendar days off between the trips.
 - d. (1) Base trip lines may contain multiple domestic trips including EDW trips, non-EDW, turns or layover trips. None of the trips will exceed 110:00 hours TAFB. Trips between 96:00 and 110:00 hours TAFB may

only be used in base trip lines if such trips cannot be used as constructed (or legitimately modified) to construct an EDW line equal to or greater than sixty-two (62) credit hours. No more than ten percent (10%) of base trips can fall between the 96:00 and 110:00 hours TAFB.

- (2) These lines are exempt from the single day off criteria. The lines will be constructed to provide a minimum of fifty percent (50%) long days off patterns and the remainder of lines may use short days off patterns.
 - (3) When placing an EDW trip on a base trip line, the trip must follow the shift rule or the last duty period of the prior trip cannot be greater than 6:00 hours, with a minimum of 18:00 hours rest between trips.
 - (4) The Company shall have no obligation to build base trip lines which do not generate, at least, 62:00 hours credit.
 - (5) The maximum number of base trip lines shall not exceed twenty percent (20%) of the total number of flying lines by fleet/seat/domicile, provided that the total shall never exceed fifteen percent (15%) of the flying lines system wide.
 - (6) As a part of the 2006 Agreement, the Company and the Association agreed to include as an addendum to that contract, a footprint to ensure that the number of week-on/week-off lines are maximized in accordance with the parameters of this section. (Examples of criteria to be followed would include that trips must be constructed as week-long if possible (i.e. no breaking of trips mid-week) and if a trip can be built using one crew for an entire week, it must be constructed in this manner).
 - (7) Base trip lines shall be considered regular flying lines except as specifically provided otherwise in this Article.
- e. Layover lines are domestic lines which do not contain EDW trips. The maximum number of trips which can be placed on a non-EDW layover line is fifteen (15). Non-

EDW layover lines must conform to, at least, a minimum of sixty percent (60%) long block pattern. The remainder shall use the short block pattern.

- f.
 - (1) Turn trip lines must contain either pure EDW turns (i.e. turns which touch the EDW) or non-EDW turns. If the line contains EDW turns there shall not be more than twelve (12) turn trips on the line per pay period. If the EDW turns have a report time prior to midnight LDT, the total number of turn trips per pay period shall not exceed ten (10).
 - (2) Turn trip lines must meet the sixty percent (60%) long block day off pattern. The remainder shall use the short block days off pattern.
 - (3) The maximum number of EDW lines which can be pure EDW turn lines is limited to fifteen percent (15%) of the total number of flying lines by fleet and seat, provided that there cannot be more than seven-and-one-half percent (7.5%) of the system-wide total number of EDW flying lines.
- g. The following rules shall apply, regardless of other provisions, to the construction of lines in the Miami domicile only:
 - (1) Notwithstanding other provisions of this Article, lines containing Americas flying may have a maximum of four (4) single day off occurrences per pay period excluding the first and last day of each pay period.
 - (2) The maximum number of trips allowed per bid period on lines containing Americas flying shall be sixteen (16) excluding pure turn lines.
 - (3) Lines which contain EDW trips must meet EDW line and trip requirements set forth above.
 - (4) There shall be no minimum number of days off required between non-EDW or Americas trips that are less than ninety-six (96:00) hours TAFB.
 - (5) The Company shall be allowed to place any number of turns on international lines so long as EDW and

non-EDW are not mixed on the line. However, the limitations of paragraph f.(1) above shall apply to these lines.

- (6) Americas turn lines do not need to meet the sixty percent (60%) long block days off pattern.
 - (7) All unaugmented international turns from the Miami domicile will be covered by the domestic duty limits regardless of whether the duty period is EDW, non-EDW or CRT.
 - (8) In addition to the duty limits provided in Article 13.A.1., the Company may construct turn trips up to a scheduled limit of 14:30 hours with a soft and hard maximum of 15:00 hours. In order to use this paragraph, the duty period must be scheduled so the crewmember does not report for duty prior to 0700 LDT, to provide a release from duty by 2145 LDT and must contain an intransit stop of 7:00 hours or greater.
- h. (1) Except for base trip lines and flying lines in the Miami domicile as provided in paragraphs d. and g. above, single calendar day(s) off will be permitted in any flying line only on the first and last day of the bid period with the following exceptions: no more than twenty-five percent (25%) of flying lines by fleet, seat and domicile may contain single calendar day(s) off exclusive of the first and last days of the bid period; the maximum number of additional single calendar days off in these twenty five percent (25%) of flying lines is two (2) per line; and single calendar day(s) off will not be counted for purposes of guaranteed calendar days off or for calendar day off averages.
- (2) For the bid period beginning in December, single calendar day(s) off on the first and last days of the bid period may be counted for the purposes of guaranteed days off and calendar day(s) off averages, otherwise, paragraph f.(1) above applies.
- i. Regular flying lines will not contain any type of reserve duty, standby duty, carry-in days or other assignments.

- j. No other type of line will be permitted other than regular, VTO, airport standby, reserve move-up, reserve, and blank reserve.
- k. Each year the Company shall be allowed to flex the bid line construction parameters in that pay period which starts the first Sunday in December. During this December pay period, the contractual quality parameters may be reduced to incorporate only the long and short blocks of days off requirement (60/40). In addition, for the fourteen (14) Z days prior to Christmas Day the duty limits shall be those set forth in Article 13.A.1.e.

3. Vacation/Training/Open Time Lines - VTO

- a. VTO lines will be so identified and published in the bid package without any trips or other duties assigned and with no days off assigned. Split VTO/regular flying bid lines may be published which contain a regular flying line in one pay period, and a VTO line in the other pay period. This is the only mixing of lines in a bid period that may be published, and shall represent no more than ten percent (10%) of the total number of bid lines by fleet, seat, and domicile presented in a given bid period. The Company shall not include Long Call-Out (LCO) days in a VTO line if it is a split VTO/regular flying bid line.
- b. In accordance with the timetable indicated in Section C, (Bid Package), VTO lines will be constructed with credit hours dropped due to vacations, training, long-term sick/injury leave, leaves of absence, transition conflicts, charters, airport standby, other open time, and LCO days. A crewmember may trip trade with open time any number of LCO days for a trip(s) containing an equal or greater number of duty days. LCO days may only be traded with open time if they are consecutive LCO days at the beginning or end of a block of LCO days. Further, a crewmember may never leave a block of LCO days less than four (4) as a result of a trade with open time. The value of an LCO day for any day which the crewmember is on-call, but does not report for an assignment, shall be 4:00 hours. The one (1) exception to the on-call requirement is if the crewmember is released from the on-call obligation by the Company. In such case, the crewmember will receive the 4:00 hours pay and credit.

- c. In accordance with the bid line parameters described in paragraphs B.1 and B.2 above, the Company will construct as many VTO lines as possible which contain trips only. Base trip lines built on VTO lines shall count toward the overall allowable percentage of base trip lines per fleet, seat and domicile and shall conform to the requirements listed for the construction of base trip lines. The Company will then construct as many VTO lines as possible which contain only airport standby. The third preference will be VTO lines containing trips with LCO days or airport standby with LCO days. The final alternative is a VTO line with only LCO days, if necessary to fill the VTO line. Trips will not be mixed with airport standby in any pay period. The Company shall not be obligated to build a VTO line out of trips or airport standby if there is not, at least, twelve (12) duty days of trip(s) or standby for the pay period. Such trips and standby time will be dropped into open time or used to create RMUL. If a VTO line includes LCO days, there shall be a maximum of fourteen (14) duty days in the applicable pay period. Any LCO days built on VTO lines must be in a block of at least four (4) days. Further, the Company shall schedule a minimum of 144:00 hours off between two (2) LCO blocks or a block of LCO days and a trip(s)/airport standby assignment.
- d. Any trip placed on a VTO line shall reflect the index segment and credit values.
- e. Any VTO lineholder who has LCO days on his line shall be considered to have met guarantee for the purpose of open time pay and credit.
- f. LCO days shall be placed on VTO lines in accordance with Article 13.B.3.a. – c. The following rules shall apply to LCO days:
 - (1) For any LCO block of seven (7) or more days a crewmember shall be scheduled for his 24:00 hour duty-free period no later than 48:00 hours prior to the beginning of the block.
 - (2) The Company may contact a crewmember with an assignment between 0800 and 1400 LDT. If a crewmember is assigned a trip or airport standby, he shall not be required to report for duty earlier than

16:00 hours from the time of the notification of his assignment.

- (3) The Company may assign a crewmember a trip or airport standby on any LCO day within his current block of LCO days. If the crewmember is provided an assignment for a future LCO day, the Company will instruct the crewmember on what LCO day he is next required to be available for call-out.
- (4) Trips will be assigned to crewmembers on LCO in FIFO order. The crewmembers on this FIFO list will include crewmembers assigned RCID. FIFO placement will be determined by the crewmember's last release time from duty. If two (2) crewmembers' release times are the same, the trip assignment will be made in the reverse seniority order. The Company shall not be allowed to match days of availability or otherwise skip any crewmember in FIFO order for any reason. The Company, at its discretion, may truncate a trip for purposes of LCO assignment. A crewmember will not be assigned simulator support duties or reserve through LCO.
- (5) All LCO assignments must comply with the rest and duty rules in Articles 13.A. and B.
- (6) The Company may continue its practice of combining existing trips for purposes of assignment. However, trips with a commercial deadhead will not be converted to a Company jumpseat deadhead as a part of this process.
- (7) An LCO assignment may not include ad hoc domicile airport standby duty. The Company, however, may assign airport standby day(s) as originally published in the bid package.
- (8) A crewmember on LCO days shall not be required to check-in with Crew Scheduling upon arriving back into domicile upon completion of a trip. In addition, a crewmember on LCO days will not be turned out to an outbound assignment.
- (9) If an assignment given on LCO days is cancelled or a portion of the trip cancels the Company will attempt

to keep the crewmember on the same trip at the Company's discretion. If the Company does not keep a crewmember on his trip, it may assign the crewmember an alternative trip, if one is available, before placing him back on LCO.

- (10) A crewmember on a LCO assignment shall be eligible for premiums in accordance with Article 13.E.4.
 - (11) A crewmember with a block of LCO days will begin his calendar days off 24:00 hours after the start of his last LCO day. (0800 LDT). The Company cannot notify a crewmember of an assignment during his call-out window that extends beyond 0800 LDT of his first (1st) calendar day off. A crewmember on LCO days will be eligible for late arrival pay if the assignment is revised or runs late into a day off. This pay shall be calculated, in accordance with Article 13.E.4.e.(1), beginning at 0800 LDT of the crewmember's first (1st) calendar day off.
 - (12) A crewmember on LCO days may deviate at the beginning or end of any trip assignment on the same basis as a regular line holder.
- g. The Company has the right to publish a separate type of VTO line called Vacation/Training/Opentime/Reserve (VTOR). VTOR lines will be considered a sub-set of VTO lines.
- (1) The line construction rules provided in Article 13.B.3.a.-e. will apply to VTOR lines with the following exceptions:
 - (a) The Company must construct as many VTOR lines as possible with trips provided there are at least twelve (12) duty days in each pay period. The Company will then construct as many VTOR lines as possible with domicile airport standby provided that there are again at least twelve (12) duty days in each pay period. The third (3rd) step will be the construction of as many VTOR lines as possible with a combination of trip(s) and domicile airport standby provided the twelve (12) duty day limit is met. If the Company cannot

construct VTOR lines with at least twelve (12) duty days consisting of trip(s)/domicile airport standby day(s) it shall be allowed to add reserve callout duty to the line. Any reserve only or combination of reserve and trip(s)/domicile airport standby day(s) shall not exceed the total number of duty days allowed by Article 13.B.6.c.(2). Any VTOR line consisting only of domicile airport standby (or in combination with trip(s)) shall not exceed the number of duty days allowed by the agreement for a pure domicile airport standby line.

- (b) The only line quality parameters that will apply to VTOR lines will be the long and short blocks of days off requirement (60/40), as set forth in Article 13.B.1.f.
- (c) When constructing VTOR lines, the Company will not be allowed to:
 - (i) mix EDW and non-EDW trip(s);
 - (ii) mix EDW trips with domicile airport standby which does not touch the EDW;
 - (iii) mix non-EDW trips with domicile airport standby which touches EDW; or
 - (iv) add EDW trips or domicile airport standby that touches EDW to a VTOR line containing international trip(s).
- (d) When the Company adds a reserve callout type to a VTOR line in combination with trip(s) and/or domicile airport standby, it will add the reserve type that is most representative of the trip(s) and/or domicile airport standby on the line. All reserve rules as contained in Article 13.B.6. shall apply to reserve days on a VTOR line.
- (e) The Company may add call-out reserve days that were dropped from the awarded reserve lines. The Company may create new blocks of call-out reserves on a VTOR line as necessary to complete a VTOR line. However, the Company

may not include a reserve type on a VTOR line unless the originally published bid package included that same reserve type. This shall be applied by F/S/D.

- (f) The Company may not mix reserve types on a VTOR line.
- (g) Crewmembers holding a VTOR line with a mix of reserve, trip(s) and/or domicile airport standby can trip trade with open time in accordance with Article 13.B.3.b. If the VTOR line holder is reserve only, any trip trade with open time must be equal to or greater than the number of reserve days in the block being traded. In addition, the trip(s) being requested must overlap the reserve block and must not be more than 48:00 hours from the beginning or end of the reserve block.
- (h) The number of VTOR lines will not exceed thirty percent (30%) of the total number of VTO lines originally published by F/S/D. Any fraction will be rounded up to the next whole number.

(2) VTOR line(s) will be bid as follows:

- (a) VTOR lines will be designated in the bid package and initially offered for bid at the same time as all other lines.
- (b) The Company will publish complete Captain VTOR lines for bidding by 1600 local Louisville time ten (10) days prior to the beginning of the bid period.
- (c) The Company will publish complete First Officer VTOR lines for bidding by 1600 local Louisville time six (6) days prior to the beginning of the bid period.
- (d) VTOR lines will have the same self-adjustment and Company adjustment periods as RDG lines.

4. Domicile Airport Standby Lines

- a. In addition to regular and VTO lines, the Company will designate requirements for standby crews and will publish airport standby lines in domicile(s). Airport standby lines in domicile shall be constructed to consist of a maximum of fifteen (15) duty days per twenty-eight (28) day pay period. These lines will be constructed as three blocks of four (4) consecutive airport standby periods in any domicile, including Ontario. Additionally, in the Ontario domicile, the Company shall be allowed to construct airport standby lines as either (i) two blocks of four (4) and one block of five (5) consecutive airport standby periods or (ii) one block of four (4) and two blocks of five (5) consecutive airport standby periods, provided the airport standby periods in (i) and (ii) do not touch the EDW window.

An airport standby crewmember who has been given an assignment with a layover and:

- (1) Arrives prior to the beginning of his originally scheduled airport standby time will not be required to sit airport standby upon arrival and will be released into legal rest. The Company may not require that crewmember to report for a partial airport standby period after his legal rest. Rather he will report for his next full airport standby period.
 - (2) Arrives during his next airport standby period shall only be required to sit airport standby for the remainder of that airport standby period.
- b. Days off for airport standby lines in domicile shall be arranged in each pay period to provide one (1) block of seven (7) calendar days off and three (3) blocks of two (2) calendar days off. One additional block of two (2) calendar days off shall be scheduled in a thirty-five (35) day pay period. Such calendar days off may be placed together on the lines. For those lines built with three (3) blocks of standby of four (4) days each, one of the two (2) day blocks will be added to the seven (7) day off block. Calendar days off for crewmembers holding these airport standby lines will begin at the domicile at 0300 local domicile time and end at 0259 local domicile time. An airport standby lineholder on his last duty day will be returned to his domicile no later than 0259 local domicile time.

- c. Airport standby period(s) shall not exceed eight (8) consecutive hours on duty without an assignment to fly. An assignment made prior to the end of the airport standby period in domicile or gateway must depart within 10:00 hours of the start time of the airport standby period, or the crewmember will be released from duty. The initial assignment and any revisions prior to the applicable report time of the assignment, cannot be in excess of the scheduled duty limits set forth in Article 13.A.1. Revisions after the report time will comply with the applicable duty limits in Article 13.A. If a crewmember is initially given an incomplete assignment any additional flying assignments must comply with the applicable scheduled duty limits in Article 13.A.1. The total duty period shall be in accordance with Section A. (Flight and Duty Time Limitations and Required Rest). Airport standby lineholders cannot be assigned simulator/aircraft training support duty of any type or be converted to a reserve crewmember of any category.
- d. If an airport standby assignment in domicile subsequently results in an airport standby assignment in a gateway outside the domicile, it is understood that the crewmember's designated start time for the airport standby assignment may change in accordance with the operations in that geographical area.
- e. When a crewmember reports for airport standby duty in domicile, he shall only be obligated to perform airport standby duty in one additional gateway. The eight/ten (8/10) hour limitations in "c" above shall remain applicable. A crewmember shall not be required to remain on standby for more than 8:00 hours from his original domicile report time. In addition, any flight assignment as identified and defined in Implementation Decision #68, must depart within 10:00 hours of the original domicile report time. Upon arrival in a different gateway, a crewmember shall contact crew scheduling, at which time he shall be released immediately for a rest period, assigned to operate another flight or deadhead out of the gateway, or airport standby. A crewmember shall not be required to perform airport standby at a gateway location whose facilities do not comply with Article 5. As soon as it is known that a day room is

required, the Company will reserve a room and make arrangements for transportation.

- f. Airport standby lineholders may trade entire equal blocks of airport standby periods with other airport standby lineholders or open time as long as such trade does not reduce the crewmember's availability to provide coverage/utilization. In addition, an airport standby lineholder may trade entire block(s) of airport standby for trips in open time or with other crewmembers. Such trades shall otherwise be governed by Section D.1. and 3. of this Article. Crewmembers shall not be allowed to trade trips for blocks of airport standby unless the trade is with another crewmember. Airport standby will not be assigned in the event of trip cancellation to regular lineholders, except in reverse order of seniority. Domicile airport standby lineholders may not be assigned reserve duties.
- g. Crewmembers shall be allowed to pick up single days of airport standby from open time. Any single day or the last day of a block of airport standby will not extend more than one duty period beyond that day. A crewmember may pick up a portion of a block of airport standby days in open time. A crewmember may not pick up an airport standby period that begins within 48:00 hours of the report time for his next scheduled trip assignment.

5. Reserve Move-up lines (RMUL) and Simulator Support Lines

- a. The Company may, at its discretion, choose to build reserve move-up lines or simulator support lines by 0800 SDF time (prior to processing that day's open time pick up and trip trade requests) four (4) days prior to the beginning of a bid period for Captains and two (2) days prior to the beginning of the bid period for First Officers/Second Officers. Reserve move-up lines and simulator support lines may be constructed for the entire bid period or one (1) of either of the two (2) pay periods. In addition, the Company may construct move-up lines out of any existing open time trips four (4) days prior to the beginning of the second pay period in any bid period. However, for the second (2nd) pay period, simulator support lines, if made available, will be constructed fourteen (14) days prior to the beginning of that pay

period and will be awarded no later than nine (9) days prior to the start of the second pay period.

- (1) RMULs will consist of open time trips only and must conform to the bid line parameters outlined in Article 13.B.1.c. through f. and 13.B.2. for regular flying lines.
- (2) The Company may construct simulator support lines consisting of up to fourteen (14) duty days per pay period that must honor the shift rule. If there are not enough open simulator support events the Company may add simulator support call out periods to these lines. Simulator support call-out periods will consist of an on-call window from 0600 to 1800 LDT with a 5:00 hour extension window. Crewmembers awarded these lines may only be assigned simulator support events. Report times shall match the reserve report times for regular reserves in that domicile (1:30 hours SDF, 2:00 hours all other domiciles). The minimum rest between simulator support duty days shall be 10:30 hours for all domiciles. A crewmember on a simulator support line may be assigned more than one (1) simulator support event within a duty period provided he cannot exceed a total of 5:00 block hours.
- (3) If a RMUL is a base trip line, it will count toward the twenty percent (20%) and fifteen percent (15%) limitations in Article 13.B.2.d.(5). The number of move-up lines per fleet, seat, and domicile may not exceed five percent (5%) of the total regular flying and VTO lines for that fleet, seat, and domicile published for each pay period. The Company shall post the RMUL(s) on the Company's website no later than 1000 SDF time on each of the abovementioned days. Base trip lines shall be counted towards this five percent (5%) limitation.
- (4) The Company shall not mix flying and simulator support on any RMUL or simulator support line within a pay or bid period. If a crewmember is awarded a simulator support line for a bid period, but there is insufficient simulator support in the second (2nd) pay period, he shall be returned to his original reserve line for the second pay period.

- b. Reserve crewmembers who want to be awarded move-up lines or simulator support lines shall indicate such via the Flight Operations website between the dates the bids close and 0800 SDF time thirteen (13) calendar days prior to the next bid period. These crewmembers shall have 4:00 hours from the 1000 SDF time posting deadline to submit their preferences once the RMUL(s) and simulator support line(s) are posted. The Company shall have 2:00 hours to post the results of the bid once the crewmember bidding period closes. A crewmember may volunteer for a RMUL, a simulator support line or both. If a crewmember volunteers for both RMUL and a simulator support line, he shall be awarded a simulator support line if the Company builds one. If there is more than one simulator support line available, seniority shall determine the award.
 - c. Once awarded a move-up or simulator support line for a pay or bid period, the crewmember will be considered a regular flying lineholder for all purposes.
- 6. Reserve Lines
 - a. Scheduled Reserve Periods

There will be four (4) types of reserve duties which will be covered by reserve crewmembers at designated domicile(s) throughout the system. The reserve duties shall be classified as Category "A", Category "B", Category "C" and Category "D". Probationary crewmembers who are assigned reserve duty will not be requested by the Company to waive the applicable duty extension period limitations defined below. No category "A", "B", "C" or "D" reserve crewmember shall be called prior to, during, or after his on call period and put into legal rest for purposes of a later duty assignment, except to shift a reserve in accordance with Article 13.B.6.e. The domestic duty extension period for Category "A", "B", "C" and "D" reserves is covered for each type reserve below. The International duty extension period for each reserve type shall be as follows: (i) if the reserve is assigned to operate on a non-augmented crew or a non-extended deadhead, the duty extension shall be limited to 4:00 hours; (ii) if the reserve is assigned to operate on an augmented or double crew his duty extension period shall be a maximum of 5:00

hours; or (iii) an extended duty deadhead may only be assigned to a reserve through the preferencing or FIFO/RADAR assignment process in the on-call period prior to departure. The provisions for a first class ticket and rest following an extended deadhead duty period identified in Article 13.A. shall be complied with.

- (1) Category "A" reserves will be indicated as RSVA on the bid lines. Category "A" reserves will report for duty within 1:30 hours after they are called for duty between the hours of 2400-1159 local domicile time. If not given an assignment during the on-call period outlined above, the Category "A" reserve shall be free from all duty and not be required to be available for contact during the release period of 1200-2359 local domicile time. Category "A" reserve crewmembers will have a duty extension period of up to 1500 local domicile time for domestic assignments following each 12:00 hour on call period. However, the length of any assignment after reporting to work shall be governed by the limitations set forth in Section A. of this Article.
- (2) Category "B" reserves will be indicated as RSVB on the bid lines. Category "B" reserves will report for duty within 1:30 hours after they are called for duty between the hours of 1200-2359 local domicile time. If not given an assignment during the on-call period outlined above, the Category "B" reserve shall be free from all duty and not be required to be available for contact during the release period of 2400-1159 local domicile time. Category "B" reserve crewmembers will have a duty extension period of up to 0300 local domicile time for domestic assignments following each 12:00 hour on call period. However, the length of any assignment after reporting to work shall be governed by the limitations set forth in Section A. of this Article.
- (3) Category "C" reserves will be indicated as RSVC on the bid lines. Category "C" reserves will report for duty within 1:30 hours after they are called for duty between the hours of 1600-0359 local domicile time. If not given an assignment during the on-call period outlined above, the Category "C" reserve shall be free from all duty and not be required to be available

for contact during the release period of 0400-1559 local domicile time. Category "C" reserve crewmembers will have a duty extension period of up to 0700 local domicile time for domestic assignments, following each 12:00 hour on call period. However, the length of any assignment after reporting to work shall be governed by the limitations set forth in Section A. of this Article.

(4) [RESERVED]

(5) [RESERVED]

(6) Category "D" reserves will be indicated as RSVD on the bid lines. Category "D" reserves will report for duty within 2:00 hours after they are called for duty between the hours of 0400-1559 local domicile time. If not given an assignment during the on-call period outlined above, the Category "D" reserve shall be free from all duty and not be required to be available for contact during the release period of 1600-0359 local domicile time. Category "D" reserve crewmembers will have a duty extension period of up to 1900 local domicile time for domestic assignments following each 12:00 hour on call period. However, the length of any assignment after reporting to work shall be governed by the limitations set forth in Section A. of this Article.

(7) Report times for the Miami, Anchorage and Ontario domiciles shall be 2:00. In the event the Company establishes a domicile in Philadelphia the report times shall be 1:30. The Association and Company will review the established report times for all domiciles as necessary and adjust them if the crewmember's experience demonstrates that the report times are unrealistic. No crewmember will be disciplined if he fails to report within the scheduled call-out time due to circumstances beyond his control. All references to call-out time in this Article shall be considered for the Louisville domicile only. No crewmember shall be subject to discipline if they at least arrive at the guard shack or parking lot card reader for that domicile within the required call out time.

- (8) Crewmembers serving as category “A”, “B”, “C”, or “D” reserves shall have the right to indicate whether they prefer to be called early (i.e. earlier than the domicile call out time) for a reserve assignment. The early call, if selected, shall be 3:00 hours [plus or minus 15 minutes] prior to report time. This shall be a standing preference which can be changed by a crewmember. No crewmember will be called prior to the beginning of his call out period. If the crewmember does not preference the early call, the default shall be no earlier than the Company’s normal 1:30 hour to 2:00 hour call. However nothing in this paragraph shall preclude the Company from using the minimum call out times set forth in paragraph six (6) above. In addition, a crewmember’s preference shall not affect the requirement that assignments will be made in Reserve Airmen Duty Assignment Roster (RADAR) order.
- (9) A reserve crewmember’s original assignment shall be within the scheduled duty limits in accordance with Article 13.A. A reserve crewmember who is going into days off will be provided a complete trip including a return flight to the domicile. Any reserve assignment shall include arranged and confirmed hotel and ground transportation, if required as a part of the trip. Any schedule provided to a reserve crewmember shall be subject to revision and there shall be no expectation based on the schedule.
- (10) Category “A”, “B”, “C” or “D” reserves scheduled on-call periods may be shifted in accordance with Article 13.B.6.e.

b. Reserve Utilization

- (1) Contact with Category “A”, “B”, “C” or “D” reserves will be required only during the defined on-call period.
- (2) [RESERVED]
- (3) [RESERVED]
- (4) A crewmember may not be switched between reserve categories “A”, “B”, “C” or “D”.

- (5) Category "A", "B", "C" or "D" reserve assignments into the duty extension period of the first day of an assignment (as defined in B. 6.a.(1)-(3)) may not include an assignment to fly simulator support. The assignment must be made during the 12:00 hour on-call period and have a report time within 1:30 hours (SDF); 2:00 (ONT) and 2:00 (MIA) after the end of the 12:00 hour on-call period.
- (6) If a Category "A", "B", "C" or "D" on-call period is overlapped by a required rest period, neither the on-call, nor the duty extension times will be altered.
- (7) Upon return to his domicile following an assignment, a reserve crewmember shall check in with Crew Scheduling, at which time he shall be released for legal rest or assigned a subsequent flight with a departure time in the same duty period. A reserve crewmember may contact Crew Scheduling and request to use alternate travel in lieu of a deadhead on a preferenced trip or if he is completing an assignment where he has no remaining reserve days. In both cases he would be going into his days off.
 - (a) If released for a legal rest period, a Category "A", "B", "C" or "D" reserve shall resume the applicable status as outlined above upon completion of the legal rest period.
 - (b) A reserve turn-out assignment is defined as being given a subsequent assignment to depart the domicile in the same duty period in which a crewmember has returned to the domicile, regardless of when the crewmember is advised of the turn-out assignment. The following rules shall apply to reserve turn-out assignments:
 - (i) All contractual rest and duty limitations shall apply to reserve turn-out assignments.
 - (ii) The Company may not turn-out a crewmember more than two times in a pay period. This limitation shall not apply if there is an open time ban in accordance with Article 13.K.9.

- (iii) A reserve crewmember cannot be turned out on two (2) assignments consecutively. At a minimum, the domicile rest required by Article 13.A.5.a. must occur prior to the second turn-out.
 - (iv) A reserve crewmember cannot be turned-out to a turn trip.
 - (v) A crewmember who completes a turn trip cannot be turned-out in that same duty period.
 - (vi) The Company must turn-out any legal and available reserve crewmember to an assignment within his reserve on call period prior to turning out a reserve crewmember outside his on call period. An assignment may be given to the reserve crewmember outside his on call period only if the number of reserves for that fleet, seat and domicile available for duty on the RADAR list is less than thirty-three percent (33%) of the total individual number of "A", "B", "C" or "D" reserves who were scheduled to be available for call during that period as a part of the original bid line. Fractions will be rounded up to the next highest number.
 - (vii) For pay period 13 only, the Company may turn-out a crewmember up to three (3) times. The third turn-out can only occur if there are no other reserve crewmembers who are legal and available for the turn-out assignment. If a crewmember is turned out a third time, he will receive a 2:00 hour payment.
- (8) [RESERVED]
- (9) [RESERVED]
- (10) (a) Scheduling will maintain one (1) Reserve Airmen Duty Assignment Roster (RADAR) list per fleet, seat, domicile, and reserve category. Reserve assignments will be made using the crewmember's accrued TAFB for assignments

occurring on scheduled reserve duty days within the bid period. These assignments may result from either reserve preferencing or from a reserve call-out. Reserves returning from days off will be placed at the bottom of the list for their first duty day only. TAFB will be determined in accordance with the following:

- (i) TAFB for turns and sim assignments shall be calculated using the crewmember's duty day for TAFB. Reserves with three (3) or more duty days remaining shall be considered first for the assignment of hot standby. The initial list shall be done in first-in first-out [FIFO] order. To the extent that two crewmembers have the same TAFB prior to an assignment, FIFO shall be the tie breaker, and if the last release for the purposes of FIFO also happens to be the same, then seniority shall be the tie breaker, with the less senior crewmember called out first. The crewmember's time of release from his last reserve assignment will be used to determine initial FIFO. If the crewmember was a lineholder in the prior bid period, his last assigned flight segment shall be used for purposes of placement on the FIFO list. Effective upon ratification of this Agreement, the Company shall update the RADAR on an hourly basis and make it available to crewmembers. A real time RADAR will be made available to crewmembers with the implementation of CMS II, or any successor system(s).
- (ii) If a training instructor returns to his reserve line during a bid period, the Company will assign 12:00 hours TAFB for each training period performed in that bid period in accordance with Article 10.S.
- (iii) For the purpose of RADAR, the Company will add 12:00 hours TAFB to reserve assignments which did not include a layover as part of the assignment (e.g. duty, turn trip, simulator assignment, airport standby, etc.).

Additionally, the Company will add 12:00 hours TAFB for each training day in domicile or vacation day that occurred on a scheduled day of reserve duty. The 12:00 hours referenced in this paragraph will be in addition to any TAFB accumulated as a result of the assignment.

- (iv) For the purpose of RADAR, the Company will add 12:00 hours TAFB for each day of Union Business, Training Instruction, Company Business, Drop due to FAR Compliance, Drop due to Contractual Compliance, and Withheld from Service with Pay.
- (b) Reserve assignments may be given out of RADAR order or without regard to TAFB order for any of the following reasons:
- (i) To assign consolidation flying in accordance with Section L. of this Article.
 - (ii) To assign flying to a reserve crewmember who has fourteen (14) reserve days available before becoming non-current.
 - (iii) To skip reserves who have exceeded pay period guarantee.
 - (iv) To cover a trip that would remain uncovered if the Company followed the TAFB order (FIFO if tied) procedures specified above. This does not allow the Company to simply match days of duty with days of reserve availability.
- (c) Reserve Preferencing
- (i) At any time during each reserve on-call period open time trips, airport standby periods and simulator support duty periods which are listed in open time and would be available for assignment in the next, same category on-call period will be available for preferencing by those crewmembers who will be on-call in that period. Crewmembers shall

submit their preferences for assignment by the end of the on-call period. Preferencing awards will be made and posted to the Company's website and to each awarded crewmember's CMS line within 1:00 hour after the end of the reserve on-call period. Any trips, airport standby periods and duty periods which were presented in open time for preferencing and that were not preferenced shall be assigned to available reserves in RADAR order within 3:00 hours after the end of the on-call period. No assignment will be pre-assigned or preferenced, except as set forth in paragraphs (iii) and (viii) below, that could not have been assigned as duty during the scheduled on-call period, i.e. the assignment must provide the contractual call-out period prior to the report time of the assignment.

- (ii) The Company shall not be obligated to make any preference award for a particular fleet/seat/domicile during this window if there is projected to be two (2) or less reserves available in that fleet/seat/domicile in the applicable on-call period. If there are projected to be two (2) or more reserves, the Company shall engage in preferencing down to this point. The Company shall have the discretion to pre-assign.
- (iii) A reserve crewmember may preference a trip which extends into his days off. Such a trip will only be awarded to the crewmember if the Company agrees. If the award is made, the portion of the trip performed on days off shall be paid to the reserve as an open time trip.
- (iv) A crewmember who has been awarded a preferenced trip, pursuant to paragraph (i) above shall either contact the Company via checking the web advisements or calling Crew Scheduling no earlier than 1:00 hour after the end of the just completed reserve on call period, when the preferencing was done

in CMS, but no later than 2:20 hours prior to the report time of the first flight of the trip, or by calling Crew Scheduling between 2:20 hours and no later than 2:00 hours prior to the report time of the first flight of the trip. A crewmember who has been awarded a preferenced airport standby period or a simulator support duty period, pursuant to paragraph (i) above shall either contact the Company via checking the web advisements or calling Crew Scheduling no earlier than 1:00 hour after the end of the just completed reserve on call period, when the preferencing was done in CMS, but no later than 2:20 hours and no later than 2:00 hours prior to the report time of the applicable assignment. In the event he makes contact with the Company prior to the start time of the crewmember's on-call period and his awarded assignment is changed, he cannot be notified of his new assignment at that time. He can only be advised to begin being on call at the normal start time of his applicable on-call period and can be given a different assignment in accordance with all of the normal reserve assignment and callout rules found elsewhere in this Agreement. However, a reserve crewmember who has been given a preference award in accordance with (i) above, shall be available to be called for a revision to the preferenced assignment 2:00 hours prior to the report time of the originally preferenced assignment. This 2:00 hour contact window is only for changes to the preferenced assignment not for general advisements. If a crewmember contacts Crew Scheduling between 2:20 hours and no later than 2:00 hours prior to report time of the first flight of the trip or applicable assignment, the crewmember will not be obligated to be available to be called for a revision to the preferenced assignment and only needs to show for the assignment. No reserve crewmember given a preference award will

be obligated to call-in prior to the beginning of their next on-call period.

To clarify the interpretation and intent of the language above; when a reserve crewmember is given a preference award, he shall have two (2) options for making the required contact with the Company.

- A. By checking the web advisements or calling Crew Scheduling no earlier than 1:00 hour after the end of the just completed reserve on call period, when the preferencing was done in CMS, but no later than 2:20 hours prior to the report time of the first flight of the trip or applicable assignment. If the crewmember elects to contact the Company via this option then he shall be available to be called for a revision to the preferred assignment 2:00 hours prior to the report time of the originally preferred assignment. This 2:00 hour contact window is only for changes to the preferred assignment not for general advisements.
 - B. By calling Crew Scheduling between 2:20 hours and no later than 2:00 hours prior to the report time of the first flight of the trip or applicable assignment or the beginning of their next on-call period whichever is later. If the crewmember elects to contact the Company via this option then he shall not be obligated to be available to be called for a revision to the preferred assignment and only needs to show for the assignment.
- (v) A crewmember who has been given a preassigned trip, pursuant to paragraph (i) above shall be obligated to contact the Company no earlier than 3:00 hours after the end of the just completed reserve on call period, when the preassignment was done in

CMS, but no later than 2:00 hours prior to the report time of the first flight of the trip.

A crewmember who has been given a preassigned airport standby period, pursuant to paragraph (i) above shall be obligated to contact the Company no earlier than 3:00 hours after the end of the just completed reserve on call period, when the preassignment was done in CMS, but no later than 2:00 hours prior to the report time of the applicable assignment. No reserve crewmember preassigned will be obligated to call-in prior to the beginning of their next on-call period. NOTE: Crewmember obligation to contact the Company can be done via checking the web advisements or calling Crew Scheduling. However, a reserve crewmember who has been given a preassignment in accordance with (i) above, shall be on-call at the normal start time of his next on-call period and he shall be available to be contacted for a different assignment in accordance with all of the normal reserve assignment and callout rules found elsewhere in this Agreement.

- (vi) The 2:00 hour contact required in paragraphs (iv) and (v) above shall never be required to be made prior to the beginning of the crewmembers regular on call period. In the event a crewmember fails to make contact as required in paragraphs (iv) and (v) above, the Company will attempt to contact the crewmember.
- (vii) The Company may elect to cover any open trip with junior manning in which case that trip will not be available for preferencing or RADAR assignment.
- (viii) Trips which are available for preferencing which would extend beyond the crewmember's applicable Duty Extension Period (DEP) will be identified as such on the Company's website. If such a trip is awarded

to the crewmember he shall have no Company assigned duties until the report time for the awarded assignment. A crewmember who is awarded a trip that goes beyond his DEP shall be available for assignment to a different trip that extends beyond his DEP once he reports for duty. However, such trips shall not be preassigned or otherwise assigned to a crewmember who did not originally preference and awarded a trip that extends beyond the DEP.

- (ix) A reserve crewmember under this section shall always be subject to re-assignment to alternate trips or assignments.
 - (x) Nothing within this section shall be interpreted to impose an obligation on a reserve crewmember to perform any duty on behalf of the Company between on-call periods.
 - (xi) RADAR lists will be generated at the end of the on-call period for each domicile and reserve category. Preferencing and preassignment, as referenced in paragraph (i) above, will immediately take place utilizing this RADAR list. This list will also be utilized for reserve call outs in accordance with 13.B.6., 12:00 hours later, in the next on-call period. Hourly RADAR updates on the web will continue to be posted for crewmember reference only. In the future, a real time RADAR will be made available in accordance with 13.B.6.b.(10)(a). When real time RADAR is implemented, preassignments will be made immediately following the preferencing award within 1:00 hour after the end of the on-call period.
- (11) Reserve days off may be moved with the mutual consent of Crew Scheduling and the reserve crewmember. Requests will be processed via the ASA system.

- (12) A reserve crewmember who goes into a calendar day(s) off beyond that, allowed by Article 13.B.6.c.(2), will have that calendar day(s) off restored in the same pay period. If not possible to restore the day(s) off in the same pay period, it shall be restored in the next pay period. This shall be in addition to the pay on top of guarantee provided by Article 13.B.6.c.(2)(a).
- (13) Reserve crewmembers may be assigned to provide coverage at those locations, except at a domicile not his own, deemed necessary by the Company. The times of coverage may be adjusted to provide protection to either the Next Day or the Second Day Air System. The assignment of reserves to locations outside their domicile shall not exceed eight (8) consecutive duty days. This eight (8) day period shall include positioning to and from the specific location. Assignments will be made in accordance with paragraph (10) above.
- (14) Standby periods may be established by the Company and the designated start times will be in accordance with the operations in that geographical location. An airport standby period in a gateway or domicile shall not exceed eight (8) consecutive hours of duty without an assignment to fly. An assignment which shall be identified/defined as per Implementation Decision #68 prior to the end of the airport standby period in domicile or gateway must depart within 10:00 hours of the start time of the airport standby period, or the reserve crewmember will be released from duty. The total duty period shall be in accordance with Section A, Flight and Duty Time Limitations.
- (15) When a reserve crewmember reports for airport standby duty in domicile or gateway, he shall only be obligated to perform airport standby duty in one additional gateway. The eight/ten (8/10) hour limitations in "b.(14)" above shall remain applicable. A reserve crewmember shall not be required to remain on standby for more than 8:00 hours from his original domicile or gateway start time. In addition, any flight assignment must depart within 10:00 hours of the original domicile or gateway start time. Upon arrival in a different gateway, a reserve crewmember

shall contact crew scheduling, at which time he shall be released immediately for a rest period, assigned to operate another flight or deadhead out of the gateway or airport standby. A reserve crewmember shall not be required to perform airport standby at a gateway location whose facilities do not comply with Article 5. As soon as it is known that a dayroom is required, the Company will reserve a room and make arrangements for transportation.

- (16) When a crewmember is assigned reserve at a location outside his domicile, other than airport standby, the same designated release period of not less than 11:00 hours will be provided within each 24:00 hour period, provided the crewmember has not been given a flight assignment. The provisions in Article 13.B.6.a.(3), 13.B.6.b.(5), and 13.B.6.b.(6) shall apply and the times will be adjusted for the designated on-call period in the gateway. When released from an assignment in the gateway for a legal rest period, the crewmember shall resume the applicable status of the gateway reserve.
- (17) Category "A", "B", "C" or "D" reserves may be assigned CQ support in accordance with Article 10.Y. which may include multiple training periods and these will be considered one assignment for purposes of RADAR. This assignment shall not exceed two (2) days. For the duration of the CQ assignment the reserve crewmember will be provided with the same minimum rest requirements as the crewmembers who are in training and will be given a minimum of 12:00 hours rest following the completion of this assignment. He shall resume his applicable reserve status and availability following completion of this rest period. Any reserve who performs an CQ assignment shall receive a 2:00 hour premium payment at his current hourly rate.
- (18) Crewmembers assigned to a domicile may not be given a reserve assignment at another domicile.
- (19) A reserve crewmember who is given an assignment that is subsequently cancelled will be released if not reassigned with 30 minutes of the cancellation. He will not be reassigned to sit hot but will go back on

the RADAR for the remainder of that on-call period. Any subsequent duty or call-out will indicate the time for the show no go as the start of the duty period.

(20) The 13.A. on-duty and rest limitations shall apply to reserve crewmember assignments except as follows:

(a) Domestic:

- (i) The Article 13.A. shift rule will apply to reserve crewmembers who are operating a scheduled bid or ad hoc trip. However, positioning flights shall not count toward the shift rule for reserve crewmembers. In addition, a reserve crewmember who has departed the domicile may be assigned a duty period that is not shift compliant provided this does not occur more than once consecutively.
- (ii) Segment limitations shall apply to reserve crewmember assignments unless there is an uncontrollable situation that causes more segments to occur than what is allowed, such as a weather diversion.
- (iii) The Article 13.A. deadhead only rest, 18:00 hour EDW or 11:00 hour non-EDW requirements shall apply when a reserve crewmember is assigned to a trip, where the original deadhead is still available or an alternate deadhead is available that will comply and has not departed the domicile. If the trip does not transit the domicile, the first available deadhead that provides the greatest amount of rest must be chosen.

(b) International:

- (i) The four (4) crossings limitations shall apply to reserve crewmember assignments. However, the crewmember may not be guaranteed the rest patterning associated with the trip, if he joins the trip after it's original start. The crewmember shall not be scheduled or revised for 4 crossings without

having been provided the required rest, i.e. 30:00 hour rest prior to either the 2nd, 3rd or 4th crossing. If after the 3rd crossing, the crewmember has not received the required 30:00 hour rest, he shall receive a minimum 30:00 hour compensatory rest upon return to domicile.

- (ii) Segment limitations shall apply to reserve crewmember assignments unless there is an uncontrollable situation that causes more segments to occur than what is allowed, such as a weather diversion.
 - (iii) Rest after block requirements shall apply to reserve crewmember assignments except as follows: if it is necessary to assign a reserve crewmember in order to make timely service, the assignment may be made provided the crewmember has received the minimal 12:00 hour rest. The reserve crewmember shall be entitled to JA pay for the flight segment(s).
- (21) A reserve crewmember who is not first on the RADAR List and is on the last day of a block of reserve duty may request to be released for the last 6:00 or 3:00 hours of his on-call period. The crewmember must call Crew Scheduling to make this request within a :15 minute window prior to the 6:00 or 3:00 hour period, as applicable. The Company may only deny a request for an early release, pursuant to this paragraph, if the Company has an assignment for the crewmember at the time of the call. If the early release is granted, the crewmember will be deducted either 2:00 or 1:00 hours pay and credit, as applicable. Nothing in this paragraph is intended to allow a crewmember not to complete any duty assigned in accordance with Article 13.B.6. he has been given.

c. Reserve Periods

- (1) Reserve lines will be scheduled to cover either "A", "B", "C" or "D" reserve assignments. Reserve lines will be constructed with only one (1) type of the above assignments, except as provided in Section

B.7. below. The Company may publish reserve lines in any reserve category for each aircraft type as necessary to cover the operations out of each domicile. Reserve coverage must be provided for each category that has a scheduled departure(s) in the bid package that occurs within that on-call timeframe. The 12:00 hour on call periods for "A", "B", "C" or "D" reserves may be changed by domicile, three (3) times per year with at least fourteen (14) days' notice to the Association prior to the bid package publication. In addition, reserve call-out times cannot be changed more than seven (7) times system-wide in a bid year. Further, reserve call-out times can never be changed for the same fleet type in a domicile in consecutive bid periods.

- (2) A reserve crewmember shall not be scheduled for more than fourteen (14) duty days in a twenty-eight (28) day pay period or eighteen (18) duty days in a thirty-five (35) day pay period. However, a reserve crewmember may be assigned or revised on a domestic trip up to the end of his first calendar day off and on an international trip up to the end of his second calendar day off. The following rules will apply to a reserve who is so assigned or revised into his calendar day(s) off:
 - (a) A crewmember assigned or revised more than 2:00 hours into his first calendar day off shall receive pay on top of guarantee in accordance with Article 13.E.4.e.(1). However, the pay calculation will start at the beginning of the crewmember's first calendar day off. In addition, this calculation will apply regardless of the reason the reserve crewmember is assigned or revised more than 2:00 hours into his calendar day off.
 - (b) A reserve crewmember will not be assigned into his calendar day(s) off if there is another reserve crewmember on the same RADAR List who is legal and available to cover the assignment.
 - (c) A reserve crewmember may decline to be turned out, as defined in Article 13.B.6.b.(7)(b), into his calendar day(s) off.

- (d) A reserve crewmember will never be assigned or revised into his calendar days off more than once in a pay period. However, if the reserve crewmember only has two (2) blocks of reserve duty within a bid period, he may only be extended into his calendar day(s) off once into that bid period. If a reserve crewmember is given an assignment or revision more than 2:00 hours into his calendar day off, but does not return more than 2:00 hours into his calendar day off, the assignment or revision will still count toward the one (1) occurrence in a pay period, but not towards the once in a bid period limitation.
- (e) A reserve crewmember may not be assigned or revised into a calendar day off in his next bid period unless he has been awarded a reserve line for the subsequent bid period.
- (f) A reserve crewmember who is scheduled to deadhead to his domicile during a calendar day off containing the deadhead must remain in position until the beginning of that calendar day off. At that point he may deviate without contacting Crew Scheduling. Such deviation will not affect the crewmember's right to the additional pay provided by Article 13.B.6.c.(2).

d. Reserve Days Off

- (1) Fourteen (14) scheduled calendar days off shall be shown in each twenty-eight (28) day pay period and seventeen (17) scheduled calendar days off shall be shown in each thirty-five (35) day pay period. Such calendar days off shall begin at 2400 local domicile time and end at 2359 local domicile time for "A" reserves, begin at 1200 local domicile time, and end at 1159 local domicile time for "B" reserves, begin at 1600 local domicile time and end at 1559 local domicile time for "C" reserves, and begin at 0400 and end at 0359 for "D" reserves.
- (2) Days off shall be arranged in each twenty-eight (28) day pay period to provide three (3) blocks of three (3) calendar days off. Additional calendar days off may

be tagged to the above blocks or placed on the first day or last day of the bid period.

- (3) If a reserve crewmember is unavailable due to a scheduled leave for a portion of the pay period, his days off will be prorated. Fractional days off will be rounded to the nearest whole number. The crewmember shall be entitled to days off equal to 42.9% of the time remaining in the pay period. Reserve crewmembers scheduled for leaves must submit their preferences to Crew Scheduling for the placement of days off or days of availability fourteen (14) days prior to the close of the bid period. Such preferences will be considered in seniority order and the adjusted lines will be available twelve (12) days prior to the start of the bid period.
- (4) There are specific instances when it will be necessary to transition a reserve crewmember's schedule between two (2) bid periods when he is a reserve crewmember in both bid periods. See attached addendum "A" to the 2006 Agreement, reserve transitions.
- (5) Paragraph 4 above shall not affect the Company's obligation to provide a minimum of twelve (12) scheduled calendar days off to reserve line holders per each pay period as specified by the contract in Article 13.B.6.d.(1).
- (6) If a crewmember bids and is awarded a reserve line in two (2) consecutive bid periods and, as a result, has a block of twenty-four (24) or more consecutive reserve duty days, the crewmember may move up to three (3) consecutive reserve days in the second bid period. The days which are moved shall be by mutual agreement between the Company and crewmember. Any such request shall be made prior to the beginning of the second bid period. This shall not affect a crewmember's obligation to complete a transition trip assigned prior to his request to move reserve duty days. If no mutual agreement is reached, the first three (3) reserve days of the new bid period will be moved to the end of the crewmember's first block of reserve days. If the crewmember is subsequently assigned a transition

trip that carries into the new bid period, the three (3) reserve days that were previously moved will be placed back under the transition trip. In addition, a crewmember who has a transition trip shall have the option of moving scheduled reserve days after the transition trip. The number of days which must be moved will be equal to the number of reserve days covered by the transition trip in the new bid period. There will always be a minimum of three (3) reserve days that will be moved. These reserve days can be moved to the end of any block of reserve days in that pay period.

- (7) Reserve lines shall be constructed to match the type of flying performed by the fleet, i.e. EDW operating week on week off, non-EDW, turns, etc.

e. Reserve Shift

Any crewmember who is an "A", "B", "C" or "D" above may have his 12:00 hour on-call period shifted as follows:

- (1) The reserve lines that are subject to being shifted shall be designated in the bid package. No more than thirty-five percent (35%) of the total number of reserve lines by F/S/D in the bid package can be designated as shiftable. In addition, no more than fifty percent (50%) of any reserve category by F/S/D can be designated as shiftable,
- (2) If a line has been designated as shiftable, the Company may shift the on-call period up to 4:00 hours earlier or later in :15 minute increments. This shift may only take place on reserve blocks that are, at least, five (5) days long. The five (5) reserve day block requirement shall be determined by the original bid line. Once a reserve crewmember has his on-call period shifted, the new start time shall continue for the remainder of that reserve block,
- (3) Any notification of a shift in the on-call period must occur while a crewmember is on duty or on-call as a reserve. The crewmember must be provided at least 18:00 hours of rest between the end of the duty period in which notification was provided and the beginning of the shifted on-call duty period. If a crewmember is provided notification during a reserve

on-call period of a shift in his next on-call period in that block, the Company shall release the crewmember at the time of the notification, from his on-call obligations in order to obtain his 18:00 hours of rest.

- (4) The Company cannot shift a crewmember to start his on-call period earlier than scheduled in the bid package on the first day of the reserve block. The last day of any crewmember's shifted on-call period shall not require a crewmember to be on-call any later than the originally scheduled end of his reserve on-call period. In addition, the shifted reserve crewmember's day off will begin no later than his originally scheduled reserve day off.
- (5) A shifted reserve crewmember shall remain on his original RADAR list. A shifted crewmember will have the details of his shift notated on the RADAR list. An assignment that would normally be covered by a reserve category, other than that of the shifted crewmember, will not be assigned to him unless there are no reserves available in the original reserve category.
- (6) If two (2) or more reserve crewmembers in the same category have the same block of reserve days and are eligible to be shifted, the Company will shift crewmembers from the bottom of the RADAR list.

7. Blank Reserve Lines

Blank reserve lines will be so indicated and published in the bid package with no assignments and no scheduled days off. After the bid closing, the blank reserve lines will be filled with "A", "B", "C" or "D" reserve duty that was dropped due to vacation, training, or leaves of absence. A minimum of 48:00 hours off must be placed between the assignment of different reserve duties. Blank reserve lines will then be offered in seniority order. The calendar days off for a reserve crewmember who holds a blank reserve line will be based on the category of his first block of reserve duty and continue as such for the entire bid period.

8. Gateway Airport Standby Lines

- a. The Company will designate requirements for gateway airport standby crews and will publish gateway airport standby lines. Such lines will be constructed to consist of a maximum of fourteen (14) duty days per twenty-eight (28) day pay period. The lines will be published as two (2) trips of up to seven (7) duty days each. Within the seven (7) duty days the Company may schedule up to five (5) standby periods. Lines will be constructed for standby at the same gateway for the entire bid period provided there is sufficient duty available at the same gateway. Otherwise lines will be built keeping gateways as consistent as possible.
- b. The lines will be constructed to provide at least seven (7) consecutive calendar days off between trips.
- c. The gateway airport standby lineholder will be guaranteed 75:00 hours pay or line credit whichever is greater. The gateway airport standby lineholder will be pay protected for the line value the same as a regular bid lineholder provided he remains available for duty in accordance with this section.
- d. The crewmember shall be required to contact crew scheduling if required in Article 13.I. The crewmember is not required to contact crew scheduling following completion of the last duty assignment at the end of a block of gateway airport standby.
- e. Calendar days off for crewmembers holding these gateway airport standby lines will begin at 0300 local domicile time and end at 0259 local domicile time. A gateway airport standby lineholder on his last duty day will be returned to his domicile no later than 0259 local domicile time.
- f. Gateway airport standby period(s) shall not exceed eight (8) consecutive hours on duty without an assignment to fly. An assignment made prior to the end of the gateway airport standby period must depart within 10:00 hours of the start time of the gateway airport standby period, or the crewmember will be released from duty. The total duty period shall be in accordance with Section A. (Flight and Duty Time Limitations and Required Rest). Gateway airport standby lineholders cannot be assigned

simulator/aircraft training support duty of any type or be converted to a reserve crewmember of any category.

- g. If a gateway airport standby assignment subsequently results in a gateway airport standby assignment in a different gateway, it is understood that the crewmember's designated start time for the gateway airport standby assignment may change in accordance with the operations in that geographical area.
- h. When a crewmember reports for a gateway airport standby duty period, he shall only be obligated to perform gateway airport standby duty in one additional gateway. The eight/ten (8/10) hour limitations in "f." above shall remain applicable. A crewmember shall not be required to remain on gateway airport standby for more than 8:00 hours from his originally scheduled gateway airport standby start time. In addition, any flight assignment must depart within 10:00 hours of the original gateway airport standby start time. Upon arrival in a different gateway, a crewmember shall contact crew scheduling, at which time he shall be released immediately for a rest period, assigned to operate another flight or deadhead out of the gateway, or airport standby. A crewmember shall not be required to perform gateway airport standby at a gateway location whose facilities do not comply with Article 5. As soon as it is known that a day room is required, the Company will reserve a room and make arrangements for transportation.
- i. Gateway airport standby lineholders may trade entire equal blocks of airport standby periods with other gateway airport standby lineholders or open time as long as such trade does not reduce the crewmember's availability to provide coverage/utilization. In addition, a gateway airport standby lineholder may trade entire block(s) of airport standby for trips in open time or with other crewmembers. Such trades shall otherwise be governed by Section D.1. and 3. of this Article. Crewmembers shall not be allowed to trade trips for blocks of airport standby in open time.
- j. An entire original trip of open gateway airport standby will be placed into open time when it becomes uncovered. If not picked up out of open time by a crewmember, it will be assigned in accordance with Article 13.F. except such

a trip shall not be available for rescheduling of a VTO or regular lineholder. A trip consisting of gateway airport standby when picked up out of open time will retain its full original credit value for pay protection purposes. If less than an entire original trip of gateway airport standby becomes uncovered, the Company has the option of placing it into open time. Any blocks of gateway airport standby put into open time will be constructed with a commercial to and from the standby assignment. Any crewmember picking up a trip consisting of gateway airport standby shall be governed by the rules of this section for purposes of assignments and pay protection.

- k. Article 13.E. revision and cancellation rules will not apply to gateway airport standby trips. If a gateway airport standby lineholder is returned to his domicile and released for a legal rest period during the original gateway airport standby trip, he may be given an assignment with a report time after completion of legal rest. In such event, he will be provided a hotel and expenses in accordance with Article 13.E.11. If not given an assignment prior to release for legal rest, he shall call in once for assignment between 0100 – 1300 LDT subsequent to completion of legal rest. He may be given an assignment during his call-in with a report time after 0100 LDT the following day. The lineholder will not be given an assignment which extends into his days off.
- l. For line construction purposes, gateway airport standby trips shall include a commercial ticket(s) for positioning and depositioning.
- m. Gateway airport standby lineholders are subject to the provisions of Article 13.B.6.b.13. If the Company is required to restore a day off for a gateway airport standby lineholder, it will do so by dropping one day from the beginning or the end of the next gateway airport standby trip. If the crewmember does not have another gateway airport standby trip, the Company will restore the day off in the next pay period in accordance with the days off restoration rules in 13.E.4.e.(4).
- n. It is the Company's intent to return the crewmember to his original gateway airport standby assignment when operationally feasible.

9. Schedule Advisory Board

Recognizing that the pairing and bid-line construction rules contained in Article 13 have been substantially modified as compared to the predecessor contract, the parties agree to create a standing Schedule Advisory Board (SAB) to oversee the implementation of and provide continuing oversight with regard to the new bid line and pairing construction rules. The SAB shall meet the Monday following the required bid packages distribution date to review the lines constructed by the Company and to make any suggestions or recommendations for the bid lines for the next bid period.

C. Bid Package

1. General

- a. A bid package will be made available electronically to each crewmember not later than 1700 SDF thirty-one (31) calendar days prior to the first day of the next bid period.
- b. Crewmembers will be notified of the posting of the bid package via ESS notification.
- c. The bid package will consist of the following items:
 - (1) Cover letter of instructions and time tables.
 - (2) Bid lines and trip pairings.
 - (3) A cross reference table that shows the flight number, segment and pairing numbers for each flight segment.
 - (4) Current seniority list by crew position and aircraft.
 - (5) Vacations and leaves of absence.
 - (6) List of non-bidding crewmembers.
 - (7) Total number of calendar days off in each line for each pay period.
 - (8) The per diem amount listed with each printed pairing.
 - (9) The international pay listed with each printed pairing.

(10) The remaining open time, by trip pairing number and date open, by aircraft type and domicile.

(11) Short term training events subject to bid in accordance with 13.D.8.a.

d. Any changes, corrections, additions or deletions to the lines after the bid package has been posted for bid shall be communicated to the affected crewmembers via the UPS Flight Operations website.

2. Protest of Bid Award

A crewmember must protest his bid award between 1600-0600 local domicile time the day his preliminary award is posted. In order to protest his bid award, the crewmember shall provide sufficient evidence that he has correctly submitted his bid in the applicable status and category and has bid a sufficient number of choices to protect his seniority rights. If it is determined that an error occurred in the computer bidding system program, the bid will be reclosed according to 3.b. or 3.d. below.

3. Time Tables

a. Captain bids will close at 1300 SDF domicile time at all domiciles twenty-four (24) calendar days prior to the next bid period.

b. Preliminary Captain bid awards will be posted no later than 1600 SDF domicile time at all domiciles twenty-four (24) calendar days prior to the next bid period. If a bid award protest has been validated, the final bid will be posted no later than 12:00 SDF domicile time, twenty-three (23) calendar days prior to the next bid period.

c. First Officer/Second Officer bids will close at 1300 SDF domicile time at all domiciles twenty (20) calendar days prior to the next bid period.

d. Preliminary First Officer/Second Officer bid awards will be posted no later than 1600 SDF domicile time at all domiciles twenty (20) calendar days prior to the next bid period. If a bid award protest has been validated, the final bid will be posted no later than 1200 SDF domicile

time nineteen (19) calendar days prior to the next bid period.

- e. Open time will be available for all Captains needing to adjust their lines due to trips dropped for vacations, trips dropped pursuant to Section B.1.f.(3), transition conflicts and training at 0800 SDF domicile time nineteen (19) calendar days prior to the next bid period.
- f. Open time will be available for all First Officers/Second Officers needing to adjust their lines due to trips dropped for vacations, trips dropped pursuant to Section B.1.f.(3), transition conflicts and training at 0800 SDF domicile seventeen (17) calendar days prior to the next bid period.
- g. The adjustment period (as defined in e. above), for Captains will close at 1200 SDF domicile time eighteen (18) calendar days prior to the next bid period. The adjustment period (as defined in f. above), for First Officers/Second Officers will close at 1200 SDF domicile time sixteen (16) calendar days prior to the next bid period.
- h. VTO and blank reserve lines will be constructed and posted for rebid, by Captains no later than fourteen (14) calendar days prior to the beginning of the next bid period. Crew Scheduling will make VTO lines available to the crewmembers away from domicile. Crew Scheduling will notify Captains who failed to adjust their line of their assigned schedules by 1700 SDF domicile time nine (9) calendar days prior to the next bid period.
- i. VTO and blank reserve lines will be constructed and posted for rebid, by First Officers/Second Officers, holding VTO/blank lines, no later than thirteen (13) calendar days prior to the beginning of the next bid period. Crew Scheduling will make VTO lines available to the crewmembers away from domicile. Crew Scheduling will notify First Officers/Second Officers who failed to adjust their lines of their assigned schedules by 1500 SDF domicile time five (5) calendar days prior to the next bid period.
- j. VTO and blank reserve line bid holders may bid by computer. VTO lines must be rebid by 1200 SDF domicile time twelve (12) calendar days prior to the next

bid period for Captains and by 1200 SDF domicile time eleven (11) calendar days prior to the next bid period for First Officers/Second Officers. Bid awards will be available within two (2) hours after closing.

- (1) Open time will be available for all Captains awarded VTO lines for the next bid period who need to adjust their lines due to trips dropped pursuant to Section B.1.f.(3) for vacation, transition conflicts and training at 1400 SDF domicile time eleven (11) calendar days prior to the next bid period. This adjustment period will close for such Captains at 0900 SDF domicile time ten (10) calendar days prior to the next bid period. At 1700 SDF domicile time nine (9) days prior to the next bid period all adjustments of Captain VTO lines subject to adjustment will be completed. The Company will notify these Captains who failed to adjust their VTO lines of their assigned schedules by 1700 SDF domicile time nine (9) calendar days prior to the next bid period.
 - (2) Open time will be available for all First Officers/Second Officers awarded VTO lines for the next bid period who need to adjust their lines due to trips dropped pursuant to Section B.1.f.(3), vacation, transition conflicts and training at 1400 SDF domicile time ten (10) calendar days prior the start of the next bid period. This adjustment period will close for such First Officers/Second Officers at 0900 SDF domicile time nine (9) calendar days prior to the next bid period. At 1700 SDF domicile time five (5) days prior to the next bid period all adjustments of First Officers/Second Officers VTO lines subject to adjustment will be completed. The Company will notify these First Officers/Second Officers who failed to adjust their VTO lines of their assigned schedules by 1700 SDF domicile time four (4) calendar days prior to the next bid period.
- k. (1) Open time will be available for Captains who wish to submit line improvement trip trades (LITT) from 1501 local domicile time six (6) days prior to the next bid period until 0800 local domicile time five (5) days prior to the next bid period. At 0800 local domicile time five (5) days prior to the next bid period Captain

line improvement trip trade requests will begin being processed and awarded in seniority order.

- (2) Open time will be available for First Officers/Second Officers who wish to submit line improvement trip trades (LITT) from 1501 local domicile time four (4) days prior to the next bid period until 0800 local domicile time three (3) days prior to the next bid period. At 0800 local domicile time three (3) days prior to the next bid period First Officer/Second Officer line improvement trip trade requests will begin being processed and awarded in seniority order.
- I. (1) Open time for Captains who wish to pick up open time or trip trade for trips in the first pay period will be available beginning 1700 local domicile time five (5) days prior to the next bid period. Beginning on the second day of the next bid period open time and trip trade requests will be accepted beginning at 0900 local domicile time for both pay periods in the bid period. Crewmember requests will be processed via ASA.
- (2) Open time for First Officers/Second Officers who wish to pick up open time or trip trade for trips in the first pay period will be available beginning 1700 local domicile time three (3) days prior to the next bid period. Beginning on the second day of the next bid period open time and trip trade requests will be accepted beginning at 1000 local domicile time for both pay periods in the bid period. Crewmember requests will be processed via ASA.
- m. In the event of a computer failure which results in more crewmembers losing their bids than can be accommodated under Section C.2. above, then the Company may cancel the bid and re-establish another bid. In the second bid the Company may adjust the time tables set forth in (a) through (j) above as necessary to complete the bid before the beginning of the next bid period.

D. Bid Line Adjustments

1. General Guidelines for All Trip Trades

- a. A crewmember may request an individual trip trade or flight segment trade with other crewmembers. Such requests for trip/flight segment(s) trades between crewmembers must be received by Crew Scheduling at least 24:00 hours prior to departure and Crew Scheduling will notify the crewmember whether the trade is approved, as soon as possible but no later than 8:00 hours prior to scheduled departure time of the trip. If a crewmember requests a trip trade more than two (2) weeks prior to departure, it will be approved, as soon as possible, but no later than 48:00 hours prior to the trip's scheduled departure time. Notwithstanding the above, all requests for trip/flight segment trades between crewmembers will be approved if requested up until 24:00 hours prior to a crewmember's check in time (for the traded segment) so long as the trade does not violate FARs or the contract. Trades requested later than 24:00 hours will be granted at the discretion of Crew Scheduling.
- b. Trip/flight segment(s) trade requests will not be approved if it will cause a crewmember to be illegal to fly another scheduled trip in his line or if it violates the scheduling parameters in this Article. Crew Scheduling may not approve a trade that provides less than a 2:00 hour buffer for rest or duty period length, a 1:00 hour buffer relative to an "eight in twenty-four hour" legality, and a 1:30 hour buffer relative to a "thirty hour (or thirty-two hour) in seven consecutive days" legality. All contractual limitations shall apply in the event of trip/flight segment(s) trades.
- c. Trade requests may be made through the Flight Operations Website by one of the crewmembers involved in the trade. The second crewmember shall acknowledge the trade through the Flight Operations Website. Trade requests made within 24:00 hours of departure, may be made verbally by both crewmembers and approved at the Company's discretion. It is the responsibility of the crewmembers to ensure that the trade is fully coordinated.
- d. A crewmember scheduled for a line check may not trade his trip/flight segment(s) without the approval of Crew Scheduling and the crewmember's Chief Pilot.

- e. Trips picked up as part of the adjustment process from open time are considered to be part of a crewmember's original line for purposes of trips/segment trades. Trades of such trips/ segment(s) will be approved so long as the trade does not violate the FARs or the contract. Subsequent trades of previously traded trips/segments will be processed through the ASA system.
 - f. Trip trade/flight segment(s) requests for the current bid period must be submitted prior to the last ten (10) days of the current bid period. Requests for the new bid period will be accepted two (2) days prior to the new bid period.
 - g. The flight time pay and credit for a trip(s) shall not be changed as a result of the placement of a trip in a crewmember's line due to a trip trade and the Company shall not incur any additional hotel and/or per diem expenses as a result of any trip trade.
 - h. Crew Scheduling will approve all trip trades covered by Article 13.D.2.a. as long as the trade does not violate FARs or the contract, except as provided in D.1. above.
 - i. Five (5) days prior to each bid period, the Company will allow Captains to submit trip trades with open time which will be awarded in seniority order prior to awarding any requests for the pick-up of open time trips on days off. First Officers will begin their submissions three (3) days prior to each bid period.
2. Trading of Trip(s) and Flight Segment(s) with Other Crewmembers.
- a. Trip Trades with Other Crewmembers
 - (1) A "trip" trade constitutes trading the entire trip.
 - (2) The rules for trip trades for open time (13.D.3.b.) shall apply to trip trades between crewmembers. In addition, trip trades between crewmembers who are both below guarantee may be approved provided the trip trade does not cause either crewmember to exceed guarantee.
 - (3) Crew Scheduling may approve a trip trade which does not provide the rest, duty period, eight in

twenty-four hour or thirty/thirty-two in seven buffers outlined in D.1.b. above. However, if the crewmember becomes illegal for his next scheduled trip, the crewmember will waive his pay protection for such trip. The crewmember will be notified that this waiver is a condition of the approval of the trade.

b. Trading of Flight Segment(s) with Other Crewmembers

A crewmember may request to have another crewmember fly his flight segment(s) under the following conditions:

- (1) The flight segment(s) must be consecutive and no deadhead only segment may be traded. Entire trips, including turns, may be traded on PNF/FNP basis. Crewmembers may request PNF/FNP between domiciles.
- (2) The crewmember who is trading away the flight segment(s) shall receive the scheduled flight time pay and credit for those flight segment(s) he has traded away (i.e. Pay-no-fly). The crewmember who actually flies the flight segment(s) shall not receive any pay and credit for those flight segment(s) (i.e. Fly-no-pay).
- (3) If a crewmember trades away a flight segment(s) which originates in a gateway and terminates in the domicile, he shall remain responsible for any revision of the trip until the report time of the flight which was traded away and thereafter if the crewmember who has the traded flight is not available for duty. The crewmember who is flying the traded flight segment(s) will be responsible for any revision of the flight after report time.
- (4) If a crewmember trades away a flight segment(s) which terminates in a gateway, he shall be responsible for any revision of the trip 15 minutes after the scheduled arrival time of the flight. The crewmember who is flying the traded flight segment(s) shall be responsible for any revision of the trip until 15 minutes after arrival time of the flight segment(s) and thereafter if the original flight holder does not report for duty.

- (5) The crewmember who actually flies the flight segment(s) shall receive per diem (if applicable), any applicable premiums and flight/duty credit for FAR and contractual purposes only from the applicable report time of the flight segment(s) through the applicable debrief time of such flight segment(s). In addition the ticket use or ticket bank value for any commercial travel associated with a FNP/PNF trade as well as ground transportation and hotel is available to the FNP crewmember.
- (6) A check-in is required prior to departure by the crewmember who is flying a traded trip segment in accordance with Article 13.I.
- (7) If the FNP gets sick on his portion of the traded trip and the PNF crewmember is not available to operate that portion of the trip, the FNP sick leave account will be debited in accordance with Article 13.D.

3. Trip Trades with Open Time

A crewmember may request to drop a trip from his line and pick up a trip from that open time which is uncovered more than 48:00 hours prior to departure under the following conditions:

- a. A request for such trip trade must be received by the ASA system no later than 48:00 hours prior to the departure of the trip. The system will notify the crewmember whether the request has been approved, denied, or will be placed in the Exception Queue (EQ).
- b. The only requests which will be considered are those in which the trip(s) awarded from open time will increase a crewmember's credit hour projection, equal his credit hour projection, or will not reduce his pay period credit hour projection by more than the credit value of one day (i.e. 24:00 hours divided by the current trip rig). Trip trades which result in more than 1:00 hour reduction of credit below guarantee will not be permitted. A crewmember whose credit hour projection is more than 1:00 hour below pay period guarantee may not request a trade which will decrease his projected credit hours. If a trip trade results in a credit value reduction in accordance

with this paragraph, his bid line credit will be adjusted by that credit hour amount.

- c. A crewmember may increase his projected credit hours through trip trades with open time provided that his bid line projection does not exceed 192:00 hours. The maximum bid line projection referred to above will be 96:00 hours for a twenty-eight (28) day bid period and 120:00 hours credit for a thirty-five (35) day pay period.

4. Illness

- a. A crewmember who becomes ill or injured must notify Crew Scheduling as soon as possible in order to prevent flight delays. At the time of notification, the crewmember shall indicate the expected length of unavailability and he shall be removed from scheduled trips or reserve duty and have his sick leave debited for actual time missed.
- b. When the crewmember is able to return to flight status, he shall notify Crew Scheduling.
 - (1) (a) If the crewmember's originally scheduled trip from which he has been removed comes through his domicile, the crewmember will be placed back on his original trip at the next point of departure from domicile following his notification to return to flight status. Such notification must be received not less than 12:00 hours prior to the next departure from domicile. For pay and credit purposes, the crewmember will be considered off sick leave at the applicable report time for this next departure from domicile.
 - (b) If the crewmember's originally scheduled trip has been covered by a reserve assignment, the crewmember shall have the option to pick up his trip at any location, including his domicile, prior to the beginning of a scheduled duty period. The crewmember shall be responsible for his own transportation. For pay and credit purposes, the crewmember will be considered off sick leave at the applicable report time for the scheduled duty period in which the crewmember rejoins his trip. The Company must be notified, at least, 12:00 hours prior to the beginning of the duty period.

- (2) If the crewmember does not go back on his originally scheduled trip, the crewmember shall be available for reschedule to open time for the previously scheduled days in the balance of the trip. For pay and credit purposes, the crewmember will be considered off sick leave at the applicable report time for the first departure from domicile of the rescheduled trip. The crewmember shall show the balance of the original trip dropped from his line and will be paid and credited for the rescheduled trips.
- (3) If there are no open trips on which to utilize the crewmember for previously scheduled periods in the balance of his original trip, the crewmember shall have the option to be debited sick leave for the entire trip or to make himself available for either Category "A", "B", "C" or "D" reserve assignment. If the crewmember chooses to make himself available for such reserve assignment, he will be considered off sick leave at the time he begins such reserve assignment. For pay and credit purposes, the balance of the original trip shall be dropped from his line and the crewmember shall be paid and credited the greater of:
 - (a) Minimum pay per duty period, or
 - (b) Actual trips flown or airport standby assignments performed during such reserve days.
 - (c) If the crewmember chooses to make himself available for reserve assignment, the Company may designate whether to assign him to cover category "A", "B", "C" or "D" call-out periods. Immediately following his notification to return to work, the crewmember will be considered off sick leave at the time of the next reserve period for which he is available for the 1:30 hours call out, regardless of whether or not he is assigned that reserve period.
- (4) Crewmembers who become ill while on duty away from their domicile will be handled in accordance with the following:

- (a) If a crewmember becomes ill while on layover and is unavailable for the remainder of his trip due to illness, he will be debited sick leave for the balance of the trip beginning at the report time of the first flight for which he was unavailable. Regardless of whether the crewmember is returned to his domicile by the arrival time of his scheduled trip, he shall only be debited sick leave for the portion of the scheduled trip(s) for which he was unavailable. Anytime a crewmember spends returning to his domicile (including the return flight) as a result of being on sick leave will be in a no pay/credit status.
- (b) A crewmember who is on layover at the time he notifies Crew Scheduling that he is ill will not be debited sick leave until the report time of the first flight for which he is unavailable.
- (c) If a crewmember becomes ill while away from domicile and is unable to complete his scheduled trip, the Company will have the option of removing him from the balance of his trip and returning him to the domicile. If this occurs, sick leave will be debited in accordance with (a) above. Once the crewmember arrives in domicile and is available to return to duty, the procedures in Article 13.D.4.b. (1), (2), and (3) above will apply. If the Company allows him to return to his originally scheduled trip, the crewmember will be debited sick leave from the report time of the first flight for which he is unavailable until the report time of the first flight upon returning to duty.
- (d) An exception to (c) above is when a crewmember misses a duty period due to illness which is immediately followed by a weekend layover. If the crewmember is able to return to flight status by the scheduled arrival time of the last flight in the duty period which he missed due to illness, and will be available for duty during the weekend layover, the crewmember will only be debited sick leave for the credit hours of the missed duty period (based on flight time, MPDP or duty rig). The above will apply unless the Company

decides to return the crewmember to the domicile under paragraph (c) above.

- c. The flight time pay and credit hours for a trip shall not change as a result of interruption by sick leave. The original basis for the credit hours shall still apply (i.e. scheduled or actual flight time, MPDP, duty rig, trip rig, or TMP). A crewmember shall be debited sick leave for that portion of the trip missed due to sick leave. A crewmember who is on layover will not be debited sick leave until the report time of his next scheduled/revised duty period.
- d. If the crewmember has missed more credit hours due to illness than the amount of sick leave credit he has accrued, such time shall be deducted from his original bid line credit hours or the pay period guarantee, whichever is greater.
- e. If the crewmember has adequate sick leave accrual to cover the time he actually missed due to sick leave and he is rescheduled in accordance with b.(1) or b.(2) above or he makes himself available for category "A", "B", "C" or "D" reserve days in accordance with b.(3) he shall not have his pay period guarantee reduced due to sick leave.
- f. A reserve crewmember on sick leave shall be debited the minimum pay per duty period credit for each day he is unavailable for reserve duty as a result of such leave. A reserve crewmember who becomes sick after initiating an assigned trip shall be debited in accordance with this paragraph, the balance of the trip will be removed from his line and he will revert back to his reserve status.
- g. A crewmember who misses a portion of a trip due to a short term leave of absence shall be rescheduled in accordance with this Section. If the leave is a paid leave of absence the crewmember must make himself available for reschedule in accordance with b. above in order to receive pay and credit for the trip interrupted. If the leave is an unpaid leave, the crewmember shall qualify for flight time pay and credit at his report time for the balance of his original trip or rescheduled trip or when he begins a reserve assignment as defined in D.4.b.(3) above.

- h. A reserve crewmember who completes only a portion of his assignment on a particular day because he becomes sick shall be debited sick leave at the rate of one-half of a minimum pay per duty period (MPDP) for that day.
- i. A crewmember who misses scheduled duty due to an unsatisfactory event outside of long term training and has completed the additional training and/or a line check event pursuant to Article 10.X. and is able to return to flight status must make himself available for reschedule in accordance with b. above in order to receive pay and credit for the remainder of the scheduled duty interrupted as a result of the unsatisfactory event.
- j. Crewmembers have the responsibility to make every effort to be properly rested for their scheduled duty period. However, the parties recognize that there may be circumstances beyond the crewmember's control which can cause him to be fatigued and unable to perform his assigned duties. It is the responsibility of the crewmember to notify Crew Scheduling as soon as possible if he is unable to perform or complete his schedule or revised assignment due to fatigue. At that time, the following steps shall be taken;
 - (1) The Company will not challenge the crewmember's decision to call fatigue. However the Company has the right to inquire as to the reasons for the fatigue call following crew rest.
 - (2) A crewmember will not have his sick leave bank debited until the review process in this Section is completed.
 - (3) An initial decision as to whether to charge a crewmember's sick leave bank shall initially be made by the Chief Pilot's Office. If the Chief Pilot's office recommends a debit, the decision shall be reviewed by the IPA/UPS Fatigue Working Group. If a review is pending, a crewmember's sick leave account will not be debited until the review process is completed.
 - (4) If the Working Group cannot reach a decision, the President of the Association and Manager of Flight Operations, or their designees, shall review the fatigue call in an attempt to resolve the matter. If no

agreement can be reached, the Company shall have the right to decide whether the sick leave bank is debited.

- (5) The IPA/UPS Fatigue Working Group shall be composed of two (2) Association and two (2) Company representatives.
- (6) The UPS/IPA Fatigue Safety Action Group (FSAG) will discuss in accordance with the FSAG LOA any trip that it believes produces fatigue inducing scenarios.

5. Vacation and Training Adjustments

- a. If the crewmember has a trip that conflicts with his vacation/training, Crew Scheduling will drop the entire trip if it does not transit the domicile, except as identified in paragraph c. below. If the trip transits the domicile, the remaining portion of the trip will be dropped at the point it last transits the domicile prior to the start of his required release time for vacation/training, and/or the crewmember will be placed back on the trip at the point it next transits the domicile following vacation/ training.
- b. For vacation and training adjustments occurring after the bidline is awarded and the adjustment provisions of Article 13.C.3. cannot be applied, the Company shall have the option to keep a crewmember on a portion of his original trip by adding a positioning or deposition deadhead as applicable. The use of these deadheads must be in compliance with the bid package construction guidelines and bid package construction jumpseat matrix identified in Article 13. If any of the duty periods for training or flight touch the EDW, the shift rule must be complied with or a 30:00 hour rest must be provided prior to the commencement of or completion of training. The flight time pay and credit hours for a trip shall not change as a result of a vacation/training conflict. The original basis for the credit hours shall still apply (i.e. scheduled or actual flight time, MPDP, duty rig, trip rig, or TMP). The credit hours which will be subject to adjustment shall be the portion between the time the crewmember was removed from the trip and the beginning of the training/vacation period.

- c. During the adjustment period, as set forth in C.3.e., f., and g. above, the crewmember shall have the opportunity to select open time during the same pay period as the time dropped to restore his line to within 5:00 hours of the original bid line projection. The credit hours for such open time shall not exceed that amount dropped prior to and/or following the actual vacation or training period. At the crewmember's option, he may request, after his bidline is awarded but prior to the adjustment period, a positioning or depositioning deadhead that would keep him on his original trip that does not transit the domicile. This deadhead must be in compliance with the parameters identified in Article 13.
 - d. If the crewmember fails to make such adjustment, the Company shall have the ability to reschedule the crewmember for the originally scheduled days of the conflicting trip which were dropped prior to and/or following the vacation/training period. A lineholder will not be assigned simulator support, or reserve or standby duty of any kind or type as a reschedule. Crew Scheduling will notify crewmembers who failed to adjust their lines in accordance with Section C.3.h. and i.
 - e. The crewmember shall be paid and credited the greater of:
 - (1) The portion(s) of the original trip dropped due to vacation/training conflicts or
 - (2) Actual trips flown.
 - f. The pay and credit for time contained within a vacation period shall be in accordance with Article 11. The pay and credit for training shall be in accordance with Article 10.
6. Trip Drops

It is intended that a request for a trip drop comes after the crewmember has exhausted all other methods of adjustment, such as trading with open time or trading with other crewmembers. It is also expected that the crewmember will make a reasonable effort, considering the nature of the circumstances surrounding the need for the drop, to make up that time.

- a. A crewmember may request a trip drop as long as no portion of the dropped trip originates, terminates or flies through any part of the following calendar days:

New Year's Eve
New Year's Day
Thanksgiving Day
Christmas Eve
Christmas Day

- b. A crewmember may request in writing a trip drop at any time. The crewmember will be notified of the approval or denial, as soon as possible, but not later than 24:00 hours prior to the report time of the trip. Crew Scheduling will have the right to approve or deny any request.
- c. If the crewmember is permitted the trip drop, his pay and credit for the pay period will immediately be reduced to reflect the pay and credit value of the dropped trip. If a crewmember is permitted to drop a portion of a trip, the value of the portion dropped will be prorated in the same manner as for vacation/training conflicts. The crewmember's pay will be reduced for the portion of the trip missed.
- d. A crewmember scheduled for a line check must obtain approval to drop the trip from Crew Scheduling and his Fleet Manager.

7. Sick Leave Make-ups

- a. A crewmember who wants to offset deducted sick leave may request a make-up trip(s). Such make-up trip requests will be processed in accordance with Section K below along with other open time requests.
- b. Lineholders picking up trips to regain lost time will have the hours of credit generated by the trip reimbursed to his sick leave account. The crewmember will only be entitled to accrue sick leave credit up to the number of credit hours used and to be made up in accordance with Article 9 (e.g. If a crewmember had utilized twelve hours of sick leave to cover a trip, he may pick up a trip to make up that time. If the trip he picks up is worth more than twelve hours, only twelve hours will be credited to his sick leave

account and the balance of the credit will be treated as open time in accordance with 13.K.).

- c. A make-up trip(s) that conflicts with another trip pairing on the crewmember's line will be considered, but requires the approval of Crew Scheduling.
- d. Once awarded a make-up trip, it shall become a part of that crewmember's line and he is obligated to fly the trip.

8. Short Term Training

- a. Recurrent training, SVT/AQP-CQ, New Captain PT, Crew Resource Management (CRM), and Captains Leadership Workshop (CLW), will be bid after the posting of the crewmember's schedule preference bid award at his domicile. Available training dates and times will be included in the schedule bid package. Short term training bids will close 22:00 hours after the 1600 LDT time of the bid award posting as outlined in Article 13.C.3.b. and d. of this agreement. Training bids will then be awarded in seniority order and the results will be separately posted within 4:00 hours of the closing of the short term training bids. Other short term training (six (6) or less calendar days, excluding any travel days) shall be placed into the crewmember's flying lines by mutual agreement between Training/Scheduling and the crewmember. The Company will offer more than one training date when attempting to reach mutual agreement for short term training for crewmembers. The Company will attempt to offer at least one training block that occurs entirely on the crewmember's days off and at least one block that occurs entirely on the crewmember's scheduled duty days. If no mutual agreement can be reached, Training/Scheduling will assign the training date. All training blocks offered a crewmember will report for training no earlier than 72:00 hours exclusive of travel and rest after either mutual agreement is reached or the training is assigned. If a crewmember selects a training block that partially or fully overlaps any of his calendar days upon which duty is scheduled, he is entitled to that block provided the reserve coverage on each overlapped calendar duty day exceeds thirty-three percent (33%) of the total number of individual "A", "B", "C" or "D" reserves who are scheduled to be available during that period as part of the original bid package. Any travel days required to position or

deposition crewmembers for such training will not be used to limit a crewmember's choice of training blocks. Reserve crewmembers will be treated as regular line holders for purposes of this paragraph.

- b. A crewmember who is awarded or assigned short term training that conflicts with a trip will be paid and credited for the dropped trip in accordance with Section D.5. Additionally, short term training occurring on a crewmember's scheduled day(s) off will be paid minimum pay per duty period (MPDP).
- c. Any time spent deadheading to or from short term training outside a crewmember's domicile shall be compensated in accordance with paragraph b. above. Crewmembers being trained outside of their domicile (short or long term training) will be provided per diem, lodging, and local transportation.

9. Long Term Training

a. Line Bidding

- (1) If the crewmember is in training or has completed training at the beginning of the bid period for a vacancy that becomes effective during the bid period, he will bid the new position. If the crewmember's projected release date to the line will allow him to fly less than fifty percent (50%) of the bid period, the crewmember will bid for pay purposes only. In this case, the crewmember's days off will be prorated in accordance with b. below.
- (2) If the crewmember's bid is not for pay purposes only, upon release to the line the crewmember shall resume his schedule after taking rest as prescribed in Article 10, Section C.11.
- (3) If the crewmember is in training for an upgrade, he shall bid as stated above for scheduling purposes, but will be allowed to bid, for pay purposes only, the line (either in their current position or their new position) which will maximize their pay while they are in long term training.

b. Construction of Line After Training

- (1) Upon being released to the line from long term training or when a training assignment is canceled, delayed, or terminates earlier than planned, the crewmember's schedule shall be constructed as follows:
 - (a) If the crewmember's bid line is still available, the Company will return the crewmember to his bid line.
 - (b) If the crewmember's bid line is not available, the crewmember will be given days off that coincide with his bid line. Flying assignments will be made up from open time. If open time is not available, LCO days will be used.
 - (c) If a crewmember has no bid line to reference, the crewmember will be assigned reserve duty with reserve days off prorated as in Section B.5.d.(3). This paragraph shall also apply to a new crewmember for the remainder of the bid period after completion of his initial training.
- c. Any crewmember who will be noncurrent if scheduled training is not completed shall be allowed to pick up or trade open time trips that are scheduled to occur 24:00 or more hours after the scheduled completion of training.

10. Transition Trips

- a. If a crewmember is flying a trip that extends into the next bid period, he shall fly that trip to completion. If there is a conflict with a trip in the crewmember's new bid line, Crew Scheduling will drop the conflicting trip in the new bid line. For the purposes of this section, the lack of a full period of domicile rest between trips shall not be considered a conflict. The trips will be considered as separate trips for pay purposes, however, the pay calculations for the new trip will begin as if the crewmember started a new trip immediately following the completion of the trip which ended in that duty period. The scheduled flight/duty limitations in Section A.1. and 2. of this Article will apply to this duty period.

- b. If the drop of the conflicting trip results in a reduction in credit from the original bid line, the crewmember shall have the opportunity (during the adjustment period as set forth in C.3.(e)., (f)., (g). and (j). above) to select sufficient time from open time in the same pay period to restore his line to not less nor more than 5:00 hours of the projected credit in the original bid line.
- c. If the crewmember fails to make such adjustment, Crew Scheduling shall have the ability to reschedule the crewmember on the originally scheduled days in the balance of the conflicting trip. The Company may not reschedule the crewmember to more duty days than in his original schedule, without his consent. A lineholder will not be assigned simulator support, or reserve or standby duty of any kind or type as a reschedule. Crew Scheduling will notify crewmembers who failed to adjust their lines in accordance with Section C.3.h., i. and j.
- d. For pay and credit purposes, the crewmember shall be paid and credited the greater of:
 - (1) The credit for the trip dropped due to the conflict; or
 - (2) Actual time flown.
- e. Time that remains open from the transition period will be included in the VTO lines.
- f. Any regular line holder who has a transition trip into the next bid period in which he becomes a reserve shall be paid or paid and credited for the portion of the transition trip in the new bid period as follows:
 - (1) If the transition trip falls completely on day(s) off, the reserve crewmember will have the option of moving an equal number of reserve duty days. The reserve days to be moved will be determined by mutual agreement with Crew Scheduling. If the crewmember elects to move reserve duty days, the credit generated by the transition trip in the new bid period will count toward his 75:00 hour guarantee. If he elects not to move reserve days, then he shall be paid on top of guarantee for the credit generated by portion of the trip in the new bid period.

- (2) If the transition trip occurs partially on reserve days and scheduled days of reserve duty, the reserve will have the option of either moving reserve duty days or days off so that the transition trip will fall completely on reserve days or days off. If the election is to move duty days to later in the pay period so that the transition trip is flown on days off, the crewmember will be paid on top of guarantee for the portion of the transition trip in the new bid period. If the crewmember elects to drop duty days equal to the days off covered by the transition trip, the credit value of the transition trip in the new bid period will count toward the crewmember's guarantee.
 - (3) If a crewmember fails to make an election under paragraphs (1) or (2) above, the Company will move reserve days equal to the number of days off covered by the transition trip and the credit value of the trip will count towards the crewmember 75:00 hour guarantee. The reserve days to be moved will be determined by mutual agreement between the Crew Scheduling and the reserve crewmember.
 - (4) The pay or pay and credit under paragraphs (1) or (2) above for the transition trip will be divided between the two pay periods as provided in Article 12.B.3.h.
 - (5) The reserve crewmember who elects to fly the transition trip on his days off will be treated contractually the same as reserve crewmembers who pick-up and fly an open time trip on days off.
 - (6) A crewmember who picks up an open time trip which transitions bid periods in which the crewmember becomes a reserve will be covered by paragraphs (1) and (2) above.
- g. When a crewmember has a transition trip which conflicts with a trip in his new bid line and also has training or vacation which conflicts with one or both trips, pay and credit for the crewmember will be determined by calculating the transition conflict with the new trip and then applying the vacation/training to the adjusted line.

11. Minimum Days Off

A crewmember will not receive less than eleven (11) calendar days off in a pay period with the following exceptions:

- a. The crewmember picks up open time or trip trades with open time on his calendar days off. The pick up or trade will only reduce the number of guaranteed days by the additional number of duty days generated by the pick-up or trade.
- b. The crewmember has bid and been awarded short term training (i.e. recurrent, or AQP-CQ) on his calendar days off.
- c. The crewmember is assigned short term training (i.e. other short term training of six (6) or less calendar days, excluding any travel days) by the Company or is junior manned on his calendar days off provided, however, that such a crewmember will never have less than ten (10) calendar days off in a pay period, without his consent. A crewmember who has ten (10) calendar days off or less in the pay period will nevertheless be considered eligible for the junior available process, but shall have the right to decline such an assignment.

12. Restoration of Guaranteed Calendar Days Off

- a. When a crewmember arrives back in domicile more than 2:00 hours into a guaranteed calendar day off, the crewmember may request to have that calendar day off restored. The calendar day off shall be restored in the same pay period, or if not possible, in the following pay period. The restored calendar day off shall be tagged to other days off. Crewmembers who are junior manned on calendar days off shall not have such days off restored, provided however, that the crewmember may not receive less than ten (10) calendar days off in any pay period.
- b. Crewmember(s) holding a flying line may have the minimum number of guaranteed calendar days off restored by dropping from his line a trip(s), a portion of a trip or a combination of a trip(s) plus a portion of a trip. His pay and credit will be reduced by the amount of time dropped but will not be reduced below guarantee provided that he is available for reschedule. If the drop of trip(s) does not reduce the crewmember below

guarantee, he shall not be required to remain available for reschedule. If the crewmember is required to remain available for reschedule, such reschedule may be assigned up until 48:00 hours prior to 0300 local domicile time for each of the mutually agreed upon days of reschedule.

- c. Crewmembers holding a reserve line will have minimum guaranteed calendar days off restored by dropping reserve duty days.

13. Voluntary Leaves of Absences (VLOA) and Reduced Guarantee Lines (RDG)

Crewmember participation in the programs established by this Section shall be completely voluntary. If a crewmember volunteers to participate, he shall be obligated to participate for the bid period volunteered subject to terms of this Section. All other terms of this Agreement remain applicable to crewmembers volunteering. This Section is intended to provide supplemental rules applicable only to crewmembers who are volunteering for VLOA or RDG.

a. VLOA

- (1) Short Term Leaves: The Company shall have the right to solicit and obtain volunteers for a VLOA utilizing the bid process described in paragraph b. below. Crewmembers will be awarded these Short Term VLOAs by seniority, by fleet, seat and domicile. Such VLOAs shall begin and end on the first and last day, respectively, of a bid period.
- (2) Crewmembers interested in a short term leave of absence must submit their request no later than forty-one (41) days prior to the first day of the bid period. VLOA awards will be made by 1700 SDF time, forty (40) days prior to the beginning of the bid period. VLOA's will be awarded in seniority order by F/S/D.
- (3) The following rules will apply to crewmembers on a Short Term VLOA:
 - (a) the Company will continue to provide health insurance coverage and all other benefits and accruals, including but not limited to, sick,

vacation, and longevity. Crewmembers on a VLOA covered by this agreement will not suffer the loss of any Defined Benefit Pension Plan service credit. It is understood that VLOAs are unpaid leaves and as such will not generate Defined Contribution Pension Plan contributions;

- (b) if a crewmember on VLOA has not received pay for any unused vacation days by the end of any calendar year, the Company will pay the crewmember any unused accrued vacation days at 3:00 hours per day;
- (c) any crewmember on a VLOA shall be obligated to pay the Company the contribution required by Article 6.G. in order to maintain his health insurance just as if he were not on a VLOA;
- (d) any crewmember on a VLOA in January of any year shall be paid his excess sick leave pursuant to Article 9.A.1.e.;
- (e) Vacation falling during the period of the VLOA shall be paid to the crewmember no later than the second pay date following the end of the crewmember's awarded vacation period(s) at 3:00 hours per day;
- (f) any crewmember on a VLOA pursuant to paragraph a. shall be obligated to maintain his currency by scheduling a UPS simulator and completing his recurrent training during his designated bid period. With regard to a crewmember on any VLOA:
 - (i) The Company will cooperate in providing the simulator time for currency requirements.
 - (ii) The Company will pay, pursuant to this Agreement, a crewmember for the recurrent training performed on a day(s) off.
 - (iii) Maintenance of currency shall be on the crewmember's own time.

- (g) the contractual prohibition against gainful employment during a leave of absence shall not apply to any VLOA granted under this Section; and
- (h) a crewmember will be entitled to participate in a VLOA if he is in active status as of the closing date of any bid package award.

b. RDG

Crewmembers interested in RDG lines must submit their request no later than forty-one (41) days prior to the beginning of the bid period. Blank RDG lines will be awarded twenty-four (24) days prior to the first day of the bid period for captains and twenty (20) days for first officers.

(1) Conflict on RDG lines will be handled as follows:

(a) Carry In:

RDG crewmembers may conflict carry in trips. In all cases the carry in trips shall be flown to completion. The credit for a carry in trip will be compared to the credit of the trip dropped. If the carry in credit is equal to or greater than the trip dropped the crewmember will not be rescheduled or adjusted. However, if the credit value of the carry in trip is less than the dropped trip the crewmember has the option to not be rescheduled or adjusted. In this case, the crewmember will have the credit difference between the carry in credit and the dropped trip credit deducted from his guarantee or his bid line credit, whichever is greater.

(b) Training:

RDG crewmembers may conflict with training. However, the crewmember shall elect either to have the Company restore credit value for the conflict or not. If they decline the option to have the Company restore the value of the dropped trip, credit value for the dropped trip will be deducted from their guarantee or bid line credit,

whichever is greater. In this case the crewmember will be compensated MPDP for the training on days off per the contract.

- (c) If there is a need to restore, the Company shall not be limited to crewmember's original duty days. In no event during the restoration period will the number of duty days in the pay period exceed what was contained in the crewmember's original schedule. The crewmember shall notify the Company of his election not to be restored prior to the beginning of the Company's restoration period in b.(ii) or b.(iii) below.

- (d) Vacation:

If vacation falls in a bid period in which a crewmember has been awarded RDG, the vacation shall not be taken, but instead will be paid 3:00 hours per day(s) of vacation.

- (2) The following rules will apply to those crewmembers who volunteer for RDG:

- (a) Captain RDG lines will be published at 1600 ten (10) days prior to the "first day of the next bid period" ("FDNBD"). Captain RDG lines will be awarded at 0800 nine (9) days prior to the FDNBD. RDG Captains can restore themselves between 1700 nine days prior and 0800 six (6) days prior to the FDNBD. Captain RDG lines will be restored by 1200 four (4) days prior to the FDNBD. Times specified in this paragraph and paragraphs (ii) and (iii) below are local SDF times.
- (b) First Officer RDG lines will be published at 1600 six (6) days prior to the FDNBD. First Officer RDG lines will be awarded at 0800 five (5) days prior to the FDNBD. RDG First Officer can restore themselves between 1700 five (5) days and 0800 four (4) days prior to the FDNBD. First Officer RDG lines will be restored by 1200 two (2) days prior to the FDNBD.

- (c) The LITT window will open for all Captains and First Officers on the sixth (6th) and fourth (4th) days prior to the FDNBD, respectively, at 1501.
- (d) The minimum pay credit for designated RDG lines will be a guarantee of 37:30 hours per pay period. The crewmember participating in RDG shall bid the available RDG lines as their only choice as part of their primary bid. The RDG lines shall be made available to all eligible crewmembers for bid and will be awarded in seniority order. Any crewmember who bids and is awarded an RDG line shall receive the guarantee of 37:30 hours per pay period or actual pay and credit for the line. At the time regular RDG lines are published, the Company may also publish reduced pay and credit regular reserve lines (i.e., A, B, C or D) with an eight (8) day block of reserve days with a guarantee of 40:00 hours. The RDG regular flying line or regular reserve line can be built in accordance with current contractual parameters in one pay period with no scheduled duties in the second pay period.
- (e) Crewmembers flying RDG lines will be compensated for their guarantee or actual pay and credit, whichever is higher.
- (f) RDG lines shall not be included in any of the bid line construction percentages. If all of the duty in an RDG line is contained in one (1) pay period then the normal bid line construction rules will apply to that line. The following rules will apply to an RDG line with flying in both pay periods and more than one (1) trip in the bid period:
 - (i) Such lines will be constructed in accordance with duty and rest rules applicable to bid line construction.
 - (ii) All duty will be within a fourteen (14) consecutive day period within the pay period.
 - (iii) The trips and/or LCO shall not exceed eight duty days.

- (iv) The Company shall be allowed to schedule LCO days within the fourteen (14) day window to meet guarantee. Any LCO days will be added to the end of a trip(s). Normal LCO rules will apply except the 144:00 hours off and the four (4) day minimum requirement in Article 13.B.3.c. does not apply.
 - (v) An RDG lineholder shall be allowed to trade LCO days for trips under the same rules as a VTO lineholder.
 - (vi) The Company will not build an "A" "B" "C" or "D" reserve line if it can build a regular flying RDG line with at least 32:30 credit hours in each pay period in accordance with the construction rules above.
- (3) RDG crewmembers shall receive full vacation accruals, sick leave credit, and pension service credit equal to 75:00 hours, if they remain in active pay status for the pay period. Health insurance coverage shall not be affected by the RDG. Active status for RDG crewmembers will be defined as 37:30 hours pay and credit accumulated in a bid period. Defined Contribution Pension Plan contributions shall be based on actual compensation paid to each crewmember. No crewmember will suffer loss of service credit pursuant to the Defined Benefit Pension Plan as a result of volunteering for RDG, provided they maintain active status for the bid period. If a crewmember does not maintain active status then benefit accrual shall be based on actual pay and credit.
- (4) RDG crewmembers shall not have the right to be awarded open time pickup, but have the right to trip trade based on the provisions of the contract. Such requests shall be effected through the use of the Schedule Adjustment Exception Form. RDG crewmembers shall be eligible for JA. Line credit caps will be 5:00 hours over awarded bid line for domestic and 7:00 hours over awarded bid line for international. A line will be considered international for purposes of this agreement if there is one or more international segment(s) (i.e. an origin or destination

outside the forty-eight (48) contiguous states) on a line. Crewmembers working in the training center shall not bid RDG lines during that same bid period. In addition, a crewmember may pick up open time to restore sick leave to the extent that such pick up is no greater than 5:00 hours for domestic lines or 7:00 hours for international lines for the bid period above the sick credit deficit, as applicable. The Schedule Adjustment Exception Form shall also be used for the sick leave restoration.

- (5) Crewmembers entering long term training during a bid period shall not be eligible to bid RDG. If an RDG crewmember is first notified and scheduled for training after the beginning of a bid period his trips will go into open time and he will be compensated for training based on his guarantee, prorated based on the number of days of training he completes.
 - (6) A bid period containing a single pay period will be prorated accordingly as will any other calculation necessitated by this Section.
 - (7) The credit cap as described in Article 12.F. shall be applied to the RDG line holders for carry-in, JA and revisions only except the cap will be reduced by the amount of credit hours the line is below guarantee.
- c. Crewmembers participating in RDG or short-term VLOAs pursuant to this Section shall continue to have jump seating privileges.
 - d. Required Reports. The Company will provide a report by bid period to the Association within ten (10) days of the end of the bid period. The report will include all information related to VLOA and RDG, to include the names and F/S/D of the crewmembers participating, whether the crewmember was awarded an RDG or VLOA, and the credit hours of the RDG lines.

E. Revision of Trips

1. Paragraph 5. below sets forth the Company's obligations and the crewmembers' rights and responsibilities as a result of the revision or cancellation of a trip.
2. A revised trip may have:
 - a. A duty period deleted or added;
 - b. Enroute stops deleted or added;
 - c. The trip's original scheduled departure time revised to depart more than 1:00 hour earlier;
 - d. The originally scheduled arrival time revised so that the crewmember's final arrival time in the domicile is up to 24:00 or 48:00 hours late;
 - e. Added or deleted deadhead;
 - f. Addition or deletion of flights;
 - g. Conversion of deadhead to flight or vice-versa;
 - h. The crewmember's scheduled layover location changed;
 - i. The crewmember is assigned a substitute trip pursuant to Article 13.E.8.
3. A canceled trip is one which is canceled completely and does not operate or where none of the flight segments operate in the same equipment type in which the crewmember is assigned (i.e. equipment substitution).
4. Premium Pay for Revisions
 - a. The Company agrees to provide a 2:00 hour pay premium for revisions as set forth in paragraphs b., c. and d. below.
 - b. A crewmember who holds a regular flying or VTO line, or a reserve or airport standby lineholder flying an open time trip or junior available trip will receive 2:00 hours pay at his current hourly rate if the crewmember's scheduled or revised trip is revised as described below:

- (1) An extra duty period is added to the crewmember's scheduled or revised trip;
 - (2) A crewmember's scheduled or revised trip is revised so as to change the crewmember's layover city except when the revision results in the rest period occurring in the crewmember's domicile;
 - (3) The crewmember's original trip is canceled and a different trip is substituted;
 - (4) The crewmember is removed from his original trip and assigned a different trip to replace a high minimum Captain or due to FAR illegality of another crewmember;
 - (5) The crewmember is removed from his trip due to becoming illegal to complete his scheduled trip and is assigned a different trip;
 - (6) An extra stop is added to the crewmember's original or revised schedule;
 - (7) The crewmember's scheduled or revised trip is revised so as to require the crewmember to report for his trip more than 1:00 hour earlier; or
 - (8) A crewmember who has a turn trip canceled and another turn trip substituted.
- c. The revisions in paragraphs b. and c. above will not require the payment of 2:00 hours for premium pay purposes, if the revision is a result of:
- (1) Weather or mechanical on an aircraft which affects the trip being revised. Weather shall be defined, as weather problems in the crewmember's duty period and in the crewmember's departure city or on his flight path or at his destination city. A mechanical is defined as a mechanical problem that occurs on the crewmember's aircraft during or after his crew's preflight inspection of the aircraft assigned to that flight. The weather must occur within 24:00 hours of the revision. The mechanical exception will not apply to a crew who is assigned an aircraft with a known mechanical discrepancy;

- (2) A high minimum Captain who is removed from his original trip and assigned to a different trip due to weather;
 - (3) An airport closure after the bid is published; or
 - (4) Acts of God or other circumstances over which the Company has no control (which by definition shall not include a reduction of volume).
- d. The notification of revision(s) of a trip may only generate one (1) premium payment even if it falls within more than one (1) of the categories listed above or contains several occurrences of the same category. The subsequent notification of another revision(s) shall qualify the crewmember for additional premium pay in accordance with paragraphs b. and c. above. The assignment of several trips within the cancellation period of the original trip(s) will count as only one (1) revision if such assignments are made during one notification. In order to receive the premium payment, the crewmember must actually fly the revised trip excluding any deadhead flight segments and any associated layovers. If a crewmember has been notified of a revision to his trip prior to reporting for his trip and then notified that he is being revised back to his original trip, he shall be eligible for a premium payment in accordance with E.4.b. and c. above. Crewmembers will not be entitled to the premium payment if the revision is not one specifically described in paragraph 4.b. and c. above. Further, if a revised trip includes several types of revisions which would be covered by paragraph 4.b. above, the crewmember shall receive one (1) 2:00 hour premium payment in accordance with 4.b. and c. Revisions in a crewmember's schedule shall be noted in CMS and crewmembers shall be entitled to a copy of any such changes.
- e. If a crewmember who is holding a regular flying or VTO line or a reserve or airport standby lineholder flying an open time trip or a junior available trip has his original or revised trip revised so as to return the crewmember to the domicile more than 4:00 hours after the scheduled arrival time of the original trip, the crewmember will

receive pay and credit for the greater of the original or the revised trip plus the following late arrival pay:

- (1) If the crewmember arrives more than 4:00 hours late, for reasons other than weather or mechanical, he shall receive pay at one hundred fifty percent (150%) times his current hourly rate for any time beyond the original scheduled arrival time. This one hundred fifty percent (150%) pay shall be calculated as if the time beyond the original scheduled arrival time were the beginning of a new trip.
- (2) If the crewmember arrives more than 4:00 hours late as a result of weather or mechanical on his trip as defined in c.(1) above, the crewmember will be paid at one hundred fifty percent (150%) times his current hourly rate for any time beyond 4:00 hours from the originally scheduled arrival time. This one hundred fifty percent (150%) pay shall be calculated as if the time beyond the originally scheduled arrival time were the beginning of a new trip (excluding any calculation based on MPDP).
- (3) A crewmember who is revised to return more than 4:00 hours late is not required to deadhead back to his domicile in order to receive the additional pay provided in paragraphs (1) and (2) above. However, in order to receive the additional pay, the crewmember must complete the revision excluding the depositing deadhead flight segment(s) and any associated layover. The scheduled deadhead time will be included in the pay calculation regardless of whether the deadhead is taken.
- (4) A crewmember who has been returned to his domicile (excluding any requirement to perform deadhead flight segments or any associated layover) more than 4:00 hours beyond his original scheduled arrival time and such return occurs on a calendar day off, may elect to have his calendar day(s) off restored rather than receive the additional compensation provided by (1) or (2) above. The day(s) off will be restored at the point where the day(s) off to be restored will cover the duty days in a trip. The crewmember must provide, at least, fourteen (14) days notice of his intent to drop a trip. No trips may

be dropped between December 1st and 25th of each year. If a crewmember elects to restore his days off, he will still receive pay and credit for the late arriving trip or his original trip, whichever is greater. The Association will be given a report on a pay period basis of all days accruing and carrying forward pursuant to this paragraph. A notation will be made on the flight pay register indicating any such days accruing or carried forward for an individual crewmember.

- (5) Paragraphs (1) through (4) shall be in addition to any applicable premium. This provision shall not be applicable if the airport at the domicile is closed.
- f. If a crewmember's entire line is canceled or revised in any way described in 4.a. thru f. above for the entire pay period, he shall be entitled to six hours (6:00) of premium pay for the revision of the entire line. A crewmember's line will be considered canceled or revised in its entirety if a revision affects all but one (1) or two (2) days in lines between twelve (12) and sixteen (16) duty days and all but one (1) duty day in lines with eleven (11) or less duty days. The revisions described above shall not also qualify for premium payment under 4.b. or 4.c. above. However, after the crewmember is assigned a new line as defined above, the crewmember shall thereafter qualify for additional revision pay in accordance with 4.a. thru f. above. If the crewmember's entire line is revised, the revised trips will meet the parameters outlined in paragraph 5.f.(3) below.
- g. Any premium payments provided in E.4. shall not be counted toward the credit cap provided in Article 12, Section F.
- h. If a crewmember is removed from his original trip(s) and assigned another trip(s) because he has not been given the training necessary to qualify him to operate his original trip(s) such reassignment shall qualify for either the premium payment referenced in either 4.b. or 4.f. above, whichever is applicable, provided the Company was at fault in not providing the necessary training. However, if the necessary training was not completed due to the crewmember's fault (e.g. sick on scheduled training days or no-show for training) the reassignment

will not qualify for revision pay or credit under Article 13, E., 4.b., 4.e. or 4.f.

5. Revision and Cancellation Work Rules

- a. If the crewmember is notified of a revised trip more than 36:00 hours prior to the departure time of the trip from his domicile, he may decline the revised trip(s) in its entirety and have his pay reduced by the number of credit hours generated by the original trip.
- b. If the crewmember is notified of a revised trip less than 36:00 hours prior to the departure time from the domicile, he must fly the revised trip. The crewmember shall receive pay and credit for the original or revised trip(s), whichever is greater plus any applicable premium pay.
- c. Any substitute or revised trip assigned to a crewmember will be scheduled to return him to his domicile no more than 24:00 hours after the scheduled arrival time of the original domestic trip, or no later than 48:00 hours, if possible, after the scheduled arrival time of the original international trip. The crewmember will be returned to his domicile within the 24:00 hour or the 48:00 hour window, as applicable, unless events beyond the Company's control preclude arrival as scheduled. If the crewmember has not been returned to his domicile within 25:00 hours domestic or 50:00 hours international of his original scheduled arrival time, or is scheduled to return later than these times, even if he does not physically return to the domicile, the additional pay under paragraphs e.(1) or (2) above shall be at a two hundred fifty percent (250%) rate instead of one hundred fifty percent (150%) for any time beyond the originally scheduled arrival time.
- d. If the crewmember is notified that his entire trip is canceled more than 36:00 hours prior to its original departure from domicile, he may decline any substitute trip. If he so declines at the point of notification, his pay will be reduced by the number of credit hours generated by the original trip.
- e. (1) If the crewmember is notified that his entire trip is canceled less than 36:00 hours prior to departure, he must accept any substitute trip(s) given to him at the time of the cancellation. The crewmember shall

receive pay and credit for the original trip or trip(s) assigned to him whichever is greater, plus any applicable premium pay.

- (2) (a) If the crewmember is on duty in the domicile(s) at the time of notification of the cancellation of his trip or flight, any reschedule for that same duty period must be assigned within 1:00 hour after notification of cancellation and must depart within 3:00 hours after the scheduled departure time of the original canceled trip or flight. If a new assignment is not made within the 1:00 hour or 3:00 hour window the crewmember will be released from duty. For purposes of Article 13.E.5.e.(2), flight(s) cancellation means that the crewmember operates none of the flight segments which were a part of his scheduled flight(s) and the flight has a different final destination.
- (b) If the crewmember is on duty in a domestic gateway at the time of notification of cancellation of his scheduled flight, and the cancellation was for reasons other than weather or mechanical, any reschedule for that same duty period must be assigned within 1:00 hour after notification of cancellation and must depart within 3:00 hours after the scheduled departure time of the original canceled flight. If a new assignment is not made within the 1:00 hour or 3:00 hour window the crewmember will be released from duty. If a crewmember has been given a substitute or revised flight prior to reporting for duty and it is canceled, a subsequent substitute flight must depart within three hours of the departure time of the substitute or revised flight. If a crewmember does not depart within the three hour window, he will be released from duty.
- (c) If the crewmember is on duty in a domestic gateway at the time of notification of cancellation of his scheduled flight and the cancellation is a result of weather or mechanical problems, any substitute flight(s) for that same duty period must be assigned within 2:00 hours of notification of cancellation. If a substitute assignment is not

given within this 2:00 hour window, the crewmember will be released from duty.

- (d) The provisions of 2.(a), (b) and (c) above shall not apply to international flights. However, when a crewmember is in the domicile or a domestic gateway and his international trip or flight cancels, 2.(a), (b) and (c) shall apply if the Company assigns, as a substitute, a domestic trip or flight(s).
- f. A crewmember may be advised of his revised trip or in the event of a cancellation, his new trip at the time of notification, the check-in or the Reschedule Call-In Duty (RCID) window as set forth in Article 13.E.5.h. below.
- g. Any substitute or revised trip assigned to a crewmember will be scheduled in accordance with Article 13.E.5.c. In addition, the Company may continue its practice of combining existing trips for purposes of assignment. However, trips with a commercial deadhead will not be converted to a Company jumpseat deadhead as a part of this process.
- h. If a crewmember has a revised or substitute trip assigned to him, pursuant to Article 13.E.5.a., b., d. or e.(1), that does not cover all of his original trip or has a trip cancelled with no substitute trip, the Company will assign him RCID in order to maintain pay protection. For the purposes of RCID, a cancelled trip is one that includes one (1) or more cancelled segments. The crewmember may decline RCID and forfeit pay protection for the pay and credit of his original trip. If a crewmember declines a substitute trip or revision, he shall not be eligible for RCID on any unassigned days. Rather, such a crewmember shall lose pay protection for the pay and credit of the entire original trip being cancelled or revised. The following additional rules shall apply to RCID:
 - (1) If a crewmember's cancelled or revised trip is 48:00 hours or less TAFB, he will not be assigned RCID. Such a crewmember shall automatically be pay protected for the pay and credit for his original trip. However, if a crewmember has three (3) or more consecutive turn trips or domicile airport standby

assignments cancelled, the Company will have the right to assign RCID.

- (2) If a crewmember desires to decline RCID he must do so at the time of the notification of the revision, cancellation of a trip, or assignment of the substitute trip(s).
- (3) A crewmember may only accept or decline an entire block of RCID.
- (4) A crewmember shall not be assigned RCID in order to maintain pay protection if a trip is cancelled or revised after he has reported for duty for that trip. However, if a crewmember has departed the domicile on a trip, which is 144:00 hours or greater TAFB, which then is cancelled or revised, the Company has the right to assign RCID on any remaining days of the original trip.
- (5) The Company will only have the right to assign RCID on any open calendar day of his original cancelled or revised trip on which he has no scheduled duty. No trip may be assigned through RCID, which would conflict with any scheduled assignment on a crewmember's line. If a crewmember is assigned a subsequent or revised trip pursuant to Article 13.E.5.f., which then cancels, the Company may assign RCID or an alternative trip on those days. If a crewmember is given an RCID assignment, which subsequently cancels, RCID will not be again assigned for those days.
- (6) If assigned RCID, the crewmember shall call Crew Scheduling once daily between 0900 – 1300 LDT for each day of a trip cancellation or revision for a substitute assignment. A crewmember may call-in at any time within the 0900-1300 LDT window. If the crewmember is assigned a substitute trip, he shall not be required to report for duty earlier than 0100 LDT the next calendar day. If the crewmember is given an assignment during the RCID call-in, the Company shall not be allowed to later provide a substitute assignment. If a crewmember is given an assignment during the RCID call-in, the Company

shall be obligated to specify when the crewmember is obligated to make the next RCID day call-in, if any.

- (7) If a crewmember has a rest period, which ends within the 4:00 hour call-in window, he shall be obligated to call-in by 1300 LDT that day. If the rest period covers the entire call-in window, he shall not be obligated to call in until the next calendar day call-in period.
 - (8) A crewmember who is assigned a trip through RCID will be treated as a regular line holder for all purposes under this Agreement. However, if a crewmember is assigned a trip, which is scheduled to arrive back in domicile more than 4:00 hours beyond his original scheduled arrival time, Article 13.E.4.e. will be applied based on the scheduled arrival time of the crewmember's original trip. In such case, the Company shall not be entitled to use the late arrival pay calculation provided by Article 13.E.4.e.(2).
 - (9) Trips will be assigned to crewmembers on RCID in FIFO order. The crewmembers on this FIFO list will include crewmembers assigned LCO. FIFO placement will be determined on the crewmember's last release time from duty. If two (2) crewmember's release times are the same, the trip assignment will be made in the reverse seniority order. The Company shall not be allowed to match days of availability or otherwise skip any crewmember in FIFO order for any reason. The Company, at its discretion, may truncate a trip for purposes of RCID assignment. A crewmember will not be assigned domicile airport standby or simulator support duties through RCID.
- 6. The crewmember and Company shall be able to waive the time limits in paragraph 5. above by mutual agreement.
 - 7. A crewmember holding a flying line must be given at least 36:00 hours notice if he is being rescheduled from an EDW trip to a non-EDW trip or vice-versa. This paragraph also applies to the assignment of a substitute trip in the domicile.
 - 8. The Company shall be permitted to crew swap for any of the following reasons even though the crewmembers' flight(s) or trip(s) have not been canceled or changed: (1) FAR legalities;

(2) problem with connection times; (3) unavailability of the scheduled crewmember (e.g. missed check-in, no show, illness and emergencies); (4) contractual non-compliance to complete an original or revised trip or flight(s); or, (5) high minimum Captains. The Company shall not crew swap for any reason not listed above without agreement of the Association or mutual agreement with the affected crewmembers. In addition, this provision can only be used to cover an open trip in domicile if: (1) the opening is as a result of a crewmember being unavailable for one (1) of the reasons listed in this paragraph; (2) the trip became open within 3:00 hours of its scheduled departure time unless it is a duty extension trip in which case the limit shall be 18:00 hours; and (3) there are no domicile airport standby crewmember(s) who are available to be assigned the open trip at the time of the crew swap. Any trip as described above, which becomes open in domicile greater than 3:00 or 18:00 hours as applicable, before its scheduled departure time, shall be covered in accordance with Article 13.F.1.

9. If a crewmember is displaced from a trip, he shall receive pay and credit for the trip and not be subject to rescheduling. A crewmember shall be considered displaced when he is replaced by a management or an instructor crewmember or the crewmember's trip or flight segment(s) is canceled and replaced by a subcontractor.
10. Regular or VTO lineholder or reserve or airport standby lineholder flying an open time trip or a junior available trip will not be rescheduled to simulator support or reserve or airport standby duty of any kind or type.
11. A crewmember shall receive lodging, transportation, and expenses incurred as a result of a revision which results in the crewmember being released for a rest period in the domicile when his original trip was scheduled for a layover.
12. The 13.A. duty and rest limitations shall apply to crewmember revisions except as follows:
 - a. Domestic:
 - (1) The Article 13.A. Shift Rule and segment limitations shall apply to crewmember revised assignments unless there is an uncontrollable situation that causes more segments to occur than what is allowed, or that

causes the crewmember to operate flight segment(s) outside of the shift. (This paragraph will be applied the same as the FAR concept of legal to start, legal to finish.)

- (2) The Article 13.A. Deadhead Only Rest, 18:00 hour EDW, and 11:00 hour non-EDW requirements shall apply when a crewmember is revised to a trip, where the original deadhead is still available or an alternate deadhead is available that will comply and has not departed the domicile. If not, the first available deadhead that provides the greatest amount of rest must be chosen.

b. International:

- (1) The four (4) crossings limitation shall apply to crewmember revisions. However, the crewmember may not be guaranteed the rest patterning associated with the trip, if he joins the trip after it's original start. The crewmember shall not be revised to operate four (4) crossings without having been provided the required rest, i.e. 30:00 hour rest prior to either the second (2nd), third (3rd) or fourth (4th) crossing. If after the third (3rd) crossing, the crewmember has not received the required 30:00 hour rest, he shall receive a minimum 30:00 hour compensatory rest upon return to domicile.
- (2) Segment Limitations shall apply to crewmember revised assignments unless there is an uncontrollable situation that causes more segments to occur than what is allowed.
- (3) Rest After Block requirements shall apply to crewmember revised assignments except as follows: If it is necessary to revise a crewmember in order to make timely service, the assignment may be made provided crewmember has received the minimal 12:00 hours rest. The revised crewmember shall be entitled to JA pay for the flight segment(s).

13. Crewmembers who have departed the domicile on a trip cannot be revised to an extended deadhead-only duty period for the purpose of deposition/position (no intra-pairing) unless they have received the rest specified in Article 13.A.5.

However, such a trip may be assigned as a substitute trip or as a reserve assignment in compliance with the provisions set forth in Article 13.A.13.

14. Lines containing an extended deadhead-only duty period shall be noted as such in the bid package.
15. If a crewmember's entire line or a complete pay period is cancelled as defined in Article 13.E.4.f., the Company shall have the right to construct and assign a substitute line as the contract specifies. In addition, once a crewmember is assigned a substitute line he may choose to construct a new line for himself out of available open time. Once he receives the Company's substitute line, if the crewmember then elects to construct a new line, he may take up to 48:00 hours to build the new line provided it is submitted no later 48:00 hours prior to the departure of the Company's substituted line. In addition, if the new line is constructed to be within +/- 5:00 hours of the substitute line developed by the Company, the crewmember developed line shall be used. The crewmember shall remain eligible for the 6:00 hour premium regardless of which substitute line is used. In building a line in accordance with this section, the crewmember shall be given first priority in the assignment of open time trips.
16. The Company will advise any crewmember of an assignment which requires a contractual waiver.
17. The Company shall update a crewmember's pay register in CMS and on the UPS Flight Operations website, whenever a premium payment is altered on his line. Approval/disapproval is required within seven (7) days after the duty period in which the revision occurred. Crew scheduling shall provide either a broadcast message or crew advisory via the UPS Flight Operations website whenever a premium has been removed or altered, or via a notice in the crewmember's v-file.

F. Open Time Scheduling

1. Trips which remained uncovered at 0800 local domicile time and are scheduled to depart within the next 48:00 hours and any trips which become uncovered within 48:00 hours of departure time shall be assigned as follows:
 - a. Crewmembers who are available for reschedule as a result of a trip cancellation.

- b. Crewmembers assigned RCID or on LCO days who are legal and available for the trip pairing without infringing on their next scheduled days off. The assignment procedures in Articles 13.B.3.f.(4) and 13.E.5.h.(9) will apply.
- c. Reserve "A", "B", "C" or "D" crewmembers within the originating domicile in compliance with the assignment procedures in Article 13.B.6.
- d. If there are no available reserve crewmembers within the originating domicile, the Company may assign the open flying from that domicile to available reserve crewmembers from another domicile if allowed by the provisions of Article 13.Q.1.b. Any such flying will be constructed as a trip from the affected crewmember's domicile as specified in Article 13.Q.1.f.
- e. Junior manning of all other crewmembers in status and category, starting with the most junior person available for the trip.
- f. The following applies to the junior manning of a Captain to the First Officer position:
 - (1) When junior manning legal and available (without infringing on their next scheduled calendar days off) Captain reserves to fly as First Officer, the Company will seek volunteers in RADAR order, provided that the equipment category of the trip pairing matches the junior manned crewmember's category. If no reserve Captain volunteers, the Company will junior man Captains in accordance with Article 13.G.
 - (2) For junior manning of Captains as First Officers, assignments out of the domicile will be covered as follows:
 - (a) Regional junior manning of Captains;
 - (b) Junior manning of an operating Captain to perform as a First Officer;
 - (c) A reserve Captain who has departed the domicile may be assigned to operate as a First Officer. He will be paid and credited for the flight he

operates as First Officer and receive an additional 100% pay for the flight on top of guarantee. For any deadhead segments to or from the First Officer flight(s) will be paid and credited at 100%. He will also receive pay on top of guarantee at a 50% rate.

- g. At the Company's discretion, it may junior man rather than make a reserve assignment.
 - h. Except as provided by Article 13.F.1.i. below, management pilots for emergency coverage. Emergency coverage shall mean that the trip becomes or remains uncovered 1:30 hours prior to the departure of a domestic trip or 2:00 hours prior to the departure of an international trip.
 - i. In the event that a trip is uncovered in domicile more than three (3) hours before departure, the Company will apply Article 13.E.8. prior to the assignment of a management pilot as allowed by Article 13.F.1.h. above. If the trip is one involving a duty extension, the limit shall be 18:00 hours before departure.
- 2. All trips assigned to a crewmember must be constructed to begin and end at the crewmember's domicile.
 - 3. With the exception of paragraph 1.e. immediately above, no crewmember will be permitted to be assigned to a flight in a status and category other than in his current status and category.
 - 4. The procedures outlined in paragraph 1. above do not affect the procedures for rescheduling of crewmembers to open time prior to this Section becoming applicable.
 - 5. An international trip which requires crewmember names in advance of these times (due to visa or passport requirements or commercial deadhead requirements) will be awarded or assigned in accordance with the applicable requirements. If such a trip must be awarded more than 48:00 hours prior to departure, the time such open trip will close will be designated on the posting.
 - 6. MAC charters on-duty limitations will comply with those parameters set forth in Section A.1.d. These MAC charters, if

not picked up from open time will be assigned the same as any other trip.

7. A single system wide volunteer list will be established for crewmembers who wish to be available for assignment for any ad hoc charters, which as a result of when the charter was created, were not placed into open time prior to 0800 local domicile time within 48:00 hours of departure. The Company will offer the trip indicating the domicile to which it is assigned, to the crewmembers on the list in seniority order from the point the trip was created until 36:00 hours prior to the report time of the trip. A crewmember will be responsible for positioning himself to operate a trip which originates in a domicile other than his own. Charter trips covered by this paragraph will be available for management flying pursuant to Article 13.M. but only after the crewmember volunteer list provisions of this paragraph are utilized and within 36:00 hours prior to the trip's departure.
8. Simulator Support In Open Time
 - a. The Company shall have the discretion to build an open time assignment inclusive of one or more duty periods of simulator support. If it is known in advance that an FAA representative is going to be present during the simulator support assignment, it shall be designated in the open time posting.
 - b. If open time is going to be used to cover a simulator assignment, then known open simulator support assignment(s) must be placed into open time at least six (6) calendar days prior to the start of the assignment. If a simulator support duty period becomes open with less than six (6) calendar days notice, the Company shall also have the discretion to place it in open time. Open time simulator assignments will be awarded by 0800 LDT on a day sufficient to provide 24:00 hours' notice of the assignment.
 - c. A crewmember who is awarded and performs the simulator support shall be paid MPDP or block hours, whichever is greater for each duty period. The open simulator support assignment will be paid in accordance with Article 13.K.7.

If an awarded open time simulator assignment is canceled prior to the crewmember reporting for duty, he shall be pay protected for that assignment provided he remains available for an equal number of simulator support duty periods during that bid period or the following two bid periods.

- d. Once a crewmember reports for the simulator assignment, Article 10.C.7. shall control the length of the crewmember's duty period. If a crewmember is unavailable for a portion of the simulator support assignment the Company shall have the option of removing him from the entire assignment. In such event the crewmember will be paid in accordance with the contract, including sick leave if applicable.
- e. Crewmembers awarded open time simulator support assignments may only trade for another simulator support assignment with other crewmembers. Open time simulator support assignments shall not be eligible for trip trading under Article 13.D.3. (i.e. trip trading with open time).

G. Junior Manning

- 1. Junior manning (also commonly referred to as junior available- J/A) will be accomplished using the most current crewmember seniority list. All crewmembers will be contacted beginning with the most junior available person from the list. Geographical proximity of the crewmember to the uncovered trip may be a factor in assignments when the departure time of the trip dictates such.
- 2. Crewmembers may be junior manned for airport standby duty or aircraft simulator periods in addition to actual flights.
- 3. When a crewmember is junior manned, the trip to which he is assigned becomes a part of his line of time. Pay and credit for the trip plus any other provisions of this agreement shall be protected in the event that crewmember's trip is revised or canceled and the crewmember remains available for reassignment in accordance with Section E. above.
- 4. On duty time and per diem, if applicable, will start from the time the junior manned crewmember reports for duty. The Company will provide to all crewmembers who live more than fifty (50) miles outside their domicile transportation (mileage

at each year's maximum IRS allowance in cents per mile, jumpseat, or commercial ticket) to and from the assignment in addition to required hotel accommodations, local transportation, and meals.

H. Deadheading at Company Request

1. Selection of Deadhead Carriers

- a. Crewmembers deadheading at Company request will be provided air transportation on the Company system, or on commercial or other suitable air transportation in accordance with this section. The Company will continue to utilize the current mutually agreed upon list of Part 135 charter operators and may request meetings, with the Association, to agree upon new Part 135 charter operators. If there is such a request, the parties shall conduct a joint inspection of the proposed Part 135 carrier. The Association's request that a particular Part 135 charter operator be removed from the list will be honored and the Association and the Company will agree on a suitable replacement within thirty (30) days. The Association agrees not to unreasonably withhold such approval. Crewmembers riding on Part 135 charter aircraft will be covered by all applicable UPS insurance policies. The Association shall be provided updated insurance information, at least, annually.
- b. Commercial deadhead travel will be scheduled on FAR Part 121 U.S. passenger air carriers utilizing aircraft certified under FAR Part 25 for such travel. When a crewmember is scheduled to deadhead on a Part 121 carrier, preference shall be given to turbo-jet aircraft over turbo-prop or piston aircraft. Such turbo-prop or piston aircraft shall be used only if no jet service is available to allow the deadheading crewmember to report on time for his duty assignment. When a crewmember is scheduled to deadhead on a regional jet (Part 121 or 135) he shall not be scheduled for more than 2:30 total block hours in a duty period unless there is no other commercial service that would allow the crewmember to report on time for his duty assignment. In such case, the scheduled block can be increased to 3:30 total hours in a duty period. International commercial deadheading shall be booked on FAR Part 121 U.S. passenger air carriers utilizing aircraft certified under FAR Part 25 or comparable foreign carriers. The Association's request that a carrier be

removed from the approved list will be honored, provided the Association and Company meet and agree on a suitable replacement within thirty (30) days of a carrier's removal from the list. The Association agrees not to unreasonably withhold such approval.

- c. One hundred percent (100%) of domestic deadheads contained in the bid package shall be constructed with commercial tickets.
- d. In addition to paragraphs a. and b. above, the following rules apply to the use of Part 121 and 135 carriers:
 - (1) The parties will meet every six (6) months to evaluate the existing 121/135 list.
 - (2) Deadheading a crewmember is allowed on an approved 121/135 air carrier provided the deadhead flight segment is operated by the approved air carrier's flight crews and operated with an aircraft owned by the approved air carrier or where the aircraft is in the custody and control of the approved air carrier.
 - (3) All approved 121/135 air carriers must maintain membership in good standing with ICAO. If an approved air carrier does not maintain this status it will immediately be removed from the list.
 - (4) The country in which an approved air carrier is headquartered in or maintains its primary base of operations in must qualify for FAA Category 1 status. If the country is downgraded below FAA Category 1 status, any approved air carrier headquartered in or maintaining primary bases of operations in such country will immediately be removed from the list.
 - (5) The approved 121/135 air carriers list will be posted on the UPS Flight Operations website and shall be accessible to all crewmembers, Crew Scheduling, Travel Administration staff, and the Company's travel agency(s).
 - (6) Crewmembers will not be required to deadhead on flights operated by airlines not on the approved

121/135 air carrier list, but may do so solely at their option.

- (7) No crewmember will be required to deadhead on a flight segment outside of the forty-eight (48) contiguous United States which is operated using a turboprop or other propeller driven aircraft that has not been certified under CFR Part 23 or 25.
- (8) In the event a non-US registered approved Part 121/135 air carrier has an accident, the Association can immediately suspend the air carrier from the list until a thorough review of the air carrier is performed by the Company and the Association.
- (9) Additions or replacements to Part 121 or Part 135 approved list will become effective within ninety (90) days unless the Association provides objective evidence establishing it as a safety risk to travel on the proposed carrier. Agreement will not be unreasonably withheld by the Association. The Company shall not be allowed to request more than five (5) additional carriers per ninety (90) days.

2. Class of Service

When commercial transportation is utilized, the crewmembers shall be provided with a coach ticket for domestic trips and a business class ticket, for non-extended deadhead positioning or deposition for international trips unless excepted in subparagraph a. below. Coach tickets will never be used for extended position/deposition segments authorized in Article 13.A.13.

a. Coach Class

A fully refundable coach ticket may be provided for commercial transportation if the following criteria are met:

- (1) The deadhead shall not contain more than two (2) flight segments;
- (2) For travel within the forty-eight (48) domestic states, Canada and Mexico, total scheduled block hours in a duty period cannot exceed 5:00 hours;

- (3) Within Europe the total scheduled block hours in a duty period cannot exceed 3:30 hours and shall be on an approved Part 121/135 carrier (or a foreign equivalent). The European theater will be defined, for purposes of this paragraph, as 1,100 nautical miles from CGN.
- (4) The coach tickets permitted in the European theater above shall not be used to position/deposition to or from the U.S. A coach ticket may be used to position within the European theater, only after the crewmember has a legal rest period in the European theater.

b. Business Class

A fully refundable business class ticket (or equivalent) will be required in accordance with this section when a coach ticket is not authorized under subsection a. above.

- (1) If no business class or equivalent ticket is available on the scheduled flight, then, at the crewmember's option, a search plus or minus 4:00 hours will be performed to determine the availability of an alternative business class ticket. The available business class or equivalent ticket closest to the crewmember's scheduled departure time shall be used, provided it allows a legal rest. The use of an alternative business class ticket will not result in a revision to the crewmember's scheduled deadhead for the purpose of pay and credit.
- (2) If an approved carrier's aircraft only has two (2) cabins, a fully refundable ticket for the front cabin will be provided. If the approved carrier has more than a two (2) cabin configuration, a fully refundable business class or equivalent ticket will be provided.
- (3) In obtaining a business class or equivalent ticket the first preference shall always be given to a carrier with which the Company has a discounted fare agreement. If there is no business class or equivalent ticket available on a discounted basis, the next choice shall be a non-discounted business class ticket on an approved Part 121/135 carrier.

- (4) If business class or equivalent is authorized under this section, then all segments of that travel will be in business class. The domestic segment of an international deadhead may be booked in coach.
- (5) If a deadhead duty period contains more than ten (10) scheduled block hours, the selection order shall be business class or equivalent; then first class and then coach. A business class, its equivalent or first class ticket shall be considered available if it is in compliance with paragraph (1) above. Coach class may not be utilized under this paragraph more than ten (10) times per bid period system-wide and only when this is the only option available that allows the Company to operate a flight as scheduled. Such a crewmember shall be allowed to upgrade above coach class prior to the segment departure if a seat becomes available. A report shall be generated to the Association following each use of this within 48:00 hours of occurrence. The crewmember shall be wait-listed for the appropriate class of service.
- (6) If a business class or equivalent ticket is not available in accordance with paragraphs (1) through (4) above, coach service will be utilized.

3. Deadhead Ticketing

- a. Crewmembers will obtain all deadhead tickets from the Company's designated travel agency unless otherwise authorized by Crew Scheduling or Travel Administration/Crew Logistics. Crewmembers shall be permitted to purchase any ticket available that complies with FAR parameters provided that if the ticket value is over the applicable index, it shall be for the same or lower class of service.
- b. Authorized tickets for Company travel may be purchased by the crewmember with personal funds. Crewmembers will be entitled to reimbursement for such purchases up to the value of the travel bank.
- c. The Company will bear all costs of delivering tickets for deadhead travel, including deviation deadhead travel, that depart from a location other than the crewmember's domicile.

- d. Electronic tickets will be used to the maximum extent possible. Whenever paper tickets are required, they will be mailed to any address requested by the crewmember. Unused paper tickets will be returned to the Company within fifteen (15) days of the end of the crewmember's trip.
- e. The Company shall be entitled to use the lowest fare from the Part 121/135 approved carrier list. Index fares shall be based on unrestricted seating in the authorized cabin.
- f. A crewmember shall be personally responsible for any checked baggage fees for any bags in excess of two (2).

4. Travel Bank

- a. A travel bank will be established for each crewmember who has commercial travel on his bid line or who has commercial travel costs associated with J/A assignments, open time trips awarded, and trip revisions.
- b. A travel bank value, if any, for each commercial ticket will be based on the index values published with each bid package. The index shall be based on a fully refundable, same day fare. The Company will adjust the index (up or down) if there is a system-wide adjustment by the carrier or government. The index will not be adjusted after the crewmember purchases a ticket. Additionally, the Company will adjust any index that is no longer available or if the Association presents objective evidence that the existing index is incorrect. The indices will continue to be listed on the Flight Ops website or its successor. If a crewmember uses a commercial ticket or company jumpseat as scheduled there will be no credits or debits to his bank.
- c. If a crewmember uses a less expensive commercial ticket or does not utilize a commercial ticket available to him for business travel as a part of a trip, sixty-two and one-half (62.5%) percent of the difference between the published index value of the original scheduled commercial ticket and what he actually uses for transportation shall be credited to the crewmember's travel bank at his request. The credit accrued in a bid period may be used in the

next four (4) bid periods in accordance with Sections 5 and 6 below.

- d. A crewmember will automatically be credited for any ticket not used.
- e. Debits to the travel bank will be made based on expenses incurred by the crewmember as allowed in Section 5 below. Expenses will be itemized on a travel expense report, receipts attached, and submitted by the 3rd Monday following the close of the applicable bid period.
- f. Positive travel bank balances will be retained by the Company in accordance with this section.
- g. Negative travel bank balance amounts will be payroll deducted from the crewmember's next regular payroll check that contains adjustments for the last pay period. A crewmember who desires to participate in the travel bank must execute a payroll deduction agreement.

5. Deviation from Scheduled Deadhead

- a. A crewmember who deviates is responsible for ensuring his compliance with FAR crew rest requirements prior to operating a Company flight. A crewmember who utilizes the deviation policy of this section will not be subject to discipline or given a letter of warning/concern as a result of getting bumped from a Company reserved jumpseat or the cancellation or delay of a commercial flight. A crewmember who does not report for his scheduled Company flight for one of the reasons cited above, shall be returned to a paid status consistent with Article 5.S. A crewmember who travels as scheduled for a portion of the scheduled travel (i.e. he joins at the beginning, middle, or final segment) shall be considered to be traveling as scheduled for pay protection purposes. This shall also apply to a crewmember who has requested "as scheduled" travel that is not available and has been provided alternate travel by the Company. The crewmember must actually join the trip to be considered to have traveled as scheduled.
- b. A crewmember shall notify the Company through its Travel Agency of his intention to deviate from a

scheduled deadhead by using alternative air transportation, no later than seven (7) days prior to the show time of the originally scheduled trip unless the trip assignment is made with less than seven (7) days notice. In such event the crewmember shall provide as much notice as possible. If the crewmember does not contact the Company by the seventh day he shall not have the right to credit or debit his travel bank. A crewmember who is notified of a trip assignment less than seven (7) days prior to show time and who wishes to deviate from a scheduled deadhead by using alternative air transportation shall promptly notify the Company through its Travel Agency of his intention to deviate from a scheduled deadhead. A crewmember who has indicated his intention to deviate from a scheduled deadhead may not trade or drop the trip containing the deadhead during the period of 48:00 hours immediately prior to the show time of the trip as originally scheduled. Further, a crewmember may not trade or drop a trip after the departure time of the deviating deadhead.

- c. If a crewmember's trip is revised at or prior to check-in and, as a result, the crewmember is unable to report on time, the crewmember shall be removed from the trip and subject to the provisions of Article 13.E.5.b. If a crewmember's trip is revised after check-in and, as a result, the crewmember is unable to report on time, the Company shall either reposition the crewmember to his trip or reschedule him. In order to maintain pay protection the crewmember must remain available for reschedule.
- d. A crewmember who deviates is considered to be on Company business while traveling pursuant to the provisions of this Section.
- e. If a reserve or domicile airport standby crewmember has a trip assigned ending in a deadhead, a crewmember may deviate from the deadhead if he does not have reserve or standby duties scheduled upon his return to the domicile. In order to deviate, the crewmember must contact Crew Scheduling 1:00 hour before the report time of the scheduled deadhead to determine if the Company has any other assignments for the crewmember. The crewmember may deviate at that point if the Company has no other assignments for him. A crewmember may

check with Crew Scheduling prior to 1:00 hour before the report time to request an earlier approval to deviate. Such earlier requests may be approved at the Company's discretion.

6. Deviation Options

- a. When deviating from Company scheduled deadhead travel at the beginning or end of a trip such travel must occur within 72:00 hours of the scheduled or revised deadhead. The crewmember is responsible for making his own hotel reservations and the Company contract rate is subject to availability as determined by the hotel. Any costs associated with an early arrival or late departure other than commercial air travel or scheduled ground transportation to a hotel or another airport, shall not be eligible for travel bank debits. Per diem and pay shall be based on the scheduled trip times.
- b. Crewmembers who are scheduled to deadhead on a Company aircraft may not use their travel bank balance for alternative travel.
- c. Crewmembers who have been provided a commercial ticket for a deadhead may elect to travel via the Company jumpseats in lieu of commercial ticket travel. Such crewmember will be booked as a priority 3A. Such crewmember shall be responsible for ensuring his compliance with FAR crew rest requirements prior to operating a Company flight. Such crewmember shall also count for the jumpseat limitations in accordance with the matrix contained in paragraph 10 below. Any crewmember who uses a Company jumpseat instead of a commercial ticket shall not be entitled to have the value of the commercial ticket credited to his travel bank.
- d. Alternative positioning tickets may start and end at any airport.
- e. Alternative de-positioning travel destinations must be a city, or a legitimate connection city, enroute to a city, in which the crewmember has a residence, military obligation or family emergency.

7. Qualifying Deviation Expenses

- a. The following expenses shall be eligible for reimbursement from the travel bank provided they are incurred traveling to or from a Company assignment outside of the crewmember's domicile and for a deadhead for which a commercial ticket had been scheduled:
- (1) Airline tickets;
 - (2) First class upgrade, if the crewmember had been entitled to a business class ticket but one was not available;
 - (3) Crewmember initiated ticket change fees;
 - (4) Travel on trains, subways, boats, ferries or buses;
 - (5) Rental cars (intermediate or less);
 - (6) Mileage reimbursement (IRS rates for travel greater than 50 miles and up to 300 miles);
 - (7) Hired cars;
 - (8) Unusable, nonrefundable tickets; and
 - (9) Airport parking expenses at a gateway where there is not Company provided parking available or a taxi to/from the airport in lieu of airport parking charges.
- b. Domestically, it will be the responsibility of the crewmember to contact the ground transportation vendor for transportation after all commercial deadheads. For international deadheads, the Company shall have responsibility, if requested by the crewmember, for arranging and contacting ground transportation for all international travel in which the crewmember is traveling as scheduled or, if deviating, is in a city in which the Company has a primary crew hotel listed in the bid package. If a crewmember encounters difficulty in arranging ground transportation after an international or domestic deadhead, he may contact Crew Scheduling for assistance. The Company will then attempt to contact the ground transportation vendor on behalf of the crewmember. The Company will pay for all ground

transportation fees related to a domestic or international positioning or deadheading.

- c. Travel bank monies shall only be available to reimburse crewmembers for business transportation related expenses. Personal transportation expenses shall not be reimbursed from the travel bank.
- d. Other reasonable travel expenses can be authorized for reimbursement by the Company.

8. Company Issued Credit Card

- a. Each crewmember is required to carry his Company issued credit card when on duty.
- b. Travel cards may be used for Company business or for time-sensitive travel as authorized by the Company. Travel Administration will make all reservations for such travel.
- c. When a crewmember becomes aware that his card has been lost, stolen or damaged, he must contact Travel Administration immediately.

9. Support Transportation

The Company will reimburse the crewmember for ground transportation not provided by the Company after a scheduled deadhead. The Company will provide ground transportation for crewmembers between the SDF, ONT and MIA terminals and the Company's facilities.

10. Scheduled Transportation on Company Aircraft

- a. The Company may schedule crewmembers to deadhead on Company aircraft for international flights in the bid package and for new international trips during the bid period provided the limitations in the following matrix are observed.

BID PACKAGE MATRIX--INTERNATIONAL ONLY

Maximum number of ACMs onboard						
Total block hours in duty period	B757	B767	A300	MD11	B747 100/200	B747 400
0 - 3	2 (Note 1)	4	3	4	4	4
>3 - 5	N/A	2	2	3	4	4
>5 – 7:45	N/A	1	2	3	4	4
>7:46-12	N/A	1	1	3	4	4
>12	N/A	N/A	N/A	2	3	2

- (1) B757 only allowed if A300, MD-11 or 747 not available and there is no approved commercial carrier serving city (e.g.CRK) and where no approved co-terminal exists: limited to 2:00 hours total block only.
- (2) One less ACM per seat that is not operational.
- (3) The 7:46 to 12:00 allowance on the 767 and A300 is only for the purpose of an IRO. When the 767 sleep module is in service on a flight, the Company shall be allowed to assign one (1) positive space jumpseater in addition to the IRO. The >12:00 allowance on the MD11 and 747 is only for the purpose of double crews. An 8:00 block hour limit will apply for those duty periods which can be built in MIA to 8:00 hours without an IRO.
- (4) Crewmembers cannot be scheduled for cockpit jumpseats on any 747.
- (5) Domestic portion of an international duty period allowed to use this matrix.
- (6) This matrix is not intended to affect whatever authority the PIC has under the FARs.
- (7) The greater than >12:00 allowance on the 747 is only for the purposes of a double crew.

- b. The Company may also schedule crewmembers to deadhead on Company aircraft for operational reasons

provided the limitations in the following chart are observed:

OPERATIONAL (P3) JUMPSEAT CHART								
Total block hours in duty period	727 Domestic Only	DC8 Domestic Only	B757 Dom & Intl	B767 Dom & Intl	MD11 Dom & Intl	A300 Dom & Intl only	B747-100/200 Dom & Intl	B747 400
0-3	2	3	2	4	4	4	All First Class Seat Avail	4
>3-5	1	2	2 See Note 6	3	3	4	All First Class Seat Avail	4
>5 – 7:45	N/A	N/A	N/A	2	3	2	All First Class Seat Avail	4
>7:46-12	N/A	N/A	N/A	1	3	1	All First Class Seat Avail	4
>12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2

- (1) All figures shown include IRO/augmented crewmember “i.e. 767 and MD-11”. When the 767 sleep module is in service on a flight, the Company shall be allowed to assign one (1) positive space jumpseater in addition to the IRO. An 8:00 block hour limit will apply for those duty periods which can be built in MIA to 8:00 hours without an IRO.
- (2) The Company shall have the right to use the jumpseats set forth in the chart above, domestically for any trip that is first created and assigned to a crewmember within forty-eight (48) hours of the scheduled departure time of the trip. The window shall be seventy-two (72) hours for international trips.
- (3) For the purposes of this chart all individuals booked by the Company in positive space beyond the basic crew count toward the allowable total.

- (4) This chart is not intended to affect whatever authority the PIC has under the FARs.
- (5) The jumpseat system will still allow other personnel to book personal-use jumpseats up to the number of installed jumpseats as specified in the Company's FOM.
- (6) 757 domestic only: From three (3:00) hours to four (4:00) block hours with ability to extend to four and one half (4:30) hours due to operational necessity. Crewmembers required to jumpseat between four (4:00) and four and one half (4:30) block hours shall be entitled to receive a two (2) hour premium payment. In addition, the Company shall comply with the following rules when rescuing a flight:
 - (a) The Company may book two (2) priority three (P3) crewmembers on a 757 to jumpseat between 3:00 and 4:30 hours for the sole purpose of rescuing a flight (i.e., there is not sufficient time to position a crewmember and obtain rest prior to operating the uncovered leg) even though the subsequent operating block hours will cause the crewmember to exceed the matrix block hours. In such case, a combination of the deadhead block hours and the operational block hours in a duty period may not exceed 8:30 hours. If the Company uses this exception where the total block hours in a duty period exceeds 4:30 all priority three (P3) crewmembers will receive a 2:00 hour premium payment plus the 2:00 hour premium payment generated above (i.e., deadheading between 4:00 and 4:30 hours).
 - (b) This exception may be applied internationally but the total amount of block hours spent deadheading cannot exceed the 3:00 hours provided by Article 13.H.10.b., operational priority three (P3) jumpseat chart.
 - (c) If the total block time limits (i.e., deadheading and operating block time total) for the 757 are exceeded beyond 4:30 hours, all priority three (P3) crewmembers on the flight will receive a compensatory rest of 12:00 hours for non-EDW

and 24:00 hours for EDW and international duty periods (or greater rest as required by the contract) within 48:00 hours after the duty period in which the matrix was exceeded or upon return to the domicile whichever occurs first. The compensatory rest will be in addition to any applicable premium pay listed above.

- (d) In no case may the Company book more than two (2) positive space individuals on the 757 jumpseats. This exception is only to be applied to the 3:00 to 4:30 hour range and does not permit the Company to book positive space individuals on the 757 in the 4:30 to 8:00 hour range of the matrix based on deadheading block hours only.
- (e) At no point can the Company utilize the N/A section of any portion of either matrix for the placement of positive space individuals other than one (1) "FAA Check Airmen, Couriers, Priority 2 Company Check Airmen". However, the Company may schedule a crewmember from 8:00 to 8:30 total block hours (combined deadheading and operating) only to recover an aircraft other than a 757 or 767, only if an ONT based crew cannot make timely service.
- (f) This exception would allow for only one deadhead leg and a maximum of two subsequent operating legs. The exception does not allow an operational leg prior to any deadhead leg which falls under this agreement. Crewmembers exceeding the 8:00 hour total block time (combined deadheading and operating) will receive a 2:00 hour premium payment which is in addition to any other premium due.
- (7) FAA check airmen and couriers are allowed wherever no jumpseaters would normally be allowed (listed as "NA" above).
- (8) Any new trip that is built and placed into open time will be built using the bid package matrix or commercial ticket for international trips or with a commercial ticket for domestic trips.

- (9) If a trip which has been in open time is assigned to a reserve within 48:00 hours of departure time, the Company has the right to replace any commercial positioning or de-positioning deadheads with a jumpseat in accordance with the chart above. If this occurs sixty-two and one-half percent (62.5%) of the value of the commercial ticket will be deposited in the crewmember's travel bank. Any monies in the travel bank will be available to use for alternate travel pursuant to Article 13.B.6.b.(7); in subsequent bid periods in which the crewmember holds a flying line; or open time or JA trips.
- (10) The greater than twelve (>12) allowance on the 747 is only for the purposes of a double crew. Up to two (2) P6, P7, P8, P9 or P10 jumpseaters will be allowed on any flight segment(s) operated with a double crew on the 747-400. These jumpseaters will be allowed to ride at the Captain's discretion. If any of these booked jumpseaters are bumped by the Captain, no other jumpseaters will be allowed to board in their place. These jumpseaters granted permission to ride may not utilize the crew rest facilities (bunks) at any time during the flight without requesting and receiving approval from the Captain.
- (11) Crewmembers cannot be scheduled for cockpit jumpseats on any 747.

I. Check In/Reporting for Duty

1. Check-in

If a crewmember's first duty period includes a scheduled deadhead, the crewmember may check-in with the Company as early as 24:00 hours prior to the scheduled deadhead departure time. However a crewmember must check in no later than 2:00 hours after the scheduled deadhead departure time. He is in no way required to complete the scheduled deadhead, but it must be constructed to include an actual position/de-position flight. (i.e. if the originally scheduled position/de-position does not exist an alternate flight that is contractually compliant and operational must be substituted for pay and legality purposes). If the Company revises the crewmember for this duty period, it retains the responsibility for contractually positioning the crewmember to the point of

departure of a first operating flight segment of the trip and he shall be pay protected if this is not possible.

2. Domestic Operations

All crewmembers are required to check in between 5:00 hours and 60 minutes prior to scheduled departure.

3. International Operations

All crewmembers are required to check in between 5:00 hours and 1:30 hours prior to scheduled departure.

4. Flights Within the Same Duty Period

- a. Crewmembers shall not be required to make a :60 minute or :90 minute check in, as applicable, with Crew Scheduling when they transit the domicile after originating a trip (i.e. after origination of trip, crewmember operates flights into and out of Louisville during Next Day or 2nd Day Air Sort). On these flights the crew assigned to a flight shall have the responsibility for obtaining and signing the flight release envelope at report time for the flight's scheduled departure time. If by the report time for the scheduled departure one of the crewmembers has not appeared, it shall be the responsibility of the crewmembers who are present to immediately notify Crew Scheduling that the crewmember is absent.
- b. If a crewmember is not present for his scheduled flight, at least 10 minutes after scheduled report time Crew Scheduling shall have the right to replace the crewmember for the duration of his trip with either a reserve or by rescheduling a regular line holder. However, the Company may, at its discretion, allow the crewmember to resume the trip. The crewmember's pay shall be reduced by the value of the trip or portion of trip missed.
- c. If a crewmember is replaced pursuant to a. above because he was not present 10 minutes after scheduled report time, but arrives before departure he shall be allowed to handle the assignment if the replacement crewmember is willing to remove himself voluntarily from the assignment and there would be no delay incurred by allowing such a switch. Further, if the replacement

crewmember agrees to relinquish the assignment to the crewmember who was late, he shall not be entitled to any pay or credit for the assignment. If the replacement crewmember who relinquishes the trip is a reserve he must remain available for his reserve call out period.

J. Failure to Report

1. If a crewmember fails to check in by 2:00 hours after his scheduled deadhead departure time, Crew Scheduling will make an attempt to contact the crewmember to assure that he is aware of the trip. If Crew Scheduling is unsuccessful in contacting the crewmember within 2:30 hours of his scheduled deadhead departure time, he may be replaced by a reserve crewmember and such crewmember's pay may be reduced by the value of the trip or portion of the trip missed, if any.
2. If a line crewmember or a reserve crewmember who has been given an assignment fails to report for duty, his pay will be reduced by the value of the trip or portion of the trip missed. The Company may, at its discretion, allow the crewmember to resume the trip. If a reserve crewmember is unavailable for contact on the first attempt, Crew Scheduling will attempt to contact him at an alternate phone number, if provided. If the crewmember is unavailable for contact at this alternate phone number, Crew Scheduling shall make one (1) additional attempt to contact the reserve at the original phone number at least 10 minutes after the initial call. If no contact is made, the crewmember will be considered unavailable for duty and his pay will be reduced by the MPDP credit.
3. The parties agree that the obligation for crewmembers to report for duty in a timely manner is critical to the success of the airline. Failure to report for duty, reporting late for duty, and on call reserve crewmembers being "unavailable to contact" are all serious failures in crewmember responsibility. At the same time, the parties acknowledge that there are also legitimate circumstances that can arise that explain or mitigate failures in this regard.
4. In order to maintain the concept of "progressive discipline," the Company acknowledges that providing crewmembers with a letter of suspension on a first occurrence (of either a "No-show" for a scheduled trip or an "Unable to Contact" for a reserve assignment) is not appropriate. Letters of concern or warning may be appropriate depending on the circumstances.

Crewmembers will be subject to a pay loss for the portion of the trip missed in accordance with the contract.

5. In cases where a crewmember has two (2) occurrences in an eighteen (18) month period (consisting of any combination of no-shows or UTCs,) the Company may suspend a crewmember for no more than one-half of the pay period guarantee. In cases where a crewmember has three (3) occurrences in an eighteen (18) month, the appropriate discipline will be left to the decision of an arbitrator in accordance with all grievance procedures outlined in Article 7. All aggravating and mitigating circumstances may be considered by the arbitrator.
6. Paragraphs 4. and 5. apply only to the extent crewmembers have made good faith efforts to timely report and be available for work in accordance with their schedule.
7. Nothing in this section is intended to change any crewmember rights or responsibility outlined in Article 7.

K. Open Time Pick Up

1. A crewmember who wishes to pick up open time which is uncovered more than 48:00 hours prior to the trips scheduled departure time must submit his request via the ASA system and his request must be received by the system at least 48:00 hours prior to the trip's scheduled departure time. Article 13.K. will apply separately to each domicile.
2. Crewmembers can submit requests at any time of day for trips in the first pay period beginning 1700 local domicile time five (5) days prior to the next bid period for Captains and beginning 1700 local domicile time three (3) days prior to the next bid period for First Officers. Beginning on the first day of the next bid period requests will be accepted beginning at 0900 local domicile time for both pay periods in the bid period for Captains, and 1000 local domicile time for First Officers. Crewmember requests shall be processed on a first come, first serve basis. A trip which is available inside of the 48:00 hour window may be awarded at the Company's discretion. No grievance may be filed if the Company fails to award such trips or fails to award trips based on first come first serve basis.

3. Once a crewmember has requested a trip, he must be available for notification of a trip assignment or make prior arrangements with Crew Scheduling for notification.
4. A trip(s) that conflicts with another trip pairing on the crewmember's line, will be considered by Crew Scheduling.
5. The flight time pay and credit for a trip(s) shall not be changed as a result of the placement of a trip in a crewmember's line due to any open time pick up and the Company shall not incur any additional hotel and/or per diem expenses as a result of any open time pick up.
6. Any crewmember shall be entitled to pick up open time on any of his days off provided that the crewmember's bid line projection does not exceed 192:00 hours as a result of the credit generated by the open time trip. The Company may deny the pick up of open time by reserves if such open time would interfere with the reserve crewmember's availability.
7.
 - a. Regular and VTO lineholders who have a scheduled flying line with fourteen (14) or more duty days or 75:00 credit hours will be entitled to the pay and credit generated by the pick up of open time regardless of whether the crewmember has 75:00 hours of credit in his original flying line.
 - b. If a regular and VTO lineholder's original flying line is less than fourteen (14) duty days and less than 75:00 hours of pay and credit, the crewmember will be entitled to pay and credit generated by the pick up of open time only to the extent the hours generated by the open time cause the crewmember to exceed 75:00 credit hours in that pay period.
 - c. Regular and VTO lineholders whose original flying lines are less than fourteen (14) duty days but have more than 75:00 hours of credit, shall be entitled to any pay and credit generated by the pick up of open time.
 - d. Reserve lineholders will be entitled to be paid for any hours of pay and credit generated by the pick up of open time in addition to his pay period guarantee.
8. There are instances when an additional flight segment(s) is added after the publication of the bid packet or a flight

segment(s) becomes uncovered. New flight segments may be assigned to crewmember(s) as revisions in accordance with 13.E. However, all new flight segments not assigned to crewmembers during the crew scheduling comparison process will be built as a trip and placed into open time. A new flight segment(s) will only be worked through the comparison process once and such comparison will be done in a timely manner. Flight segments which are part of the bid package or an open time trip which becomes uncovered will immediately be assigned as a revision or built as an open time trip and placed into open time.

9. It shall be a violation of this Agreement if the Association engages in any action to encourage or suggest to its members that they not pick up open time, not utilize Article 11.G. or decline junior available assignments. This language shall not be applicable during a time of furlough or furlough announcement. Further, it shall be a violation of this Agreement if any crewmember(s) takes any action, individually or collectively, to discourage or interfere with other crewmembers who desire to pick up open time or accept junior available assignments. Nothing in the preceding sentence shall limit an individual crewmember's ability to voice personal opinions.
10. The Company shall have the discretion to adjust an open time trip into two or more new trips solely for purposes of pick up or trip trading under the following conditions:
 - a. The trip has been in open time for at least 72:00 hours;
 - b. The adjustment occurs within 120:00 hours of the originally scheduled trip departure time; and,
 - c. If the original trip had a commercial positioning or depositing deadhead, those commercial deadheads will remain as a part of the new trips.

Nothing within this paragraph shall affect the Company's right to adjust the trip once it falls within the parameters of Article 13.F.

In addition, a crewmember may request an adjustment of an open time trip provided the parameters in a. b. and c. above are met. The Company has the discretion to approve such a

request. If the trip is adjusted as requested, it shall be placed in open time for purposes of pick-up or trip trading.

11. The Company may in its discretion on a bid or pay period basis waive the criteria set forth in paragraph 7 above and specify that all open time will be paid above guarantee. The waiver may be fleet/seat/domicile specific and further may be by category of line (e.g. RMUL, EDW, EDW turn etc.). The Company will provide notice to crewmembers prior to the beginning of any bid period in which paragraph 7 will be waived and detail the extent of the waiver.
12. If a trip picked up from open time cancels in its entirety more than 24:00 hours from the report time for the trip, the crewmember will not be pay protected for the trip and shall not be subject to reschedule to a substitute trip. If a trip picked up from open time cancels in its entirety within 24:00 hours of the report time for the trip, the crewmember will be pay protected for the trip provided he shall be subject to reschedule. The crewmember may decline the reschedule but he will lose pay protection.

L. Miscellaneous Flying

Miscellaneous flying for the purposes of this Section shall mean training and consolidation flying. A designated amount of known flying time shall be selected as set forth below to meet these requirements. The selected time for miscellaneous flying shall not exceed five percent (5%) of known flying lines at the beginning of each bid period.

1. Initial Operating Experience Training

Each bid period the Company shall have the right to designate a specified number of lines which have been bid and awarded to IOE instructor crewmembers for the purpose of IOE training. These lines may be bid by First Officers for pay purposes only but will be available for bid by Second Officers. The Company will assign the First Officers needing IOE training to these lines.

2. Long Range Navigation Training

The Company will have the right to designate a specified number of lines by status and aircraft in which one (1) seat will not be subject to bid for the purpose of assigning the

crewmember(s) represented by the Association who requires long range navigational training.

3. Consolidation Flying and Other FAA Required Training

- a. Consolidation flying shall be that flying time required by FAR 121.434 to allow each crewmember subject to the regulation to achieve at least 100:00 hours of actual flying time in the aircraft in a one hundred twenty (120) day period.
- b. The Company shall have the right to designate a specified number of flying lines for the purpose of consolidation flying and other FAA required training. Such lines shall be constructed from open time prior to the construction of VTO lines. The trips associated with such lines, as originally scheduled or as revised, will be assigned to crewmembers needing consolidation flying on their reserve days. However, if a crewmember is still not projected to complete consolidation at the ninety (90) day period the crewmember at his option may contact crew scheduling to develop a mutually agreed upon schedule so that he is projected to complete consolidation within one hundred twenty (120) days. If at one hundred and twenty (120) days a crewmember is not projected to complete consolidation by the end of the one hundred fiftieth (150th) day, he will contact crew scheduling to develop a mutually agreed upon schedule to insure consolidation prior to the one hundred fiftieth (150th) day.
- c. Open time during the bid period may also be used for the purpose of IOE and other required FAA training.
- d. A First Officer will not be awarded a bid line when both the First Officer and Captain are projected to have less than 75:00 hours in their respective seats at the beginning of the bid period. Those lines awarded to low time Captains will be identified when the Captain bid awards are posted. The First Officers' projected time will be calculated the day before First Officer lines are awarded.

4. Displacement Training

The Company retains the right to displace line holding crewmembers for purposes of training. The rules provided in Section M.3. through 5. shall apply to such displaced crewmembers.

5. Excess Time

If it is determined that the flying time specified and selected above exceeds the requirement for the above purposes, such time will be placed in open time.

M. Management Flying

1. Proficiency Flying

Management proficiency flying shall be accomplished by the displacement of IPA represented crewmembers in accordance with Article 13.M.3.-5.

2. Other Management Flying

- a. When a regular or reserve lineholder is not available for a flight, the flight may be covered by a management crewmember in accordance with Section F.1.h. above and Article 13.M.6 below.
- b. The Company has the right to assign management crewmembers to maintenance ferry and test flights and the flight necessary to return the aircraft to the domicile. Crewmembers shall have the right to decline flights on an aircraft if the condition of that aircraft would prohibit the carriage of cargo or passengers for hire. Crewmembers may also decline test flights in which the aircraft has undergone major modifications. A system wide volunteer list will be established for crewmembers who wish to be available for assignment to maintenance ferry and test flights. Crew scheduling will offer such flights in seniority order. Crewmembers will be responsible for positioning themselves to operate a maintenance ferry or test flight which is assigned to a domicile other than the crewmember's. Crewmembers will not be involuntarily assigned to maintenance ferry or test flights. If there are no volunteers the flights will be handled by management crewmembers.

- c. The Company has the right to assign management crewmembers to open time trips in accordance with Article 9 Sections K., L. and M.3.

3. Management Flying by Displacement

Any management flying in addition to the above shall be by displacement. A crewmember displaced shall lose no pay and shall not be subject to rescheduling during such period of displacement. This pay protection shall not be applicable to any premium payments or credits under Article 13.E.4.a., b., and c. for the trip or portion of the trip in which the crewmember was displaced.

- 4. The Company agrees that all management flying accomplished by displacing, as allowed by the contract, will comply with the following guidelines:
 - a. The Company may displace a crewmember from a portion (portion=one or more sequential flight segments) of his scheduled trip or for the entire trip. A crewmember displaced shall lose no pay and shall not be subject to rescheduling during such period of displacement. The Company may not displace a crewmember for the middle portion of a trip without his consent. The Company will not request a probationary crewmember to consent to being displaced on a middle portion of a trip unless he indicates his willingness to do so by submitting a notice to the Company.
 - b. If displaced from the first portion of his trip or for the entire trip, the Company must make personal contact with the affected crewmember before he has begun travel to his domicile or personal contact in no case less than 24:00 hours prior to the trip's originally scheduled report time, whichever is earlier. The purpose of the personal contact is to inform the crewmember that he is being displaced and, if he is to be placed back on the trip, the report time for joining the trip. If not assigned to join the trip during this contact, the crewmember shall be considered displaced from the entire trip. If personal contact is not made by the Company in the time frame above, the displacement is at the option of the crewmember. If a crewmember displaced from the first portion of the trip chooses to not pass through his domicile, it shall be the Company's responsibility to ship

his flight bag to the gateway where the crewmember will join the trip.

- c. If displaced from the final portion of his trip, the crewmember will be personally contacted with the displacement notice prior to being released for the rest period preceding the displacement. Upon notice of displacement, the crewmember will have the right to take the first available transportation of his choice following completion of the duty period prior to displacement.
 - d. In no event shall a displaced crewmember be scheduled to arrive back in the domicile later than the originally scheduled arrival time of the trip.
 - e. Any displacement within the crewmember's domicile shall be done only with the agreement of the displaced crewmember, unless such displacement is for the whole of the originally scheduled trip.
5. Crewmembers displaced by the Company (on the first or final portion of a trip) will be entitled to standard, non-restricted positive space commercial air transportation in accordance with Article 13.H. from the domicile to the positioning airport or from the depositioning airport to the domicile (coach if domestic travel, business class if international). At the crewmember's option, the commercial ticket can be written from a positioning city other than the domicile, or from the depositioning city to a location of the crewmember's choice. If the latter option is chosen, the crewmember will only be liable for the additional amount, if any, between the ticket he obtained and the value of the standard, non-restricted positive space ticket to or from the domicile. Crewmembers, at their option, may utilize available jumpseats instead of commercial transportation, however displaced crewmembers shall not bump other crewmembers holding company jumpseat reservations.

Per diem shall continue until the depositioning commercial flight is scheduled to arrive in domicile (regardless of whether or not the crewmember chose to physically return to the domicile). Should the crewmember have chosen to physically take the depositioning commercial flight to the domicile, the crewmember will be paid additional per diem for any time the flight is late so long as the crewmember submits a written

request for the additional per diem documenting the late arrival.

6. Displacement For Management Emergency Flying

Management emergency flying ("MEF") days will result in crewmember displacements through the subsequent reduction of reserve on-call periods in published reserve lines ("Reserve Recovery Lines"). The following rules shall apply:

- a. The Company shall build reserve recovery lines with a reduction in reserve on-call periods equal to the total number of MEF duty periods in which a management pilot operated a UPS aircraft (i.e. one (1) duty period completed by a management crewmember equals one (1) recovered reserve on-call period). The reserve recovery lines shall be identified as such in the bid package.
- b. MEF operating duty periods must be captured and recovered in a reserve recovery line within the next three (3) full bid periods subsequent to the bid period in which the MEF duty period occurred. This shall be done based on the management duty periods flown (i.e. on an F/S/D basis).
- c. The reduction in reserve call-out periods will take place on published reserve lines in a minimum of a three (3) day block(s) unless there are less than three (3) days to be recovered. The Company has the discretion to reduce the on-call periods on a reserve line by more than three (3) in order to recover the days on a smaller number of reserve lines. These blocks of additional days off will be added to the front or back, at the Company's discretion, of a block of reserve days to be published in a reserve recovery line.
- d. The Company is required to publish a minimum of fifty percent (50%) of the recovery days on the reserve type with the most published lines for that bid period based on F/S/D. The remaining recovery days, if any, will be included in any of the published reserve line types.
- e. In order to track MEF and its recovery, the Company shall provide weekly reports to the Association of MEF

operating duty periods, including the flight number and block-in/block-out times.

N. Reports

1. The Company will provide the following reports to the Association within ten (10) days after the end of a bid period:
 - a. (1) A report of management flying during the bid period by aircraft and crewmember displacements. This report shall include the status of the trip prior to it being scheduled for management flying.
 - (2) A report of management flying for proficiency and IOE during the bid period by aircraft and management crewmember(s). This report shall identify the trips flown, the number of block hours, and date(s) the trip was flown.
 - b. Junior available will be reported in writing to the Association for each assignment. This report will include all management emergency flying accomplished pursuant to Article 13.F.1.h. A consolidation report will also be furnished at the end of each bid period for those crewmembers who have a line built pursuant to Section L.3. All three reports will include information by flight segment, flight number, date, crew position, total number of credit and block hours per assignment, number of duty days per assignment, equipment, and the name of any management crewmember(s).
 - c. The name and credit hours for the bid period of any crewmember exceeding 208:00 hours, including the reason for such occurrence.
 - d. (1) The Company agrees that when a subcontract occurs pursuant to Article 1 due to a mechanical emergency, the Company will provide the Association with the following information concerning such subcontract:
 - (a) The nature of the mechanical problem with the Company aircraft, the aircraft number and type and the estimated time of repair;
 - (b) The subcontractor involved, the equipment which was utilized and the dates and routes on which the subcontractor operated.

- (2) The Company agrees that the information above will be provided to the Association on a daily basis. Each daily report will cover any mechanical subcontract(s) which occurred the day before. Any subcontracts which may occur on a Friday, Saturday, or Sunday will be included in a Monday report.
 - (3) In addition, the Company agrees that it will attempt to provide notification by phone or fax to the Association of any mechanical subcontract prior to the actual utilization of the subcontract aircraft. Such notification will only include the name of the subcontractor, the equipment utilized and the nature of the mechanical causing the subcontract.
2. The Company will consider recommendations made by the Association as they pertain to pairings and line construction. Recommendations must be available to the Company at the time the Crew Planners are building the pairings and/or lines.
3. In the event of a violation of Article 13.K.10, the Company will continue to provide the reports required under this Section, however the information within the reports will be changed so as to not allow the identification of the individual crewmembers involved.

O. *Circadian Rhythm Parameters*

1. In building trips and bid lines, the Company will follow safe practices to prevent fatigue and circadian rhythm disruptions. All trips will be presented to the Association prior to the bid lines being constructed. An initial draft of the bid lines will be provided to the Association at least six (6) days before distribution is required by contract. The Association will respond to any pairings within five (5) days of being provided a copy. The Association and Company representatives will attempt to mutually resolve any disagreements concerning safety and circadian rhythm disruptions. If satisfactory resolution cannot be reached, the Association may request in writing, by the Friday of the week prior to the bid lines being sent to the printers, that the disputed trip(s) or combination of trips be deleted or modified. If the Company declines to delete the trip(s) or modify them in a manner acceptable to the Association, the Association may exclude such trips(s) or combinations of trips subject to the guidelines below.

2. The Association may identify up to five (5%) percent of new trips or new combinations of trips per aircraft type per bid period for exclusion from the bid lines. During the period from November 15 to January 1 each year the Association may exclude up to one (1) trip or combination per aircraft type from the bid lines. Trips or combinations under this section includes multiple occurrences of the same trip or combination. The Association may not exclude any trip or combination of trips from the bid lines under this section if it has been published and flown in at least two prior bid periods without an Association request that the trip or combination be deleted or modified in accordance with paragraph 1 above. New trip(s) or combinations of trips for purposes of this Section shall refer to those built in a fashion dissimilar to other previously existing trips. Relevant dissimilarities shall include but not be limited to length of rest, length of duty, time of day, circadian phase, time zone considerations and work load.
3. Trips or combinations excluded from the bid lines pursuant to paragraph 2. above shall be available for crewmembers to accept on a voluntary basis to adjust their line for credit deficits, to pick up as open time, or to trip trade with open time. All such trips will be identified as those that have been excluded from the bid lines by the Association. Combinations that have been excluded will not be identified so long as the Association is not challenging the trips that make up the combination. If the trip is not voluntarily flown by a crewmember, the Company shall have the right to operate the trip with management crewmember or subcontractors without displacement. All such flying will be reported to the Association in writing by the last day of the affected bid period.
4. Any trip(s) deleted from the bid lines by the Association under this Section shall be subject to expedited arbitration under the procedures of this paragraph. Such grievance shall be processed directly to arbitration. In such event, the Association shall provide written notice to the Company's Labor Relations Manager of its intent to invoke the procedures of this paragraph. Within one (1) week of the written notice the Company and the Association shall each designate one arbitrator to set on a panel to decide such grievance. The third arbitrator shall be familiar with the area of sleep deprivation and circadian rhythm. The Company and the Association shall mutually agree upon a list of four such

arbitrators within sixty (60) days of ratification. The third arbitrator shall be selected for an arbitration from the list of four in alphabetical order depending upon availability. A hearing shall be scheduled within thirty (30) days of the selection of the third arbitrator. The panel shall make a decision based on majority vote at the conclusion of the hearing. A written decision shall thereafter be issued within thirty (30) days. The oral and written decision shall be final and binding on the parties. The Association may grieve trips or combinations in excess of the numerical limitations of paragraph 2. pursuant to this paragraph but may not exclude such trips or combinations from bid line publication prior to the arbitration panel's decision.

5. The Association agrees that it does not intend to change its past practice in regard to working with the Company to identify and attempt to alleviate trips, pairings or combinations thereof which create circadian rhythm concerns.
6. Article 13.O. shall continue to apply as modified by the FSAG LOA.

P. Trip Board

The parties shall establish and maintain a Trip Board for the purposes of crewmembers making their trip(s) available for a transfer to other crewmembers and picking up open time. The Trip Board shall be maintained by a third party vendor. The following rules will apply for purposes of trip transfer(s) and open time pick-up through the Trip Board.

1. Trip Transfers
 - a. A trip transfer shall be defined as the removal of a trip from one crewmember's line and the addition of that trip to another crewmember's line through the Trip Board.
 - b. A crewmember may post a trip(s) to the Trip Board at any time after his schedule is finalized. In addition, domicile airport standby can be posted for transfer provided the entire block is posted. Trip/airport standby transfer requests will not be processed until allowed pursuant to the applicable open time pick-up timelines in Article 13.C.3.I. The 96:00 hour restriction in Article 14.K.1.a.(1) shall not apply to trip transfers between domiciles.

- c. A crewmember's posted trip will remain available for a trip transfer request until 24:00 hours prior to its scheduled departure time. If a crewmember deviates early, in accordance with Article 13.H.6.a., he will be financially responsible for the associated commercial ticket or other deviation expense if the trip is subsequently transferred to another crewmember.
- d. A crewmember who has posted a trip shall remain responsible for the trip until its transfer to another crewmember has been approved. If the posted trip is not transferred, the crewmember posting the trip will be responsible to operate the trip. If the trip transfer is approved, the crewmember who requested the trip will be responsible and accountable for the trip. In no case will a posted trip ever become uncovered as a result of its posting on the Trip Board.
- e. The revisions to a trip being transferred through the Trip Board shall be handled as follows:
 - (1) If a trip is revised after it has been posted to the trip board, it is the responsibility of the crewmember who originally posted the trip to make the necessary change(s) and repost the revised trip. If the revised trip is not reposted, the crewmember awarded the transferred trip will still be responsible to operate the trip as revised.
 - (2) If a posted trip is revised prior to it being transferred and the trip is transferred and operated by another crewmember, neither crewmember will receive the premium payments for the revision. However, if the posted trip is not transferred and the crewmember who originally posted the trip actually operates it, he will be eligible to receive any applicable premium payments.
 - (3) If a posted trip is revised after it is transferred to another crewmember who operates the trip, he will be eligible to receive any applicable premium payments for revisions.
- f. A crewmember who is awarded a trip transfer shall be able to subsequently trip trade the awarded transferred trip through ASA.

- g. FNP/PNF segment(s)/trip(s) shall not be eligible to be transferred through the Trip Board.
- h. The following pay and credit rules shall apply to transferred trip(s):
 - (1) If a crewmember's posted trip is transferred to another crewmember, the crewmember who posted the trip, will have the credit value of the trip deducted from the crewmember's bid line credit if it is equal to or greater than the pay period guarantee.
 - (2) If a crewmember has a bid line credit below guarantee, and transfers a trip to another crewmember, the credit value of the trip shall be deducted from the pay period guarantee as long as the bid line credit does not go below fifty percent (50%) of his published bid line credit. If a crewmember goes below fifty percent (50%) of his published bid line credit, the credit value of the transferred trip shall be deducted from the crewmember's actual bid line credit. The crewmember shall have the opportunity to restore his pay buffer in his current pay period by picking up open time, being credited with additional hours in connection with a trip in his original bid line or obtaining additional credit from trip trades or trip transfers. In the next pay period, a crewmember can only make up the pay buffer by open time pick up or obtaining additional credit from trip trades or trip transfers. This additional credit in his current or next pay period must bring him within 5:00 credit hours of his published bid line credit. A crewmember shall not be allowed to make up his buffer through any other types of additional credit.
 - (3) There is no limit on the number of trip(s) a crewmember may transfer. However, a crewmember must generate at least 37:30 hours pay and credit within a bid period in order to maintain accruals and benefits. In addition, a crewmember will be responsible for landing currency on his own time if he transfers the trip(s) which would have given him the last opportunity to obtain the required takeoffs and landings in order to maintain currency.

- (4) The credit cap of 208:00 hours will apply to any credit generated as a result of a transferred trip.
 - (5) A crewmember who operates a transferred trip with a bid line credit below guarantee will have to make up the pay buffer before receiving additional pay for credit above guarantee in accordance with Article 13.K.7.
 - (6) VTO lines containing reserve duty (VTO line with LCO) are considered to have met guarantee for the purpose of trip transfers. As such, there is no pay buffer for these lines and any pay and credit from a trip transferred will be deducted from guarantee. Any pay and credit from a trip added to a crewmember's line as the result of a trip transfer will be on top of guarantee.
- i. If a crewmember is transferring trip(s) to obtain time off as a result of a medical issue, he is still required to disclose to the Company any medical issue that may result in an absence of thirty (30) days or more in order to maintain medical benefits.
 - j. Any trip transfer request made within the last ten (10) days of a current bid period will be approved, in accordance with this Section, unless the trip to be transferred ends within 48:00 hours of the end of the bid period, and the crewmember has not yet been awarded a bid line in the next bid period.

2. Open Time Pick-Up

The Trip Board will include the open time trips which are displayed in ASA. Crewmembers may request the pick-up of open time trip(s) through the Trip Board. The rules applicable to the pick-up of open time through ASA shall apply equally to open time trips picked up through the Trip Board.

3. General

- a. The approval or denial of a crewmember's request submitted through the Trip Board will be governed by the provisions outlined in the Automated Schedule Adjustment (ASA) Letter of Agreement 10-02, paragraph

3, as it pertains to the performance of the ASA. A crewmember may use the ASA General Inquiry form to have Crew Scheduling review a denied trip transfer request.

- b. The Company shall have no liability or responsibility for issues related to the third party vendor's system performance. As a result the parties agree that no grievance can be filed by a crewmember related to his inability to post, transfer, or pick-up trips through the Trip Board.
- c. The Trip Board will allow crewmembers to use the forfeit pay protection (FFP) option for trip transfer and open time pick-up requests. If the FFP selection is made through the Trip Board then ASA will automatically waive any buffers necessary to approve the trip. The crewmember will not be automatically informed of the buffers that have been waived but can obtain that information from Crew Scheduling. If a crewmember does not select the FFP option in his original request, ASA will notify the crewmember, through the Trip Board, that FFP must be selected in order for the request to be approved.

Q. *Miscellaneous Multiple Domicile Scheduling Issues*

1. Open Time

- a. (1) The Company shall have the right to designate the domicile to which trips will be assigned as part of the bid line construction process and in conjunction with the placement of new open time trips after publication of the bid package. However, open time trips created after the beginning of a bid period which originate out of a domicile airport shall be placed into open time in that domicile. Only crewmembers permanently assigned to the domicile where the open time is assigned shall have the right to bid and be awarded such open time. If an open time trip is not awarded to any crewmember within the domicile by 96:00 hours prior to the trips departure, the trip will be available for system-wide open time pick up. The trip will continue to be available until 48:00 hours prior to the trips scheduled departure time. Requests will be processed via the ASA system. If a crewmember picks up an open time trip from another domicile, he shall be responsible for positioning himself to operate

the trip. At that time the trip will be assigned to reserves in accordance with Article 13.F., this Section and Article 14.P. RADAR list will be maintained by domicile.

- (2) Notwithstanding paragraph 1 above, a trip will not be placed into a domicile's bid package (e.g., ONT) if a crewmember assigned to that domicile (e.g., ONT) would be required to deadhead to another domicile (e.g., SDFZ) in order to operate the first live flight leg.
- b. If an open time trip cannot be covered by reserves in the originating domicile—the Company shall have the right to assign trips from one domicile to reserves from another domicile provided it has exhausted all legal and available reserves in the originating domicile. All trips shall be identified by domicile. The Company shall provide the Association a report within ten (10) days following the end of a bid period of trips flown by reserves from another domicile. No reserve may be assigned airport standby or simulator duty in another domicile. The provisions of this paragraph shall also apply to a domicile within a domicile. In addition, the Company must use the junior available process system-wide before cross-domicile utilization of reserves when a furlough has been announced or has been implemented.
- c. If the Company is not able to cover an open time trip under paragraphs a. or b. above, the Company shall use the junior available process on a system-wide basis. If the Company is forced to junior available crewmembers from another domicile to cover more than five (5) trips in a bid period per fleet and seat, the Company shall have the obligation to immediately bid a new vacancy or post a realignment bid. A report will be provided to the Association within ten (10) days after the end of a bid period of any junior available trips, flown by a crewmember from a different domicile.
- d. Paragraphs a. b. and c. shall not preclude the Company from revising crewmembers' trips or assigning reserves from any domicile in order to cover flight segments which become uncovered after a trip departs the domicile (i) as a result of the unavailability of a crewmember due to reasons which are his fault, or (ii) in order to make service in a timely fashion, or (iii) for the reasons listed in

Article 13.E.8. This paragraph cannot be used to assign an open time trip from one domicile to a crewmember in another.

- e. If the obligation to create a new vacancy has been triggered under this Section, the Company will temporarily transfer the same number of crewmembers pursuant to Section J.2. This shall not preclude the Company from temporarily transferring crewmembers to another domicile in order to handle temporary increases in flying or pursuant to Article 14.A.4.c.
- f. Whenever a trip is assigned to a reserve crewmember or as part of the junior available process under paragraphs b. or c. above from another domicile the trip shall be built to begin and end in the domicile to which the crewmember is assigned.
- g. The Company and Association recognize that there may be temporary situations, which result in junior available out of another domicile. On a case-by-case basis the Association and Company may agree for the above reason, not to bid an additional vacancy for the new domicile even though the limits of c. above have been exceeded.
- h. Notwithstanding Article 13.B.1.b. the minimum reserve staffing by status and equipment for any domicile outside of SDF shall be fifteen (15) percent. The fifteen (15) percent limitation in this paragraph and the ten (10) percent limitation in Article 13.B.1.b. shall apply to bid line construction on a bid period basis.

2. Reserves

The Company shall maintain reserves in each domicile but shall not be required to publish lines for each of the four (4) reserve types in each domicile.

3. Trip/Flight Segment Trading

Crewmembers shall be allowed to trade trips or make PNF/FNP trades with crewmembers assigned to a different domicile. However, trip trades with open time shall only be allowed within the domicile.

4. Co-Located Domiciles

The provisions of this Section shall apply to an international domicile within a domicile including but not limited to the international domicile to be created within SDF to be known as SDFZ.

R. Scheduling Issues Related to Crew Augmentation on Two-Pilot Aircraft

1. International trips on all fleets and domiciles covered by this section may be crewed with a Captain and two First Officers. At least one of the First Officers must be type rated with a First Class medical to perform the duties of IRO. The Company shall pay for the initial First Class medical for the First Officer regardless of the doctor from which it is obtained. The Company's obligation to use an additional First Officer will be governed by the Federal Aviation Regulations. The Company will only use an augmented crew on international flights or in international theaters or domestic segments leading to the international flight. The Company shall not be permitted to use an augmented crew to build a domestic only duty period with more than eight (8) block hours. No EDW turn trips with an IRO (domestic or international). The Company shall be allowed to build an SDF-SJU turn trip which touches the EDW with an IRO provided the block time in the duty period is not scheduled to be greater than nine (9) block hours and the aircraft has available bunks. Non EDW international turn trips will be allowed with an IRO provided that it is a pure non EDW IRO turn trip line. For this line only the single day off criteria will not be applicable and the line may be constructed with short block days off patterns. Article 13.A.1.b. shall apply to any international duty periods in which an augmented crew operates. The scheduled and maximum duty for augmented crews will be:

Flight Segments	Scheduled Duty	Soft Maximum	Hard Maximum	Block Hours
1-2	14:00	15:30*	16:00	7:46-12:00

- * A crewmember may be extended beyond the soft maximum duty limit if alternate operations, as defined above, is declared for the crewmember's flight segment(s). Each crewmember exceeding the soft maximum duty limits shall receive a two (2) hour premium payment.

2. The Company may require, on a scheduled or revised basis, that a second First Officer deadhead on any flight segment in order to stage the crew for an international flight in accordance with the matrix listed in Article 13. Section H.
3. The First Officer who is required to perform IRO duties shall be designated on the published pairings in the bid package. When a trip carries into the next bid period, the IRO duties may not be identified on the carry out portion of the trip in all cases. In such event, the Company will notify the First Officer who will be required to perform IRO duties. However, the Captain may ultimately determine the positions of the First Officers on any trip which has two (2) First Officers who are qualified to act as IRO's. The Captain shall cooperate to the fullest extent possible to ensure the currency of the operating crewmembers.
4. The IRO shall be present for the entire duty period where crew augmentation is required. No more than one crossing will be allowed per duty period. IRO's shall be compensated at the First Officer rate.
5. The Company agrees that if it requires a crewmember who is designated to operate as an F/O on a trip to switch places with another F/O on the same trip who is designated to perform IRO duties for the purpose of training the IRO (i.e. overwater checks, IOE, etc.) the F/O will be paid a premium payment of 2:00 hours for each flight segment the F/O is required to perform IRO duties. This paragraph is not applicable to switching seats for currency requirements. The Company retains the right to revise F/Os to F/O IRO duties and vice versa in accordance with Article 13.E.
6. The Company shall construct open time trips for First Officers as necessary to cover IOE on flight legs scheduled over 8:00 block hours, but less than 12:00 block hours. Nothing in this agreement will allow the Company to conduct IOE during a double crew duty period.

S. Double Crew Duty Limits

The Company may schedule double crews for international duty periods on aircraft equipped with appropriate facilities as defined in Article 5.H.3.e. and f. A double crew may consist of any of the following complements:

- 1) 2 Captains and 2 First Officers;

- 2) 1 Captain and 3 First Officers; or
- 3) 2 complete crews for three-person aircraft.

Double crews shall be present for the entire duty period where double crewing is required. The Company's obligation to use double crews shall be governed by the Federal Aviation Regulations.

1. Double crew duty periods may be scheduled for a maximum of two (2) flight segments, only one of which may be a domestic flight segment. One of the two flight segments must contain at least 11:00 hours of block. Double crew duty periods shall be scheduled for no more than 15:45 hours of block time. Double crew duty periods may be scheduled up to 17:45 hours not to exceed a maximum of 19:45 hours.
2. Double crew rest requirements are listed in the table below. The crew rest required for any double crew duty period, regardless of who is scheduled to fly first, is listed in the table below. The crew which will operate first will be designated as a part of the pairing, but shall in no way supersede Captain authority as granted under the FAR's. Any crewmember assigned or revised to a double crew duty period must not have had an assignment in the 18:00 hours immediately prior to the report time of the double crew duty period. No assignment will be made to a double crew duty period without at least 18:00 hours prior rest unless there is no other crewmember available to make timely service. In the event a crewmember is revised to a double crew duty period, he must have had at least 14:00 hours of prior rest. In addition, a crewmember shall not be subject to revision to double crew duty in two (2) consecutive duty periods without rest in accordance with the chart below. In the event that a reserve is not available in the domicile with 18:00 hours prior rest, the reserve who is assigned must have had at least 12:00 hours of prior rest. Nothing in this paragraph is intended to allow the Company to reduce a crewmember's rest below that to which he might be entitled as specified elsewhere in this Agreement.

Block Time	Rest Prior	Rest Following
> 12:00 Hours	18:00	1.5 x Block Hours No less than 20:00 scheduled Reducible to 19:00

3. Double crews shall be limited to one crossing per duty period. In addition, double crews may not be scheduled to operate through a domicile equipped with the same type aircraft and staffed with equally qualified crews. No co-terminal or deadhead duty will be scheduled in a double crew duty period. No jumpseaters shall be allowed during a double crew duty period on any aircraft currently in the fleet as of ratification, except as provided in Article 13.H.10.b.(10). Additional jumpseaters may be allowed on other future long-range freighter aircraft obtained by the Company subject to the parties reaching mutual agreement.

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ARTICLE 14

DOMICILE STAFFING

A. *Domiciles*

1. All Domiciles

- a. The Company may establish domiciles according to the needs of the service. Specifically, all domiciles will be comprised of a single airport at which crewmembers are based. International domiciles may be located at existing domiciles. An international domicile that is co-located with an existing domicile will contain all the international flying for that equipment type in that domicile. Should the Company seek to establish a domicile outside of the United States, the terms of this Article will apply unless modified in accordance with Article 1.C.8.
- b. All terms of this Agreement will apply to all domiciles unless specifically stated to the contrary. All references contained within this Agreement to "local domicile time" will refer to the local time for each domicile.

2. Bidding For A New Domicile

- a. Once established, a domicile shall be considered a new domicile for twelve (12) months from the first system bid effective date for crewmembers awarded (i.e. the posted closing date of the bid) a bid position in that domicile. The introduction of a new equipment type into an existing domicile will be treated as a new domicile for all purposes. New domiciles shall be staffed by the crewmembers system-wide bid preference and awarded by system seniority as established in Article 8 Seniority, of this Agreement. Crewmembers shall be entitled to the moving, transportation, and temporary living expenses provided in Article 12. All provisions of this Agreement shall apply at a new domicile. Once a new crewmember domicile is established by the Company, the provisions of Article 13 shall apply, except as otherwise provided in this Agreement. In addition, status downbidding to any seat shall be allowed as part of any vacancy bid, provided the crewmember cannot hold a position in a new domicile in his current status.
- b. In the event of a bid for a new domicile (including a domicile within a domicile), the Company may as a part

of the bid, declare bid positions by status and equipment as excess within any existing domicile. These excess bid positions will not be filled as recurring vacancies in the bid award. A crewmember who transitions from an excess bid position as a part of the new domicile bid shall not have that transition counted as a transition freeze under Article 14. This waiver will only apply to crewmembers who are in the status and category of the declared excess permanent bid positions and only up to the number of positions declared excess. The Company shall indicate as a part of the initial domicile vacancy posting the number of excess permanent bid positions by status and equipment. Any crewmembers remaining in positions which have been declared excess after the awarding of the domicile vacancy bid may be displaced in seniority order by status and equipment in accordance with Article 14.G.

- c. The Company may utilize the vacancy bid procedures as outlined in paragraph b. above only for the initial vacancy bid for the new domicile. Thereafter, vacancies in the new domicile shall be filled in accordance with Article 14, or through realignment bids under Section F. below.

3. Moving Expenses

Article 12.K shall apply to the moving and/or transfer expenses which result from the opening of a new domicile.

4. Miscellaneous

- a. After the awarding of an initial domicile vacancy bid, the Company may elect to offer vacated vacation slots for bid within each status and equipment to those crewmembers remaining in the domicile.
- b. The limitation on miscellaneous flying under Article 13.L. shall be per domicile.
- c. A crewmember may be temporarily transferred to another domicile for the purpose of completing initial operating experience or consolidation flying in accordance with Article 13.L.3.b. Such assignments shall be considered a temporary transfer to another domicile under Article 14.J.2. except, crewmembers temporarily transferred will

be returned to their domicile upon completion of their consolidation requirements or I.O.E.. No temporary transfer, however, may exceed one (1) bid period in duration without the crewmember's consent.

- d. All bidding of vacancies and displacements shall be based on system-wide seniority. Otherwise, seniority within domicile shall control, including but not limited to, bidding for vacations, selection for early activation of a crewmember's system bid effective date, award of open time, and bidding and awarding of lines.
- e. A crewmember who is transferring between domiciles, effective at the beginning of a bid period, shall be obligated to fly any transition trip to completion. Article 13.D.10.b., c. and d. shall apply to such a crewmember except the crewmember shall be pay protected for the time necessary for him to travel via Company provided transportation to his new domicile and legal rest prior to and after the deadhead. Alternatively, the crewmember may utilize the period after the transition trip to move to the new domicile in accordance with Article 12.K.
- f. When opening a new domicile the Company may adjust the local domicile times provided in Article 13.C.2. and 3. following mutual agreement with the Association. The Association will not unreasonably withhold such agreement so long as the proposed adjustments will not reduce the amount of time crewmembers have to bid, adjust or protest their bid awards. The new times will be published to all crewmembers thirty (30) days before they are to become effective.
- g. Wherever local domicile times are used in the Agreement, the Company may adjust such times for the new domicile to accommodate the Company's operating system. Such times may only be altered if the new domicile is in a time zone different than SDF. The new local domicile times will be published prior to the initial vacancy bid for the new domicile. The adjusted times will parallel those existing in the Agreement taking into account only the differences in the time zone. Further adjustments may be made to accommodate the Company's operations following mutual agreement with the Association. Agreement will not be unreasonably withheld by the Association.

- h. The Company will provide the Association at least sixty (60) days notice prior to any system bid posting date related to the staffing of a new domicile, domicile-within-a-domicile, new fleet type in an existing domicile or the closing of any domicile. The Company will meet with the Association at least ten (10) business days prior to the system bid posting date to discuss any issues and the procedures of the opening or closing of that domicile. No variation in contractual provisions will be allowed absent mutual agreement with the Association.

B. Classifications: Bid Positions and Wage Classifications

1. Permanent bid positions at each domicile shall be classified in status and equipment. Status as referred to in this Article shall be in descending order as follows with the understanding that any new equipment type will result in new permanent bid positions. Any new permanent bid positions will be posted and awarded in accordance with the provisions of Sections D. and E. of this Article and all other terms of this Agreement will apply:

DC-8	727	747	757/767
1. Captain	1. Captain	1. Captain	1. Captain
2. First Officer	2. First Officer	2. First Officer	2. First Officer
3. PFE	3. PFE	3. PFE	
4. Second Officer	4. Second Officer	4. Second Officer	

2. Compensation of these classifications shall be defined in Article 12.
3. The Company may require as part of a vacancy bid for an international domicile that First Officers maintain a First Class medical certificate and a type rating for the purpose of establishing augmented crews within that domicile in accordance with the provisions of Section L. below. In addition, the Company may bid or assign, in accordance with Article 13, two crews to a trip in order to extend the crews' scheduled duty hours as specified in and limited by Article 13.S.

C. Domicile Staffing

1. A sufficient number of crewmembers shall be assigned to each domicile to accommodate the total credited time

allocated to each equipment type. Sufficient number shall refer to the bid positions (crewmembers by status and equipment) required to accommodate regular bid lines, VTO lines and reserve lines constructed in accordance with Article 13. Minimal required staffing and the consequences of failing to have minimum staffing on any fleet/seat/domicile shall be determined by the staffing formula set forth in Section P. below.

2. Nothing herein shall preclude the Company from maintaining permanent crewmember positions in addition to those required above.
3. The domicile status list for each domicile will provide for domicile status by equipment (e.g. Captain DC8, First Officer DC8, Second Officer DC8, etc.).
4. The Company shall compile and publish an electronic up-to-date domicile seniority list on the Company's Flight Operations website monthly. The list shall indicate the crewmember's name and his relative seniority position in each status.

D. Posting of Permanent Bid Positions (Vacancies)

1. All vacancies will be posted electronically on the Flight Operations website as far in advance as possible, but not less than twenty-eight (28) days prior to the closing date of the bid. At the time of the posting, notification will also be provided to crewmembers via the Electronic Subscription Service (ESS). The vacancy bulletin shall describe the vacancy(s), the cause (name of vacating crewmember or new time, etc.) of such vacancy(s), number of positions to be filled, the domicile at which the crewmember filling such vacancy(s) shall be based, the system bid effective date of such positions, and the anticipated dates of training for such positions. The Company will electronically provide the Association the above information prior to its posting. Vacancy bids, which are available to be bid electronically, shall be posted for a minimum of fourteen (14) days. All system bids will be closed at 1000 SDF local time on a business day. All system bid effective dates will coincide with the first day of a bid period.
2. Each crewmember may electronically submit a new vacancy preference list each time a permanent bid position vacancy is posted. The Company will allow remote access via computer

for all vacancy bidding conducted pursuant to this Agreement. However, crewmembers may file a permanent vacancy preference bid in the Company computer bidding system, but such permanent vacancy preference bid is irrevocable unless a later bid has been received by the Company. The permanent vacancy preference bid can be submitted by computer only.

3. A crewmember's system-wide vacancy preference bid shall include domicile, status and category (position), and his lowest acceptable vacancy in whole percentages. A system-wide vacancy preference bid shall be submitted to the Company by input into the Company's computer bidding system from any domicile or gateway.
4. In addition, the Company shall allow remote access via computer for bidding for vacations, bid lines and short term training.
5. Any permanent bid position vacancy posted in accordance with Article 14 will become effective no later than thirty-four (34) calendar weeks from the date the vacancies are awarded.
6. No vacancy, realignment, or displacement bid can close any sooner than fourteen (14) calendar days following the closing date of any other vacancy, realignment, or displacement bid award.

E. Awarding of Permanent Bid Position (Vacancies)

1. Seniority
 - a. The results of all bidding, assignments and displacements shall be posted electronically on the Flight Operations website within 72:00 hours after closing of bids and at least ten (10) days prior to the system bid effective date of the bid.
 - b. Upon closing of a vacancy posting, crewmembers shall be awarded the vacancies in accordance with their system-wide seniority and their preference bid, unless otherwise excepted by this Agreement. The Company shall not be required to re-award a vacancy, realignment, or displacement bid unless the impacted crewmember files a protest of the bid award within four (4) business days from the final award posting date. However, any

crewmember retains the right to file grievance within the time limits provided by Article 7.A.1. to protest any potential violation of the Agreement.

- c. Crewmember, beginning on their first day of employment, shall not be awarded (i.e. the posted closing date of the bid) a vacancy until completion of first eighteen (18) months of active service unless the needs of the service require such award. However, such crewmember may maintain a preference bid on file and will be awarded a position under the following circumstances:
 - (1) The vacancy award is on the same aircraft type in a different domicile;
 - (2) In a displacement bid provided the position awarded to him does not result in an additional training event(s); or
 - (3) In a realignment bid provided the crewmember is moving from a designated excess position, up to the number of declared excess positions in that fleet/seat.
- d. A crewmember who has failed to qualify in a higher status or on different equipment, shall return to his former status or equipment, as described in Article 10, and shall not be eligible to again be awarded (i.e. the posted closing date of the bid) such status or equipment he failed to transition or upgrade to for a period of twelve (12) months from the original system bid effective date.
- e. Movements
 - (1) For an original Captain vacancy, the following limited moves shall apply on a seniority basis:
 - (a) A maximum of two (2) transition moves whether to an original or recurring vacancy.
 - (b) A maximum of two (2) upgrade moves whether to an original or recurring vacancy.
 - (c) In addition to the transition moves allowed in (a) above, there shall be one (1) additional First

Officer transition move per each original Captain vacancy.

- (2) For an original First Officer vacancy, the following limited moves shall apply on a seniority basis:
 - (a) A maximum of two (2) transition moves whether to an original or recurring vacancy.
 - (b) A maximum of one (1) upgrade move whether to an original or recurring vacancy.
- (3) For an original Second Officer on a B-747 (i.e. vacancy created by B-747 Second Officer upgrading) there shall be allowed one (1) Second Officer transition. The Second Officer shall not be entitled to transition unless he has, at least, three (3) years seniority. The vacancy created by the transitioning Second Officer or the original vacancy, if there is no effective bid, shall be filled by a new hire. The Company shall have the right to fill all other Second Officer positions with new hires.
- (4) A crewmember's move to an original or recurring vacancy will not be counted as an upgrade or transition, as applicable, for the purposes of the limitations in paragraphs (1) and (2) above if it:
 - (a) is a transition to a recurring or original vacancy from a position which has been declared excess as part of a realignment bid but, only up to the number of declared excess permanent bid positions in that fleet/seat;
 - (b) is as a result of a crewmember changing domiciles but remaining on the same aircraft and in the same status; or
 - (c) is a crewmember who has been displaced and is able, within twenty-four (24) months of the system bid effective date of his displaced position, to again be awarded his original position. Notwithstanding the above, a move under (a), (b), or (c) of this paragraph will only be allowed to the extent a crewmember has

sufficient seniority to hold the position based on applicable crewmember preference listings.

- f. If a crewmember has been awarded a vacancy bid and is unable to complete training for that vacancy due to an approved leave of absence, he shall be scheduled for the next training class for the next vacancy in that position after returning to work. The system bid effective date for purposes of this Agreement shall be the system bid effective date of the vacancy in which he completes training. The initial vacancy for which the crewmember is not available may be reawarded. If the crewmember, after returning to work, is no longer interested in that vacancy, he must change his preference bid accordingly. An award of a different vacancy after return to work shall cancel the obligation to give him the next vacancy which he missed.
- g. New hire crewmembers with the same date of hire shall have the right, in seniority order, to select the initial position in which they will be trained from those being offered for that class date. Seniority will be determined in accordance with Article 8.C.1.

2. Transition Freezes

- a. Each crewmember awarded a vacancy shall be assigned to the domicile at which said vacancy exists and shall be entitled to fly any line in the status of the vacancy at the domicile consistent with his seniority. If the crewmember does not have the required equipment type rating or training, he shall be scheduled in accordance with Article 13.D.8. for the training necessary to qualify for the position.
- b. If a crewmember transitions to another equipment type in the same status, such crewmember shall fly such equipment for a period of twenty-four (24) months beginning twenty-eight (28) calendar days prior to the first day of training for a new vacancy. As such, a crewmember shall be eligible to be awarded (i.e. the posted closing date of the bid) subsequent vacancies after a bid award until the beginning of the twenty-eighth (28th) day prior to the day he is scheduled to begin training for a vacancy award. A crewmember's pay

protection shall be based on the vacancy most recently awarded to him.

- c. If a crewmember upgrades in status such crewmember will fly such equipment for a period of eighteen (18) months beginning twenty-eight (28) calendar days prior to the first day of training for a new vacancy. As such, a crewmember shall be eligible to be awarded (i.e. the posted closing date of the bid) subsequent vacancies after a bid award until the twenty-eighth (28th) day prior to the day he is scheduled to begin training for a vacancy award - i.e. the crewmember shall not be eligible to transition to a different equipment in the same status for the eighteen (18) month period. A crewmember's pay protection shall be based on the vacancy most recently awarded to him.
- d. Captains and First Officers who are in a transition freeze under paragraphs b. or c. above at the time initial vacancies are posted for a new domicile(s) shall have the right to waive the freeze. The Company will also allow Second Officers who are subject to the twenty-four (24) month freeze to transition to initial vacancies at a new domicile.
- e. The above limitations shall have no applicability to upgrades in status.

3. Bypass

- a. Except as provided in paragraph b. and c. below, no crewmember will be awarded a vacancy if he will be within one (1) year of the FAA mandatory retirement age as of the system bid closing date.
- b. Notwithstanding paragraph a. above, a First Officer shall be eligible to be awarded a Captain vacancy within the one (1) year period, if he has not had the opportunity to upgrade to Captain on any bid posted subsequent to the ratification of this Agreement. This crewmember shall not be trained as a Captain, but shall be treated as holding a Captain position for all purposes under this Agreement. In addition, he shall be pay protected in accordance with the following:

- (1) Beginning with the system bid effective date of the vacancy, a bypassed crewmember shall be paid each pay period for the pay he earns in his current position, or the pay and credit of the flying line he could hold in his bypassed position if he were currently qualified, whichever is greater. Such a crewmember shall bid a line for pay purposes only in his bypassed status.
 - (2) In any bid period in which a vacation period falls, a crewmember shall elect, as part of the line bidding process, to place his vacation on the line that he is flying or on his bypassed line. If the crewmember does not make an election, the vacation shall be applied to his flying line. If the crewmember elects to put his vacation on his bypass line, it will be counted for pay purposes only in the comparison of his flying line to the bypassed line. If a crewmember has been bypassed for a vacancy in a higher status, his vacation will be paid at the rate of the higher status regardless of the line on which he bids the vacation.
- c. Nothing in this Section shall preclude a crewmember from being awarded a vacancy during the one (1) year period referenced in paragraph a. above, if the vacancy is in the same status and on the same equipment type in a different domicile.
 - d. Any crewmember who is in a bypassed status as of the ratification date of this Agreement shall continue to be covered by Article 14.E.3. of the predecessor Agreement.

4. Activation

- a. A crewmember who is currently qualified to fill a posted vacancy shall assume his new assignment on the earlier of the actual or system bid effective date of his bid award and his pay shall also be effective on the earlier of the actual or system bid effective date of his bid award. A crewmember requiring only three (3) landing currency and/or recurrent training shall be considered currently qualified for the purposes of this paragraph.
- b. (1) A crewmember who is currently qualified to fill a posted vacancy may assume his new assignment prior to the system bid effective date of his bid award

at the request of the Company due to the needs of the service. If applicable, his new rate of pay shall be effective at the time he first performs duty in his new position. The advancement of a system bid effective date shall be offered to currently qualified crewmembers by aircraft type in seniority order. If a crewmember elects not to accept such advanced effective date, he shall not qualify for the new rate of pay, if applicable, for such advanced effective date. Notwithstanding the above, no crewmember shall be required to assume a new position in Anchorage prior to the system bid effective date, unless currently domiciled in Anchorage.

- (2) If any senior crewmember from the same training class is not offered the advanced effective date because he has not yet completed IOE, he shall be pay protected at the higher rate beginning on the earlier advanced effective date. This pay protection will be provided to all crewmembers more senior than the one whose system bid effective date is advanced. However, a crewmember will not be pay protected if he was not offered the earlier advanced effective date because of a delay in completing IOE as a result of his unavailability or his need for additional training or IOE [i.e. more than 25:00 block hours].
- c. A crewmember who is in training on the system bid effective date of his bid award shall be placed into his new position when released to the line following completion of IOE and, if upgrading, his new rate of pay shall be effective on the system bid effective date of his bid award.
- d. When the Company elects to advance a system bid effective date(s) of crewmembers awarded upgrades, such advancements will be offered to crewmembers in seniority order who have been awarded a vacancy bid with a system bid effective date on or prior to the system bid effective date being advanced. Should the Company advance the system bid effective date of an upgrade out of seniority order, the Company will pay protect (in the higher status) the most senior crewmember with an actual effective date on or between the incorrectly advanced crewmember's(s') system bid effective date(s) and his advanced effective date(s).

5. Insufficient Bids

In the event that there are no bids for posted vacancies or vacancies created by the filling of posted vacancies, the Company will fill such vacancy by assignment of crewmembers in reverse order of seniority, or by hiring new crewmembers.

6. Downbidding

There shall be no status downbidding except as allowed in Sections A. H., and I. of this Article.

7. Cancellation of Vacancy

If circumstances occur eliminating the need for the vacancy during the posting period or prior to the system bid effective date, such vacancy may be canceled, in which case the crewmember(s) will be immediately notified of the cancellation. If in training, the crewmember's schedule will be constructed as provided in Article 13.D.9.b.

8. Pay Protection for Early Activation

In the event a junior crewmember completes training and is activated in a vacancy earlier than a senior crewmember awarded the same vacancy (i.e. same status and equipment) in the same bid award but offered only later training classes, then UPS shall pay protect the most senior crewmember as of the date the junior crewmember is activated. Pay protection shall be on a one-for-one basis, i.e. one junior crewmember activation entitles the most senior crewmember to pay protection status. In the event the pay protected crewmember is only transitioning and the earlier activation date would have allowed the senior crewmember to bid a line in his new position, then, the senior pay protected crewmember shall be allowed to bid a line for pay purposes in his new position.

A senior crewmember shall not be entitled to pay protection if he had, but waived, the opportunity to bid the same or an earlier training class than the junior crewmember or the senior crewmember's activation date was delayed due to his failure to complete training. In such event UPS will pay protect the next most senior crewmember whose training was

not delayed and who did not have the opportunity to bid the same or an earlier training class.

9. Earlier Training Classes

The Company agrees that it cannot preclude a crewmember from attending an earlier available training class based on operational considerations, except as provided in Article 10.C.1.(h).

10. Vacancies for New Hires

The Company agrees that the vacancies for new hires will be those that are unfilled as a result of a vacancy bid conducted in accordance with Article 14.E.1. Such vacancies must be filled within eighteen (18) months of the system bid closing date or the vacancy will expire. The Company shall not be obligated to make any unfilled vacancies available as a part of any subsequent system bid except as provided in this paragraph. If there is a subsequent displacement bid within the eighteen (18) month period, the Company will publish with that bid the unfilled vacancies that will be available for bid and those that will be cancelled. Further, the Company agrees that it can only publish a realignment or displacement bid to eliminate specific position(s) if it has first cancelled all existing unfilled vacancies for the position(s) being eliminated.

F. Realignment Vacancy Bids

1. When it is necessary to reduce the number of permanent bid positions in status in a domicile on one or more equipment type(s) in the same domicile or among domiciles and simultaneously increase the number of permanent bid positions in status on other equipment type(s) in the same domicile or among domiciles, the Company shall post the new permanent bid positions in accordance with Section D Article 14. The new permanent bid positions shall also be awarded in accordance with Section E of Article 14 except that the Company shall not be required to award those recurring vacancies specified under Section E.1.e. of Article 14 which are determined to be unnecessary to accommodate the total credited time allocated to the equipment type(s) which is suffering a reduction of permanent bid positions. As a result of a realignment vacancy bid there shall be no reduction in status in domicile of any crewmember.

2. In order to utilize a realignment vacancy bid the Company must be eliminating at least three (3) excess positions in status and category (e.g. three (3) DC-8 Captains). The Company shall have the right to include excess Second Officer positions in a realignment bid provided at least three (3) positions will be eliminated.
3. Prior to utilizing the procedures in this Section to realign the number of permanent bid positions among the different equipment type(s), the Company shall meet with the Association at least 24:00 hours prior to the posting of such vacancies to discuss the number of permanent bid positions on each equipment type being affected, the reasons for such change(s), and the potential effect on crewmembers.
4. In a realignment vacancy bid there will be no transitions or upgrades to excess vacancies.
5. A crewmember who transitions from a position which has been declared excess as a part of the realignment vacancy bid shall not have that transition counted for the purpose of a transition freeze under Section E.2.b. of Article 14. Transition freezes will be waived for crewmembers who are in the status and category which has excess permanent bid positions up to the number of excess permanent bid positions. The above waiver will only apply to the transition from the excess permanent bid vacancy.
6. The Company shall be entitled to utilize a realignment vacancy bid each bid period.
7. Nothing contained in this Section shall be deemed to otherwise affect the Company's right to displace as specified in Section G of Article 14.
8. A crewmember who is in a declared excess position per a realignment vacancy bid (per Article 14.F.), shall have the ability to submit a conditional bid preference which would award the crewmember a new position in a different geographic domicile only if he would be entitled to a paid move per Article 12.K.1.c.

G. Displacement

1. If the Company determines that an excess of permanent bid positions exist in a domicile, the Company will notify the Association and then provide notice to all crewmembers.

Displacement notices will be posted electronically on the Flight Operations website and mailed to the affected crewmembers' home addresses as far in advance as possible; however, in any event, not less than twenty-eight (28) days prior to the closing date. The closing will always be at 1000 SDF local time on a business day.

2. Displacement notices shall state the number of initial known permanent bid positions to be displaced by status and equipment, the reason for such displacements, the system bid effective date of such displacements, and the closing date of the displacement notice.
3. Permanent bid position displacement notices may be posted concurrently with permanent bid position vacancies.
4. The Manager of Flight Operations, or his designee, will meet with the President of the Association, or his designee, within ten (10) days of the notice of displacement to discuss the required displacements, the implementation of such displacement steps outlined in this Agreement, and the effect on the Association members being displaced.

H. Awarding of Displacement Notices

Upon closing of a displacement notice, crewmembers shall be awarded the displacement moves in accordance with their system-wide preference listing in order of seniority, unless otherwise excepted by this Agreement, or excepted below:

1. Crewmembers who have no system-wide preference listing on file with the Company as of a displacement bid closing date will be assigned to any previous equipment held by that crewmember by status. No crewmember will be downgraded in status as a result of not having a system-wide preference listing (or an incomplete one) on file provided he has sufficient seniority to hold his status.
2. Crewmembers within the first eighteen (18) months of active service do not have the rights of displacement except as provided in Article 14.E.1.c. If the position is in a different geographic domicile the crewmember shall be entitled to a paid move in accordance with Article 12.K.1.b.
3. In case of a reduction of force at any domicile, all items below will apply in order based on status i.e. Captain, First Officer, Second Officer/PFE.

Captain Displacement Steps:

1. Displace most junior Captain on currently qualified equipment in current domicile.
2. Displaces most junior Captain on currently qualified equipment in present geographic domicile.
3. Displaces most junior Captain on previously qualified equipment in present geographic domicile if crewmember was qualified on that equipment less than twenty-four (24) months from the date of the effective date of the Reduction in Force (RIF) bid.
4. Displaces most junior Captain in current geographic domicile.
5. If crewmember cannot hold a position via steps one through four, then choose option A or B.

A. Emphasis on Status

1. Displace a junior Captain in the domicile of his choices on file.
 - a. If the crewmember is currently qualified on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - b. If the crewmember has been qualified less than twenty-four (24) months on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - c. If options a and b do not apply, the crewmember will displace the most junior Captain in the domicile choice.
2. Displace most junior Captain system-wide or move to Option B. If he is the most junior Captain system-wide move to option B.

B. Emphasis on Geographic Domicile

1. Displace most junior First Officer on currently qualified equipment in current domicile.
2. Displace most junior First Officer on currently qualified equipment in present geographic domicile.
3. Displace most junior First Officer in present geographic domicile.
4. Displace a junior First Officer in the domicile of his choices on file.
 - a. If the crewmember is currently qualified on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - b. If the crewmember has been qualified less than twenty-four (24) months on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - c. If options a and b do not apply, the crewmember will displace the most junior first officer in the domicile choice.
5. Displaces most junior First Officer system-wide.
6. Displaces most junior Second Officer/PFE in present domicile.
7. Displaces most junior crewmember system-wide.
8. Furloughed

First Officer Displacement Steps:

1. Displace most junior First Officer on currently qualified equipment in current domicile.

2. Displaces most junior First Officer on currently qualified equipment in present geographic domicile.
3. Displaces most junior First Officer on previously qualified equipment in present geographic domicile if crewmember was qualified on that equipment less than twenty-four (24) months from the date of the effective date of the RIF bid.
4. Displaces most junior First Officer in current geographic domicile.
5. If crewmember cannot hold a position via steps one through four, then choose path A or path B.

A. Emphasis on Status Choice:

1. Displace a junior Captain in domicile of his choices on file.
 - a. If the crewmember is currently qualified on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - b. If the crewmember has been qualified less than twenty-four (24) months on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - c. If options a and b do not apply, the crewmember will displace the most junior Captain in the domicile choice.
2. Displace most junior Captain system-wide or move to Option B.

B. Emphasis on Geographic Domicile:

1. Displace most junior First Officer on currently qualified equipment in current domicile.

2. Displace most junior First Officer on currently qualified equipment in present geographic domicile.
3. Displace most junior First Officer in present geographic domicile.
4. Displace a junior First Officer in the domicile of his choices on file.
 - a. If the crewmember is currently qualified on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - b. If the crewmember has been qualified less than twenty-four (24) months on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - c. If options a and b do not apply, the crewmember will displace the most junior first officer in the domicile choice.
5. Displaces most junior First Officer system-wide.
6. Displaces most junior Second Officer/PFE in present domicile.
7. Displaces most junior crewmember system-wide.
8. Furloughed

Second Officer/PFE Displacement Steps:

1. Displace most junior Second Officer/PFE on currently qualified equipment in current domicile.
2. Displaces most junior Second Officer/PFE on currently qualified equipment in present geographic domicile.
3. Displaces most junior Second Officer/PFE on previously qualified equipment in present geographic domicile if crewmember was qualified on that equipment less than

twenty-four (24) months from the date of the effective date of the RIF bid.

4. Displaces most junior Second Officer/PFE in current geographic domicile.
5. If Crewmember cannot hold a position via steps one through four, then choose option A (Emphasis on Status) or B (Emphasis on Geographic Domicile).

A. Emphasis on Status:

1. Displace a junior Captain or First Officer in domicile of his choices on file.
 - a. If the crewmember is currently qualified on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - b. If the crewmember has been qualified less than twenty-four (24) months on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - c. If options a and b do not apply, the crewmember will displace the most junior Captain or First Officer in the domicile choice.
2. Displace most junior Captain or First Officer system-wide or move to option B. If he cannot hold a Captain or a First Officer position move to option B.

B. Emphasis on Geographic Domicile:

1. Displace a junior Second Officer/PFE in the domicile of his choices on file.
 - a. If the crewmember is currently qualified on equipment in that domicile choice and he can hold that seat, the crewmember will be

assigned by the Company to that equipment type.

- b. If the crewmember has been qualified less than twenty-four (24) months on equipment in that domicile choice and he can hold that seat, the crewmember will be assigned by the Company to that equipment type.
 - c. If options a and b do not apply, the crewmember will displace the most junior Second Officer/PFE in the domicile choice.
 2. Displace most junior Second Officer/PFE system-wide.
 3. Furloughed
4. In the event of the displacement of a junior Second Officer to another Second Officer position, a senior Second Officer by fleet and seat may volunteer for the displacement. Any Second Officer who wishes to volunteer shall indicate such as a part of the displacement bid.

I. Displacement for Medical or Mandatory Retirement Reasons

1. Medical Displacement

- a. A crewmember who no longer can meet the requirements of the FAA First Class Physical shall be required to first displace the most junior First Officer or, if not possible, then the most junior Second Officer. Such displacement shall be on the same aircraft type at his domicile. A crewmember of an aircraft with only two crew positions who must displace to a Second Officer position shall have the right to displace the most junior Second Officer on another aircraft type at his domicile.

If no other aircraft type exists at his domicile, and he must displace a Second Officer, the crewmember shall have the right to displace the most junior Second Officer in the system.

- b. Any medical displacement shall be considered as a transition and the crewmember's right to further transition shall be governed by E.2. above.

- c. If the crewmember has downbid as a result of not being able to meet the FAA First Class Medical and subsequently regains such First Class Medical Certificate, such crewmember will be entitled to return to his former status in the event of a vacancy and in accordance with the provisions of Sections D. and E. of this Article.
- 2. A crewmember who desires to fly for the Company after reaching the FAA mandated retirement age for a Captain or First Officer/IRO position, may bid and be awarded a Second Officer position in any aircraft type at his domicile. In either case, if no vacancy exists, the crewmember who is downbidding shall have the right to displace the most junior Second Officer in the domicile on his aircraft type or, if the crewmember is on an aircraft with only two (2) crew positions, in another aircraft type at his domicile. If there are no available Second Officer positions in the domicile, the downbidding crewmember shall have the right to displace the most junior Second Officer in the system.
 - a. In order to bid a Second Officer vacancy or displace a junior Second Officer, the following conditions must be met:
 - (1) Prior to bidding such a position or displacing a junior Second Officer the crewmember must first provide the Company with evidence that he possesses a valid Flight Engineer's certificate or that he has satisfactorily passed the written portion of the FAA Flight Engineer Turbojet Exam prior to or at the time he exercises his bump.
 - (2) The crewmember who desires to downbid after reaching the FAA mandated retirement age for a Captain or First Officer/IRO position, shall provide written notice to the Chief Pilot at least one (1) year prior to reaching the FAA mandated age of his intent to downbid.
 - b. Upon receipt of such written notice, the Company will provide the necessary training for the Second Officer position prior to or after reaching the FAA mandated retirement age for a Captain or First Officer/IRO position. The training will not be scheduled earlier than the bid period prior to the one in which the crewmember reaches

the FAA mandated retirement age for a Captain or First Officer/IRO position. The crewmember shall not be activated as a Second Officer until the date of or after reaching the FAA mandated retirement age for a Captain or First Officer/IRO position. If the training for the Second Officer position occurs prior to reaching the FAA mandated retirement age for a Captain or First Officer/IRO position, he shall continue to be paid based upon his bid position prior to reaching this age. If the training for the Second Officer position occurs after the crewmember reaches the FAA mandated retirement age for a Captain or First Officer/IRO position, he shall be paid at the Second Officer rate beginning on this date.

- c. The crewmember who downbids under this provision shall be paid the appropriate Second Officer rate based upon his longevity.
 - d. Such downbidding crewmember shall be entitled to transition as provided in E.1.e.3. of this Article.
 - e. A crewmember who has downbid on account of age, to a Second Officer position shall thereafter be designated on the United Parcel Service Crewmember Seniority List as ineligible for upgrades unless a change in the FARs alters the age from the current age sixty-five (65). All references to age sixty-five (65) in this Section will automatically be changed to reflect any age modification of the FARs. In the event the FARs are so changed, any crewmember who has downbid on account of age will be allowed to bid for and be awarded any position his seniority will allow so long as he possesses the required class medical for the position that he is seeking. There shall be no change in status or pay for a crewmember who is again eligible to upgrade as a result of a change in the FARs unless he actually upgrades.
 - f. The provisions of Section E.3. shall apply to a crewmember who desires to upgrade under paragraph e. above.
3. A crewmember shall not be allowed to down bid or voluntarily downgrade, for reasons other than those set forth above, unless his current position is creating a personal hardship and there is a downgrade request approved in writing by the Chief Pilot. The Company shall not unreasonably deny any

crewmember request which is supported by a legitimate factual basis. A downgrade under this provision must be to a lower status on the same aircraft. Pay at the lower rate will be effective on the date the duties of the new status are assumed or the beginning of training for the new status whichever is earlier. The Company may determine whether the vacancy created by the downgrade will be posted and awarded in a subsequent system bid. Any crewmember who is allowed to downgrade under this provision shall not be allowed to be awarded an upgrade or transition vacancy for two (2) years from the date he first operates in the lower status.

J. Temporary Flying

1. A temporary domicile may be established by mutual consent between the Company and the Association subject to the resolution of bidding procedures to staff the temporary domicile, flying line bidding procedures, temporary moving expenses, temporary living expenses, temporary transportation expenses between the crewmember's temporary domicile and permanent domicile, and any other details or procedures. A temporary domicile shall not be established unless expressly agreed to by the Association, in advance.
2.
 - a. Crewmembers may be temporarily transferred to another domicile on a pay period or bid period basis. Such temporary transfers will be bid as a reserve line as part of the bid package in the domicile from which the transfer will take place. In order to be eligible to be awarded a transfer a crewmember must be currently qualified and available. If there are no bidders the Company will assign the transfers in reverse order of seniority by fleet and seat.
 - b. When temporary transfers are no longer required, temporarily transferred crewmembers will return to their original permanent domicile positions held prior to the temporary transfer. This return to the permanent domicile will be accomplished at the end of the pay or bid period in which the temporary assignment was held.
 - c. Temporarily transferred crewmembers shall be provided domestic per diem specified by Article 12, for the entire period of the transfer unless the crewmember is entitled to a higher per diem for a particular trip assignment, an

automobile, (intermediate size), if requested by the crewmember, lodging and commercial transportation to the domicile. In addition, the crewmember will receive two open round trip airline tickets between the temporary duty assignment and his permanent domicile per pay period. At domiciles where ground transportation is not provided by the Company, crewmembers shall be allowed actual necessary expenses incurred for transportation between the airport and hotel.

- d. The Company may not use paragraph a. above to effect temporary transfers to cover flying in a domicile for more than two (2) consecutive bid periods. In order to effect a temporary transfer for any additional consecutive bid periods, the Company must post vacancies equal in number and status to the temporary transfers by the beginning of the third bid period. Temporary transfers for purposes of training and/or consolidation flying shall not be covered by this paragraph. On a case by case basis, the Association and the Company may mutually agree that additional vacancies are not required due to the temporary nature of the increased flying.
- e. The Company will provide transportation to and from a TDY assignment. Additionally, crewmembers utilizing travel pursuant to Article 14.J.2.c. (TDY) shall be allowed to travel between their domicile and the TDY assignment utilizing two open round-trip (unrestricted, Y class, non-reduced fare) airline tickets each pay period during the TDY assignment. Crewmembers using alternate travel shall be given a work-with fare equivalent to the full value of the two open tickets described above.

K. [RESERVED]

L. Vacancies for Crew Augmentation on Two-Pilot Aircraft

The Company may post vacancies for a new domicile within an existing domicile, a new aircraft type, new domicile or new aircraft in an existing international domicile to cover international flying with an augmented crew. Augmented crews shall only be allowed on two-pilot aircraft certified for 300,000 pounds maximum gross take-off weight or greater. Vacancies for any such fleet or domicile for Captains and First Officers will require training as specified in the FAA approved Flight Operations Training Manual (FOTM). First Officers will, in addition, be required to obtain a First Class medical certificate, Airline Transport Pilot (ATP) certificate and the applicable aircraft type rating

in order to perform the duties of International Relief Officer (IRO). If new vacancies are created as specified above which include IRO duties the Company may require crewmembers assigned to those fleets or domiciles to meet the requirements established above. Training will be scheduled, bid, awarded and compensated in accordance with Articles 10, 12 and 13.

M. [RESERVED]

N. Special Rules for the Introduction of a New Aircraft Type

1. Management pilots and IPA IOE instructors shall be allowed to fly the new aircraft type for up to sixty (60) calendar days from the date the first aircraft is used to perform the first revenue flight. This flying shall not be built into flying lines, but rather will be reserved for the purposes of obtaining IOE, consolidation and proficiency. If a crewmember awarded a vacancy on the new aircraft type, completes his SIM check prior to the first bid period described in paragraph two below, he will remain free of duty until the beginning of that bid period, at which time he will be scheduled for his IOE.
2. The following rules for the introduction of the new aircraft type shall be effective for up to six (6) bid periods following the completion of the time period described in paragraph one above.
 - a. For the first two bid periods there shall be no restriction on the withholding of flying for purposes of Article 13 Section L. During the third and fourth bid periods the Company shall be allowed to withhold up to twenty five (25%) percent of known flying lines for this purpose. For the fifth and sixth bid periods the limit shall be up to ten (10%) percent.
 - b. For the first two bid periods all known flying will be built into flying lines and awarded for pay purposes only. If the Company determines that any of those lines can actually be available for flying, they will be designated as such in the bid package. Any reserve days placed on a crewmember's line following the completion of IOE, must be placed on the original bid award scheduled duty days.
 - c. For the third through the sixth bid period all known flying will be built into flying lines, except as provided in paragraph a. above. These lines shall be bid and

awarded in accordance with the normal parameters provided in Article 13.

- d. If the Company projects to have one to three aircraft performing revenue flying at the beginning of a bid period, the Company may publish up to eight (8) on call reserve lines per aircraft. If the Company projects to have four (4) or more aircraft performing revenue flying at the beginning of a bid period, the Company may publish up to six (6) on call reserve lines per aircraft. The type of reserve lines published shall be determined by the Company. The Company shall publish a sufficient number of reserve lines for all available crewmembers. If there are more crewmembers available for reserve duty than permitted by the formula above, the crewmembers shall be allowed in seniority decline order to opt for conversion to RCID in accordance with Article 13.E.5.h. except the crewmember shall not be required to report for duty with less than 24:00 hours notice. Crewmembers who are released to the line after the beginning of a bid period shall be assigned on call reserve during their originally scheduled duty days unless the number of reserves exceed that permitted in this paragraph. If the crewmember is not assigned on-call reserve, he shall be assigned RCID as described above. A crewmember may only be assigned on call reserve duty when he calls for an assignment on a one for one ratio as existing on call reserve crewmembers are used or become unavailable for assignment.
- e. [RESERVED]
- f. A crewmember who is awarded a vacancy on a new aircraft type prior to the end of the six (6) bid periods referenced above, shall be precluded from transitioning from this position for thirty (30) months from his vacancy award date. There shall be no transition restriction for a crewmember who has been displaced to the new aircraft type.

O. Special Rules for the Elimination of an Aircraft Type

In the event the Company makes a public announcement that it intends to cease operating any of its existing aircraft type(s), the following rules shall apply:

1. For a period up to twelve (12) months prior to the date that the last aircraft is planned to operate per the public announcement, the Company shall not be obligated to fill any recurring vacancy on the designated aircraft type in connection with any vacancy or realignment bid. As a part of the bid posting, the Company will specify the number of recurring vacancies not subject to being filled.
2. If at any point prior to the actual elimination of the aircraft type the closure date is cancelled, extended or delayed by public announcement, the normal bidding rules in Article 14 shall become applicable to all subsequent system bids. This section can only become applicable to this aircraft type again, through a further public announcement by the Company that it will cease to operate the aircraft type. In no event shall the procedures in this paragraph be applicable for more than a total of twelve (12) months.
3. If any Captain is awarded or is displaced to a First Officer position on the aircraft type being eliminated in a system bid posted during this twelve (12) month period, the crewmember shall be paid as a First Officer on the system bid effective date if not assigned/awarded a training class.
4. The final bid to eliminate all positions within this aircraft type shall be a realignment/displacement bid in accordance with Article 14.F. and G.

P. Permanent Staffing Formula For Cross Domicile Reserve Usage

The Company shall, by fleet, seat and domicile, only have the right to assign reserves from one domicile to flying in another domicile if the number of permanent bid positions less the no-bidders (no bidders who are on military leave can be counted as bidders for the first six (6) months of their leave) within the borrowing domicile is equal to or greater than the number of lines generated by the following formula for that domicile: all known flying credit hours divided by bid period guarantee or the average bid line credit by F/S/D, whichever is greater, times one hundred forty-five percent (145%) equals total number of crewmembers required. The forty-five percent (45%) accounts for staffing for reserves, VTO lines and other miscellaneous items, such as domicile and gateway standby. Additionally the Company must maintain sufficient available reserves equal to or greater than ten percent (10%) of the hard line count per fleet, seat and domicile. In the case of a domicile within a domicile, the

Company must have used all available reserve crewmembers from the originating domicile prior to using cross domicile reserves.

ARTICLE 15 RETIREMENT

A. *Money Purchase Pension Plan*

1. While this Agreement is in full force and effect, the Company agrees to contribute to the UPS/IPA Defined Contribution Money Purchase Pension Plan twelve percent (12%) of the compensation (up to the legal limit) received by each crewmember who has more than one (1) year of service. Compensation for this purpose will be determined as follows: taxable wages as reflected on Form W-2, amounts deferred under Sections 125, 129, and 401(k), and \$1 hourly contributions to a VEBA pursuant to Article 6, but excluding:
 - a. Per diem payments;
 - b. Grievance awards (other than the following: (a) as a part of a crewmember's guarantee or bidline credit, (b) an award of Premium Pay for Revisions (Article 13.E.4.) and (c) an award of Late Arrival Pay (Article 13.E.5.));
 - c. Amounts paid to a crewmember as a result of the application of Section 415(c);
 - d. Payments in the nature of compensation from an insurance carrier, from a state unemployment or worker's compensation fund, or from any health and welfare or other benefit program;
 - e. Disability payments from an insurance carrier, a state disability insurance fund, this Plan or any other disability plan maintained by UPS;
 - f. Differentials or other supplemental payments to a crewmember working outside his country of citizenship on account of such foreign service;
 - g. Payment or reimbursement of relocation expenses incurred by a crewmember or his family;
 - h. The value of employee fringe benefits provided by UPS, including but not limited to the payment of life insurance premiums, whether or not the value of such fringe benefits is includable in an employee's taxable income;

- i. Payments made under deferred compensation plans or programs;
- j. UPS contributions to any pension, profit-sharing or stock bonus plan; and
- k. UPS contributions to any welfare benefit plan other than a VEBA pursuant to Article 6.

Compensation for purposes of determining contributions to the Money Purchase Pension Plan is subject to the limitations set forth in the Internal Revenue Code and the regulations thereunder.

- 2. A crewmember who continues flying for the Company beyond the normal retirement age of sixty (60) shall be entitled to elect to withdraw the money in his Defined Contribution Money Purchase Pension Plan account in the manner defined in the Plan. The crewmember shall be entitled to elect to make such withdrawal on an annual basis in the month of January. In addition, the crewmember shall be entitled to withdraw his money at any time after age sixty (60) in the event of a catastrophic illness of a member of the crewmember's immediate family. All other terms of the Plan shall apply to withdrawals which occur beyond age sixty (60).
- 3. The Company shall continue to make the applicable contributions to the Defined Contribution Money Purchase Pension Plan for crewmembers who elect to continue flying for the Company after their sixtieth (60th) birthday pursuant to Article 14.1.2.
- 4. The Company and Association hereby agree to incorporate by reference into this Agreement any Letters of Agreement or Memorandums of Understanding between the parties concerning the UPS/IPA Defined Contribution Money Purchase Pension Plan or the UPS/IPA 401(k) Plan, to the extent the agreements remain applicable.
- 5. If Internal Revenue Service limits on compensation or annual additions are reduced prior to the ratification of the successor Agreement, the Company shall, in its discretion, either pay the affected crewmembers the excess amounts with a tax gross-up or create a non-qualified plan into which the excess amounts can be contributed.

B. Additional Health and Welfare Benefits for Retirees

In addition to the retiree health and welfare benefits provided in Article 6.A.1. of this Agreement, the Company agrees that any crewmember hired prior to January 1, 1989 who is still actively employed and who will not attain ten (10) years of service prior to retirement at age sixty (60) will be eligible for the benefits set forth in Article 6.A.1. even though he does not have ten (10) years of service at age sixty (60). To be entitled to the additional years of service credit under this paragraph, the crewmember must work to, at least, age sixty (60). The only exception is if a crewmember retires early due to a medical disability.

C. 401 K Plan

The Company will continue the current UPS-IPA 401(k) plan in its current form unless otherwise mutually agreed upon by the Company and the Association. The Company will make contributions to the plan no later than the second business day following the payroll date for which the contributions were deducted.

D. Defined Benefit Pension Plan

Effective for each crewmember with an Hour of Service in Covered Employment on or after the date of contract ratification and crewmembers on the seniority list at ratification who are accruing service credit (or would be accruing service but for the attainment of normal retirement age) on or after the date of the contract ratification pursuant to paragraph D.14. of this Article 15, the UPS Retirement Plan will be amended by the Company so as to provide eligible crewmembers a defined benefit at normal, early or postponed retirement age in accordance with the terms set forth in this Section.

1. Eligibility to Participate

Crewmembers shall be eligible to participate in the UPS Retirement Plan effective on January 1 or July 1 of any calendar year following the attainment of age twenty-one (21) and the completion of one (1) vesting year. Once a crewmember becomes eligible to participate, service for benefit credit and vesting purposes will be calculated from his date of hire. A vesting year for the purpose of this section shall be the first twelve (12) months of employment provided the crewmember completes 750:00 hours of service in such twelve (12) month period. If the crewmember fails to complete 750:00 hours of service in the first twelve (12) months of employment, then vesting year for the purchase of this section is a plan year in which a crewmember completes 750:00 hours of service. An hour of service shall be each

hour for which a crewmember is directly paid by or entitled to pay from the Company for the performance of duties. Up to 501:00 hours shall be credited during a paid absence from work during which no duties are performed (i.e. any paid leave under Article 9).

2. Vesting

Crewmembers shall be fully vested after completing one (1) vesting year. For purposes of this section, vesting years will be counted from the crewmember's initial date of hire with the Company.

3. Normal Retirement Age

- a. A crewmember shall be eligible for normal retirement at age sixty (60) provided he has been a participant in the plan for, at least, five (5) years or has one (1) vesting year, whichever occurs first. For purposes of this section, a participant shall be considered to be a participant in the plan on the date he would have met the eligibility requirement of the plan had it been in effect at the time the crewmember was first employed.
- b. If the UPS Retirement Plan is required by law to raise the normal retirement age for crewmembers to a higher age in order to maintain the plan's qualified status or if the parties agree to make such a change, the parties agree that crewmember benefits shall neither be higher nor lower because of such change and will continue to be calculated as if the normal retirement age had remained at age sixty (60). Any increase to the normal retirement age will be limited to the minimum extent necessary to comply with applicable law, except as otherwise agreed by the parties.

4. Early Retirement Age

A crewmember will be eligible for early retirement at age fifty-five (55) provided he has at least, five (5) vesting years.

5. Normal Retirement Benefit

- a. Generally, the annual benefit payable commencing at normal retirement and continuing for the life of the participant shall be equal to one percent (1%) of his final

average earnings times the years and months of service credits accrued by the crewmember [not to exceed thirty (30)] years.

- b. A crewmember who will attain age sixty (60) before ratification of a successor labor agreement shall receive an annual benefit payable commencing at normal retirement and continuing for the life of the participant equal to the greater of:
 - (1) one percent (1%) of his final average earnings times the years and months of service credits accrued by a crewmember (not to exceed thirty (30) years); or
 - (2) (a) four thousand dollars (\$4,000) times years and months of service credits accrued by a crewmember (not to exceed thirty (30) years) who has attained at least the rank of Captain or a bypassed Captain (as defined in Article 14.E.3.(a)); or
 - (b) three thousand two hundred dollars (\$3,200) times years and months of service credits accrued by a crewmember (not to exceed thirty (30) years) who has attained at least the rank of First Officer or Professional Flight Engineer/Second Officer.
- c. The four thousand dollar (\$4,000) and three thousand two hundred dollar (\$3,200) multipliers in paragraphs b.(2)(a) and (b) above will be increased to forty one hundred dollars (\$4,100) and three thousand two hundred and eighty dollars (\$3,280), respectively, for eligible crewmembers who terminate employment during the calendar year 2020. These multipliers will be further increased to four thousand two hundred dollars (\$4,200) and three thousand three hundred and sixty dollars (\$3,360) for eligible crewmembers who terminate employment on or after January 1, 2021.
- d. Any crewmember who terminates employment no earlier than one month prior to becoming ineligible to operate as a crewmember because of the FAA mandatory retirement age during the period beginning June 1, 2016 and December 31, 2016 shall receive a benefit equal to the amount generated by paragraph b.(2)(a) or (b) above,

whichever is applicable. Any other crewmember who terminates employment on or after June 1, 2016 and before January 1, 2017 shall have his pension benefit determined in accordance with Article 15.D.5. or 6., as applicable, of the predecessor labor contract.

6. Postponed Retirement Benefit

In the event a crewmember continues in employment beyond Normal Retirement Age, he shall be entitled, upon actual retirement, to receive the greatest of:

- a. The benefit he would have received if he had retired at the Normal Retirement Age; or
- b. The benefit he would have received if he had retired at an early retirement age; or
- c. The benefit at his postponed retirement age which will be an annual benefit equal to one percent (1%) of his final average earnings times the years and months of service credits accrued by the crewmember [not to exceed thirty (30) years]; or
- d. For a crewmember who will attain age sixty (60) before ratification of a successor labor agreement an annual benefit payable commencing at postponed retirement and continuing for the life of the participant equal to:
 - (1) four thousand dollars (\$4,000) times years and months of service credits accrued by a crewmember (not to exceed thirty (30) years) who has attained at least the rank of Captain or a bypassed Captain (as defined in Article 14.E.3.(a)); or
 - (2) three thousand two hundred dollars (\$3,200) times years and months of service credits accrued by a crewmember (not to exceed thirty (30) years) who has attained at least the rank of First Officer or Professional Flight Engineer/Second Officer; or
- e. The four thousand dollar (\$4,000) and three thousand two hundred dollar (\$3,200) multipliers in paragraphs d.(1) and (2) above will be increased to four thousand one hundred dollars (\$4,100) and three thousand two hundred and eighty dollars (\$3,280), respectively, for

eligible crewmembers who terminate employment during the calendar year 2020. These multipliers will be further increased to four thousand and two hundred dollars (\$4,200) and three thousand three hundred and sixty dollars (\$3,360) for eligible crewmember terminations on or after January 1, 2021; or

- f. Any crewmember who terminates employment no earlier than one month prior to becoming ineligible to operate as a crewmember because of the FAA mandatory retirement age during the period beginning June 1, 2016 and December 31, 2016 shall receive a benefit equal to the amounts generated by paragraphs d.(1) and (2) above, whichever is applicable. Any other crewmember who terminates employment on or after June 1, 2016 and before January 1, 2017 shall have his pension benefit determined in accordance with Article 15.D.5. or 6., as applicable, of the predecessor labor contract.

For the purposes of Article 15.D.6., a crewmember's final average earnings at postponed retirement date shall be the greater of the final average earnings he would have had if he had retired at age sixty (60) or his final average earnings at actual retirement date.

7. Early Retirement Benefit

In the event a crewmember terminates employment prior to Normal Retirement Date but on or after Early Retirement Age, (i.e. 55) the benefit to which he shall be entitled shall be computed the same as the normal retirement benefit but based on his final average earnings times years and months of service credits at his early retirement date. If a crewmember elects to commence receiving this benefit prior to the Normal Retirement Date, it shall be actuarially reduced based upon the period of time by which the commencement of benefits precedes the crewmember's Normal Retirement Date so as to be the actuarial equivalent of the benefit payable at age sixty (60).

8. Final Average Earnings

- a. For the purpose of the defined benefit formula, final average earnings shall be an average of the crewmember's highest five (5) years of compensation out of his last ten (10) years of employment. For this purpose, compensation will be determined as follows:

taxable wages as reflected on Form W-2, amounts deferred under sections 125, 129 and 401(k) and one dollar (\$1.00) hourly contributions to a VEBA pursuant to Article 6, but excluding:

- (1) Per diem payments;
- (2) Grievance awards (other than the following):
 - (a) as a part of a crewmember's guarantee or bidline credit,
 - (b) an award of Premium Pay for Revisions (Section 13.E.4), or
 - (c) an award of Late Arrival Pay (Section 13.E.5);
- (3) Amounts paid to a crewmember as a result of the application of Section 415(c);
- (4) Payments in the nature of compensation from an insurance carrier, from a state unemployment or worker's compensation fund, or from any health and welfare or other benefit program;
- (5) Disability payments from an insurance carrier, a state disability insurance fund, this Plan or any other disability plan maintained by UPS;
- (6) Differentials or other supplemental payments to a crewmember working outside his country of citizenship on account of such foreign service;
- (7) Payment of reimbursement of relocation expenses incurred by a crewmember or his family;
- (8) The value of employee fringe benefits provided by UPS, including but not limited to the payment of life insurance premiums, whether or not the value of such fringe benefits is includable in an employee's taxable income;
- (9) Payments made under deferred compensation plans or programs;

- (10) UPS contributions to any pension, profit-sharing or stock bonus plan; and
- (11) UPS contributions to any welfare benefit plan other than a VEBA pursuant to Article 6.

b. A crewmember's final average earnings will be limited to the lesser of:

- (1) the legal limits in effect at time of retirement; or
- (2) \$300,000.

9. Termination of Employment Prior to Early Retirement Date

In the event a crewmember terminates employment prior to the early retirement date but on or after his vesting date, the benefit to which he will be entitled shall be computed the same as the normal retirement benefit but based on his final average earnings times years and months of service credits at his termination date. If a crewmember who has completed five vesting years so elects, he may commence receiving this benefit prior to Normal Retirement Date and on or after age 55. The benefit he shall receive on this date of commencement shall be actuarially reduced based upon the period of time by which the commencement of benefits precedes his Normal Retirement Date so as to be the actuarial equivalent of the benefit payable at age sixty (60).

10. [RESERVED]

11. Form of Benefits

For a crewmember who is not married at the time of benefit commencement, or whose spouse provides written consent, the normal form of payment shall be an annuity for the life of the retiree. For a crewmember who is married (and whose spouse does not provide a written consent otherwise), the normal form of benefit shall be an annuity for the life of the retiree with fifty (50%) percent continuation to the retiree's surviving spouse after the retiree's death (Qualified Joint and Survivor Annuity). Optional forms of payment, subject to any spousal consent required by law, will include a 50%, 66 2/3%, 75%, or 100% survivor annuity to the spouse or another contingent annuitant but subject to the legal limits on the percentage continuation that can be provided to a non-

spouse contingent annuitant; and an annuity for a period certain (i.e. 10, 15, or 20 years up to legal limit); or a level income option (i.e. level payment including age 62 or age 65 social security –higher plan benefit until age 62 or 65, lower thereafter). The Qualified Joint and Survivor Annuity and any optional annuity shall provide a benefit which is actuarially equivalent to the single life annuity. No lump sum benefit will be paid unless the present value of the accrued benefit is less than or equal to thirty-five hundred dollars (\$3,500.00). If the present value of the accrued benefit does not exceed thirty-five hundred dollars (\$3,500), a lump sum will be the only form of payment.

12. Death Benefit

If a participant at the time of his death has one (1) vesting year, the surviving spouse, if any, will be entitled to a benefit equal to the fifty (50%) percent survivor portion of the Qualified Joint and Survivor annuity. The benefit will commence upon the date the participant would have attained the age of fifty-five (55), or immediately, if at the time of the participant's death, the participant had already attained the age of fifty-five (55). The benefit amount will be actuarially reduced based upon the period of time by which the commencement of benefits precedes the participant's normal retirement date so as to be the actuarial equivalent of the benefit payable at age sixty (60).

13. Years and Months of Service Credit

- a. For plan years prior to January 1, 2004, eligible participants will be credited with a full year of service for each calendar year in which he or she worked at least one hour in Covered Employment.
- b. For plan years beginning on or after January 1, 2004, years and months of service credit will be determined in accordance with the following schedule:

Hours of Covered Employment In Each Calendar Year	Monthly Units of Service Credits
Less than 81 hours	0
81-162	3 months
163-243	4 months
244-324	5 months
325-405	6 months
406-487	7 months
488-568	8 months
569-649	9 months
650-730	10 months
731-812	11 months
813-or more	12 months

14. Disability Accrual

A seniority crewmember who becomes disabled (i.e. loses the right to exercise the privileges of his medical certificate for reasons other than alcohol or drug use) shall accrue years and months of service under paragraph 13 above as if he remained in active employment until age sixty (60) or Early Retirement Age, if he elects early retirement under paragraph 7, above. Such accrual shall cease if the crewmember obtains other gainful employment, recovers from the disability or retires. Such a disabled crewmember shall be entitled to accrue up to the thirty (30) year maximum. If a disabled crewmember retires his Final Average Earnings shall be based on his compensation paid during his active employment prior to becoming disabled.

15. Legal Limits

If Internal Revenue Service limits on compensation or benefit amounts are reduced prior to the ratification of the successor Agreement, the Company shall, at its discretion, either pay the affected crewmembers the excess amounts with a tax gross-up or create a non-qualified plan through which the excess amounts can be provided.

E. Administration of the UPS Retirement Plan

The Company shall provide the Association an amendment to the UPS Retirement Plan implementing the applicable provisions in Section D. above and an updated summary plan description or summary of material modifications by December 31, 2016.

F. Benefit Security

The Association has expressed its desires to continue to tie the security of their crewmembers' defined benefit pension to that of UPS managers and supervisors. To that end, the Company agrees that the UPS Retirement Plan will continue to provide the retirement benefits provided for under Article 15.D. The Company further agrees that to the extent the Company continues to provide a defined benefit pension to the population of UPS managers and supervisors that is currently eligible to participate in the UPS Retirement Plan, it will do so through the UPS Retirement Plan.

The Company shall be solely responsible for the operation and administration of the UPS Retirement Plan. The Company further reserves the right to amend the plan at any time, provided that the specific benefits set forth in Section D above may not be changed or altered without the mutual agreement of the Association.

The Company also agrees to supply to the Association the following documents annually upon the Association's request: (a) Form 5500 including all attachments; (b) determination letters; (c) electronic copies of plan documents in PDF format; and (d) the annual actuarial valuation report within thirty (30) days of the filing of the Form 5500. The Company will also provide, upon request up to once per year, crewmember census data (e.g. date of hire, years of service and compensation) in electronic form for use by the Association's actuary for any purpose. The Company will also provide the Association: (a) copies of all amendments and adopting resolutions within thirty (30) days of adoption; (b) information regarding new defined benefit plan awards to IPA quarterly, including death benefits, including name, employee number, rank (for retirement purposes), benefit commencement date, and type of benefit (early, normal, postponed); and a copy of all crewmember benefit appeals decisions within thirty (30) days of notice to the crewmember.

Crewmember information and pension statements will continue to be made available for on-line access.

ARTICLE 16

CRAF OPERATIONS

A. General

The current FARs shall supersede the limitations contained in Article 13 on all Civil Reserve Aircraft Fleet (CRAF) flights.

B. CRAF Activation

1. It is agreed and understood that the provisions of Sections B., C. and D. shall be applicable only to the Company's Civil Reserve Air Fleet (CRAF) activated operations which occur as a result of formal activation of the Civil Reserve Air Fleet by appropriate governmental authority.
2. It is agreed and understood that all provisions of this Agreement, amendments thereto and supplemental agreements, except those sections which are specifically modified or excepted by Sections B., C. and D. shall be applicable to the Company's CRAF activated operations.
3. Crewmembers who operate a CRAF flight into any area which is a declared hostile area at any stage of CRAF activation shall be entitled to additional compensation as provided in Article 12.
4. A hostile area, for purposes of this Agreement, will include an area so designated by the Secretary of Defense or other appropriate governmental authority. If the Company and the Association are unable to agree on the designation of a hostile area, such designation shall be subject to resolution by arbitration within ten (10) days of the CRAF activation. The Company will not involuntarily assign any crewmember to flights into a disputed hostile area until an arbitrator's award is received resolving the issue in the Company's favor. Operations in a hostile area shall be from block out of a flight which terminates in a hostile area until the return flight blocks in from the hostile area ("hostile area flying").
5. Participation in CRAF operations into or out of a hostile area shall be voluntary, except in the event of a Congressional Declaration of War and establishment of a national military draft.
6. If there are not sufficient volunteer Crewmembers in their current status to operate CRAF activated flights into a declared hostile area, the Company retains the right to utilize

management Crewmembers or to contract for pilots to operate such flights. Such temporary pilots will not be represented by the Association or covered by this Agreement.

7. If, as a result of any hostile act, evolving from and relating to the situation which prompted the CRAF operations while the crewmember is performing duty as a result of CRAF activation, the crewmember loses his life, the Company shall provide life insurance in the amount of seven hundred fifty thousand (\$750,000) to be paid to the crewmember's named beneficiary. In addition, if the crewmember has a personal insurance policy under which a crewmember's beneficiary(s) is denied death benefits due to a war risk exclusion clause, the Company will indemnify the crewmember's beneficiary(s) up to an amount of two hundred fifty thousand (\$250,000), in the event indemnification is not provided by the U.S. government.
8. If as a result of a hostile act (as described in B.7. above) the crewmember becomes disabled, the crewmember shall suffer no loss of income for the term of disability. The crewmember shall receive sufficient compensation, after adding worker's compensation, social security, and any other remuneration received through government or Company programs, to sustain the crewmember's pay period guarantee at the same level as the average of his preceding thirteen (13) pay periods.
9. Crewmembers participating in CRAF operations in hostile areas will be reimbursed for expenses as specified in this Agreement and shall receive applicable per diem.
10. Crewmembers participating in CRAF operations in hostile areas will be covered under the UPS Flexible Benefit Package for Crewmembers with the modifications specified above.
11. When there is a possibility that CRAF will be activated, the Company and Association, upon request by either party, will meet and resolve any issues that may arise from the activation, including but not limited to requirements for CRAF volunteers; HAZMAT Chemical Gear Training; and any other potential specialized training or requirements. In resolving any disputes in this paragraph, the parties agree that the Department of Defense's Dictionary of Military and Associated Terms will be referenced by the parties to the

extent necessary. Agreements on any issues arising under this paragraph will not unreasonably be withheld. This includes the initial determination as to whether there is an obligation to meet.

C. *CRAF Volunteers*

1. Any crewmember hired after ratification of this Agreement will automatically be added to the CRAF volunteer list.
2. Upon ratification of this Agreement, any crewmember on the volunteer list at that time, or who subsequently adds his name to the list, shall be deemed to be CRAF volunteers for all future purposes, except as provided in paragraph 3 below.
3. A crewmember on the volunteer list shall have until twenty-four (24) hours subsequent to the formal CRAF activation to indicate he is not volunteering to participate in "hostile area flying."

D. *CRAF Scheduling*

1. A crewmember on the volunteer list shall, upon CRAF activation, be available for assigned CRAF flying for a maximum of fourteen (14) duty days within the pay period. The fourteen (14) days will include any duties performed as part of the crewmember's UPS bid schedule. A crewmember who volunteers for CRAF flying in excess of the fourteen (14) duty days shall be compensated based on the trip's pay and credit. A crewmember will always be paid the greater of his bid line or the pay and credit associated with the CRAF flying. A crewmember on the volunteer list who has opted out of "hostile area flying" shall be considered available to cover all other CRAF flying.
2. Crewmembers who are not on the volunteer list, or who have volunteered but opted out of "hostile area flying," may be assigned uncovered flying on their original scheduled days, without premium payment, if their fleet has been activated and the flying is open in their domicile because the crewmember who was originally assigned the flying has volunteered for CRAF flying. A crewmember shall not be rescheduled under this paragraph unless his original scheduled duty is canceled.
3. Crewmembers who are assigned CRAF flying pursuant to paragraph 1. above shall be entitled to maintain any scheduled vacation time off. However, the Company and a

crewmember may mutually agree to allow the crewmember to perform additional CRAF flying during his vacation period. This will require the Company and the crewmember to reach mutual agreement on whether the affected vacation days will be bought back in accordance with Article 11.C.3. or rescheduled to a mutually agreeable date.

4. Except as provided in Article 16.A., D.1., D.2. and D.3. above, Article 13 scheduling rules shall apply to CRAF flying.
5. When there is a possibility that CRAF will be activated, the Company and Association, upon request of either party, will meet to identify and discuss any scheduling issues that may arise as a result of this Section.

E. Jumpseats on Military Charter Flights and CRAF Flights

Notwithstanding Article 13.H.10.b, the Company can book individuals in excess of the Matrix on CRAF or DOD charter flight segment(s) if those individuals are performing required duties in connection with that flight segment(s) (i.e. operating crew, load master, AMT representative and military personnel who are directly related to the charter). This provision does not allow the Company to exceed the Matrix by booking other Company employees on the jumpseat(s). If the DOD requests jumpseats for DOD personnel who are not performing duties in relation to the volume being carried on the flight, the Company will provide each operating crewmember with a two (2) hour premium payment for the jumpseaters that are booked in excess of the Matrix.

ARTICLE 17

JOINT TECHNOLOGY COMMITTEE

A. Purpose/Scope

The parties agree to implement a joint UPS/IPA Technology Committee for the mutual benefit of using technology to streamline communications and improve the flow of information between the Company, Association and crewmembers. The scope of this committee will be limited to reviewing and making recommendations concerning the use of technology to enhance communications and otherwise disseminate information, as set forth in Section C below.

B. Committee Structure

The Technology Committee shall be composed of up to three Company and three Association representatives and will meet no less than quarterly, or otherwise as mutually agreed upon. Either party may have additional representatives present at meetings as needed. Each party will designate a co-chair for its side of the committee. The co-chairs will be responsible for developing an agenda at least one week prior to each meeting.

C. Authority

The authority of the UPS/IPA Technology Committee shall include:

1. Implementing test projects to determine the feasibility of technological improvements. However, no test project which will effect crewmembers or the operations will be implemented without the approval of the Association and the Company;
2. Retaining experts/consultants for the purpose of advice as mutually agreed to;
3. Recommending in writing to the Association and the Company the implementation of technological changes for the reasons set forth in Section A which do not conflict with the terms of the collective bargaining agreement;
4. Recommending to the Company and Association changes in the collective bargaining agreement which would implement technological changes for the purposes specified in Section A. above. Any such recommendations shall be in the form of new contract language. The recommendation will not be implemented unless approved by both parties via the Implementation Team process.

D. Information Confidentiality

The parties agree that certain information of a confidential or proprietary nature will need to be shared during meetings of the joint UPS/IPA Technology Committee. All committee members and other participants at such meetings agree that information designated as confidential or proprietary will not be shared with any third party without expressed written consent from the party who provided the information.

E. Flight Operations Website

The terminology "Flight Operations Website" also refers to any future successor system the Company develops for communications with crewmembers.

1. Flight Operations Website Functions

- a. The Flight Operations Website to include the following functions:
 - (1) Submission and grading of Home Study Answers
 - (2) Trip Trade requests
 - (3) Move Reserve Day requests
 - (4) Open Time Pickup requests
 - (5) FNP/PNF requests
 - (6) Open and Closed schedule adjustment status
 - (7) Viewing/Bidding of available VTO and Blank Reserve lines

2. Enhanced Open Time Display

- a. Company agrees to display additional information with the Open Time on the flight operations website – credit, days worked (TAFB-Time Away From Base), Layover Times, 2-digit local departure and arrival time in parenthesis, Per Diem, and any override pay for each open time trip. Trips must be complete (start/end at the domicile) for values to be calculated and displayed. Trip credit displayed is calculated using trip or duty rig calculations.
- b. The Company will group deadheads and commercial positioning segments with associated pairings.

3. RADAR Reserve Callout List and FIFO List for RCID/LCO

Company agrees to provide hourly updates to the online

RADAR list for reserve crewmembers and the FIFO list for RCID/LCO crewmembers.

4. Crewmember Digital Photos

- a. Company agrees to maintain the flight detail web page to provide links to digital photographs of crewmembers assigned to the flight.
- b. The Association and Company agrees that availability and display of photos are for crewmember convenience in identifying operating crewmembers. Photos do not substitute for security requirements or grant flight deck access.

5. Electronic Union Bulletin Board

- a. Company agrees to maintain the electronic bulletin board on the Flight Operations website for the purpose of disseminating IPA general purpose or gateway specific information. Reference Article 3.F. Information Dissemination.
- b. Only authorized IPA members will have the ability to post articles on the flight operations website. Authorized IPA members will access the flight operations website remotely using the RSA token. UPS management will monitor articles posted.
- c. Article content is text only.

6. Catering Menu System

The Company agrees to maintain the Catering Menu System on the Flight Ops website (or its successor) for flights known to be catered from major gateways and domiciles. System features will include (but will not be limited to) the following features:

- a. Interactive menus available for flights contractually scheduled for catering accessible from the Flight Detail page.
- b. Allow crewmembers to select a “default” menu choice that remains on file indefinitely to be used in the absence of a meal selection for a specific flight.

- c. Catering Exception Flights – Flights not contractually required to be catered, but are catered by agreement between the Company and IPA will be added to the system at the beginning of each bid period and will be available for menu selection.

7. Automated Schedule Adjustment System (ASA)

The Company agrees to maintain the web-based Automated Crewmember Schedule Adjustment System accessible via the CMS system. The system will contain (but will not be limited to) the following features:

- a. Allow crewmembers to make trades with open time, open time pickup, move reserve days and line improvements.
- b. System will provide immediate feedback to the crewmember. When an adjustment is requested, system will display the impact of request: change in pay, duty days, contractual issues, FAR impact and other pertinent details. If the requested change is FAR and contractually legal (or requires a contract waiver by crewmember), the crewmember will be asked to confirm or cancel the request. Upon confirmation, the system will immediately update the crewmembers schedule to reflect the change.
- c. Control Of Reserve Staffing Levels: The system shall allow Company Scheduling Personnel to modify reserve staffing levels as service requirements dictate to maintain adequate reserve staffing (i.e.: holidays, peak, operational emergencies, etc.). These staffing levels will be displayed on the schedule adjustment page. The system will automatically maintain desired reserve staffing levels by accepting or denying Move Reserve Day requests.
- d. Changes in bidding and transition scheduling caused by the new technology will be resolved by Letter of Agreement prior to implementation.

8. Crewmember Electronic Subscription Service

- a. The company agrees to maintain the subscription email and text messaging system to be used for notifying crewmembers of the following:

- (1) Scheduling Advisories
 - (2) Bid Awards (Schedule, System, Training, Vacation)
 - (3) Notification of Trip Trade approval/denial
 - (4) Upcoming Trip Reminders
 - (5) Jumpseat status as described below in the Jumpseat Reservations System
 - (6) Newsletter publications and bulletins, i.e.: “Red Flags”
 - (7) Other subscriptions the Flight Operations Management or the UPS/IPA Technology Committee find necessary.
- b. Automated notification does not constitute “contact” with crewmember for scheduling advisories or changes, and henceforth crewmembers cannot submit grievances for this contact. Automated schedule advisory notification requires crewmember to confirm via the Flight Operations Website or by telephone with Crew Scheduling.
 - c. Company Schedulers reserve the right to make contact with crewmember using the rules described in Article 13.
 - d. Crewmembers may provide an email address and may subscribe to the various notifications via the Flight Ops website.
 - e. Automated notification by the Company via email or text messaging does not constitute an interruption of rest or violate the “No Contact Period” rules.
9. Jumpseat Reservations System
- a. The Company agrees to modify the current Jumpseat Booking system on the Flight Operations web site, in accordance with Article 5.S.7. Any future Jumpseat reservation or booking system will include at least the same functions as the modified current system.
 - b. The Company and Association agree to utilize the UPS/IPA Technology Committee to define features and functionality of any new Jumpseat system developed for CMS or Flight Operations Website successors.
 - c. The modified Jumpseat Booking system will include but is not limited to the following features/upgrades:

- (1) Automated notification system (Crewmember Electronic Subscription Service) to alert crewmember when bumped from a Jumpseat. Crewmembers may provide the Company with up to 2 (two) means of electronic notification (i.e.: email address or cell number for text messaging). Company shall also provide notification via Advisory on the Flight Operations Website or successor system.

F. Data Sharing with the IPA

Attachment 1 to the M&I for Article 17 is a document which specifies the various reports that the Company will provide to the Association with details as to the required content, format, transfer mechanism and frequency. UPS/IPA Technology Committee will meet as necessary to discuss any changes or modifications to the content, format, transfer mechanism or frequency of these reports. The committee shall also have the responsibility of developing any new reports which may be necessary.

G. SDF Sleep Room Wake-Up System

Within thirty (30) days of ratification, the joint UPS/IPA Technology Committee will study methods for implementing a wake-up system for crewmembers utilizing UPS provided sleep rooms in SDF. The working group will consider and evaluate wake-up systems that may be used by other major airlines. The purpose of any such system is to relieve crewmembers from potential sleep anxiety that can be caused by not having a company wake-up system in place. The parties will implement an SDF sleep room wake-up system no later than when the newly added SDF sleep rooms are completed in accordance with the contract. Neither party will unreasonably withhold agreement with regard to the specific system selected.

H. Crewmember Earnings Statement Improvements

Within thirty (30) days of ratification, the joint UPS/IPA Technology Committee will be formed and tasked with making recommendations to ensure that the earnings statement is changed to a format which is mutually agreed upon and contains, all the information needed by a crewmember to properly understand the sources and amount of his pay, accruals, etc., including any deductions. Neither party will unreasonably withhold agreement, and a new crewmember earnings statement will be implemented no later than one hundred and eighty (180) days from ratification.

ARTICLE 18

DURATION AND EFFECT ON OTHER AGREEMENTS

This Agreement shall be in full force and effect from September 1, 2016 consistent with the Letter of Agreement on Implementation to and including the amendable date of September 1, 2021 and shall renew itself without change through each succeeding September 1 thereafter unless written notice of intended change is served in accordance with Section 6 of Title I, as made applicable through Title II, of the Railway Labor Act, as amended, by either party hereto at least three hundred and sixty-five (365) days prior to September 1, 2021 or September 1 of any subsequent year. Dependent on the timing of the notice above, the parties agree to begin expedited negotiations no later than September 1, 2020 or September 1 of any subsequent year. The parties agree to exert their best efforts and meet as needed with the objective of reaching a tentative agreement by midnight of September 1, 2021. If no agreement has been reached by September 1, 2021 the parties agree that they will file a joint application for mediation with the National Mediation Board (NMB) within ten (10) calendar days and make their best efforts to obtain the active assistance of an NMB mediator.

Letters of Agreement, Memoranda of Understanding, Implementation Team Decisions, Meaning and Intent documents associated with prior Agreements, and other similar related documents in effect between the Company and the Association on September 1, 2016, shall remain in full force and effect unless otherwise changed by this Agreement. It is understood that the M&I documents from prior Agreements remain relevant to the extent the contractual language associated with the M&I provision has remained unchanged and continues to be applicable.

Pending grievances will continue to be processed in accordance with Article 7 of the collective bargaining agreement. Previous grievance settlements will remain applicable to the extent they pertain to contractual provisions unaffected by this agreement.

LETTER OF AGREEMENT IMPLEMENTATION

This Letter of Agreement is entered into by and between United Parcel Service Co. (the "Company") and the Independent Pilots Association (the "Association").

Whereas, the Company and Association have reached a tentative collective bargaining agreement ("Agreement"), which, when ratified by the crewmembers, and signed by the parties, shall supersede the parties' existing collective bargaining agreement except as otherwise provided in the tentative collective bargaining agreement.

Whereas, the Association recognizes that the Company requires a period of time to develop and test numerous system changes and/or to develop new procedures necessitated by the many changes in the terms and conditions of employment, as set forth in the tentative collective bargaining agreement, which impact both the Company's operation and non-operation function.

Whereas, the Company and Association recognize the benefits of ensuring the proper implementation of the tentative collective bargaining agreement in an expeditious, cooperative and orderly fashion the parties agree to form an implementation team which will meet as needed but no less than monthly, for the first year of the new agreement, to review the progress toward full implementation of the new collective bargaining agreement. The Implementation Team shall be composed of Company and Association representatives who were participants in the negotiating process. The Implementation Team shall have the authority to make final and binding decisions with regard to proper interpretation and application of the new terms of the collective bargaining agreement and the proper implementation of those new terms. The Implementation Team shall also review and make recommendations to expedite the proper implementation of the new contract terms. The Implementation Team shall remain intact for the duration of the new Agreement in order to resolve any other issues which might arise. It will meet as necessary, upon request of either party.

Article 13 Sections A and B will be implemented with bid period 16-07 except as specifically stated below. The Association and Company agree and understand that the programming to construct the pairings with the new rules will not be available immediately. The Company agrees that it will make the bid lines contractually compliant provided there is an understanding that due to the lack of electronic programming it will be difficult to incorporate network or other flying

changes which arise late in the process. The Company will provide the IPA a copy of all trips and lines to review for legalities prior to going to press until the software programming is in place. Provided the Company complies with this paragraph and there is mutual agreement with the Association on how the changes have been implemented, the Association agrees that the Company will not be in violation of the contract and that no crewmember may refuse to perform his assignment due to alleged violations of the new provisions set forth in Article 13 Sections A and B.

With regard to the Implementation of the actual terms of the collective bargaining agreement, the parties agree as follows:

1. The terms and conditions of the tentative collective bargaining agreement (the "Agreement"), shall be implemented after it is signed by the parties, as set forth in this Letter of Agreement, as specified in the Agreement itself or the Joint Interpretation of the Agreement. For those terms and conditions which do not become effective upon signing of the Agreement, the applicable terms and conditions of the previous collective bargaining agreement and any side letters of agreement thereto (the "Previous Agreement") shall remain in effect. When a provision is implemented in part, the Previous Agreement shall remain in effect with respect to matters not implemented.
2. The Agreement shall be implemented as follows:
 - A. Article 1 (Agreement, Purpose, Scope, Subcontracting, Acquisitions) shall become effective in its entirety on the date of signing.
 - B. Article 2 (Definitions) shall become effective in its entirety on the date of signing, except as new terms may be related to Articles of the Agreement implemented differently below.
 - C. Article 3 (Association Membership) shall become effective in its entirety on the date of ratification.
 - D. Article 4 (Dress and Conduct) shall become effective in its entirety on the date of ratification.
 - E. Article 5 (General) shall become effective as specified in the Article on the date of ratification except as follows:
 - 1) Paragraph H.1.a.(3) shall become effective as follows:

- a. The construction of the new SDF private and semi-private sleep rooms will be completed within 12 months of ratification, but no later than 18 months of the date of ratification. The Company will not exceed the 12 month limitation except by mutual agreement with the Association. Agreement will not be unreasonably withheld. The soundproofing of the existing exterior sleep rooms will be completed within 2 months of the completion of the new sleep rooms. The Company will provide the Implementation Team with a monthly update on the progress of the construction.
 - b. The Joint UPS/IPA Working Group that is tasked with determining CGN private and semi-private sleep room requirements will also set a timeline for the construction of the sleep rooms. Agreement will not be unreasonably withheld.
 - c. The PHL, ONT, and RFD private and semi-private sleep rooms will be constructed within 12 months of date of ratification. The RFD gateway soundproofing of existing rooms will be within 12 months of date of ratification as well. The EWR private sleep rooms will be included in the new gateway facility to be constructed.
- 2) Paragraph H.1.b.(1) will become effective on date of ratification. If there is a hotel which does not have free internet the Company will reimburse a crewmember for his personal use of hotel internet.
- F. Article 6 (Health and Welfare Benefits) of the prior Agreement shall remain in effect until January 1, 2017. The terms of the new Article 6 shall become effective in its entirety on January 1, 2017. The Company shall establish an election period during the Fall of 2016 for active employees and retirees to make elections for coverage.
 - G. Article 7 (Grievance Procedure) shall become effective in its entirety on the date of ratification except Article 7.E.2.e. shall be applied manually until 17-02 bid period when it will be programmed.
 - H. Article 8 (Seniority) shall become effective in its entirety on the date of ratification.

- I. Article 9 (Leaves of Absence) shall become effective on the date of ratification except as set forth below:
 - 1) Article 9.G.8 and 9. Shall become effective bid period 18-02. Crewmembers shall be allowed to bank days for 2018 as part of the 2017 vacation bid.
 - 2) Article 9.K and L. shall become effective upon date of ratification. If there is any crewmember using sick leave or vacation, he or she will be notified of the option to use plan benefits first.
 - 3) Article 9.M.3. will apply for Peak 2016.
- J. Article 10 (Training) shall become effective on the date of ratification except as follows:
 - 1) Article 10.C.1.h. shall apply to the next vacancy bid posted after date of ratification which includes designated critical seats.
 - 2) Article 10.C.9. shall apply to any crewmember first entering long term training after date of ratification.
 - 3) Article 10.T.5.e. will become applicable beginning with bid period 16-07
 - 4) Article 10.Y. shall become effective with bid period 17-02.
- K. Article 11 (Vacation) shall become effective on the date of ratification except as follows:
 - 1) Article 11.B.14. will be included in the vacation bid in 2016 for calendar year 2017.
 - 2) Article 11.D.2. shall become applicable with bid period 18-02.
 - 3) Article 11.G.1. and G.2.a. shall become effective with bid period 16-07.
 - 4) The slide feature of Article 11.G. shall become effective with bid period 18-02. Crewmembers will be allowed to Bank Vacation (BV) days in accordance with Article 11.G. as part of the 2017 vacation bid. If the Company does

not complete the programming to make the vacation slide or the automated BV days request system effective beginning with 18-02 the Company shall increase the value of the BV or vacation days that are paid out in accordance with Article 11.G.1.a. and 11.G.2.a., will be paid to a crewmember at a seven and one-half hours (7.5) rate. This higher rate shall remain in effect until the Company implements the vacation slide provisions of Article 11.G.

- 5) BV days in Article 11.G. 4. will be implemented effective with the first pay period in January 2017 in accordance with this Section. The BV day rules contained in; 11.G.4.b.(1)-(2); 11.G.4.b.(4); 11.G.4.b.(6)-(10); and 11.G.4.c. will apply temporarily as modified below due to the manual processing of BV days in 2017 and until the system is automated for 2018 vacation.
 - a. IPA will collect crewmember requests for 2017 BV days. The requests will be provided to UPS by August 22, 2016 along with a crewmember e-mail contact for a response. BV day requests with no e-mail contact provided will not be processed.
 - b. There will be no second BV request window under 11.G.3 in 2017.
 - c. All crewmembers will have the right to request to bank up to fourteen (14) days of vacation for 2017 but must leave whole week(s) increments in primary blocks. All crewmembers will be guaranteed the right to bank, at least, seven (7) vacation days for 2017. Any request to bank above seven (7) will be granted or denied at the Company's discretion. However, crewmembers will be allowed to bank one (1) additional week for military leave to be used in accordance with Article 9,G.8. The additional week for military crewmembers must be used to cover dropped military days as described below.
 - d. The Company will notify crewmembers of approved banked days via the crewmember provided e-mail address by August 31, 2016.
 - e. Crewmembers may begin utilizing BV days in bid period 17-02.

- f. Requests to use BV days will be submitted to the Company via the General Inquiry form on the Flight Ops web page. The Company will accept requests beginning 1000 local SDF time the Tuesday prior to the upcoming bid period.
- g. Transition Scheduling will pick up requests from the previous day at 0800 local SDF time and process requests by noon local SDF Monday through Friday. E-mail responses will be provided by close of business each day.
- h. In order to be considered, the requested trip must depart no sooner than 120 hours from noon the day the request is processed.
- i. Crewmembers who drop a trip(s) for military leave may submit a General Inquiry form to have the MIL changed to BV. Any banked Mil BV days must be applied first. The request to change from MIL to BV must be made prior to the end of the applicable pay period.
- j. Transition Scheduling will respond to the e-mail address provided by the crewmember with approval or denial. Requests with no e-mail contact provided will not be processed. If the request is beyond the automatic approvals and is denied, the Company will provide a reason for the denial (i.e. the day(s) with less than 50% coverage).
- k. Requests will be worked by F/S/D in order based on the earliest time stamp. However, the Company will review all requests.
- l. BV Day rules contained in 9.G.8. (except as noted above); 11.G.3; 11.G.4.a; 11.G.4.b.(3)(except as noted above); and 11.G.4.b.(5) will not apply until Bid period 18-02.
- m. In recognition of the fact that the BV process will be accomplished manually by the Company in 2017, the parties have agreed that if a crewmember requests and is granted more time off than his BV days cover, this is not a contract violation. Any pay and credit

dropped, but not covered by BV days shall be deducted from the crewmembers final pay and credit for that pay period. This shall not affect any pay buffer. Further, the parties acknowledge that as a manual process, errors are likely to occur. As such, as long as the Company is making a good faith effort to implement and apply these provisions, such error will not be a basis for a contract violation.

- n. The options provided in Article 11.G.5.h. and i. shall be available to crewmembers who elect to utilize the option provided by Article 11.G.1.b. effective bid period 17-02.
- L. Article 12 (Compensation) shall become effective as written on date of ratification except as provided in Section A.3. Furlough longevity restoration shall become effective September 1, 2016 when the new pay rates become effective.
- M. Article 13 (Scheduling) shall become effective upon date of ratification except as follows:
 - 1) Article 13.A. shall become effective, as written, for the bid period beginning in November 2016, except Section A.7.b. which shall become effective with the bid period 17-02.
 - 2) Article 13.B. shall become effective upon date of ratification except:
 - a. 13.B.1.f.1. shall become applicable with bid period 16-07.
 - b. 13.B.1.g. shall become applicable with bid period 16-07.
 - c. 13.B.2.g.7. and 8. shall become applicable with bid period 16-07.
 - d. 13.B.3. shall become applicable for the bid period 17-02. In this section and anywhere else in the agreement that LCO was used to replace CA/CP the 2006 Agreement shall remain in effect until LCO is implemented.

- e. 13.B.3.g. shall become effective with bid period 18-02
 - f. 13.B.5. shall become effective with bid period 17-02.
 - g. 13.B.6.b.7. shall become effective with bid period 17-02.
 - h. 13.B.6.b.10. shall become effective with bid period 17-02.
 - i. 13.B.6.c(2); 13.B.6.d(1); and 13.B.6.d.(6) shall become effective with bid period 16-07.
 - j. 13.B.6.e. shall become effective with bid period 17-02.
 - k. 13.C.1. shall become effective with bid period 16-07.
 - l. 13.E.5.f. and h. shall not become effective as it pertains to RCID replacing R check until bid period 17-02.
 - m. 13.M.6. shall become effective with bid period 16-07. However, the Company shall have four (4) subsequent bid periods to build reserve recovery lines to restore any MEF events in bid period 16-07.
 - n. Article 13.P. shall become effective with the bid period beginning September 2016, as mutually agreed upon by the parties. There shall be a 1 bid period (16-06) beta test of the system in the ONT domicile. The system shall be implemented in all other domiciles with bid period 16-07.
 - o. Article 13.R. and S. shall become effective with bid period 16-07.
- N. Article 14 (Domicile Staffing) shall become effective immediately on date of ratification except as follows:
- 1. Article 14.E.1.e.(c) and E.2.b. shall become effective with the first vacancy posting in calendar year 2017.
 - 2. Article 14.E.1.g. shall become applicable for the first new hire class date after date of ratification.

- O. Article 15 (Retirement) shall become effective as written immediately on date of ratification.
- P. Articles 16, 17 and 18 and any attached Letters of Agreement shall become effective on date of ratification.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

LETTER OF AGREEMENT IPA EXPANDED EUROPEAN ROUTES

The following Letter of Agreement (LOA) is entered into between United Parcel Service Co. ("Company") and the Independent Pilots Association ("Association") as part of the new Tentative Agreement executed by the parties on June 29, 2016. This LOA shall become effective upon the ratification of the Tentative Agreement.

1. By the beginning of Bid Period 17-06, the Company shall replace the subcontractor on the CGN-IST-TLV route with a UPS aircraft operated by Association members.
2. By the beginning of Bid Period 18-06, the Company shall replace the subcontractor on the SNN-DUB-CGN route with a UPS aircraft operated by Association members.
3. The Company shall take all steps necessary to ensure that no cabotage is included on the SNN-DUB-CGN route in the future which would eliminate the Association's legal and regulatory authority to operate the route.
4. IPA represented crewmembers shall continue to have the right to these routes as long as the Company has legal and regulatory authority, subject to Article 1. D. 3.
5. If the Company does not start flying the CGN-IST-TLV route by the above referenced implementation date, the Company shall pay Association represented crewmembers a penalty equal to 600 hours at the Captain and 600 hours at the First Officer top rate per bid period for each bid period. The November bid period shall be one half of this rate. The penalty shall continue to be paid until the route is implemented. The penalty for the SNN-DUB-CGN route shall be applied in the same manner except the penalty shall be 300 hours at the Captain and 300 hours at the First Officer top rate. Any monetary penalties incurred pursuant to this paragraph will be equally divided among all IPA represented active crewmembers, and those on military leave.

6. The Association shall be given regular updates regarding the transition of these two routes.
7. The parties further agree that the route structure in Europe will not be further challenged by either party as long as the underlying legal and regulatory authority for the routes remain unchanged. This prohibition on grievances shall not apply: a) to any new UPS route operated by a subcontractor in Europe, b) to any UPS European route existing at ratification operated by a subcontractor, which is modified by adding or deleting stops, and c) to any European route, existing at the time of ratification, flown by Association represented crewmembers, which is transferred to and operated by a subcontractor.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

LETTER OF AGREEMENT SIGNING BONUS DISTRIBUTION

The purpose of this letter is to confirm the details of the Signing Bonus Payment which was part of the tentative agreement and subject to membership ratification (if ratified, the "Agreement").

A. Eligibility

1. Crewmembers on the seniority list on the date of ratification shall be eligible ("Eligible Crewmember") to receive a Signing Bonus Payment as set forth in paragraphs B-E below.

B. Amount of the Signing Bonus Payment

1. The actual amount of a crewmember's Signing Bonus Payment will be based on the following categories and amounts:
 - a. Captain: \$60,000
 - b. First Officer: \$40,000
2. Each Eligible Crewmember's Signing Bonus Payment category shall be determined by the highest crew status in which he was active or bypassed by the Company under the terms of Article 14.E.3. between the "Bonus Period" without an annual wage increase i.e., January 1, 2013, (the first due date for a general wage increase) and September 1, 2016.

C. Signing Bonus Payment

1. Each Eligible Crewmember with total paid credit hours earned from January 27, 2013 (PP1302) through July 16, 2016 (PP1607) equal to or greater than 3396 hours, (which is the total guarantee hours during this period) shall receive the full amount of his applicable Signing Bonus Payment shown in B.1. above. Total paid credit hours includes Occupational Leave (Article 9.A.6.b.) hours.
2. Crewmembers who were furloughed, on Military Leave or participated in the voluntary RDG and VLOA Programs (LOA 11-03) shall not have their bonus reduced as a result of their absences from work for these reasons.
3. Each Eligible Crewmember with total paid credit hours, as determined in paragraph 1. above, less than 3396 hours shall receive a prorated Signing Bonus equal to his total paid credit hours divided by 3396 hours.

4. Eligible Crewmembers who were involuntarily terminated before or during the time period defined in paragraph 1. above, and who were reinstated with back pay (by award, settlement or otherwise) before the effective date of the Agreement, shall receive credit for an amount equal to the applicable guarantee hours for each of the full or partial pay periods for which he was made whole for the purpose of calculating his total paid credit hours and his actual Signing Bonus Payment amount.

D. Information Review

1. The Company shall provide the following information to IPA for its review at least by August 6, 2016:
 - a. The list of Eligible Crewmembers per A. above.
 - b. The number of guarantee hours per crewmember for each pay period specified in paragraph C.1. above.
 - c. For each Eligible Crewmember:
 - i. Identification of the eligible Signing Bonus Payment category per B. above;
 - ii. Total actual credit hours per pay period and total paid credit hours;
 - iii. Pay periods during which the crewmember was on Furlough, Military Leave or Involuntary Termination; and
 - iv. His Credit Hour Ratio calculated per C. above.
 - v. His Signing Bonus Payment amounts.
 - d. If any crewmember submits any correspondence to the Company disputing the crewmember's eligibility or the calculation of his Signing Bonus Payment, the Company shall provide any and all such correspondence to IPA within 15 days of receipt.
 - e. If the Company makes a payment (or payments) to a crewmember under the terms of this Letter of Agreement not previously identified in D.1.c.v. above, the Company shall provide any and all documentation

related to such payment(s) to IPA within 15 days of making such payment(s).

E. Timing of Payments

1. 50% of each Eligible Crewmember's Signing Bonus Payment shall be paid within 30 days following membership ratification of the Agreement.
2. The remaining 50% of each Eligible Crewmember's Signing Bonus Payment shall be paid on April 1, 2017 to those crewmembers who are still on the seniority list at that time. However, if any Eligible Crewmember reaches the FAA mandatory retirement age or dies before receiving either of the two payments provided by this Agreement, the crewmember or his estate will have the future bonus amount(s) paid within thirty days in a lump sum.
3. Payments under E.1. and E.2. above based on eligibility under A. above shall be made to the deceased crewmember's beneficiary, determined in accordance with the beneficiary provisions of the UPS Pilot Defined Benefit Pension Plan.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

**LETTER OF AGREEMENT
EXTENDING PENSION FLAT DOLLAR FORMULA BEYOND
AMENDABLE DATE**

Article 15.D. of the Agreement provides that a crewmember that attains age sixty (60) prior to the ratification of a successor labor agreement shall be entitled to the better of the final average earnings formula or the applicable flat dollar formula under the pension plan. UPS and IPA agree that this provision shall be implemented as follows:

- (a) Crewmembers that will attain age sixty (60) prior to December 31, 2023 may retire on or after attaining early retirement age and immediately commence drawing a benefit based on the better of the final average earnings formula or the applicable flat dollar formula.
- (b) If a successor labor agreement is not ratified on or before December 31, 2023, the Company agrees to amend the plan by January 31, 2024, effective January 1, 2024, to provide that crewmembers that will attain age sixty (60) prior to December 31, 2026 may retire on or after attaining early retirement age and immediately commence drawing a benefit based on the better of the final average earnings formula or the applicable flat dollar formula. Such amendment also will provide that to the extent a crewmember covered under this provision began drawing a benefit prior to January 1, 2024,
 - (1) his benefit shall be recalculated, and
 - (2) no later than March 1, 2024, the plan will pay the crewmember a lump sum amount (subject to spousal consent as applicable) which is the difference between
 - i. the total amount that he would have received if his benefit payments had been paid based on the better of the final average earnings formula or the applicable flat dollar formula, and
 - ii. the total payments that he actually received, and
 - (3) no later than March 1, 2024, the plan will also pay the crewmember interest on the amount paid under paragraph (b)(2) above, at a rate of 7% per year, compounded annually.

(c) If a successor labor agreement is not ratified on or before December 31, 2026, crewmembers that will attain normal retirement age on or after December 31, 2026 may retire on or after attaining early retirement age and commence drawing a benefit based on the final average earnings formula. Upon the ratification of a successor labor agreement. The plan will be amended to provide that crewmembers that attained age 60 on or after December 31, 2026 and prior to the ratification date shall have their benefit determined under the better of the final average earnings formula or the applicable flat dollar formula. Such amendment also will provide that to the extent a crewmember covered under this provision began drawing a benefit prior to ratification of a successor labor agreement,

- (1) his benefit shall be recalculated, and
- (2) no later than sixty (60) days after the ratification date, the plan will pay the crewmember a lump sum amount (subject to spousal consent as applicable) which is the difference between
 - i. the total amount that he would have received if his benefit payments had been paid based on the better of the final average earnings formula or the applicable flat dollar formula, and
 - ii. The total payments that he actually received, and
- (3) no later than sixty (60) days after the ratification date, the plan will also pay the crewmember interest on the amount paid under paragraph (c)(2) above, at a rate of 7% per year, compounded annually.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

ADDENDUM

Extending Pension Flat Dollar Formula Beyond Amendable Date

This Addendum clarifies various aspects of the Letter of Agreement regarding the Flat Dollar Benefit.

First, the parties have talked about the meaning of the word "crewmember" for purposes of determining who is entitled to have their benefits recalculated and who is entitled to receive a true-up payment. They agreed that it of course refers to crewmembers, but that it can, in appropriate circumstances, also refer to their estates, spouses, beneficiaries and alternate payees under a QDRO (depending on the form of payment and the terms of a QDRO, if any).

- A. Entitlement to recalculation of benefits and true-up payment. Whether an individual is entitled to have a true-up payment depends on whether (i) he attains age sixty (60) before a successor bargaining agreement is ratified, (ii) he had commenced retirement benefits and (iii) the recalculated retirement benefit, if any, is larger than the benefit he was receiving under the Plan. A crewmember or his estate will be entitled to receive a true-up payment if the crewmember (i) attains age sixty (60) before a successor bargaining agreement is ratified, (ii) had commenced retirement benefits under the Plan, and (iii) the recalculated retirement benefit, if any, is larger than the benefit he was receiving under the Plan. Similarly, a surviving spouse or beneficiary of a crewmember described in the immediately preceding sentence will be entitled to receive a true-up payment if (i) the crewmember attained age sixty (60) before a successor bargaining agreement is ratified, (ii) the crewmember (or his estate) was entitled to a true-up, and (iii) the surviving spouse or beneficiary was in pay status. Future benefit payment amounts for crewmembers, spouses and beneficiaries (only applicable if the form of payment provided for payments to a beneficiary following the crewmember's death) will be recalculated if the crewmember, spouse or beneficiary is in pay status when the true-up/recalculation trigger event occurs, e.g., a successor agreement (a) is not ratified before December 31, 2023 and the crewmember reaches age sixty (60) by December 31, 2026 or (b) is ratified after December 31, 2026 and the crewmember reaches age sixty (60) between December 31, 2026 and the ratification date. Alternate payees are discussed separately below.

Example 1: Assume that a crewmember began receiving an early retirement benefit payable as a joint and survivor annuity in 2022 at age 56. If a new contract has not been ratified as of 12/31/23 (in this case, the true-up trigger event), the crewmember will be entitled to a true-up payment and his monthly benefit payments will be recalculated prospectively because the recalculated retirement benefit is larger than the benefit he was receiving. His spouse will not receive a true-up payment because she had not received any payments under the Plan; however, the spouse's survivor benefit, when and if it becomes payable, will be calculated using the crewmember's recalculated benefit.

Example 2: Assume that a crewmember who began receiving an early retirement benefit payable as a joint and survivor annuity at age 57 in 2025 dies at age 61 in 2029, two years before a new bargaining agreement is ratified. The crewmember's spouse's survivor annuity benefit commences the month following the crewmember's death. Upon ratification of the successor bargaining agreement, both the crewmember's estate and his spouse will be entitled to a true-up payment and the spouse's monthly payments will also be recalculated prospectively. The crewmember's estate receives the true-up payment because the crewmember had commenced early retirement benefits and reached age sixty (60) before a successor bargaining agreement was ratified, and the spouse receives a true-up payment because she previously received payments under the Plan. The spouse's future payments will be recalculated because the spouse was in pay status when the trigger event occurred.

Example 3: Assume the same facts as Example 2, except the crewmember was receiving benefits as a period certain and continuous annuity and he dies after the end of the period certain after receiving the complete period of benefits. A true-up payment will be paid to his estate but no payment will be made to his beneficiary because no beneficiary payments were required under the Plan.

- B. Calculation of amounts. For both a recalculation of benefits and a true-up payment, the additional amount payable as a

result of the recalculation, if any, will be calculated as though the better benefit was originally paid.

Example 4: Assume the same facts as Example 2. Also assume that the crewmember retired under the formula benefit and that the applicable flat dollar benefit provides a larger benefit than the formula benefit. The true-up payment is calculated as the difference (plus 7% interest per year) between the formula benefit payments that had been paid (to the crewmember and to the spouse, as applicable) and the payments that would have been paid if the benefits were calculated based on the flat dollar benefit. The spouse's recalculated benefits will be similarly based on the difference between the monthly payments that the spouse received and the monthly payments that the spouse would have received if the benefit was originally paid based on the better benefit.

- C. QDROs. For alternate payees, whether an alternate payee will be entitled to a benefit recalculation and a true-up payment (and how such recalculation and payment will be calculated) will depend on the terms of the QDRO. In such cases, the terms of the QDRO will control.

Second, the parties agree that the Letter of Agreement and the occurrence of a true-up event do not allow a crewmember to make a beneficiary designation regarding the lump sum true-up, interest payments or prospective benefit payments, or change the form of payment.

Third, the parties agree that the better of the formula and applicable flat dollar benefit are intended to apply to all crewmembers who attain age sixty (60) before a successor bargaining agreement is ratified, regardless of when their benefit payments commence.

Finally, the parties agree that the examples provided in this addendum do not limit application of the Letter of Agreement regarding Flat Dollar Benefit and Early Retirement. The parties agree that the examples are intended to illustrate some of the basic situations that might occur in implementing the Letter of Agreement, and the absence of an example for any true-up situation does not mean that the true-up, interest, and/or future benefit payment will not be made.

LETTER OF AGREEMENT COMPETITION COMMITTEE

United Parcel Service Co. (UPS) and the Independent Pilots Association (IPA) hereby agree to the following:

A Joint UPS/IPA Competition Committee shall be created composed of members of the IPA Executive Board, including necessary designated Committee Chairperson(s), and Company designated officials. The Committee shall meet upon written request by either party for the purpose of discussing and evaluating business strategies or innovations which, if adopted by the Committee, could create additional crewmember jobs and enable the Company to more effectively compete with other companies, expand its markets, enter new markets, or offer new services. Nothing within this provision or Agreement shall require the Employer to offer or maintain any particular service, operation or product or require the IPA to agree to any modification to the collective bargaining agreement. However, the parties acknowledge that the Committee has the authority to temporarily modify contractual parameters (e.g., as the payload capacity of feeder aircraft on a specific route) if there is a mutual agreement that doing so will create growth and new flying for IPA represented crewmembers.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

LETTER OF AGREEMENT FATIGUE SAFETY ACTION GROUP

United Parcel Service Co. ("UPS" or "Company") and the Independent Pilots Association ("IPA" or "Association") agree to the following terms to be effective upon ratification of the parties Collective Bargaining Agreement.

1. UPS/IPA Fatigue Safety Action Group (FSAG)

- a. The parties have agreed to create a UPS (IPA) Fatigue Safety Action Group (FSAG). The standing members of the FSAG shall include UPS and IPA Co-Chairs; one (1) UPS and one (1) IPA Coordinator; IPA FSAG Member; UPS System Chief Pilot; and UPS Crew Resource Manager. Any member may act through a designee as necessary. In addition, subject matter experts (e.g., other IPA or UPS Safety Representatives) may attend meetings and otherwise participate as non-members at the request of any FSAG member and with the approval of the FSAG Co-Chairs.
- b. The following rules will apply to the operation of the FSAG:
 - (1) The FSAG will make decisions on the basis of UPS/IPA consensus. The UPS and IPA Co-Chairs both have one vote on any issue to be resolved.
 - (2) Joint recommendations by the FSAG will be forwarded to the UPS Director of Operations (DO) for approval. Any IPA or UPS Co-Chair recommendation on which consensus is not achieved will go to the UPS DO for consideration.
 - (3) Any FSAG joint or unilateral recommendation disapproved by the UPS DO may be appealed to the UPS Flight Operations District Manager and IPA President for resolution. If no resolution is obtained, the UPS DO's decision will remain in effect. The UPS DO will provide a written explanation of the reasons for his decision. Regardless of the UPS DO decision, nothing in this Section shall preclude IPA or UPS FSAG members from advocating further study/analysis of any disapproved FSAG recommendation, whether it was unilateral or joint.

The UPS DO retains final authority for all aspects of fatigue risk mitigation.

- (4) DO written decisions, documents and discussions within the FSAG will not be subject to public disclosure (i.e. outside of UPS) except as required by law. Any reference to any discussions within the FSAG will de-identify names. To the extent the Association or the Company plans any communications to the pilot group making reference to FSAG activities, those communications will be discussed by the Co-Chairs prior to release.

2. FSAG Scope of Work and Responsibilities

- a. The parties' intent is to conduct a robust, collaborative, continually evaluated fatigue mitigation program that examines all aspects of both individual crewmember and Company responsibilities for fatigue risk management.
- b. All joint UPS/IPA FSAG work will be accomplished in the interest of safety risk mitigation. Industrial issues such as contract disputes or interpretation, quality of life, and productivity enhancements or limitations will be referred to the appropriate UPS and IPA entities for resolution. The parties understand that the work of the UPS/IPA FSAG, as well as those actions taken to mitigate operational risks, are subject to legal and regulatory compliance.
- c. The FSAG shall be responsible for review and approval of the Fatigue Risk Management Plan (FRMP)
- d. If either IPA or UPS proposes a Fatigue Risk Management System (FRMS), it must be reviewed and approved by the FSAG. There will be no changes in any prescriptive rule (FAR or contractual) without the written approval of UPS and IPA.
- e. Any applicable UPS documents addressing pilot fatigue risk management will be subject to continuing joint review and agreement so as to ensure compliance with the work of the FSAG.

- f. The FSAG will be responsible for the content of all crewmember training related to sleep management and fatigue, including what is required by UPS FRMP.
- g. The FSAG will review and approve the content and format of the Crewmember Fatigue Event Report.
- h. The FSAG will receive de-identified fatigue reports and conduct a root cause analysis of all fatigue calls. However, the FSAG will not have any responsibility for dealing with fatigue calls pursuant to Article 13.D.4.j.
- i. The FSAG will select an outside Fatigue Scientist Advisor with appropriate qualifications for a one (1) year term, subject to annual renewal by both Co-Chairs. The role of this Advisor is to assess fatigue risk in all aspects of UPS Airline operations with respect to pilot employees.
- j. The FSAG will have the following responsibilities in connection with any data collection:
 - (1) The details of any crewmember data collection and analysis will require UPS and IPA to negotiate a separate appendix to this LOA. No data will be collected without prior approval by IPA and UPS.
 - (2) Data collection activities specific to fatigue may include use of actigraphs, sleep logs, psychomotor vigilance task (PVT) devices or other means as may be proposed for fatigue studies or risk mitigation activities.
 - (3) Pilot data will not be shared with industry groups or other entities without the mutual agreement of UPS and the IPA that sharing the data is in the best interest of aviation safety and can be shared in a manner that will not harm the reputation of any crewmember, UPS or IPA. De-identified data may be used to enhance sleep assumptions used in bio-mathematical modeling.
 - (4) Any pilot data utilized by the FSAG will be collected from active IPA represented crewmembers, unless otherwise mutually agreed.

- (5) Collect and analyze crewmember data for the purposes of improving modeling accuracy, and on an as needed basis as mutually agreed/directed by the FSAG Co-Chairs consistent with any negotiated appendix between the parties.
- k. The FSAG will conduct surveys, collect data, analyze any relevant system data, and perform safety audits and make necessary changes to improve the effectiveness of the FSAG and FRMP.
- l. The FSAG will develop and implement new fatigue risk mitigation tools and methods as they become available and practical, to include proactive and predictive fatigue risk processes.
- m. The FSAG will operate in a non-punitive manner. In addition, the parties agree that information developed, or discovered, in the FSAG process will not be used for purposes of discipline.

3. UPS/IPA Fatigue Safety Action Group (FSAG) Scheduling Duties

The FSAG will utilize the SAFTE-FAST modeling in conjunction with FSAG Scientist Advisor as set forth in this section.

- a. The parties will mutually agree on the modeling parameters and metrics for SAFTE-FAST or any mutually agreed alternative.
- b. The FSAG will analyze trips utilizing SAFTE-FAST prior to the publication of the bid package unless mutually agreed upon otherwise.
 - (1) UPS will provide the FSAG with a copy of each bid period's pairings when they become available;
 - (2) The FSAG will run all proposed trips through SAFTE-FAST in order to assist the parties in identifying pairings for further study;

- (3) UPS retains the right to revise trips even after they have been provided to the FSAG with copies of any revisions forwarded to the FSAG; and
 - (4) UPS shall have the right to publish the bid package in accordance with the Article 13 timeline regardless of the FSAG's activities
- c. Based on the SAFTE-FAST results and any other data and information available to the FSAG, the FSAG will identify up to ten (10) trips by F/S/D which need further evaluation for fatigue related issues. The ten (10) trip limit is not absolute. Additional trips can be identified for evaluation prior to bid line publication, time permitting. In addition, the FSAG can continue evaluation of trips subsequent to the publication of the bid package.
 - d. If the FSAG Co-Chairs agree upon modifications to the identified trips, such modifications shall be forwarded to UPS and will be incorporated into the schedule for that bid period provided there is sufficient time remaining before publication. If the change(s) are not included in that bid period they will be incorporated in the next bid period if the trip is published again.
 - e. If the FSAG Co-Chairs disagree on how identified trips are to be modified, the UPS D.O. procedure set forth in Section 1.b. above can be utilized. Alternatively, the procedure in Article 13.O.4. can be invoked.
 - f. Article 13.O. shall continue to apply with the understanding that only the IPA FSAG Co-Chair may identify new trips or new combinations of trips to eliminate pursuant to Article 13.O. The IPA FSAG Co-Chair will first attempt to address any fatigue concern utilizing the normal FSAG procedures outlined in Section 3 b-d above. Article 13.O. may be invoked so long as the IPA FSAG Co-Chair has, at a minimum, utilized SAFTE-FAST with regard to the disputed trip(s) and has discussed with the UPS FSAG Co-Chair potential means of modifying the trip to make it acceptable.
 - g. It is the parties' mutual intent to use SAFTE-FAST (or any alternate system) as a tool to assist in identifying trips which may create fatigue issues. The parties agree that a SAFTE-FAST result shall not, in and of itself, be

determinative of whether a trip should be modified or not. This is true regardless of whether SAFTE-FAST identifies fatigue issues or finds the trip not to have issues. The findings of any model should be qualified by pilot and operational experience(s). To the extent necessary, the parties will engage in UPS line pilot data collection pursuant to section 2.h. above to validate and continually improve the model.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

MEMORANDUM OF UNDERSTANDING JOINT UPS / IPA SAFETY TASK FORCE

A. Continuation of Joint UPS/IPA Safety Task Force

United Parcel Service Co. ("UPS") and the Independent Pilots Association ("IPA") reaffirm their common objective of efficiently and effectively operating the UPS airline with safety as the first priority and guiding principle. The purpose of extending this MOU through the duration of the contract will be to ensure that the highest level of safety is maintained in operating the UPS airline through the joint and coordinated efforts of the Company and the IPA. The parties, therefore, do hereby agree to the following:

1. To further the objective of addressing airline safety challenges, the parties have agreed to continue the UPS/IPA Safety Task Force (STF) led by an IPA Safety Liaison and designated UPS's Flight Operations Manager. The STF will be comprised of six (6) primary members. Three (3) assigned by the IPA and three (3) assigned by UPS. All members must be mutually agreed upon. The IPA and UPS lead members may, upon mutual agreement, invite subject matter participants from either party to assist the group on specific issues.
2. Any outside experts that may be retained to advise the Safety Task Force, by mutual agreement of the lead members, are subject to a confidentiality agreement as necessary. The lead members (and the additional members as deemed necessary) will meet to fulfill the objectives outlined in this Agreement as expeditiously as possible. IPA members of this task force, the IPA Executive Board members and General Counsel will sign the attached confidentiality agreement. The parties further understand that even with the confidentiality agreement there may be information that the Company is legally prohibited from sharing.
3. The STF will consider other airline safety issues raised by a core group member including but not limited to:
 - a. The issue of aircraft fire mitigation and suppression systems and fire fighting on board the aircraft. It is understood that the solution set may incorporate several

layers of defense and may be implemented in a segmented approach that involves such concepts as adding to or modifying systems on the aircraft, employing new packaging materials, using containers designed to contain or actively suppress fires and/or using special materials for palletized freight.

- b. The STF will make recommendations and implement human factor improvements in aircraft checklist design, subject to FAA approval.
- c. The STF will discuss issues related to the carriage by air of lithium batteries and any other fire/smoke hazards that are considered relevant by any member of the group.
- d. It is understood that any of the above recommendations may involve the acquisition of new technologies. It is also understood that some or all of the recommendations made by the STF may require crewmember-training components. The Safety Task Force will have the responsibility of addressing any technology and training implications of their recommendations.
- e. As stated in MOU-LOSA, any issues identified by the LOSA Collaborative will be referred to the UPS/IPA Safety Task Force for analysis and recommendations for implementing necessary changes to the UPS Director of Operations (DO). The DO retains the right to make any operational changes deemed necessary as a result of the LOSA audit.
- f. The STF lead members may also mutually agree to review industry best practices that affect the overall safety program of the airline and make recommendations as necessary.
- g. Additional roles and responsibilities may be added to the IPA Safety Task Force Liaison as identified in Appendix A.
- h. In the event the STF cannot reach agreement on any of the recommendations required above, or if UPS fails to accept any of the recommendations, either party may

unilaterally draft a recommendation and forward that proposal to the UPS Vice President of Flight Operations and IPA President for review and consideration. Both parties do hereby agree to provide adequate resources needed by the STF in order that the group may complete its work as effectively and expeditiously as possible.

4. UPS agrees to fund one position to act as the Safety Liaison in accordance with the updated MOU with the following conditions:
 - a. UPS will have final authority and right of refusal of any change in the identity of the Safety Liaison position, which will be nominated by the IPA.
 - b. The Safety Liaison will bid a line for pay purposes only and be paid IAW Article 10.S.
 - c. The Safety Liaison shall be available to the company 14 days per pay period, subject to vacation or other contractual leaves. These days shall be arranged by mutual consent.
 - d. If, by mutual consent, there are insufficient duties as described in the attached, then the Safety Liaison will be assigned other flight duties.
 - e. Any travel expenses related to the seminars, conferences or other educational meetings would be covered by the IPA.
 - f. If the Safety Liaison concurrently holds a position on the IPA Executive Board, the IPA shall be responsible for all trip drop costs associated with the Safety Liaison position.
 - g. The MOU shall remain in effect for the duration of the current Collective Bargaining Agreement. (CBA)
5. Intent to Collaboratively Work Together

United Parcel Service Co. ("UPS") and the Independent Pilots

Association (“IPA”) affirm that their common objective is to collaboratively use the UPS/IPA Safety Task Force to work through and address safety issues. To that end, both parties agree that they will not make public statements criticizing the other party with regard to any subject covered by either group. Rather, the process for expressing disagreement, as set forth in the MOU will be followed. If a party decides instead to resort to making critical statements publically or violate a confidentiality agreement, this Agreement may be cancelled with five (5) days written notice by either party.

APPENDIX A – Duties and Responsibilities IPA Safety Liaison

The IPA Safety Liaison responsibilities would include, but not be limited to the following:

- Advocate a positive safety culture
- Utilize ASAP/FOQA/LOSA/AQD/AQP/Event Report and other data analysis to establish clear safety objectives.
- Work with Management to develop programs as needed to meet those safety objectives.
- Work with the Training Department and Program Development to create training modules to address safety concerns.
- Participate in UPS/IPA Safety Task Force Meetings
- Establish formal UPS/IPA Safety Briefings with line crewmembers at all domiciles.
- Communicate relevant safety material through the use of IPA print, electronic and video media.
- Attend Industry Safety Conferences
- Work to identify industry best practices and share that information.
- Identify new safety technologies.

Examples of future projects could include:

- Continue work on cargo fire suppression systems
- Enhanced fire/smoke training
- Develop a methodology for communicating safety concerns in an expeditious manner during emergencies. (i.e. text messages)
- Formalize a process for UPS and IPA to interact during incident/accident investigations.
- Work to incorporate the latest human factors research to issues
- Develop joint communications and publications about safety related issues on an as needed basis.

NON-DISCLOSURE AGREEMENT

United Parcel Service Co. ("UPS") and the Independent Pilots Association ("IPA") agree that data or information provided to IPA or its Task Force members pursuant to the Safety Task Force MOU will be "Confidential Information" and governed by this Agreement.

As it is necessary for UPS and IPA to engage in open and frank discussions regarding the development of any security threat mitigation strategy, the parties agree as follows:

1. Non-Disclosure. The IPA shall, except as may be required by applicable law, keep confidential all "Confidential Information" and will not disclose any such "Confidential Information" to any third party including any of IPA's employees, members, representatives, agents or attorneys, except IPA's current elected Executive Board Officers and William C. Trent, General Counsel ("Authorized Persons"). Prior to disclosing the "Confidential Information" to any person other than an Authorized Person, IPA agrees to notify Jim Wells and obtain written consent prior to any such disclosure.

2. Exceptions. For purpose of this Agreement, "Confidential Information" does not include information known to the IPA prior to the disclosure to the IPA, or information which is or becomes available through no breach by the IPA of this Agreement.

3. Breach. Any breach of this Non-disclosure Agreement shall be subject to the grievance process. Each of the parties has caused this Agreement to be executed by its duly authorized representatives as of the date set forth above.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

MEMORANDUM OF UNDERSTANDING JOINT UPS / IPA SECURITY TASK FORCE

A. Continuation of Joint UPS/IPA Security Task Force

The parties acknowledge that the air cargo/express package industry faces unique threats in the era of global terrorism. The Company (UPS) and the Association (IPA) recognizes the key role that both parties can play in the mitigation and management of these threats.

Several significant milestones have been achieved through the coordinated efforts of the Security Task Force (SeTF) to date. However, during this time the SeTF's mission has also drastically evolved, as have the worldwide threats. Therefore, it is both necessary and vital that the SeTF mission goals are updated. This updated MOU will detail both the significant planning and mitigation efforts that the SeTF undertakes as well as the 24 / 7 response capability that is required to ensure coverage of the UPS Airline's global operation.

1. To further the objective of meeting common security challenges, the parties have agreed to continue the joint UPS / IPA SeTF led by an IPA Security Liaison and UPS's Director of Airline Security or designee. Both individuals will appoint up to two additional members of the task force to assist them, as needed. The IPA and UPS lead members may, upon mutual agreement, invite subject matter participants from either party to assist the group on specific issues. The parties acknowledge that sensitive information will be exchanged and therefore is bound by the confidentiality requirements of 49 C.F.R. parts 15 and 1520.
2. Any outside experts that may be retained to advise the Task Force, by mutual agreement of the lead members, are subject to a confidentiality agreement as necessary. The lead members (and the additional members as deemed necessary) will meet to fulfill the objectives outlined in this Agreement as expeditiously as possible. IPA members of this task force, the IPA Executive Board members and General Counsel will sign the attached confidentiality agreement. The parties further understand that even with the confidentiality agreement there may be information that the Company is legally prohibited from sharing.

3. The SeTF will consider any airline security issue raised by a core group member including but not limited to:
 - a. The SeTF will be briefed on air cargo screening and acceptance procedures throughout our domestic and international network. If deemed necessary by both parties, members of the SeTF will travel to one or more international gateways to visually inspect the screening process where appropriate and allowed by governing agencies.
 - b. The SeTF will be available to review and participate in any and all training related to the Aviation Threat Guidelines (ATG), as well as other security-related training subject areas for the airline deemed applicable.
 - c. The SeTF will provide a 24 / 7 response capability to security events in the UPS network. The SeTF will communicate a response plan in a timely fashion to crewmembers who are experiencing or are scheduled to enter an area which is experiencing (or under threat of) a security incident. The SeTF will coordinate the communication effort with both UPS and IPA channels to ensure the highest distribution level possible when necessary.
 - d. The SeTF will study the adoption of new methodologies to inform our crewmembers laying over, especially internationally, by providing real-time threat and security information utilizing in an electronic format adaptable to the company-issued iPad to the maximum extent possible.
 - e. The SeTF will study the growing threat of laser illumination of UPS aircraft while in flight. The SeTF will explore training opportunities for crewmembers on mitigation strategies of laser illumination as well emerging technologies to reduce the effects of lasers during critical phases of flight.
 - f. The SeTF may be involved in threat assessments. Should a significant security incident take place at a current hotel, the SeTF will be consulted and provide written recommendations to the both UPS and the IPA Hotel Committee as needed on the current security status of our layover hotels.

- g. The Company will make a good faith effort to assist the IPA Security Liaison in obtaining necessary clearances and approval in order to share information that might otherwise be protected. The Director of Airline Security or designee will alert the IPA Security Liaison if there is any barrier to any information sharing and will make every reasonable effort to eliminate the obstacle. The parties understand that there may be information that can be shared with the IPA Security Liaison that cannot be shared with any other individuals including members of the IPA Executive Board.
 - h. The SeTF lead members may also mutually agree to review other issues that affect the overall security program of the airline and make recommendations as necessary.
 - i. In the event the parties cannot agree on any recommendation contemplated by the security portion of this MOU, the unilateral recommendations by the IPA Security Liaison or the UPS Director of Airline Security or designee will be forwarded to the Vice President of UPS Flight Operations and IPA President for resolution.
- 4. UPS agrees to fund one position to act as the Security Liaison in accordance with the updated MOU with the following conditions:
 - a. UPS will have final authority and right of refusal of any change in the identity of the Security Liaison position, which will be nominated by the IPA.
 - b. The Security Liaison will bid a line for pay purposes only and be paid IAW Article 10.S.
 - c. The Security Liaison shall be available to the company 14 days per pay period, subject to vacation or other contractual leaves. These days shall be arranged by mutual consent.
 - d. If, by mutual consent, there are insufficient duties as described in the attached, then the Security Liaison will be assigned other flight duties.

- e. Any travel expenses related to the seminars, conferences or other educational meetings will be covered by the IPA.
 - f. On at least an annual basis, the Security Task Force shall evaluate a security clearance for the Vice-Security Liaison position for the purpose of interchanging duties with the primary Security Liaison for continuity. After evaluation and determination, a full security clearance will be provided to the Vice-Security Liaison depending on the ability of the company to secure it.
 - g. If the Security Liaison concurrently holds a position on the IPA Executive Board, the IPA shall be responsible for all trip drop costs associated with the Security Liaison position.
 - h. The MOU shall remain in effect for the duration of the current Collective Bargaining Agreement. (CBA)
5. Intent to Collaboratively Work Together

United Parcel Service Co. ("UPS") and the Independent Pilots Association ("IPA") affirm that their common objective is to collaboratively use the Joint Security Task Force to work through and address current security issues. To that end, both parties agree that they will not make public statements criticizing the other party with regard to any subject covered by the MOU. Rather, the process for expressing disagreement as set forth in the MOU will be followed. If a party decides instead to resort to making critical statements publically or violate a confidentiality agreement, then the MOU may be cancelled with five (5) days written notice by either party.

NON-DISCLOSURE AGREEMENT

United Parcel Service Co. ("UPS") and the Independent Pilots Association ("IPA") agree that data or information provided to IPA or its Task Force members pursuant to the Security Task Force MOU will be "Confidential Information" and governed by this Agreement.

As it is necessary for UPS and IPA to engage in open and frank discussions regarding the development of any security threat mitigation strategy, the parties agree as follows:

1. Non-Disclosure. The IPA shall, except as may be required by applicable law, keep confidential all "Confidential Information" and will not disclose any such "Confidential Information" to any third party including any of IPA's employees, members, representatives, agents or attorneys, except IPA's current elected Executive Board Officers and William C. Trent, General Counsel ("Authorized Persons"). Prior to disclosing the "Confidential Information" to any person other than an Authorized Person, IPA agrees to notify Jim Wells and obtain written consent prior to any such disclosure.

2. Exceptions. For purpose of this Agreement, "Confidential Information" does not include information known to the IPA prior to the disclosure to the IPA, or information which is or becomes available through no breach by the IPA of this Agreement.

3. Breach. Any breach of this Non-disclosure Agreement shall be subject to the grievance process. Each of the parties has caused this Agreement to be executed by its duly authorized representatives as of the date set forth above.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

APPENDIX A – DUTIES AND RESPONSIBILITIES IPA SECURITY LIAISON

- A. The primary duty of the IPA Security Liaison is to assist in assuring a high level of vigilance is applied to both the UPS security training program and the UPS overall security effort. These responsibilities, as assigned by the Company would include, but not be limited to the following:
1. Maintain liaison functionality between UPS Airline Security (ALS) and the UPS Pilot Group, represented by the Independent Pilots Association (IPA). The Liaison will work directly with the Company in any response plans or mitigation efforts when notified of a possible threat. The Liaison will only relay information obtained from internal briefings to the IPA Executive Board and General Counsel when an agreement is reached with UPS ALS on strategy, content, necessity, and intent. Confidentiality Agreements, as necessary will be signed and adhered to.
 2. The Liaison will be involved with the research, development, and deployment the required TSA Full All-Cargo Aircraft Operator Standard Security Program (FACAOSSP) annual flight crewmember training.
 3. The Security Liaison working with the Airline Security department will be the single point of contact for the UPS training department in answering concerns on security training issues, as well as developing the topics for the security portion of the required ground school so that the material is consistent with security trends.
 4. The Liaison will attend industry security conferences and meetings, as mutually agreed upon and at the IPA's expense, to ensure that the training modules developed each year evolve with the threat, which has demonstrated the ability to adapt and grow to counter mitigation efforts.
 5. The Security Liaison will only interact with federal agencies as a UPS representative at the direction of the Director of Airline Security or their designee.
 6. The Security Liaison will consistently receive and review all security event reports and work directly with UPS ALS in formulating responses which are meaningful to crewmembers. Based on those reports, the Liaison will adapt

the security training module to ensure that “hot topics” are addressed each year.

7. The Liaison will coordinate with the Director of Airline Security or designee on outside agencies who may need training on how to respond to a security incident related to a UPS aircraft.
8. The Security Liaison will work directly with Airline Security and the UPS/IPA Hotel Committee to provide a security input to layover cities and personal security issues.
9. The Security Liaison will be responsible for any and all other duties in relations to MOU 10-01 updated 7/1/2014 which includes, but is not limited to:
 1. Assisting with the mitigation of potential threats and risk.
 2. Provides a credible liaison between crewmembers and airline security for communications.
 3. Provides a 24 / 7 response capability to specific crewmember security concerns.
 4. Development, deployment and review of TSA FCAOSSP required crewmember yearly training.
 5. Reviewing security event reports and providing a joint response capability.
 6. Initiate and participate in operational testing of security response procedures in the cockpit.
 7. Assist with the creation of an electronic threat intelligence network which is readily accessible to crewmembers prior to launch.
 8. Liaison with TSA when appropriate.
 9. Provides FFDO professional standards guidelines and inquiry response.
 10. Support UPS Airline Security in their mission in all facets.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Date: 08/31/2016

LETTERS OF AGREEMENT DRUG AND ALCOHOL

LETTER OF AGREEMENT ON DRUG TESTING

The Agreement is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, and Article 9 of the Agreement between the Independent Pilots Association ("Association"), and United Parcel Service Co. ("UPS").

WHEREAS, UPS and the Association recognize that a drug-free workplace is essential to transportation safety; and

WHEREAS, the Federal Aviation Administration issued, on November 21, 1988, a final regulation entitled "Anti-Drug Program for Personnel Engaged in Specified Aviation Activities" which mandates drug testing for flight crewmembers, which has been subsequently amended; and

WHEREAS, UPS and the Association wish to see the implementation of a testing program that affords the maximum protection and quality assurance to flight crewmembers.

THEREFORE, the parties hereby agree to the following specific terms to be incorporated into UPS's Drug Testing Program, effective July 2011 as it applies to flight crewmembers in its employ, which will not be administered inconsistent with the Letter of Agreement.

1. The Medical Review Officer (MRO) shall make every reasonable effort to notify an employee of a confirmed non-negative test result pursuant to the DOT regulations. The MRO shall not notify UPS until obligated to do so under the regulations.
2. Upon making contact with a crewmember, the MRO shall give that crewmember the option of having a telephonic interview prior to verifying a non-negative test.-The crewmember has the option of choosing to meet with the MRO face-to-face for the interview. If a crewmember elects to conduct the interview with the MRO face-to-face, the MRO shall accommodate that request either by video conference or an in-person meeting.
3. UPS will provide a return commercial flight for purposes of meeting with the MRO to discuss a positive test result. UPS will furnish one way commercial travel to return the crewmember to their home, if the results are verified positive.

4. The MRO shall maintain a separate recordkeeping system - apart from the standard medical files - for drug test results and such records shall be kept in a secure location.
5. UPS will confidentially maintain company records of MRO reported verified test results on a need to know basis.
6. Verified positive test result records will be kept in a secure location in a place other than with individual personnel files. Results may be released to the NTSB, FAA, the Federal Air Surgeon and/or prospective employers in conformity with applicable federal statutes or regulations.
7. UPS shall not reinstate periodic testing unless required by law. This Letter of Agreement shall apply to such testing, as applicable.
8. When a crewmember is drug tested by UPS for reasonable cause or in the post-accident context, the crewmember will be allowed the opportunity to notify and have a union representative present during the testing. If requested and no representative is available, the crewmember may select another employee to represent him or her. The crewmember retains all other rights to Union representation provided by the contract. The unavailability of a representative shall not preclude any test required by law.
9. A crewmember may seek rehabilitation treatment through the Rehabilitation Program consistent with Article 9. UPS shall extend contractual coverage during the course of the current bargaining agreement for assessment and rehabilitation treatment in accordance with the UPS Crewmembers Benefits Package.
10. UPS may terminate any crewmember for just cause for refusing to submit to an FAA required drug test, failing a drug test or adulterating a urine specimen provided that the testing was done in conformity with applicable DOT/FAA regulations, the UPS Drug Testing Program, and this Letter of Agreement. It is acknowledged that the MRO must review any medical records provided by the employee to determine if a confirmed positive test result resulted from legally prescribed or dispensed medication. Before a MRO can verify a confirmed positive test result for opiates, he or she must determine that there is clinical evidence - in addition to the urine test - of unauthorized use of any opium, opiate or opium derivative (e.g. morphine/codeine). Should the collection or testing facility commit an error in the handling or

processing of a random sample, the crewmember shall not be required to undergo a repeat random collection, but rather the test shall be canceled if required by 49 CFR Part 40.199, or any successor provision.

11. Any crewmember who has verified positive drug test and who is terminated or disciplined by UPS in accordance with the terms of this agreement, may challenge such termination or discipline under Article 7 of the Agreement.
12. If the crewmember is prevented from taking scheduled surface or air transport due to a required drug test, UPS will provide comparable alternative transportation at no cost to the crewmember.
13. UPS may make allowances for valid personal emergencies and in its discretion delay a scheduled drug test with no prejudice to the affected crewmember, unless he has been notified of the test.
14. UPS shall not construe time spent in drug testing or awaiting testing to be "rest time" as required by the Federal Aviation Regulations (FARs) and/or per the contract.
15. Crewmembers prevented from flying their trip due to a prolonged drug testing procedure required by the DOT regulations will be returned to duty as follows: he will be placed back on his trip or, if it is unavailable, assigned an open time trip. If there are no open time trips on which to utilize the crewmember, he shall make himself available for Category "A", "B", "C" or "D" reserve assignment or have his pay period guarantee reduced. The intent is that Article 13.D.4. provisions will be followed.
16. The parties agree that the UPS Drug Testing Program dated July 2011 is hereby agreed to by the parties and incorporated by reference. UPS and the Association will meet to discuss and approve proposed amendments to the program; however, UPS shall have the unilateral right to amend the program, after consultation with the Association, in order to comply with subsequent federal regulations.
17. UPS shall continue the split sample method of collection as permitted by the Department of Transportation (DOT) final rule, December 1, 1989 (49 CFR Part 40) and subsequent modifications. The samples shall be shipped and stored at the same testing facility. Assuming the initial immunoassay, the gas chromatography/mass spectrometry (GC/MS), and the GC/MS re-

test of the original sample each confirmed positive, the crewmember - at his or her expense - shall have the right to request that the original sample in Bottle B be shipped and tested by another NIDA certified laboratory (per FAA regulations) designated by UPS. A negative result of the second test will render the entire test canceled, and the cost of the retest will be paid by the Company.

18. If the crewmember exercises his right to retest the original sample contained in Bottle B, the cost of shipping, handling and testing of this third procedure shall be paid by the crewmember. Should the split (Bottle B) sample be lost or misplaced, the entire test will be canceled by the MRO.

LETTER OF AGREEMENT ALCOHOL TESTING

1. Split Sample Method

At such time that split-sample breath collections become commercially available and their use is authorized under DOT regulations, the Company will initiate discussions with the Association concerning the manufacturer and model to be used in changing to this type of equipment.

2. Compensation and Scheduling

- a. UPS shall not construe time spent in alcohol testing or awaiting testing to be "rest time" as required by the Federal Aviation Regulations (FARs) and/or per the contract.
- b. For purposes of all drug/alcohol testing, it is important that the collectors and BATs are at their posts with operational equipment when crewmembers are directed to be tested in accordance with FAA requirements, and the following rules apply:
 - (i) If the collector and/or BAT has not arrived within the allotted times set forth in paragraphs (ii) and (iii) below, the test(s) shall be rescheduled to a later date unless the crewmember has been verbally notified by a Company representative that he has been selected for random testing.
 - (ii) At the end of a duty period, a crewmember who blocks in as scheduled or later, shall not be required to wait for the

arrival of the collector (for urine drug testing) or BAT (for alcohol testing) for more than fifteen (15) minutes after block-in.

- (iii) A crewmember who blocks in prior to his scheduled arrival time shall be required to wait for the collector or BAT for a maximum of thirty (30) minutes, not to exceed fifteen (15) minutes after scheduled block-in.
 - (iv) Prior to departing the gateway under any of the scenarios listed above, the crewmember shall notify a management representative on property.
- c. UPS will provide a commercial ticket for purposes of meeting with a Substance Abuse Professional (SAP) chosen by UPS to discuss a test result. The Company will furnish one-way commercial air travel to return the crewmember home.
 - d. Crewmembers prevented from flying their trip due to a prolonged alcohol testing procedure required by the DOT regulations or as a result of being removed from duty for eight (8) hours for testing between 0.02 and .039, will be returned to duty as follows: he will be placed back on his trip or, if it is unavailable, assigned an open time trip. If there are no open time trips on which to utilize the crewmember, he shall make himself available for Category "A", "B", "C" or "D" reserve assignment or have his pay period guarantee reduced. The intent is that Article 13.D.4. provisions will be followed.

3. Alcohol Evaluation/Rehabilitation

Any crewmember required to obtain a substance abuse evaluation shall contact the UPS/IPA HIMS Committee for a SAP referral and, If necessary, rehabilitation placement.

4. Consequences of Confirmed Positive Alcohol Tests

- a. UPS and IPA agree that the workplace is to remain alcohol and drug free. UPS may terminate for just cause any crewmember for refusing to submit to an FAA required alcohol test for having a confirmed blood alcohol level of .04 or greater on an FAA required test provided the testing was done in conformity with this letter of agreement, the UPS Alcohol Testing Program, and all applicable federal regulations. The parties agree that failure to follow

equipment manufacturer guidelines will result in a no just cause determination if the failure causes the test to be invalid.

- b. A pilot having a confirmed breath alcohol level of .02-.039 on a FAA required test will be taken out of service for a minimum of eight (8) hours with pay protection. UPS may issue a letter of warning to such a crewmember that will stay in existence in that crewmember's personnel file for a two (2) year period. If the pilot subsequently registers a second confirmed positive at the .02-.039 level during the life of a .02-.039 letter of warning, the pilot will be removed from flight status and referred to a SAP for evaluation. The pilot will comply with the prescribed treatment plan, if any, recommended by the SAP. Upon successful completion of the treatment plan, the crewmember will be reinstated to pay status. All medical costs associated with evaluation and treatment shall be paid in accordance with Article 6. UPS may terminate for just cause a crewmember following a third confirmed positive at the .02-.039 level when two prior .02-.039 letters of warning remain in existence pursuant to this Agreement. All testing shall conform to this letter of agreement, the UPS Alcohol Testing Program, and all applicable federal regulations. In addition, failure to follow equipment manufacturer guidelines will result in a no just cause determination if the failure causes the test to be invalid.
- c. Any crewmember that is disciplined or issued a letter of warning under this Agreement may challenge such action in accordance with Article 7.C. of the collective bargaining agreement.

5. Records

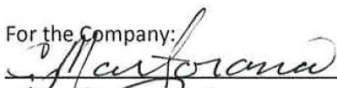
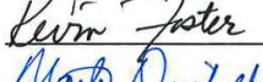
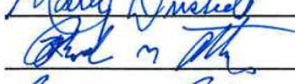

- a. The Company shall maintain a separate record keeping system for alcohol testing results apart from the standard medical and drug testing files. Such records shall be kept in a secure location.
- b. UPS will confidentially maintain company records of test results in excess of .02 on a need-to-know basis.
- c. Records of test results in excess of .02 will be kept in a secure location in a place other than with individual personnel files. Results may be released to the NTSB, FAA, the Federal Air Surgeon and/or prospective employers in conformity with applicable federal statutes and regulations.

- d. Results of all alcohol tests equal to or greater than .02 will be sent to the UPS/IPA HIMS Committee.

6. Other Rights

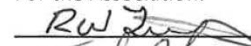
- a. When a crewmember is alcohol tested by UPS for reasonable cause or in the post-accident context, the crewmember will be allowed the opportunity to notify and have a union representative present during the testing. If requested and no representative is available, the crewmember may select another employee to represent him or her. The crewmember retains all other rights to Union representation provided by the contract. The unavailability of a representative shall not preclude any test required by law.
- b. If a crewmember is prevented from taking scheduled surface or air transport due to a required alcohol test, UPS will provide comparable alternative transportation at no cost to the crewmember.
- c. UPS may make allowances for valid personal emergencies and, at its discretion, delay a scheduled alcohol test with no prejudice to the affected crewmember unless he has been notified of the test.
- d. The parties agree that UPS Alcohol Testing Program dated July 2011 is hereby agreed to by the parties and incorporated by reference. UPS and the Association will meet to discuss and approve proposed amendments to the program; however, UPS shall have the unilateral right to amend the program after consultation with the Association, in order to comply with subsequent federal regulations.

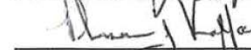


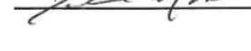
For the Company:


Kevin Foster

Marty Dineen

Paul M. Mc

Cathy Cline, R.N.

DATE: 2/14/13

For the Association:


RW

Eric





DATE: 2-13-2013

**United Parcel Service Co.
Drug and Alcohol Rehabilitation Program
for Crewmembers**

Table of Contents

- I. OVERVIEW**
- II. POLICY**
- III. OBJECTIVES**
- IV. REHABILITATION PROGRAM**
 - A. Plan Participants
 - 1. UPS Occupational Health Coordinators
 - 2. Domestic Sponsors
 - 3. IPA & UPS Aeromedical Advisors
 - 4. Independent Medical Sponsor
 - 5. UPS/IPA HIMS Committee
 - B. Access and Identification
 - C. Treatment
 - D. Case Management
 - E. Sponsors
 - F. Continuing Care Phase
 - G. Recertification
- V. SCOPE**
 - A. General
 - B. Program Utilization
 - C. Treatment Facilities

I. OVERVIEW

The UPS Drug and Alcohol Rehabilitation Program for Crewmembers is established to ensure compliance with Federal Aviation Administration (FAA) directives regarding certificated airmen who require a Special Issuance Medical Certificate due to drug or alcohol abuse.

II. POLICY

United Parcel Service Co. (UPS) has a vital interest in the safety of our employees, as well as that of the general public. Due to the nature of our work, it is essential that we demand the highest standard from our employees to ensure the safe and efficient operations necessary to provide reliable services to our customers. Therefore, it is our intent to continue to promote a safe and secure work environment free of illicit drugs and alcohol abuse.

To foster such an environment, we maintain a drug-free and alcohol-free workplace. We prohibit the illegal possession, use, sale, distribution, dispensing, transfer or manufacturing of a controlled substance or alcohol while at work or on company property, or while on company business. No employee is permitted to go on duty or remain on duty if he or she possesses or has the presence of controlled substances or alcohol in their system.

We also require, if necessary, a fitness for duty medical evaluation any time an employee, by his or her actions or behavior, give UPS reasonable cause to believe an employee may have violated the UPS drug and alcohol policy.

UPS complies with all Department of Transportation and FAA rules and regulations concerning controlled substance testing for specified classifications of employees.

III. OBJECTIVES

The objectives of the UPS Drug and Alcohol Rehabilitation Program for Crewmembers are as follows:

- A. To provide an atmosphere in which prevention, rehabilitation and continuing care may occur;
- B. To establish a system of expeditious rehabilitation and medical case management for voluntary disclosure of a medical condition to the FAA;

- C. To provide the crewmember opportunity for training as well as other educational venues, with usable facts regarding signs and symptoms of drug and alcohol dependency;
- D. To appropriately identify those who require assistance, emphasizing self-identification, and peer group influence and management intervention when necessary;
- E. To establish a referral mechanism between the workplace and treatment resource(s) to diagnose the existence and degree of medical behavioral disorders; and
- F. To support the treatment recommendations, if indicated, by the evaluation resource.

This Program is based upon concepts provided by the widely accepted Human Intervention Motivational Study (HIMS) conducted by Dr. Richard Masters in 1974. It is preventive and remedial in nature. Its purpose is twofold: first, it focuses on education with emphasis upon self scrutiny and early recognition; second, it makes effective treatment available when it is necessary to ensure successful rehabilitation.

IV. REHABILITATION PROGRAM

A. Plan Participants

This plan requires the participation of the Independent Medical Sponsor (IMS), UPS Occupational Health Coordinator, UPS Flight Operations HIMS Coordinator, the two Independent Pilots Association HIMS Committee Members, the Company and Peer Sponsors, and the UPS and IPA Aeromedical Advisors:

1. UPS OCCUPATIONAL HEALTH COORDINATOR

The UPS Occupational Health Coordinator is responsible for the overall plan coordination with the IMS, the UPS Aeromedical Advisor, and appropriate members of management. The UPS Occupational Health Coordinator is responsible for ensuring the contracted case management company maintains a confidential file for each crewmember in the program.

2. DOMICILE SPONSORS

At each domicile there will be a Management Sponsor and a Peer Sponsor. Sponsors are trained to identify and confront early problematic behavior and to become proficient in motivating crewmembers to stay in recovery. UPS and Peer Sponsors will be selected by their respective parties.

3. IPA & UPS AEROMEDICAL ADVISORS

The IPA and UPS Aeromedical Advisors, as designated by the respective parties, in conjunction with the IMS may gather and review, at the crewmember's request, all medical, psychiatric, and psychological records, coordinate all documentation, and coordinate the submission of appropriate records to the FAA for consideration in recertifying the crewmember.

4. INDEPENDENT MEDICAL SPONSOR

The IMS is an FAA designated AME, jointly selected by the HIMS Committee, who has undergone special training in chemical dependency problems related to airline crewmembers. The IMS and the Aeromedical Advisors are the only professionals authorized to present medical information concerning the crewmember's history and treatment via a petition to the Federal Air Surgeon for a special issuance (SI). The HIMS Committee in coordination with the Aeromedical Advisors will direct crewmembers to the appropriate IMS who will coordinate medical recertification. The Federal Air Surgeon will consider petitions for an SI received from the IMS on behalf of the crewmember. The crewmember is responsible for ensuring that the IMS receives copies of all past related medical data including those from the alcohol rehabilitation facility as well as the monthly management and peer monitoring reports required to maintain the SI of the medical certificate.

5. UPS/IPA HIMS COMMITTEE

The UPS/IPA HIMS Committee is comprised of the UPS Occupational Health Coordinator, UPS Flight Operations HIMS Coordinator and the two IPA HIMS Committee Members. At least one of the two IPA Committee Members will be a UPS crewmember. The Committee is authorized by the System Chief Pilot (SCP) to maintain

oversight of the HIMS Program. The Committee is responsible for: evaluating program management and direction; reviewing specific cases; providing input and recommendations to the SCP, Aeromedical Advisors and the IMS as necessary.

B. Access and Identification

1. **Voluntary Identification:** This program is established to encourage an alcohol and drug free workplace and to provide avenues for employees to voluntarily seek treatment for substance abuse. Those wishing to seek treatment voluntarily, on their own initiative, or subsequent to an intervention may do so by contacting any member of the UPS/IPA HIMS Committee.
2. **Involuntary Identification:** In certain cases after reviewing all pertinent information the UPS/IPA HIMS Committee will confer with the Aeromedical Advisors. After review, if evaluation is deemed necessary, the UPS Aeromedical Advisor issues a medical order directing evaluation.
3. **Crewmembers entering the program voluntarily or involuntarily** will be subject to a multi-day comprehensive substance abuse assessment including required medical testing. The IPA/UPS Aeromedical Advisors will confer with the assessment team prior to the rendering of a diagnosis.

C. Treatment

1. Treatment will be provided on an inpatient basis in accordance with FAA guidelines. The UPS Occupational Health Coordinator will ensure the medically ordered treatment is provided based on the assessment and benefit coverage.
2. The Company will provide a commercial ticket to any crewmember who is required to travel to and from a facility for the purposes of evaluation or treatment.

D. Case Management

1. Case management is provided by the IMS and a third party company specializing in substance abuse treatment and recovery with the goal of ensuring the highest level of participant success. The case management company is selected by the UPS Occupational Health Coordinator. The case management company reports its findings to

the UPS/IPA HIMS Committee during monthly program status meetings.

2. Case management will require crewmember consent to the release of all information necessary to communicate progress and/or concerns of the rehabilitation. This information will only be released to those parties involved in the employee's rehabilitation and return to work on a need to know basis.
3. Case management will include but not be limited to the following:
 - a) Communication and coordination among the designated sponsors,
 - b) In cooperation with the inpatient treatment facility the assessment and selection of the most appropriate treatment resources for continuing care,
 - c) Frequent communication with counselors and treating medical professionals,
 - d) Participation in the discharge from the treatment center and continuing care plan,
 - e) Collating and organizing all applicable medical records to facilitate the SI submission by the IMS,
 - f) Coordinating compliance testing as directed by the IMS.

E. Sponsors

1. Sponsors will be trained in chemical dependency and the requirements for compliance with the procedures for the issuance of an SI medical certificate.
2. The management and peer sponsors will meet face-to-face with the employee at a minimum on a monthly basis to discuss sobriety, attendance at continuing care and NA/AA meetings, to review progress of rehabilitation and finally, to ensure themselves that sobriety is being maintained. A written report on each of these meetings must be sent to the case management company prior to and for the specified number of years following the

issuance of an SI medical certificate. The length of monitoring will be specified in the SI letter.

3. The UPS/IPA HMS Committee and/or the case management company will serve as a conduit for the sponsors as necessary.

F. Continuing Care Phase

1. The continuing care phase includes aftercare, outpatient Narcotics Anonymous and/or Alcoholics Anonymous meetings, psychological and psychiatric evaluation, the sponsor's written reports and case management. This phase is coordinated by the UPS/IPA HMS Committee and the case management company under the guidance of the IMS. Any concerns noted will be directed to the case management company for review with the UPS/IPA HMS Committee.
2. The Company will provide a Priority 3 Company jumpseat to any crewmember who is required to travel to and from his IMS for the purposes of continuing care. In addition, the Company will make its crew hotel and local transportation available to the crewmember at the Company's negotiated rate.
3. The attached Pilot Alcohol and Drug Recovery Program Aftercare Contract shall be executed by the crewmember during the discharge meeting or as appropriate.

G. Recertification

Recertification requires coordination, review and submission of paperwork to the Federal Air Surgeon for special issuance medical certificate. The IMS is responsible for submitting all documentation to the Federal Air Surgeon once the employee has satisfied the requirements of the IMS.

V. Scope

A. General

1. This Program will be implemented in such a manner as to assure the crewmember that job security will not be jeopardized by his/her initial request for evaluation and/or treatment.
2. Because of the nature of these illnesses, the crewmember seldom seeks diagnosis and evaluation of his/her own volition. In such cases, assistance from fellow crewmembers or a manager may be necessary to encourage evaluation. In these interventional meetings, Flight Operations Management and members of the UPS/IPA HIMS Committee will be present. Prior to scheduling an intervention, a thorough review of the specifics of the case will be performed by the UPS/IPA HIMS Committee and reviewed by the Aeromedical Advisors. If deemed medically necessary by the Aeromedical Advisors, a medical order to evaluate will be written prior to the intervention. Based upon the medical order the crewmember will not be returned to flight status until an evaluation is performed and the crewmember complies with any requirements of the HIMS Program. Nothing in this paragraph changes the Company's right to discipline per Article 9.D.
3. The HIMS Program is not intended as a substitute for disciplinary action or as a basis to compromise applicable rules or provisions of the Flight Operations Manual (FOM) and Federal Aviation Regulations (FARs).
4. This Program does not relieve any UPS crewmember of culpability for criminal offenses, nor provide sanctuary from appropriate disciplinary action.

B. Program Utilization

Eligibility for treatment through the UPS Drug and Alcohol Rehabilitation Program will be provided as outlined in Article 9. Only those crewmembers complying with the terms of the HIMS Program shall be eligible to participate in the Program. Failure to comply includes, but is not limited to, using an unapproved: treatment facility, IMS, management or peer sponsor, case management company, psychological & psychiatric provider (P&P) or aftercare provider. If the crewmember is not a participant in the HIMS Program, he shall not be eligible for any of the benefits of this LOA. In

addition, he shall not be eligible to draw from the Rehabilitation Bank.

C. Treatment Facility

The treatment facility will be selected from those recommended by the UPS/IPA HIMS Committee.

For the Company:

Macforama
Kevin Foster
Mark Dinsell
Paul m. Mc
Cathy Cline, R.N.

DATE:

2/14/13

For the Association:

RW Jones
Eric Lerbs
Thomas Hoffman
David J. Jones
John Upde

DATE:

2-13-2013

IPA/UPS Contract – Official Signature Page

Having been ratified by the membership of the Independent Pilots Association, the undersigned do agree to this collective bargaining agreement between the IPA and United Parcel Service Co.:

FOR THE COMPANY:

B. M. C. L.
Shelley
Matthew J. Jorgensen
Kevin Foster
Marty Davis

DATE: 08/31/2016

FOR THE ASSOCIATION:

Rw. Jorgensen
Greg. Jorgensen
James Jorgensen
Burt
John Jorgensen
Laura Jorgensen
Step Jorgensen

[illegible]

