

## SECTION 23

### FURLOUGH AND RECALL

Definitions:

#### FURLOUGH

A method for reducing the number of active pilots.

#### A. Furlough

1. Except as provided in Section 23.A.1.b. and A.2., if the Company determines it is necessary to reduce the number of active pilots, the Company shall furlough pilots in reverse order of system seniority as listed on the Master Seniority List. All pilots holding a seniority number at the time of furlough shall be subject to the provisions of Section 23 regardless of their employment status at that time (e.g., active flying service, leave of absence, disability, probationary pilots). Reductions in the number of pilots shall be accomplished as follows:
  - a. A pilot shall receive at least 30 calendar days notice with a copy to the Association prior to the effective date of any furlough. In the event he receives less than 30 days notice, he shall be pay protected for 30 days in lieu of that notice. No notice or pay shall be required if the furlough is the result of circumstances beyond the Company's control.
  - b. Prior to the issuance of furlough notices, the Company may offer voluntary furloughs. The Company may limit the offer to 1 or more designated crew statuses. Voluntary furloughs shall be granted in order of system seniority. The Company shall make best efforts to provide pilots at least 30 calendar days notice of the offer of voluntary furloughs, with a copy to the Association.
2. Notwithstanding the provisions of Section 23.A.1. and B.1., the following apply to a pilot subject to a regulated age restriction:
  - a. If the pilot is involuntarily excessed from his current crew position and, as a result of his restriction, he is ineligible to be awarded or assigned any other crew position, the pilot may be furloughed.
  - b. The pilot may be bypassed on recall from furlough until there is an available crew position that he is eligible to be awarded or assigned.
  - c. A restricted pilot who cannot move to or be accommodated as a second officer from another crew position because his relative seniority is less than the current population of second officers or there are no second officer crew seats, shall be offered the opportunity to retire as provided in the Agreement. Following a pilot's rejection of the offer, the pilot shall be released from employment as provided in Section 22.B.1., and shall not be considered as having been furloughed in cases where the only crew status the pilot can occupy is second officer.
3. A pilot who is on furlough shall file with the flight personnel department his current mailing address to be used in the event of recall. A pilot shall advise that department in writing of any change in his address.
4. A furloughed pilot shall retain all longevity and seniority accrued prior to furlough and shall continue to accrue longevity for a period of 3 years. A furloughed pilot shall retain and continue to accrue seniority for a period of 7 continuous years.
5. A furloughed pilot shall retain his regular and disability sick accounts in accordance with the provisions of Section 14.A.3.
6. A furloughed pilot shall be compensated for any earned and accrued vacation that is unused as of the date of furlough.
7. The continuation of a pilot's benefits beyond his furlough date shall be governed by applicable state or federal laws except that a pilot shall continue to be eligible for company related insurance programs for the period, if any, during which he is entitled to receive furlough pay as provided in Section 23.E.

8. The Company shall notify the Association in writing if it anticipates a furlough or a recall. Upon written request, the Company shall meet and consult with the Association concerning possible adjustments to provisions of this Agreement (e.g., construction of bid period schedules and reducing or eliminating volunteer and draft flying) that may avoid or mitigate the effects of a furlough.
9. A furloughed pilot shall continue to be eligible for employee reduced rate shipping privileges and Company jumpseat privileges, as provided in Section 26, for the period during which he is entitled to receive furlough pay. A furloughed pilot will continue to have access to E-mail, VIPS and IMS for the period during which he is entitled to receive furlough pay. During any period when there are pilots on furlough, the Company shall send the Association a copy of the Career Opportunities Postings, and each update. A furloughed pilot may coordinate with his last flight manager if he desires to apply for any Company positions.
10. Recall shall be offered to all pilots on furlough prior to the employment of a new hire pilot, except as provided in Section 23.A.2.b.
11. There shall be no volunteer flying in any crew status while any pilot is on furlough. The Company does not intend to rely on draft flying in order to avoid a recall.

B. Recall

1. Except as provided in Section 23.A.2., pilots, including pilots who have not completed their probationary period, shall be recalled from furlough in order of system seniority.
2. Furloughed pilots shall be notified of recall in writing (e.g., Federal Express Overnight Letter) with a copy sent to the Association. The notice shall allow the pilot at least 30 days to report for duty. The pilot shall respond in writing (e.g., Federal Express Overnight Letter) within 14 calendar days following his receipt of the recall notice, and state whether he will accept recall.
3. A pilot recalled from furlough shall be returned to the payroll on the day he resumes active employment. Prior to his activation in a crew status, the hourly rate of pay for a pilot who is recalled shall be the current hourly rate for the last crew status held by the pilot prior to his furlough; provided, however, that if that crew status no longer exists, the pilot's hourly rate of pay prior to activation shall be the hourly rate for the crew status to which the pilot has been recalled.
4. If a recalled pilot is unable to return to active flying service due to medical reasons, the following shall apply:
  - a. If the pilot was on disability at the time of furlough, his eligibility for disability benefits shall be governed by Section 27.
  - b. If the pilot was on sick leave at the time of furlough he shall not be entitled to sick leave until after he has returned to an active pay status; provided, however that if the pilot would otherwise be entitled to sick leave based on the same injury or illness that caused him to be on sick leave at the time of furlough, he may re-enter sick leave upon recall.
  - c. If the pilot was not on sick leave at the time of furlough, he shall not be entitled to sick leave until after he has returned to an active pay status.
  - d. If the pilot does not qualify for sick leave or disability, he shall be placed in a medical leave of absence.
  - e. For purposes of Section 22.B.1.d., the pilot shall be considered as having returned to a flying position.
5. A pilot may decline recall and remain on furlough if a junior pilot remains on furlough; provided, however, a pilot may not decline a recall if the Company has sent notice of recall to all furloughed pilots, and the pilot has not requested and been granted a leave of absence in accordance with Section 13.
6. Even if no junior pilot remains on furlough, a pilot may decline recall and remain on furlough for the duration of any individual contract of employment, not to exceed 24 months, to which he is a party at the time of his recall. The pilot shall provide the Company a copy of his contract of employment.
7. A pilot's election to decline recall and remain on furlough in accordance with Section 23.B.4. or B.5., shall not extend the period of 7 years referred to in Section 22.B.1.g.

8. A pilot who is recalled from furlough shall be guaranteed at least 6 bid periods of active pilot employment following recall.

C. Incentive Plan

The Company may, at its option, elect to avoid or mitigate a furlough by offering pilots or a specific group of pilots (using age or seniority, unless the Association consents to an alternate selection criteria) voluntary early retirement and/or severance package. If made to a specific group of pilots, any offer shall be made on a uniform and non-discriminatory basis. The Company shall notify, meet and consult with the Association prior to making any offer pursuant to this paragraph.

D. Non-Flying Employment Opportunities

A pilot to whom a furlough notice has been issued may compete for available non-flying employment with the Company for which he is qualified for a period of 90 days following the effective date of his furlough or until expiration of the period, if any, during which the pilot is entitled to receive furlough pay, whichever is later. If a pilot is offered and accepts non-flying employment, his pay, working conditions and benefits, including any relocation benefits, shall be determined by Company policies pertinent to that position. A furloughed pilot may not work in a non-flying position with the Company at the same time that he is receiving furlough pay as provided in Section 23.E.1. If mutually acceptable to the pilot and the Company, however, such pilot may waive all or a portion of his furlough pay in order to begin his non-flying employment sooner.

E. Furlough Pay

1. A furloughed pilot shall receive furlough pay based on his longevity as a pilot, in accordance with the table below. The hourly rate of furlough pay shall be the rate applicable to the pilot's crew status on the day prior to the effective date of his furlough. For purposes of this paragraph, bid period compensation is deemed to be 70 hours and a bid period is deemed to be 4 weeks. Furlough pay shall be paid to pilots as provided in Section 3, commencing with the bid period immediately following a pilot's furlough.

Longevity as a Pilot	Furlough Pay (Bid Periods)
Less than 1 year	0
1 years but less than 3	1.0
3 years but less than 4	1.5
4 years but less than 5	2.0
5 years but less than 6	2.5
6 years but less than 7	3.0
7 years but less than 10	3.5
More than 10 years	4.5

A furloughed pilot must return his Company identification badge in order to receive furlough pay. Additionally, furloughed pilots must update their current contact information to ensure proper delivery of Company information, including recall notices.

2. A furloughed pilot may elect to reduce the dollar amount of the payments of the furlough pay to which he is entitled by 50%. In this event, the number of bid periods during which the pilot is entitled to receive furlough pay shall be doubled. Any election of this option shall be made prior to the effective date of furlough and may not be modified after the commencement of the furlough.
3. If a pilot receiving furlough pay is recalled, his furlough pay shall terminate on the date he resumes active employment. However, if the pilot has elected reduced payments in accordance with Section

23.E.2., he shall receive 60 hours of furlough pay per bid period, on a pro-rated basis, if applicable, for the period he was on furlough, not to exceed the maximum furlough pay to which the pilot was entitled pursuant to Section 23.E.1.

4. If a furloughed pilot is on leave of absence on the effective date of furlough, his furlough pay, if any, shall be based on his scheduled or actual return from leave of absence, whichever is later. His furlough pay shall be reduced by a prorated amount for each day he was on leave of absence (or scheduled to be on leave of absence) after the effective date of the furlough.
5. A furloughed pilot who is entitled to reimbursement of expenses under the Agreement shall submit the documentation required for reimbursement to the Company within 30 days of the date when the pilot incurred the reimbursable expense.