

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 or any other employer which is providing a service in connection with the operation of the Company's aircraft. 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. It is agreed that at least twenty (20%) percent of duty periods that involve training of crewmembers in their existing fleet/seat/domicile and training associated with downbidding crewmembers will be taught by Association represented crewmembers. This requirement does not apply to check airmen or require crewmember instructors on any particular fleet or seat. In addition, the Company will use Association crewmembers to cover seventy-five (75%) percent of surges in training as a result of upgrades or transition training. In determining the seventy-five (75%) percent number, classroom and fixed base simulator periods will not be counted. In addition, this seventy-five (75%) percent limitation shall not apply to training performed off property by third party vendors. This paragraph shall not apply during the peak period (i.e. November 15 to January 1).

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

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.

4. Reporting

- a. The second business Monday of every month, or as mutually agreed, the Company will meet with the Association to provide a written account of any use of subcontractors under Section D.1.c. or 2. above in the prior month and 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.

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. It is agreed that the parties will maintain the TLV agreement as revised and attached to this Agreement. It is further agreed that prior to suspending service utilizing IPA members on account of security concerns, 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.

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.

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 twenty-four (24) 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 - (regular flying, VTO and reserve move-up lineholders) - means a twenty-four (24) 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 twenty-four (24) hour period of time free of all duty with the Company commencing and ending at the domicile at the times specified in Article 13, Section B.5.d.(1) for each category of reserve duty (i.e. A, B, CA, and CP, "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 twenty-four (24) 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 (domestic) - 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 (international) - 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. Service involving more than ten (10) containers per flight will be considered subcontracting. Under no circumstances will the Company's rights to use international common carriage be used as a mechanism for creating an independent or alternative transportation system. In that regard, the Company agrees that common carriage movements will not exceed five (5) containers per flight if the destination or origination of the flight in question is an airport containing an international sort. For this paragraph only, "sort" means a location at which five (5) or more aircraft carrying UPS volume are unloaded, the volume is sorted and then reloaded on an aircraft at that time.

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

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.

Container - means the volume which can be contained in the A-2 container currently used by the Company (i.e. 352 pieces) or an equivalent amount.

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 twenty-four (24) 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 twenty-four (24) 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 twenty-four (24) 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.

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 14.

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.

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", "CA" or "CP", "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 six 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 RSCA/RSCP reserve days.

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.

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. Annual Pilots Earnings Statement From the Company

Within thirty (30) days after the end of each year, the Company will furnish the Association with a tabulation of the annual earnings and deductions for the previous year for each crewmember, as reported for federal income tax purposes, and the amount of Association dues and initiation fees withheld, and the totals of such payments and deductions. This annual report will also include deductions made for the UPS/IPA 401(k) Plan and any other payroll deduction programs implemented in accordance with Article 6.E.

F. Information Dissemination

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

Newark, NJ	Anchorage, AK
Philadelphia, PA	Columbia, SC
Dallas, TX	Rockford, IL
Denver, CO	Taipei, Taiwan
Ontario, CA	Cologne, Germany
Oakland, CA	

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 forty eight (48) 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:
 - (i) have been reduced to writing; or
 - (ii) 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.

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.

J. Required Reports

1. The Company will provide the Association with the following reports:
 - a. Union Deduction Report
 - b. Union Dues Reconciliation Report
 - c. Dues Deduction Report
 - d. Initiation Fee Reconciliation Report
 - e. Initiation Fee Deduction Report
 - f. Manual Dues Information Report
 - g. Union Business Report
 - h. IPA Group Life Insurance Report
 - i. UPS Loss of License Participant Report
 - j. Changes in deductions for the IPA Mutual Aid Plan, IPA Long-term Disability Plan, and IPA Group Life Insurance Plan
 - k. Probation Date Changes Report
 - l. IPA Long-Term Disability Report
 - m. IPA Mutual Aid Plan Report
 - n. IPA Foundation Report
 - o. Separation from UPS Employment Report
2. If other payroll deduction programs are initiated as can be accommodated by the Company's payroll system, the reporting of those payroll deductions shall be in sufficient detail to identify the crewmembers incurring the deduction and the amount of the deduction.
3. All required reports will be submitted in a mutually acceptable computer format and may be delivered to the Association on computer disk or transferred electronically.

4. The Company will provide the Association with electronic notice of crewmember status changes at the same time payroll is notified. This notification will include: employee's name, ID number, previous seat/fleet/domicile, new seat/fleet/domicile, effective date, and reason for status change.

K. Contents of Required Reports

The Company and the Association mutually agree that the Company will provide the Association with the following reports specified in Article 3.J. of the Agreement, in the following formats:

1. Union Deduction Report
 - a. Dates for the associated reporting period
 - b. Dues amount deducted
 - c. Initiation fee amount deducted
 - d. Union business amount deducted
 - e. Mutual Aid amount deducted
 - f. IPA group life insurance amount deducted
 - g. IPA Foundation amount deducted
 - h. IPA group long term disability amount deducted
2. Union Dues Reconciliation Report:
 - a. Dates for the associated reporting period
 - b. The number of crewmembers paying dues in the associated pay period
 - c. The number of crewmembers who began paying dues during that pay period
 - d. Crewmembers by name and employee number in the following categories:
 - (1) returned from disability
 - (2) returned from unpaid leave
 - (3) returned from loss of license
 - (4) returned from military leave, etc.
 - (5) began disability
 - (6) began unpaid leave
 - (7) began loss of license
 - (8) began military leave, etc.
 - (9) transferred into management
 - (10) left employment of the company
3. Dues Deduction Report:
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Union gross income
 - e. Dues deducted for the reporting period
4. Initiation Fee Reconciliation Report:
 - a. Dates for the associated reporting period

- b. The number of crewmembers paying initiation fees in the prior reporting period
 - c. The number of crewmembers paying initiation fees in the associated pay period who:
 - (1) returned from disability
 - (2) returned from unpaid leave
 - (3) returned from loss of license
 - (4) returned from military leave, etc.
 - (5) leaving the employ of the company
 - (6) transferred into management
 - (7) began disability
 - (8) began unpaid leave
 - (9) began loss of license
 - (10) began military leave, etc.
5. Initiation Fee Deduction Report:
- a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Amount deducted for the reporting period
 - e. Total deducted for all crewmembers on the report
 - f. Total count of all crewmembers with deductions on the report
6. Manual Dues Information Report:
- a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Union gross
 - e. Dues that would have been generated by union gross
7. Union Business Report:
- a. Dates for the associated reporting period
 - b. Details of the trip:
 - (1) Start date
 - (2) End date
 - (3) Pairing number or reserve type
 - (4) Trip drop control number
 - (5) Total hours charged to Association business
 - (6) Total amount charged to Association business
 - c. Crewmember names
 - d. Employee number
 - e. Aircraft and seat position
 - f. Crewmember domicile
 - g. Date of hire
 - h. Total dollar amount deducted from the dues wire transfer

- i. The Company shall return to the Association the yellow copy of the trip drop forms associated with that deduction.
8. IPA Group Life Insurance:
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Amount deducted for the reporting period
 - e. Total deducted for all crewmembers on the report
 - f. Total count of all crewmembers with deductions on the report
 9. UPS Loss of License Participant Report:
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Amount of income excluded from dues
 - e. Amount of dues that would have been deducted
 10. A Report of Changes in deductions for the IPA Pilots Mutual Aid Plan, IPA Long Term Disability Plan and IPA Group Life Insurance Plan:
 - a. Dates for the associated reporting period
 - b. Changes to deductions made on the previous pay run as compared to the current pay run due to a crewmember who had a deduction skipped or canceled
 - (1) Name of each crewmember whose deduction was not made
 - (2) The type of deduction that was not made
 - (3) Reason the deduction was not made
 - c. Deductions not made on the previous pay run but begun or reinstated on the current pay run
 - (1) Name of each crewmember whose deduction began
 - (2) The type of deduction that began
 - (3) Reason for the change in deduction
 11. Probation Date Changes Report:
 - a. Dates for the associated reporting period
 - b. Pay period through which probation changes were generated
 - c. The following for each affected crewmember:
 - (1) Crewmember name
 - (2) Employee number
 - (3) Date of hire
 - (4) New probation end date
 - (5) Reason for the change in probation date
 - (6) Applicable leave date(s) generating probation date change

12. IPA Long Term Disability Report:
 - a. Crewmember names
 - b. Employee number
 - c. Amount deducted for the reporting period
 - d. Total deducted for all crewmembers on the report
 - e. Total count of crewmembers with deductions on the report

13. IPA Pilots Mutual Aid Report:
 - a. Crewmember names
 - b. Employee number
 - c. Amount deducted for the reporting period
 - d. Total deducted for all crewmembers on the report
 - e. Total count of crewmembers with deductions on the report

14. IPA Foundation Report:
 - a. Crewmember names
 - b. Employee number
 - c. Amount deducted for the reporting period
 - d. Total deducted for all crewmembers on the report
 - e. Total count of crewmembers with deductions on the report

15. Separation from UPS Employment Report:
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Date of hire
 - e. Date of separation
 - f. Category of Separation (e.g. retirement, resignation)

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 jacket may be omitted when summer conditions exist. The standard summer uniform is required when the jacket 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) jacket; two (2) pairs of pants; ten (10) shirts; two (2) neckties; one (1) hat; insignias for jacket and hat; one (1) winter coat; one (1) belt; one (1) flight bag; and one (1) one-suit or larger suitcase. The Company will permit the wearing of a leather flight style jacket to be worn as part of the approved uniform consistent with FOM guidelines. It is understood that a crewmember may forego standard uniform parts and apply the value to other uniform parts. The crewmember may make-up the difference in the price if necessary.
 - a. The Company will be responsible for uniform replacement resulting from normal wear.

 - b. Each crewmember shall be responsible for the loss of any of the above items. 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.

3. The Company will provide the insignias, flight bags, 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 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, except for the optional annual Company physical examination as provided in Article 6 of this Agreement.
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.

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. 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.

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 aircraft accident or incident 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 or cockpit voice recorder 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.

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 or cockpit voice recorder is pulled from the aircraft, the Association will be notified as soon as practical. 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 forty-eight (48) hour written notice requirement for trip drops in Article 3.G.2, if necessary, in order for the Association to participate in an investigation.
- 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.

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 five (5) hours from block to block.
- (2) If it is determined that due to a revision or a delay an intransit stop will exceed five (5) 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 three (3) and up to five (5) 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 in SDF: The Company will construct a minimum of one-hundred (100) private sleep rooms in SDF. Hot standby crewmembers will have first priority for the private sleep rooms. Operating crewmembers scheduled for a three (3) to five (5) hour intransit stop in SDF will be the other group of crewmembers who will have access to the sleep rooms.
 - (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 and Association will designate representatives to visit each of the domiciles and gateways which regularly have airport standby crewmembers and/or intransit stops between three (3) and five (5) hours (block to block). Based on these visits, the parties will agree within ninety (90) days of ratification on the number of semi-private sleep rooms which can be placed in each facility. The Company agrees that it will construct as many semi-private sleep rooms as currently available space in the facilities will permit. The parties will mutually agree on the number to be added. Agreement will not unreasonably be withheld. To the extent lounge

chairs will need to be removed, the Association shall decide how many chairs will be removed. The intent is to provide semi-private rooms for ninety (90) percent of the crewmembers on airport standby and/or three (3) to five (5) hour intransit stops during maximum night operations, provided existing space allows.

- (c) The Company will make a good faith effort to make the private sleep rooms available for crewmember use in SDF within twelve (12) months of ratification but no later than two (2) years from ratification. The semi-private sleep rooms will be made available for crewmember use within twelve (12) months of agreement except in Ontario which will be no later than eighteen (18) months.
- (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 three (3) to five (5) 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.

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.
- (2) Twenty-four (24) hour restaurant availability or timely transportation to a suitable equivalent.
- (3) Transportation within thirty (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) Personal check cashing agreement with only UPS identification required, to at least One Hundred Dollars (\$100) USD.
- (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. If the Association after investigation determines that a particular hotel is not suitable and the hotel is unwilling or unable to remedy the problem the Association shall have the right to remove the hotel from the Company's list of hotels. Such a hotel will be replaced by an alternate hotel which meets the criteria of this section and is within a comparable price range based on other hotels used for crewmember lodging in that geographic area. The change will take place within thirty (30) days. In addition, the Association shall have the right to replace any existing ground transportation used by the Company as soon as acceptable alternate ground transportation is available provided again it is within a comparable price range. New hotels selected by the Company will be comparable in safety, quality, and amenities, to hotels utilized by the Company as of December 1, 2005.
- (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, consideration shall be given to issues related to long term hotel stays.
- (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. The parties will develop a joint list of hotels to be considered. The parties, when possible, will conduct joint inspections of the hotels under consideration. Association representatives will not communicate any information to the hotels under consideration which would effect 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 for charter trips which meet the criteria of this section. If the charter is going to operate more than sixty (60) days, then the Association may invoke paragraph nine (9) above.

(11) The Company shall also provide advance notice to the Association's Hotel Committee if it plans to change any contract vendor for ground transportation regularly used as part of the published bid package. The Company shall meet with the Association's Hotel Committee, upon request, to obtain their input on the ground transportation vendor to be selected. The Company shall provide the Association the information it has on the vendors being considered. Any disputes between the Company and Association Committee 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.

(13) Long/Short Layover Hotels. The Company and Association may, by mutual agreement, designate up to eight (8) gateways (domestic or international) per year for which the Company will maintain both a long and short layover hotel, provided there is a hotel meeting the parameters of Article 5 within fifteen (15) minutes of the airport to serve as a short layover hotel. Agreement will not unreasonably be withheld. In October of each year the Company and Association shall review the designated gateways and determine whether there shall be any substitute gateways for the following calendar year. In order to qualify for both a short and long layover hotel at least twenty (20%) percent of the layovers at the gateway must be scheduled within two (2) hours of the scheduled contractual minimum. The Company, at its discretion, may add additional long and short layover hotel locations.

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 thirty (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 seven hours and thirty minutes (7:30) or more and is not scheduled for an intransit stop of three (3) 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 two hours and thirty minutes (2:30) actual, and/or the actual duty period is projected to exceed seven and one-half hours (7:30), 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 four hours and thirty minutes (4:30) 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 four (4) 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 three hours and thirty minutes (3:30) 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 Association will be consulted regarding content and nutrition of food and drink items placed on the aircraft. The Company and the Association will meet as necessary to discuss catering issues covered under this section.
- (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.

e. Lounge/Rest Facilities

If an intransit stop is scheduled in a gateway to exceed two (2) 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 provided. If no VCR is provided by the Company in a gateway, the Association will be allowed to place VCRs in such locations.
- (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, twenty-four (24) hours prior to scheduled arrival in order to ensure availability. If less than twenty-four (24) 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 his best effort to contact UPS, at

least, twelve (12) hours prior to his scheduled arrival for domestic dayrooms. For international dayrooms, the crewmember shall make his best 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.

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 fifty (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 two (2) 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 four (4) 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
Within two (2) years of ratification of this Agreement, the Company will provide each crewmember at his 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. Only crewmembers with proper identification will be allowed in the locker area.
6. Within twelve (12) months of ratification, the Company will make available for crewmember use internet connections in SDF, MIA, DFW, ONT, RFD, PHL, CAE, CGN or another newly established domicile or major gateway.

I. Immunizations, Passports and Visas

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.

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 forty-eight (48) 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 twenty-four (24) 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 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.]

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.

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, active eligible crewmembers will be provided for the term of this Agreement:

- (1) At least four levels of health care coverage: Option 1 [the Point of Service (POS-1) level 1 plan], Option 2 [the Preferred Provider Organization (PPO) plan] including but not limited to all the preventive health care provisions of the Option 1 (POS-1) plan, Option 3 [the Point of Service (POS-2) level 2 plan], and Option 4 (by the selection of the crewmember, no health care coverage provided by UPS);
 - (2) At least three levels of dental coverage: Option 1 (Dental-1), Option 2 (Dental-2) providing a lower level of dental care benefits than dental Option 1, Option 3 (by selection of the crewmember, no dental care coverage provided by UPS) and Option 4 (traditional indemnity coverage).
 - (3) At least two levels of vision care coverage: Option 1 (Vision-1), and Option 2 (by selection of the crewmember, no vision care coverage provided by UPS).
- 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. In addition, crewmembers as part of the annual enrollment period shall have the option of selecting as an alternative any POS health care network which is maintained as part of the Flexible Benefits Plan for other management and non-management non-union UPS employees. The additional POS networks will be made available on the same basis as current networks. The contribution, if any, due from the crewmember or credit due to him will be as specified in Section G. below. The lifetime maximum for crewmembers, and any eligible dependents covered under the UPS Crewmembers Benefit Package will be increased to 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 3 Medical, Option 1 Dental (the Aetna Dental PPO network), and Option 1 Vision from their date of eligibility until the next annual election period at which time they may decide their coverages for the succeeding year.

- c. (1) Eligible retirees will be provided, for the duration of this Agreement, the medical benefits as outlined in Option 1 in Section G for the retiree, spouse or eligible dependents. Option 2 Dental and Vision coverage will also be provided at no cost to the retiree. The retiree shall be responsible for a one-hundred dollar (\$100) per month contribution for such coverage. The lifetime maximum for each retiree will be increased to one million dollars (\$1,000,000) with annual restoration as specified in the SPD. The retiree may elect coverage under Option 2 (PPO) but he/she will then be responsible for paying the same additional contribution as active crewmembers would be required to pay under the provisions of Section G. for the Option 2 medical coverage for selecting that option, allocated on a monthly basis. This shall be a one time option.
- (2) The UPS Crewmembers Benefit Package for Retired Employees shall collectively provide benefits limited each year to an amount equal to \$6,250 times the total number of plan participants (employees, spouses and other eligible dependents). In the event the average annual Company contribution exceeds \$6,250 per participant, the excess shall be allocated to and paid by each participant on a prorata basis. Notwithstanding the foregoing, no participant shall be required to make an excess contribution during the duration of this Agreement. 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. Only those employees who elect health care coverage under Option 1 or 3 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. Effective for the first calendar year for which crewmembers make an election subsequent to ratification, Option 1 Dental in-network benefits shall be provided through the Aetna dental network. 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 4 (traditional indemnity coverage) during each annual enrollment period. Benefit levels for Option 4 shall be as specified in the SPD in effect for crewmembers in 1997. Option 4 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 4 shall not preclude the crewmember from selecting a different option during the next annual enrollment period.

- f. The increases in the lifetime maximums under paragraphs b. and c.(1) above shall become effective on the first January 1st (first) after ratification of this Agreement.
 - g. The Company shall make the Retiree Health Access Program available effective January 1, 2007 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 RHA 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 thirteen (13) 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.
 - 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 POS 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.

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. However, after being disabled for more than thirty (30) days, the crewmember shall be provided benefits from his Open Time Bank, if available in accordance with Article 9.J. of this Agreement.
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. Health Savings Account

Subsequent to the ratification of this Agreement, the Company and Association shall meet upon written request to discuss the implementation of Health Savings Accounts (HSA). Such accounts will only be implemented if the Company and Association mutually agree on the terms of the HSA. An HSA shall not be mandatory for crewmembers.

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 establish, in conjunction with the Association, a system of payroll deductions necessary to cover the costs of any additional 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. In order for the Company to be required to establish a payroll deduction program, at least ninety-five (95) crewmembers must have completed the necessary agreed-to-forms to participate in each of the designated programs. 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. Furthermore, the Association agrees to establish no more than five (5) programs in addition to those above for which the Company will be required to establish payroll deductions. However, the limitations in this paragraph shall not apply to the program the Association may establish in Section F 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 29, 2007.

CREWMEMBER PER PAY PERIOD CONTRIBUTIONS

Employee	Medical				Dental			Vision
	Option 1	Option 2	Option 3	* Opt-out	Options 1&4	Option 2	Opt-out	Option 1
2007	\$22.22	\$25.50	\$22.29	-\$5.00	\$5.00	\$0.00	\$0.00	\$2.00
2008	\$41.19	\$39.95	\$31.95	-\$10.00	\$5.00	\$0.00	\$0.00	\$2.00
2009	\$60.16	\$54.40	\$41.60	-\$15.00	\$5.00	\$0.00	\$0.00	\$2.00
2010	\$62.00	\$56.00	\$43.00	-\$16.00	\$5.00	\$0.00	\$0.00	\$2.00
2011	\$64.00	\$58.00	\$44.00	-\$17.00	\$5.00	\$0.00	\$0.00	\$2.00

Employee Plus	Medical				Dental			Vision
	Option 1	Option 2	Option 3	* Opt-out	Options 1&4	Option 2	Opt-out	Option 1
2007	\$47.27	\$54.00	\$46.29	-\$10.00	\$10.00	\$0.00	\$0.00	\$3.00
2008	\$87.64	\$84.60	\$66.35	-\$20.00	\$10.00	\$0.00	-\$7.50	\$3.00
2009	\$128.00	\$115.20	\$86.40	-\$32.00	\$10.00	\$0.00	\$15.00	\$3.00
2010	\$132.00	\$119.00	\$89.00	-\$33.00	\$10.00	\$0.00	\$15.00	\$3.00
2011	\$136.00	\$123.00	\$92.00	-\$34.00	\$10.00	\$0.00	\$15.00	\$3.00

Medical	Dental	Vision
---------	--------	--------

Family	Option 1	Option 2	Option 3	* Opt-out	Options 1&4	Option 2	Opt-out	Option 1
2007	\$65.00	\$75.00	\$60.00	-\$15.00	\$15.00	\$0.00	\$0.00	\$5.00
2008	\$120.50	\$117.50	\$86.00	-\$30.00	\$15.00	\$0.00	\$10.00	\$5.00
2009	\$176.00	\$160.00	\$112.00	-\$44.80	\$15.00	\$0.00	\$20.00	\$5.00
2010	\$181.00	\$165.00	\$115.00	-\$46.00	\$15.00	\$0.00	\$21.00	\$5.00
2011	\$186.00	\$170.00	\$118.00	-\$47.00	\$15.00	\$0.00	\$22.00	\$5.00

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

H. Social Security Numbers

The Company will make its best efforts to eliminate the use of crewmembers' social security numbers for identification purposes.

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) calendar days from the date of the occurrence giving rise to the grievance, or within fifteen (15) calendar 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) calendar 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. To be effective, the waiver must be signed by the crewmember on a form mutually agreed to by the Association and Company. An executed copy of the form will be provided to the Association.
 - 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) calendar 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, the grievance may be appealed directly to the IPA/UPS Arbitration 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) calendar 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 therefrom, 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 and scheduling advisement 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. 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 9:00 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. 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 may be represented at Board hearings by such person or persons as they may choose to designate, and the Company may be represented by such person or persons as it may choose to designate. 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 and cross examination of rebuttal witnesses or presenters;
 - (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 ten (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 fifth (5th) member of the Board.
- b. If the Association desires to submit the case to such five (5) 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 five (5) members, one (1) neutral chosen as provided from the Panel of Arbitrators contained in E.6. below, who shall serve as Chairman, two (2) Board Members selected and appointed by the Association and two (2) Board Members 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 Fifth (5th) 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 send, within five (5) days from the date of notification, letters (via UPS Next Day Air) to an agreed upon number of arbitrators in alphabetical order. The number of arbitrators to be contacted will depend upon the number of cases to be scheduled. The arbitrators will be requested to respond by phone within five days of the mailing of the notification as to their availability on the arbitration dates under 5.e. above. The arbitrators responding will be slotted based upon the dates they have provided. If more than one arbitrator is available on the same date they will be selected in alphabetical order. The parties shall match the grievances to be arbitrated with the selected arbitrators based upon the order in which the grievances were filed. Arbitrators not selected due to unavailability or selected and not used will be eligible for the next request for dates. The parties to the extent possible will equalize the number of cases heard among the panel of arbitrators. The parties may alter on a case-by-case basis the above procedures if necessary to equalize the number of cases heard by each arbitrator or for other legitimate reasons.
- 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 fifth (5th) 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 fifth (5th) 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.

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: _____

THIS PAGE INTENTIONALLY LEFT BLANK

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 bulletin board at all locations where crewmembers are domiciled 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 as of February 1 and August 1 of each year. In addition to posting in accordance with A.3. above, the Company shall provide the Association with twelve (12) copies.

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 systemwide 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

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:

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

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.

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 a date of return to active duty. A recalled crewmember may, but shall not be required to, return to active duty 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 return receipt showing delivery to the crewmember's last filed address. 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 either by certified or registered mail, return receipt requested, or by telegram, reply requested, within the time limits specified in this Article.

**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 five and one-half (5.5) 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 one hundred eight (108) credit hours at his current hourly rate. The payment will include all sick leave accrued through the end of the November bid period. The one hundred-eight (108) hour limit shall be increased by ten (10) hours in each January during the duration of this contract up to a maximum of one hundred forty-eight (148) hours.
- 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 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 hours of sick leave is converted at the appropriate Captain's hourly rate to cash. This 100 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 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 hours of accrued sick leave. This 100 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.

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. A crewmember who is disabled for more than thirty (30) days shall be provided benefits from his Open Time Bank in accordance with Section J. below. In addition, 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 two hundred and twenty five (225) 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 two hundred twenty-five (225) credit hours are exhausted, another seventy-five (75) hours of credit shall be available to the crewmember. The additional seventy-five (75) hours of credit will be paid to the crewmember at a rate equal to eighty (80%) percent 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.

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, vacation (except 7 days), and open time bank 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 request of the UPS Employee Assistance Plan (EAP) for Crewmembers, 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.
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 UPS EAP up to the maximum of six (6) 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 test which subsequently is verified as positive or conduct subject to termination pursuant to paragraph 6 below. Such leave will be without benefits of any kind, without pay and without accrual of longevity.
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 UPS EAP will adopt for crewmembers the principles and structure of the FAA sponsored Human Intervention Motivation Study (HIMS). The program will operate according to the United Parcel Service Co. Drug and Alcohol Rehabilitation Program for crewmembers and subsequent revisions agreed to by UPS and IPA. The program requires the participation of the Plan's Administrator, the involved crewmember's Medical Sponsor, the IPA Drug and Alcohol Abuse Committee, Company Sponsor and the IPA Aeromedical Advisor.
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 dated 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 UPS EAP 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 who have completed ninety (90) calendar days of uninterrupted employment from their date of hire shall also be pay protected. Employment will be considered interrupted only as a result of unpaid leaves of two (2) weeks or more. 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, shall be granted all rights and privileges provided by these and other applicable statutes.
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 seventy-five (75) 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 seventy-five (75) 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.

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. Crewmember Open Time Bank

1. Open Time Bank

Crewmembers will be given the opportunity to bank any money generated by hours earned by picking up open time trips if they would be entitled to pay and credit for such open time under Section K.7. of Article 13. Crewmembers may not bank open time generated by the pick-up of open time to make-up sick leave or by trip trades with open time.

2. If a crewmember wishes to credit the money referenced in J.1. above to his Open Time Bank, he must provide a written authorization prior to the beginning of a pay period indicating such. Once such an authorization has been submitted, the crewmember may not revoke it during that pay period. Rather, the additional money referenced in paragraph J.1. for that pay period will be placed in the

crewmember's Open Time Bank. Such authorization will remain in effect for future pay periods until revoked by the crewmember. Any revocation will become effective at the beginning of the next pay period. After a revocation is filed, the crewmember will not be allowed to place money into his Open time bank until a new authorization is filed prior to the beginning of a pay period.

3. Maximum Amount Accruable

The maximum amount of money which a crewmember may accrue is that amount equal to his current hourly rate times four hundred and fifty (450). After the crewmember accrues the maximum amount of pay in his Open Time Bank, additional accrual may only occur as a result of the crewmember's hourly pay rate increasing due to upgrade or years of service or a pay out of the money as described in J.5. below. In the event either occurs, the crewmember must resubmit a written authorization prior to the beginning of a pay period before being allowed to accrue additional hours in the Open Time Bank.

4. Accrual

Any hours credited to the Open Time Bank will be given the value of the hourly pay rate in effect at the time the work was performed. The Company will accrue, on behalf of the crewmember, interest at the rate of five and one-half percent (5.5%) per annum compounded monthly on any monies which the crewmember has in his Open Time Bank. The accrued interest will count toward the maximum amount which may be accrued in the Open Time Bank. After the four hundred and fifty (450) hour cap is reached, no additional open time may be banked, but the above referenced interest will continue to accrue on the banked amounts.

5. Use of the Open Time Bank

- a. Money in the Open Time Bank may be paid to the crewmember in the event of a maternity leave, a paternity leave, a leave for the purpose of adoption of a child, a long term disability, a leave under Section A.6.b. (occupational injury), Section C.5. (FMLA) or Section D (crewmember assistance). In the event of disability, a crewmember shall not receive any money from the Open Time Bank until he is disabled for more than thirty (30) days. Disability for the purpose of this paragraph shall mean the crewmember has a medical condition which precludes him from performing the normal duties of his job.
- b. Open Time Bank monies will be paid to a crewmember to cover the unpaid portion of leaves specified in Section J.5.a. above. Payments from the Open Time Bank will automatically be made so as to bring the crewmember up to his applicable pay period guarantee in accordance with Article 12.H. until all accrued credit is exhausted.

- c. In the event of a maternity leave, paternity leave, or adoption leave in which the crewmember is receiving Section L. benefits, money from the Open Time Bank will be used to make up the difference between the 66.67% of guarantee as provided in Section L. and the pay period guarantee.
6. In addition, any money in a crewmember's Open Time Bank will be paid to the crewmember, in accordance with J.5. above, at the time a successor collective bargaining agreement is implemented. The purpose of this provision is to maintain the tax deferred status of the Open Time Bank.
7. The crewmember will be paid on the next scheduled pay day any amount in his Open Time Bank if the crewmember resigns, is terminated, or retires.
8. The parties agree that taxes on any monies placed into the Open Time Bank will be handled in accordance with the Internal Revenue Code and all applicable regulations. If it is determined by a governmental authority that monies placed into the Open Time Bank are not tax deferrable, the parties will meet to discuss any changes which can be made in this Section to achieve a tax deferred basis.

K. Rehabilitation Welfare Plan Benefits

1. A seniority crewmember who utilizes rehabilitation leave under Article 6.D. shall exhaust any accrued sick leave, vacation benefits, and/or open time bank during such leave. Following exhaustion of these benefits, 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 utilized by crewmembers under the plan under paragraph 1 above in the previous calendar year. 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 paragraph 1 above. 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 must be utilized prior to payment of benefits under this paragraph. Additional payments from a crewmember's Open Time Bank, if any, will be made so as to bring the crewmember up to his applicable pay period guarantee until all such credit is exhausted.
- b. If any crewmember on maternity leave does not use the maximum three hundred (300) 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 one hundred (100) 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 utilized by crewmembers from the plan under paragraph 1 above in the previous calendar year. 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 paragraph 1 above. 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

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.

- 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. Within the first quarter of each year the Company shall meet with the Association to review and agree upon the number of credit hours available for peak of that year based on the level of utilization of the plans under Sections K. and L. above.

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, vacation (except 7 days), and open time bank toward the twelve (12) weeks of FMLA leave.
- A Must earn 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, vacation, and open time bank payments qualify).
- B Must be in pay status for 14 or more days in 28-day pay period, or must earn 50% of pay period guarantee, prorated for 35-day pay period (Article 6.B., 9.K. and 9.L. payments do not qualify).
- C Paid to extent crewmember utilizing sick, vacation, open time bank, occupational injury bank, Section L., and/or Section M. benefits.
- D If FMLA, medical benefits provided for up to 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, vacation, and open time bank payments qualify).
- F Must use sick, vacation, and open time bank, then 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 14 or more days in a 28 day pay period (prorated for a 35 day pay period) or earning at least 50% of the pay period guarantee (sick leave, accrued vacation, open time bank, Article 9.A.6.b. payments, Article 9.K. or L. benefits qualify).
- I Medical benefits provided for first thirty (30) days.
- J Article 9.L. benefits payable upon exhaustion of sick leave and vacation. Open time bank may supplement bringing a crewmember from 66.67% of guarantee to 100%.
- K 300 credit hour bank - no requirement to exhaust sick leave, vacation or open time. 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.

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, proficiency training, proficiency checks, single visit training (SVT), 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.

During single visit training, a Captain, First Officer and, if required, a Second Officer, will receive training as a crew as required by the UPS SVT exemption. In the event one of the crewmembers above is unable to complete training as a crew, a qualified Flight Training Instructor (IPA or management) may be used as a substitute. In the event that a Flight Training Instructor is unavailable the provisions of Article 13.F.1 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 SVT/CQ will be discussed and reviewed by the SVT/CQ advisory group. On a Company administered check, the crewmember will only be evaluated on maneuvers listed on the UPS Proficiency Check Form (UPS 21-19-025) dated 11/15/2000 or the maneuvers required by Chapter 18 of the FOTM for SVT/CQ or revisions to these documents. Check-ride maneuvers will not be added to the proficiency check form or Chapter 18 of the FOTM for SVT/CQ except as required by the FAA Administrator or as consented to by the Association. When maneuvers are added, crewmembers will be notified in writing prior to being evaluated.

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. A Line Oriented Flight Training (LOFT) period cannot result in an unsatisfactory grade. Additional LOFT periods may be given as required for proficiency.

3. When the Company begins SVT/CQ additional grading criteria may be required in all training programs. These additional grading criteria will be agreed upon within the SVT/CQ Advisory Group and will not be implemented without the Association's agreement.

C. Training Assignment

1. Long term training (i.e. training of five (5) calendar days or more) 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 to include CRM, recurrent training, proficiency checks and proficiency training (including SVT and CQ) 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) Sixty (60) days after initiating training (excluding vacation, military or personal leave); or
 - (4) 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 those critical position(s) the crewmembers are leaving which may be bypassed in the awarding of training class dates.
 - (3) The training class dates will be awarded in seniority order. The Company may bypass only those crewmembers who were designated in critical positions in accordance with (2) above. 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.
 - (4) The training class bid shall be open for a minimum of seventy-two (72) hours. It will always be timed to close at 0800 SDF time. It will close no earlier than one hundred twenty hours (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.
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 SVT/CQ only, the minimum rest may be reduced to ten (10) hours, provided that the first day of SVT/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 ten (10) minutes free of instruction.
5. A crewmember may be scheduled for non-recurring ground training of one and one-half hours (1:30) 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 four (4) hours per training period, excluding brief/debrief time.

A crewmember shall not be required to perform simulator check rides 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 SVT/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 fifteen (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 will provide for two (2) consecutive calendar days off during each seven (7) day period during ground school and simulator training. Between the completion of ground school for initial, upgrade, or transition training and the fourteenth (14th) day after the completion 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 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.
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.

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 (less than five (5) 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.

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, must be reviewed and initialed or signed by the crewmember, and a copy given to him if requested. 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 SVT/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 and proficiency checks 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. Proficiency checks and Line Operations Evaluations (LOE) shall be subject to the following:

On a Company administered check, a crewmember will only be evaluated on maneuvers listed on the UPS Proficiency Check Form (UPS 21-19-025) dated 11-15-2000 or the maneuvers required by Chapter 18 of the FOTM for SVT/CQ, or revisions to these documents. Check-ride maneuvers will not be added to the proficiency check form or Chapter 18 of the FOTM for SVT/CQ except as required by the FAA Administrator or as consented to by the Association. When maneuvers are added, crewmembers will be notified in writing prior to being evaluated. A debriefing period not to exceed two (2) hours shall be held at the conclusion of each training/checking period in the simulator or aircraft.

4. A crewmember shall not be scheduled to have more than two (2) different instructors assigned to him for simulator training, excluding the check airmen conducting the proficiency checks and LOFT scenarios, if applicable. 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 Training Manager or his designee. To request an IOE Instructor change the crewmember shall call IOE Scheduling who will forward the request to the Fleet Chief Pilot 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 proficiency training session/proficiency check, or 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 proficiency training session/proficiency check or LOE/LOPC to notify the Flight 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 will schedule one (1) simulator training warm-up period (which had been optional under the prior contract) of at least two (2) hours for all crewmembers who require a requalification LOFT, LOE or proficiency check as defined in the Requalification Chapter of the Flight Operations Training Manual.
9. Those crewmembers returning from extended leaves of absence who are not current in their aircraft type will be scheduled for one (1) simulator training warm-up period (which had been optional under the prior contract) of at least two (2) hours for any required proficiency check/proficiency training period or requalification LOFT or LOE.
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. Within ninety (90) days of ratification, the Company will develop and include in the new hire training curriculum, a section to cover necessary aircraft security issues. In addition, the Company will continue to provide newly upgraded Captains with security training as part of the Captains' Leadership Course. Any other necessary security training will be accomplished through Article 10, Section N.

G. Oral Examinations

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

H. UPS/IPA Training Interface

1. The Flight 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.
2. Advisory Groups

The Company and the Association will establish Crew Resource Management (CRM), Flight Instructor, Flight Standards/IOE Instructor and SVT/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 Training 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 Training Manager or System Chief Pilot, as appropriate, 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 VP of Flight Operations and IPA President, for resolution.

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 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. A LOFT

period may be administered with substitute crewmembers. If requested, an IPA representative will observe the LOFT.

5. A LOFT period cannot result in an unsatisfactory grade. Additional LOFT periods will be given as required for proficiency.
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 Second Officer position in which he has had the most recent previous experience; or
 - (2) if the crewmember has no prior experience as a Second Officer, the Company may select the equipment on which he will be trained as a Second 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. Supplemental Training Program

1. At the discretion of the Fleet Training Manager or Fleet Chief Pilot, supplemental training 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 supplemental training; or
 - c. Pilots failing a PC/LOPC/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. Supplemental training will be compensated/scheduled as per Articles 12 and 13.D.8. (Short Term Training).
3. Supplemental training will be on a training to proficiency basis.

4. Participation and performance in the supplemental training 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 SVT/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 or proficiency check rides, LOPC, LOE or LOFT. 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 twelve (12) hours of classroom credit time in any consecutive twelve (12) months. Any required self-directed study above twelve (12) hours will be compensated at a rate of 1:1 (one paid hour per one study hour). 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 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 Training Manager will provide notification and explanation of the reasons of the bypass to the Association's Training Committee Chairman.

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 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.

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, SVT, CQ, CPT, CRM, CBT, and Pre-Oral Preparation.
- b. Flight Instruction including but not limited to Initial, Transition, Upgrade, Recurrent, FBS, CSS/CPT, LOFT, and SVT/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.

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 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.

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, over-rides, 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.

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 inbound for 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.

**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 on 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 on October 11 and closed on October 25. It will be posted on 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. The Company may, at its discretion, provide vacation periods for the November and/or December pay periods for any fleet/seat/domicile. The fleet/seat/domicile which will have vacation available in November and/or December will be designated in the primary vacation bid package. At a minimum, the Company will make available in each domicile by status and equipment at least three (3) vacation periods starting on December 28 in each status on DC-8, 727, and 757 equipment and one (1) on 747 equipment. The same number of vacation periods as indicated in the previous sentence will extend into the first two (2) weeks of the bid period which begins in November.
15. Upon request, a crewmember will have the choice of having each vacation bid package faxed, made available via computer and, at the crewmember's expense, sent via UPS NDA or 2nd Day Air.

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 forty-eight (48) 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 six hours (6:00) 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 seventy-two (72) 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 seventy-two (72) hours to submit their preferences for a second bid. Within twenty-four (24) 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 six (6) credit hours per day. In addition, on the first bid the Company shall pay a five (5) hour premium to those crewmembers who sell their vacation. On the second bid the premium shall be increased to twenty (20) 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.

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.

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 seventy-two (72) 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.

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 three hours (3:00) 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 three hours (3:00), 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 three hours (3:00) 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 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:

$$\begin{aligned} & \text{Vacation Hours} \\ & = \text{Current Vacation Days} \times \text{Vacation Daily Rate} \\ & \quad \text{Pay Differential} \\ & = \text{Captain's Hourly Rate} - \text{Second Officer Hourly} \\ & \quad \text{Rate Cash Payout} \\ & = \text{Vacation Hours} \times \text{Pay Differential} \end{aligned}$$

Upgrade:

$$\begin{aligned} & \text{New Days} \\ & = (\text{Second Officer Hourly Rate/Captain Hourly} \\ & \quad \text{Rate}) \\ & \times \text{Current Vacation Days} \end{aligned}$$

An actual example for a crewmember downbidding is as follows:

$$\begin{array}{r} 16 \quad (\text{Current Vacation Days}) \\ \times \quad 3:00 \quad (\text{Vacation Daily Rate}) \\ \hline = \quad 48:00 \quad (\text{Vacation Hours}) \end{array}$$

$$\begin{array}{r} \$150 \quad (\text{Captain's Hourly Rate}) \\ - \quad \$ 80 \quad (\text{Second Officer Hourly Rate}) \\ \hline = \quad \$ 70 \quad (\text{Pay Differential}) \end{array}$$

$$\begin{array}{r} 48:00 \quad (\text{Vacation Hours}) \\ \times \quad \$ 70 \quad (\text{Pay Differential}) \\ \hline = \quad \$3360 \quad (\text{Cash Payout}) \end{array}$$

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

Upgrade Following a Downbid, as Outlined Above:

$$\begin{array}{r} \$80 \quad (\text{Second Officer Hourly Rate}) / \\ \$150 \quad (\text{Captain Hourly Rate}) \\ \times \quad 26 \quad \text{Current Vacation Days} \\ \hline = \quad 14 \quad \text{Vacation days (rounding to the} \\ \quad \text{next highest whole number) for} \\ \quad \text{use in his new status following upgrade} \end{array}$$

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 three hours (3:00) 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 six hours (6:00) for each such day of vacation.

THIS PAGE INTENTIONALLY LEFT BLANK

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. The new compensation rates set forth in this Article shall become effective as set forth in Section L of this Article.
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 the first pay period after ratification, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	33.33	33.33	33.33
Second	154.94	96.08	71.72
Third	161.00	101.71	77.80
Fourth	173.74	111.41	86.25
Fifth	181.30	117.26	94.20
Sixth	187.33	122.43	100.30
Seventh	193.39	127.71	108.01
Eighth	199.43	133.11	112.55
Ninth	206.99	139.46	116.92
Tenth	216.04	145.19	116.92
Eleventh	217.67	146.78	116.92
Twelfth	223.55	150.77	116.92
Thirteenth	223.55	150.90	116.92
Fourteenth	223.55	151.03	116.92
Fifteenth	223.55	151.23	116.92

- b. Effective the first pay period after January 1, 2007, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	33.33	33.33	33.33
Second	164.91	102.29	73.74
Third	169.83	106.83	81.54
Fourth	180.20	113.88	89.89
Fifth	186.41	120.30	97.74
Sixth	191.41	124.96	103.19
Seventh	196.41	129.73	109.66
Eighth	201.41	134.59	113.43
Ninth	207.62	140.24	116.92
Tenth	216.04	145.62	116.92
Eleventh	217.67	147.72	116.92
Twelfth	223.55	151.76	116.92
Thirteenth	223.55	152.02	116.92
Fourteenth	223.55	152.28	116.92
Fifteenth	223.55	152.68	116.92

- c. Effective the first pay period after January 1, 2008, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	34.33	34.33	34.33
Second	180.13	111.75	78.01
Third	184.04	115.30	87.83
Fourth	192.26	122.34	98.31
Fifth	197.27	127.03	104.34
Sixth	201.34	131.31	109.26
Seventh	205.42	135.69	114.65
Eighth	209.50	140.17	117.73
Ninth	214.51	145.31	120.42
Tenth	221.11	150.43	120.42
Eleventh	223.12	153.12	120.42
Twelfth	230.26	157.34	120.42
Thirteenth	230.26	157.75	120.42
Fourteenth	230.26	158.15	120.42
Fifteenth	230.26	158.76	120.42

- d. Effective the first pay period after January 1, 2009, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	35.36	35.36	35.36
Second	196.12	121.69	82.48
Third	198.95	124.20	94.44
Fourth	204.88	129.93	106.13
Fifth	208.60	134.06	111.23
Sixth	211.70	137.94	115.60
Seventh	214.79	141.91	119.83
Eighth	217.89	145.95	122.19
Ninth	221.62	150.43	124.04
Tenth	227.02	155.41	124.04
Eleventh	229.25	158.72	124.04
Twelfth	237.16	163.11	124.04
Thirteenth	237.16	163.67	124.04
Fourteenth	237.16	164.22	124.04
Fifteenth	237.16	165.06	124.04

- e. Effective the first pay period after January 1, 2010, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	36.42	36.42	36.42
Second	212.89	132.12	87.14
Third	214.58	133.51	101.35
Fourth	218.08	137.85	114.33
Fifth	220.44	141.40	118.45
Sixth	222.49	144.85	122.23
Seventh	224.54	148.37	125.23
Eighth	226.60	151.95	126.81
Ninth	228.96	155.79	127.75
Tenth	233.07	160.55	127.75
Eleventh	235.56	164.51	127.75
Twelfth	244.28	169.09	127.75
Thirteenth	244.28	169.80	127.75
Fourteenth	244.28	170.52	127.75
Fifteenth	244.28	171.60	127.75

- f. Effective the first pay period after January 1, 2011, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	37.51	37.51	37.51
Second	230.50	143.08	92.01
Third	230.96	143.27	108.60
Fourth	231.89	146.14	122.92
Fifth	232.81	149.07	126.00
Sixth	233.74	152.04	129.14
Seventh	234.68	155.08	130.84
Eighth	235.62	158.18	131.59
Ninth	236.55	161.34	131.59
Tenth	239.28	165.85	131.59
Eleventh	242.03	170.50	131.59
Twelfth	251.61	175.27	131.59
Thirteenth	251.61	176.17	131.59
Fourteenth	251.61	177.04	131.59
Fifteenth	251.61	178.37	131.59

- g. Effective the first pay period after January 1, 2012, the below hourly rates will apply based upon longevity and seat:

Year in Which Serving	Captain	First Officer	Second Officer
First	39.01	39.01	39.01
Second	239.72	148.80	95.69
Third	240.20	149.00	112.94
Fourth	241.17	151.99	127.84
Fifth	242.12	155.03	131.04
Sixth	243.09	158.12	134.31
Seventh	244.07	161.28	136.07
Eighth	245.04	164.50	136.85
Ninth	246.01	167.79	136.85
Tenth	248.85	172.48	136.85
Eleventh	251.71	177.32	136.85
Twelfth	254.62	182.29	136.85
Thirteenth	256.52	183.21	136.85
Fourteenth	259.08	184.12	136.85
Fifteenth	261.67	185.51	136.85

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 (less than five (5) 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.

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. Professional Flight Engineers (PFE) presently receiving the First Officer rates shall continue to 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 seventy-five (75) 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 seventy-five (75) 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 ninety-six (96) 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 five hours and thirty minutes (5.5 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 (5.5 hours per airport standby period) shall apply.

F. Hours

1. A crewmember will neither be scheduled for, nor may he exceed, two hundred and eight (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, one hundred and four (104) hours. In a thirty-five (35) day bid period a crewmember will not be scheduled for, nor may he exceed, one hundred and thirty (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 one (1) hour flight pay and flight time credit for each 3.75 trip hours. This credit shall be based on one (1) 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 one (1) hour flight pay and flight time credit for each two (2) hours of duty. This guarantee shall be based on one (1) minute for each two (2) minutes on duty. If it is an EDW duty period, the credit shall be one (1) hour flight pay and flight time credit for each one and one-half (1.5) hours of duty. This guarantee shall be based on one (1) minute for each one and one-half (1.5) minutes on duty.
5. The flight time credit under the minimum pay per duty period (MPDP) shall be four (4) 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 six (6) 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.

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 CRM 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, Section 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.

L. Retroactivity/Implementation

The compensation, scheduling, and other related provisions of this Agreement will become effective in accordance with the attached Implementation Letter of Agreement and Agreement on New Contract.

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 upon the following new definitions and rules to 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. Section 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.

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 domestic EDW duty period will not be scheduled to exceed eleven hours (11:00) on duty, nor actually exceed thirteen hours (13:00) on duty. A crewmember flying a domestic non-EDW duty period will not be scheduled to exceed thirteen hours (13:00) on duty, nor actually exceed thirteen hours and thirty minutes (13:30). The thirteen hour (13:00) and thirteen hour and thirty minutes (13:30) actual limitations may be extended to fourteen hours (14:00) and fifteen hours (15:00) respectively only 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 20 departures per day). 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 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 eleven hours (11:00) and thirteen hours (13:00) 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	EDW	Non-EDW
Scheduled	11:00	13:00
Actual	13:00	13:30
Maximum	14:00	15:00

- b. International: A crewmember flying an international duty period which contains up to two (2) flight segments will not be scheduled to exceed fourteen hours and thirty minutes (14:30) on duty. The scheduled and actual duty limitations of this paragraph will be reduced by one (1) hour for each additional flight segment beyond two (2). However a duty period containing four (4) segments shall not be scheduled to exceed twelve hours and fifteen minutes (12:15). 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 fourteen hours (14:00) or more must be preceded with and followed by a minimum of twelve hours (12:00) rest, which may not be reduced. However, a crewmember may actually be required to remain on duty, flying an international duty period, as defined above, not to exceed sixteen hours (16:00) on duty.

Chart for international duty limits *:

Number of Segments	Up to 2 Segments	3 Segments	4 Segments
Scheduled	14:30	13:30	12:15
Actual			
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 14.L. and M.

- c. The scheduled duty periods above may be increased in the construction of trips including open time trips and reserve assignments by one hour and thirty minutes (1:30) domestic and two hours and thirty minutes (2:30) 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 actual duty limitations specified in this Section except an international deadhead may only be scheduled to fifteen and one-half (15:30) hours with a maximum of sixteen and one-half (16:30). 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 actual) in a. above may be increased by one (1) hour for domestic charter flights. The maximum duty period for domestic charters will not exceed sixteen hours (16:00). In the case of international charters, crewmembers may be scheduled to fifteen hours and thirty minutes (15:30) not to actually exceed sixteen hours (16:00) on duty. Upon written request, the Company will furnish dated copies of charter contracts, minus financial terms, to the Association.
- e. The scheduled and actual duty limits provided in Article A.1.a. above will be changed to the following for the fourteen (14) zulu days prior to Christmas Day of each year.

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

Type of Duty Period	EDW	Non-EDW
Scheduled	12:00	13:30
Actual	14:00	14:30
Maximum	15:00	15:00

- 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 sixteen hour (16:00) 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 sixteen hour (16:00) window also applies across any two (2) trips which have less than thirty hours (30:00) 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 sixteen hour (16:00) window a thirty hour (30:00) rest period is required prior to that duty period. A thirty hour (30:00) rest period resets the shift window. EDW deadhead positioning duty periods are not required to fall within the sixteen hour (16:00) window if they contain less than seven-and-one-half hours (7:30) duty and are followed by an eighteen hour (18:00) rest period. The thirty hour (30:00) scheduled rest period may be reduced to twenty-five hours (25:00) 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 two (2) hours.
 - (2) There can be a maximum of two (2) subsequent segments provided neither segment exceeds two hours and fifty-nine (2:59) minutes and both segments combined do not exceed four hours and fourteen (4:14) minutes block time; or
 - (3) There can be a maximum of one (1) segment if the block time for that segment does not exceed four hours and thirty-five (4:35) minutes block time.
- j. Scheduled Rest Following Commercial Deadhead:
 - (1) There shall be an eighteen (18) 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 eighteen (18) 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 eighteen (18) hour rest requirement, he shall have his pay debited for three (3) hours. A

crewmember who deviates but does not use Company provided air travel shall not incur the three (3) hour pay penalty.

(2) If the subsequent duty period is a non-EDW duty period there must be an eleven (11) 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 nine-and-one-half hours (9:30).

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 one hour (1:00) prior at domicile and at least forty-five minutes (:45) 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 fifteen minutes (:15) 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 forty-five (:45) minutes, the crewmember shall be considered to be on duty at the originally scheduled report time for pay purposes only.

b. An international duty period (as defined above) commences one hour and thirty minutes (1:30) prior to the scheduled/revised block-out time of the first flight leg of the duty period and continues until thirty minutes (:30) 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 thirty minutes (:30) for legal rest. If the required report time is reduced to less than one hour and thirty minutes (1:30), the crewmember shall be considered to be on duty at the originally scheduled report time for pay purposes only.

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 twelve (12) hours prior to scheduled departure time in the next duty period or within one (1) 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 twenty (20) hours. This twenty (20) 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 four (4) 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 one (1) 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 thirty (30) hours or more he may not be contacted between twelve (12) hours and two (2) hours prior to the report time of his next duty period. If the layover is between twenty-two (22) and thirty (30) hours, there shall be a six (6) hour to two (2) hour period prior to report where the crewmember cannot be contacted. If a crewmember is notified of a delay more than twelve (12) hours prior to scheduled departure, he will be given a new departure time, and a new twelve (12) to two (2) hour or six (6) to two (2) hour period will be established. If a crewmember's scheduled departure time is delayed prior to twelve (12) hours and a new non-contact period is established, the Company may not reduce the ten (10) 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 forty-eight (48) 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 Between:

ONT-LAX 1:45

DCA-BWI 1:45

ONT-LGB	1:45	PIE-TPA	1:00
LAX-LGB	1:00	RFD-ORD	2:00
OAK-SJC	1:30	RFD-MDW	3:00
MIA-FLL	1:30	SFO-OAK	1:15
SEA-BFI	1:00	SFO-SJC	1:30
SEA-PAE	1:45	SNA-LGB	1:15
BFI-PAE	1:45	SNA-ONT	1:45
JFK-LGA	1:00	SNA-LAX	2:00
JFK-EWR	1:45	BUR-LGB	2:00
LGA-EWR	1:45	BUR-ONT	1:45
PHL-EWR	2:00	BUR-LAX	1:30
ORD-MDW	1:30	CMH-LCK	1:15
IAH-HOU	1:15	EWR-SWF	1:45
IAH-EFD	1:45	BUR-SNA	2:00
HOU-EFD	1:00	LHR-STN	2:00
DFW-DAL	1:00		

These 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:

- 8:00 for domestic duty period non-augmented for two (2) or three (3) crewmember aircraft
- 8:00 for international duty period non-augmented for two (2) crewmember aircraft
- 12:00 for international duty period for a three (3) crewmember aircraft
- 12:00 for IRO, limited to 1-3 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) 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) hours or more off shall be scheduled following an international trip greater than one hundred and twenty (120) 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 ten (10:00) duty-free hours of layover rest after completing a non-EDW domestic duty period. A crewmember shall receive ten hours and thirty minutes (10:30) duty free hours of layover rest after completing an EDW duty period. However, if an EDW duty period is scheduled for ten hours and thirty minutes (10:30) or more, or contains four (4) segments, the crewmember shall receive twelve (12) duty free hours of layover rest. This twelve (12) hour rest period may be reduced to ten hours and thirty minutes (10:30) due to ATC, mechanical,

weather, or sort delays. There shall be twelve (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 one-half (00:30) an hour, unless the rest is stated as nonreducible. 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 fourteen hours (14:00) he shall receive a nonreducible rest period of twelve hours (12:00) in domicile or ten hours thirty minutes (10:30) while on layover.
 - e. 24-in-7/Duty Break: Each crewmember shall receive a twenty-four hour (24:00) duty-free period in each seven (7) consecutive calendar days. If this twenty-four hour (24:00) 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

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.

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, ninety-six (96) hours scheduled rest in domicile.
- c. If there are three (3) or four (4) crossings within an international trip, there must be a minimum thirty (30) 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 thirty (30) hour rest rule does not apply.
- d. There shall be a minimum fifteen (15) 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 fifteen (15) 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 twelve (12) duty free hours rest after completing an international duty period containing eight (8) block hours or less. A crewmember shall receive seventeen (17) duty free hours rest after completing an international duty period containing between eight hours and one minute (8:01) and twelve (12) block hours.
- b. The scheduled rest required in paragraph a. above may be scheduled at a minimum of twelve (12) 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 fourteen (14) hours. The fourth (4th) rest period must be greater than fourteen (14) hours.
- b. There shall be a maximum of four (4) consecutive layovers with rest below thirty (30) hours. The fifth (5th) layover, in such circumstances must be no less than thirty (30) hours. When a thirty (30) hour layover is required but the only remaining duty is a deadhead, the thirty (30) 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 eight (8) duty hours, the subsequent rest period shall not count toward the maximum of four (4) below thirty (30). However, this rest period would still be counted toward the maximum number of rest periods below fourteen (14) hours set forth in paragraph a. above.

- c. A minimum rest period of eighteen (18) hours must be provided at an international location after a positioning deadhead comprised entirely of a commercial deadhead. The eighteen (18) 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.

11. International Intransit Stop Limitations

If an intransit stop within an international duty period is equal to or greater than four (4) 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 two (2) hours;
- b. There can be a maximum of two (2) subsequent segments if neither segment exceeds four (4) block hours and both segments combined do not exceed six (6) block hours;
- c. There can be a maximum of one (1) segment if the block time for that segment exceeds six (6) block hours;
- d. If the operating crew has an IRO the block time for a duty period will be limited to ten (10) hours if there is an intransit stop equal to or greater than four (4) 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.
- d. For purposes of this section, a segment includes either air or ground transportation.

13. Extended International Deadhead Only Duty

a. An international deadhead only duty period may be scheduled from fifteen hours and thirty-one minutes (15:31) to eighteen (18) hours not to exceed nineteen (19) 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 twenty (20) hours reducible to nineteen (19) 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 four (4) 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 14.M.3. 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.

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 block of six (6) calendar days and one block of four (4) calendar days; or one block of nine (9) 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 nineteen (19) duty days. Category "CA" and "CP" reserves may not be given more than four (4) assignments to cover up to eight (8) "A", "B", "C" or "D" reserve periods.
- 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 nine (9) 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 twenty-four (24) 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 B.f.(1). above by mutual agreement.

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 and matching layover points 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 forty-eight (48) 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 one hundred and ten (110) hours TAFB. Trips between ninety-six (96) and one hundred and ten (110) 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 (10) percent of base trips can fall between the ninety-six (96) and one hundred ten (110) 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 six (6) hours, with a minimum of eighteen (18) hours rest between trips.
 - (4) The Company shall have no obligation to build base trip lines which do not generate, at least, sixty-two (62) 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) The Company and the Association will include as an addendum to this 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 can not 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) 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 (60) percent long block days off pattern.
- 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., Section 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 (10%) percent of the total number of bid lines by fleet, seat, and domicile presented in a given bid period.
- 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 RSCA/RSCP reserve days, which may not subsequently be re-assigned on call during the bid period. A crewmember may trip trade with open time any number of CA/CP days for a trip(s) containing an equal or greater number of duty days.
- 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 CA/CP days or airport standby with CA/CP days. The final alternative is a VTO line with only CA/CP reserve 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.

- d. Any trip placed on a VTO line shall reflect the index segment and credit values.
- e. Any VTO lineholder who has CA/CP days on his line shall be considered to have met guarantee for the purpose of open time pay and credit.

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 either (i) three blocks of four (4) consecutive airport standby periods or (ii) three blocks of five (5) consecutive airport standby periods.
- 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 ten (10:00) hours of the start time of the 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). 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 eight (8) hours from his original domicile report time. In addition, any flight assignment as identified and defined in Implementation Decision #68, must depart within ten (10) 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 if they are in open time as a single day, provided that they are available to fly a trip which could be assigned to them. Blocks of airport standby will not be broken into single days of standby. 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 not 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 forty-eight (48) hours of the report time for his next scheduled trip assignment.

5. Reserve Move-up lines (RMUL)

- a. The Company may, at its discretion, choose to build reserve move-up lines by 0800 local domicile 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. Move-up 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. Such lines will consist of open time trips only and must conform to the bid line parameters outlined in Section B.1.c. through f. and B.2. of this Article for

regular flying lines. 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 LDT on each of the abovementioned days. Base trip lines shall be counted towards this five percent (5%) limitation.

- b. Reserve crewmembers who want to be awarded move-up lines shall have four (4) hours from the 1000 LDT posting deadline to submit their preferences once the RMUL(s) are posted. The Company shall have two (2) hours to post the results of the bid once the crewmember bidding period closes.
- c. Once awarded a move-up 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 six (6) 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", Category "D", CA, and CP. 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. In addition, the Company may but is not required to build reserve lines with "CA" or "CP" duty as set forth in this section. 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 four (4) hours; (ii) if the reserve is assigned to operate on an augmented or double crew his duty extension period shall be a maximum of five (5) 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 one hour and thirty minutes (1:30) 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 twelve (12) 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 one hour and thirty minutes (1:30) 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 twelve (12) 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 one hour and thirty minutes (1:30) 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 twelve (12) 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) Category "CA" reserves will be indicated as RSCA on the bid lines. Category "CA" reserves shall be required to call in once for assignment between 2300-1100 local domicile time beginning on the day prior to the first day of each block of Category "CA" reserve days and continuing on each successive Category "CA" day, except the last reserve day prior to going into a block of days off, unless on an assignment away from domicile. During each of these call-in periods, a Category "CA" reserve may be given an assignment with a report time after 2300 local domicile time. During each of these call-in periods, a Category "CA" reserve who calls in between 2300-2359 local domicile time may be given an assignment with a report time after 2300 local domicile time the following day (i.e. midnight to midnight) and a Category "CA" reserve who calls in between 2400-1100 local domicile time may be given an assignment with a report time after 2300 local domicile time the same day (i.e. midnight to midnight).
- (5) Category "CP" reserves will be indicated as RSCP on the bid lines. Category "CP" reserves shall be required to call in once for assignment between 1100-2300 local domicile time beginning on the day prior to the first day of each block of Category "CP" reserve days and continuing on each successive Category "CP" day, except for the last reserve day prior

to going into a block of days off, unless on an assignment away from domicile. During each of these call-in periods, a Category "CP" reserve may be given an assignment with a report time after 1100 local domicile time the following day (i.e. midnight to midnight).

- (6) Category "D" reserves will be indicated as RSVD on the bid lines. Category "D" reserves will report for duty within two hours (2:00) 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 twelve (12) 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 and Ontario domiciles shall be 2:00 and 1:45 respectively. In the event the Company establishes a domicile in Anchorage, or 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 three (3) 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 one-hour-thirty-minutes (1:30) to two (2) 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.

b. Reserve Utilization

- (1) Contact with Category "A", "B", "C" or "D" reserves will be required only during the defined on-call period.
- (2) Contact by or of Category "CA" or "CP" reserves will not be required at times other than indicated above. However, assignments offered to Category "CA" or "CP" reserves, at times other than those required, may be accepted or declined at the discretion of the crewmember.
- (3) Reserve lines containing "CA" cannot contain "CP" and vice versa.
- (4) A crewmember may not be switched between reserve categories "A", "B", "C" or "D" without his consent.
- (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 twelve hour (12:00) on-call period and have a report time within 1:30 minutes (SDF); 1:45 (ONT) and 2:00 (MIA) after the end of the twelve (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. An assignment may be given to the reserve crewmember 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", 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. A category "C" reserve who is completing his assignment upon return to domicile may not be given an outbound assignment if there is any other "C" or "A" reserve available for duty. A reserve crewmember cannot be turned out if the outbound flight departs outside of his original on-call 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) Prior to being released for a legal rest period, a Category "CA" or "CP" reserve crewmember may be given an assignment with a report time after the completion of legal rest. If not given an assignment at this time, Category "CA" and "CP" reserve crewmembers shall call in as required during the periods defined in paragraphs a.(4) and (5) above upon completion of legal rest.
- (8) Category "CA" and "CP" reserves may be assigned to cover one hour and thirty minute (1:30) call out periods of a Category "A", "B", "C" or "D" reserve in accordance with Section (9) below. If not given an assignment during the "A", "B", "C" or "D" call out period, the Category "CA" or "CP" reserve crewmember shall contact Crew Scheduling upon completion of the applicable one hour and thirty minute (1:30) call out period. At such time the crewmember shall be available for an assignment after a legal rest period which will begin at the end of the applicable "A", "B", "C" or "D" reserve call out period. If not given an assignment at this time, Category "CA" and/or "CP" reserve crewmembers shall call in as required during the periods defined in paragraphs a.(4) and (5) above upon completion of legal rest.
- (9) (a) A Category "CA" or "CP" reserve crewmember may be given an assignment to cover a consecutive block of Category "A", "B", "C" or "D" reserve periods, but may not be given an assignment to cover "A", "B", "C" or "D" reserve period during the same call-in period. Such assignments may not be given more three (3) times in a pay period and may not total more than six (6) days of "A", "B", "C" or "D" reserve duty. When a reserve checks in with Crew Scheduling upon completion of an "A", "B", "C" or "D" reserve period and is converted again, that assignment will count as an additional assignment.
- (b) If a "CA" or "CP" reserve crewmember is assigned a block of short call reserve duty as outlined in paragraph (a) above, such block will consist of only one category of short call reserve ("A", "B", "C" or "D"). No mixing of "A", "B", "C" or "D" duties will be allowed within this single block.
- (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 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).

(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 which depart 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. Assignments will be made and posted within fifteen (15) minutes of the end of the reserve on-call period. Any trips not preferenced shall be assigned to available reserves in RADAR order at that same time.

(ii) The Company shall not be obligated to make any preference or RADAR assignment during this window if there is projected to be two (2) or less reserves available in any 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.

(iii) A reserve crewmember may preference a trip which extends into his days off. Such a trip will only be assigned to the crewmember if the Company agrees. If the assignment 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 assigned a trip pursuant to paragraph (i) above shall be obligated to contact the Company either three (3) hours prior to report time for the trip or the beginning of his regular on-call period, whichever is later. A reserve crewmember under this section shall always be subject to re-assignment to alternate trips or assignments.

(v) 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.

(11) Reserve days off may be moved with the mutual consent of Crew Scheduling and the reserve crewmember.

(12) A reserve crewmember will not be scheduled for or given a revised assignment into his scheduled days off, except when caused by weather, a mechanical, ATC delay or the addition of one (1) extra enroute stop on the return flight to domicile. If a reserve crewmember arrives back in domicile more than two (2) hours into a scheduled day off that day off will be restored in the same pay period. If not possible to restore the day off in the same pay period, it shall be restored in the next pay period. However, if the crewmember is a regular lineholder in the next pay period and has a day off to be restored, he shall receive late arrival pay for the day. For purposes of this paragraph, weather and mechanical shall be as defined in Section A.1.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. RSCA or RSCP status reserves will be given priority for filling these assignments.

(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 ten (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 eight (8) hours from his original domicile or gateway start time. In addition, any flight assignment must depart within ten (10) 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 eleven (11) hours will be provided within each twenty-four (24) hour period, provided the crewmember has not been given a flight assignment. The provisions in B.6.a.(3)., B.6.b.(5)., and 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) CA/CP reserves or category "A", "B", "C" or "D" reserves may be assigned SVT/CQ support 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 SVT/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 twelve (12) 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 SVT/CQ assignment shall receive a two (2) hour premium payment at his current hourly rate. The SVT/CQ assignment shall also count toward the 3 time /6 day conversion limitation for CA/CP reserves.
- (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, eighteen (18) hour EDW or eleven (11) 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, ie 30 hour rest prior to either the 2nd, 3rd or 4th crossing. If after the 3rd crossing, the crewmember has not received the required 30 hour rest, he shall receive a minimum 30 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 twelve (12) hour rest. The reserve crewmember shall be entitled to JA pay for the flight segment(s).

c. Reserve Periods

(1) Reserve lines will be scheduled to cover either "A", "B", "C" or "D" "CA" or "CP" 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. However, the Company shall not publish a number of "C" reserve lines greater than 50% of the "A" reserve lines for that fleet /seat / 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 twelve (12) hour on call periods for "A", "B", "C" or "D" reserves may be changed by domicile, once per year with one (1) bid period notice given to the Association.

- (2) A reserve crewmember shall not be scheduled for more than fifteen (15) duty days in a twenty-eight (28) day pay period or nineteen (19) duty days in a thirty-five (35) day pay period. However, if a reserve is on duty and subject to assignment in RADAR order to an international trip greater than one hundred and twenty (120) hours TAFB, that trip may be assigned to a reserve provided the trip does not extend beyond more than one calendar day and he is paid for credit hours generated from the start of his originally scheduled day off at the junior available rate of pay. This can occur only once in a pay period, and he is not obligated to contact crew scheduling upon completion of the trip. He cannot be revised to extend past one calendar day off.

d. Reserve Days Off

- (1) Thirteen (13) scheduled calendar days off shall be shown in each twenty-eight (28) day pay period and sixteen (16) 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" and "CA" reserves, begin at 1200 local domicile time, and end at 1159 local domicile time for "B" and "CP" 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", 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. The agreement on which three (3) days will be moved will not be unreasonably withheld by the Company. 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.

(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.

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" and/or "CA" or "CP" reserve duty that was dropped due to vacation, training, or leaves of absence. A minimum of forty-eight hours (48:00) 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 seventy-five (75) 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. Section 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 ten (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 eight (8) hours from his originally scheduled gateway airport standby start time. In addition, any flight assignment must depart within ten (10) 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 distributed to each crewmember not later than twenty-seven (27) calendar days prior to the first day of the next bid period. Copies of the bid package will be made available in the major gateways. For the first bid period beginning after March 28, 1998 the Company shall also make bid packages available for review on CMS. For crewmembers who desire to continue receiving bid packages via Next Day or 2nd Day Air the Company will maintain its volume discount rates.
- b. If a crewmember's trip does not return to his domicile prior to the closing date for the bid period, a bid package will be sent to any UPS gateway upon request by the crewmember. The request will be made to the Domicile Chief Pilot.
- 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 by VRU and by memorandum to their V-file. A clear message concerning the changes shall also be included in the introductory VRU message when crewmembers call in their bids.

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 1000 local domicile time at each domicile twenty (20) calendar days prior to the next bid period.
- b. Preliminary Captain bid awards will be posted no later than 1600 local domicile time at each domicile 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 12:00 local domicile time, nineteen (19) calendar days prior to the next bid period.
- c. First Officer/Second Officer bids will close at 1000 local domicile time at each domicile eighteen (18) calendar days prior to the next bid period.
- d. Preliminary First Officer/Second Officer bid awards will be posted no later than 1600 local domicile time at each domicile eighteen (18) 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 local domicile time seventeen (17) 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 local domicile time seventeen (17) 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 local domicile time fifteen (15) calendar days prior to the next bid period.
- g. The adjustment period (as defined in e. above), for Captains will close at 0800 local domicile time fifteen (15) calendar days prior to the next bid period. The adjustment period (as defined in f. above), for First Officers/Second

Officers will close at 0800 local domicile time thirteen (13) 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 ten (10) 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 local domicile time eight (8) 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 eight (8) 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 1700 local domicile time five (5) calendar days prior to the next bid period.
 - j. VTO and blank reserve line bid holders may bid by voice response or by computer. VTO lines must be rebid by 0800 local domicile time eight (8) calendar days prior to the next bid period for Captains and by 0800 local domicile time six (6) calendar days prior to the next bid period for First Officers/Second Officers. Bid awards will be available within four (4) 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 1600 local domicile time eight (8) calendar days prior to the next bid period. This adjustment period will close for such Captains at 0800 local domicile time seven days (7) calendar days prior to the next bid period. At 1200 local domicile time six (6) 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 local domicile time five (5) 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 1600 local domicile time six (6) calendar days prior the start of the next bid period. This adjustment period will close for such First Officers/Second Officers at 0800 local domicile time five (5) calendar days prior to the next bid period. At 1200 local domicile time four (4) 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 local domicile time three (3) 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 1201 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 1201 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.
- l. (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. Requests will be processed at 0800 local domicile time four (4) days prior to the next bid period and at 0800 local domicile time every day thereafter. Beginning on the first 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.
- (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. Requests will be processed at 0800 local domicile time two (2) days prior to the next bid period and at 0800 local domicile time every day thereafter. Beginning on the first 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.
- 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 twenty-four hours (24:00) prior to departure and Crew Scheduling will notify the crewmember whether the trade is approved, as soon as possible but no later than eight hours (8:00) 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 forty-eight hours (48:00) 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 twenty-four (24) 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 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 two hour (2:00) buffer for rest or duty period length, a one hour (1:00) buffer relative to an "eight in twenty-four hour" legality, and a one hour thirty minute (1:30) 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 VRU by one of the crewmembers involved in the trade. The second crewmember shall acknowledge the trade through the VRU. Trade requests made within twenty-four (24) 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 at the discretion of Crew Scheduling.
- 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 crewmembers 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. The Company will implement this procedure before the one year anniversary of the ratification of this Agreement.

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 fifteen minutes

(:15) 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 fifteen minutes (:15) 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 forty-eight hours (48:00) prior to departure under the following conditions:

- a. A request for such trip trade must be received by Crew Scheduling by 0800 local domicile time on a day which is sufficient to meet the forty-eight hour (48:00) requirement and Crew Scheduling will notify the crewmember whether the trade is approved, as soon as possible, but no later than twelve hours (12:00) prior to scheduled departure time of the trip.
- 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 one (1) hour reduction of credit below guarantee will not be permitted. A crewmember whose credit hour projection is more than one (1) 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 one hundred and ninety-two hours (192:00). The maximum bid line projection referred to above will be ninety-six (96) hours for a twenty-eight (28) day bid period and one hundred and twenty hours (120:00) 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 twelve hours (12:00) 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, twelve (12) 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 one hour and thirty minute (1:30) 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 a trip or portion of a trip due to a training failure or line check failure must make himself available for reschedule in accordance with b. above in order to receive pay and credit for the trip interrupted. The Company will reschedule the additional training required and/or line check as soon as possible.
- 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 crewmember disagrees with the decision by the Chief Pilot's office, he may request a review by the IPA/UPS Fatigue Working Group. If a review is requested, 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 IPA Safety Committee will meet with the Company to discuss 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 depositioning 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 thirty (30) 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 five hours (5:00) 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 twenty-four hours (24:00) 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 twenty-four hours (24:00) 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 four hours (4:00) of the

closing of the short term training bids. Other short term training (less than five (5) calendar 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 seventy-two (72) 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, reserve "CA" or "CP" 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 twenty-four (24) 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 five hours (5:00) 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 dropping an equal number of reserve duty days. The reserve days to be dropped will be determined by mutual agreement with Crew Scheduling. If the crewmember elects to drop reserve duty days, the credit generated by the transition trip in the new bid period will count toward his seventy-five (75) hour guarantee. If he elects not to drop 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 drop 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 seventy-five (75) guarantee. The reserve days to be dropped 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 SVT/AQP-CQ) on his calendar days off.
- c. The crewmember is assigned short term training (i.e. other short term training of less than five (5) 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 two hours (2:00) 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 forty-eight hours (48:00) 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.

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 one hour (1:00) earlier;
 - d. The originally scheduled arrival time revised so that the crewmember's final arrival time in the domicile is up to twenty-four (24) or forty-eight (48) 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 two hour (2:00) 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

two hours (2:00) 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 one hour (1:00) 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 two hours (2:00) 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 twenty-four (24) 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 two (2) 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 four hours (4:00) 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 four (4) 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 four (4) 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 four (4) 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 four (4) 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 depositioning 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 four (4) 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 thirty-six hours (36:00) 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. The crewmember may fly the revised trip and if applicable, remain available for assignment to open time for any remaining days of the original trip.

- b. If the crewmember is notified of a revised trip less than thirty-six hours (36:00) prior to the departure time from the domicile, he must fly the revised trip and if applicable, remain available for assignment to open time for any remaining days of the original trip. If the crewmember is required to remain available for assignment to open time, he shall call in at 1000 local domicile time every other day of the cancellation period (i.e. cancellation Tuesday, check-in Thursday.) 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 twenty-four hours (24:00) after the scheduled arrival time of the original domestic trip, or no later than forty-eight hours (48:00), if possible, after the scheduled arrival time of the original international trip. The crewmember will be returned to his domicile within the twenty-four hour (24:00) or the forty-eight hour (48:00) 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 twenty-five hours (25:00) domestic or fifty hours (50:00) 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 thirty-six hours (36:00) prior to its original departure from domicile, he may decline any substitute trip and choose not to remain available for reschedule during the period of cancellation. 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. If the crewmember remains available for assignment to open time, he shall receive pay and credit for the original trip or trip(s) assigned to him, whichever is greater, plus any applicable premium pay.
- e. (1) If the crewmember is notified that his entire trip is canceled less than thirty-six hours (36:00) prior to departure, he must be available for reschedule to open time for the duration of the cancellation period. 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 one (1) hour after notification of cancellation and must depart within three (3) hours after the scheduled departure time of the original canceled trip or flight. If a new assignment is not made within the one (1) hour or three (3) 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 one (1) hour after notification of cancellation and must depart within three (3) hours after the scheduled departure time of the original canceled flight. If a new assignment is not made within the one (1) hour or three (3) 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 two (2) hours of notification of cancellation. If a substitute assignment is not given within this two (2) 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. (1) 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 10:00 check-in referenced below.
- (2) During every other day of any period of a trip cancellation, the crewmember, if not assigned a substitute trip, shall call Crew Scheduling at 10:00 local domicile time for assignment. If the crewmember is assigned a substitute trip at the 10:00 check-in, he shall be provided twelve hours (12:00) notice before being required to report for duty. If twelve hours (12:00) notice is not provided to such crewmember, the Company will either authorize the purchase of a commercial ticket or arrange for a positive jumpseat as necessary to report for duty.
 - (3) Any substitute or revised trip assigned to a crewmember will be scheduled in accordance with E.5.c.

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 thirty-six hours (36:00) 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); or, (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.
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, eighteen (18) hour EDW, and eleven (11) 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. thirty (30) 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 thirty (30) hour rest, he shall receive a minimum thirty (30) 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 twelve (12) 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 forty-eight (48) hours to build the new line provided it is submitted no later forty-eight (48) hours prior to the departure of the Company's substituted line. In addition, if the new line is constructed to be within +/- five (5) hours of the substitute line developed by the Company, the crewmember developed line shall be used. The crewmember shall remain eligible for the six (6) 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 ops 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 Ops 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 forty-eight hours (48:00) and any trips which become uncovered within forty-eight hours (48:00) of departure time shall be assigned as follows:
 - a. Crewmembers who are available for reschedule as a result of a trip cancellation or an "R" check assignment (pursuant to Article 13.E.5.f.(2)) in accordance with this Article.
 - b. Reserve CA or CP crewmembers, if any, who are legal and available for the trip pairing without infringing on their next scheduled days off. The assignment procedures in Article 13.B.6. will apply.
 - c. Reserve "A", "B", "C" or "D" crewmembers within the originating domicile, also in compliance with all provisions of paragraph b. immediately above.
 - 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 14.K.1.b. Any such flying will be constructed as a trip from the affected crewmember's domicile as specified in Article 14.K.1.f.
 - e. Junior manning of all other crewmembers in status and category, starting with the most junior person available for the trip.
 - f. Junior manning of legal and available (without infringing on their next scheduled calendar days off) Captain reserves to fly as First Officer provided that the equipment category of the trip pairing matches the junior manned crewmember's category.
 - g. At the Company's discretion, it may junior man rather than make a reserve assignment.
 - h. Management pilots for emergency coverage. Emergency coverage shall mean that the trip becomes or remains uncovered one hour thirty minutes (1:30) prior to the departure of a domestic trip or two hours (2:00) prior to the departure of an international trip.
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 forty-eight hours (48:00) 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 forty-eight (48) 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 thirty-six (36) 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 thirty-six hours (36:00) 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 twenty-four (24) 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. Contacting crewmembers will always begin with the most junior available person from the list in accordance with other selection criteria provided elsewhere in this Section. 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 two and one-half (2 ½) 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 three and one-half (3 ½) 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 (100%) percent 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 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 depositioning 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 five (5) hours;
- (3) Within Europe the total scheduled block hours in a duty period cannot exceed three and one half (3.5) 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 four (4) 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 forty-eight(48) 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.

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 deadhead 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 forty-eight (48) 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, paragraph 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.

6. Deviation Options

- a. When deviating from Company scheduled deadhead travel at the beginning or end of a trip such travel must occur within seventy-two (72) 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 depositioning deadheads.
- 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. Universal Air Travel Card Use

- a. Each crewmember is required to carry his Universal Air Travel 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
0 - 3	2 (Note 1)	4	3	4	4
>3 - 5	N/A	2	2	3	4
>5 - 8	N/A	1	2	3	4
>8-12	N/A	1	1	3	4
>12	N/A	N/A	N/A	2	3

- (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 two (2) hours total block only.
- (2) One less ACM per seat that is not operational.
- (3) The 8 to 12 allowance on the 767 and A300 is only for the purpose of an IRO. The >12 allowance on the MD11 and 747 is only for the purpose of double crews.

- (4) Crewmembers cannot be scheduled for cockpit jumpseats on the 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.
- 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
0-3	2	3	2	4	4	4	All First Class Seat Avail
>3-5	1	2	2 See Note 6	3	3	4	All First Class Seat Avail
>5-8	N/A	N/A	N/A	2	3	2	All First Class Seat Avail
>8 -12	N/A	N/A	N/A	1	3	1	All First Class Seat Avail
>12	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) All figures shown include IRO/augmented crewmember “i.e. 767 and MD-11”.
- (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) hours to four (4) block hours with ability to extend to four point five (4.5) hours due to operational necessity. Crewmembers required to jumpseat between four (4) and four point five (4.5) block hours shall be entitled to receive a two (2) hour premium payment.
- (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 forty-eight (48) 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.

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 twenty-four (24) hours prior to the scheduled deadhead departure time. However a crewmember must check in no later than two (2) 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 five hours (5:00) and sixty minutes (:60) prior to scheduled departure.

3. International Operations

All crewmembers are required to check in between five hours (5:00) and one hour and thirty minutes (1:30) prior to scheduled departure.

4. Flights Within the Same Duty Period

- a. Crewmembers shall not be required to make a sixty minute (:60) or ninety minute (:90) 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 ten (: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 ten (: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 two (2) 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 two and one-half (2 ½) 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 ten minutes

(:10) 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 forty-eight hours (48:00) prior to the trips scheduled departure time must submit his request to Crew Scheduling by 0800 local domicile time on a day which is sufficient to meet the forty-eight hour (48:00) requirement. All such open time shall be available on a daily basis. Article 13.K. will apply separately to each domicile.
2. Open time requests shall be collected on a first come, first serve basis each calendar day and then awarded in seniority order for those requests collected. A crewmember's request will be processed as soon as possible but no later than forty-eight hours (48:00) prior to the trips departure. A trip which is available inside of the forty-eight (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 awards trips out of seniority order.

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. Once notified, the crewmember is obligated to fly the trip.
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 one hundred and ninety-two hours (192:00) 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 seventy-five (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 seventy-five hours (75:00) 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 seventy-five hours (75:00) 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 seventy-five credit hours (75:00) in that pay period.
 - c. Regular and VTO lineholders whose original flying lines are less than fourteen (14) duty days but have more than seventy-five hours (75:00) 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 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 seventy-two (72) hours;
- b. The adjustment occurs within one hundred twenty (120) hours of the originally scheduled trip departure time; and,
- c. If the original trip had a commercial positioning or depositioning 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.

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 one hundred hours (100:00) 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 seventy-five (75) 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

Except as modified by Article 13.F.7., management proficiency flying shall be selected from open time at 0800 local domicile time for flights which remain uncovered at forty-eight hours (48:00) prior to the trip's scheduled departure time. Management IOE may be selected from any open time after the bid lines are constructed. The total number of block hours which may be used for all management proficiency and IOE flying shall not exceed four thousand (4000) hours per calendar year.

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.
- 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. and L.

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 twenty-four (24) 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.

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 two hundred and eight hours (208:00), 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 ten (10) 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.

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 meet with the Association at least sixty (60) days prior to the opening or closing of any domicile 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 14, Section M.

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 up-to-date domicile seniority list at each domicile each quarter of the year. 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 at all domiciles where crewmembers are based and all major gateways as defined in Article 3, as far in advance as possible, but not less than thirty (30) days prior to the closing date of the bid. 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 vacancy-bids will be closed at 1000 SDF local time on a business day.
2. Each crewmember may submit a new vacancy preference list by fax, computer input, or telegram 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 eighteen (18) calendar weeks from the date the vacancies are awarded.

E. Awarding of Permanent Bid Position (Vacancies)

1. Seniority
 - a. The results of all bidding, assignments and displacements shall be posted at all domiciles within seventy-two (72) hours after closing of bids and at least ten (10) days prior to the system bid effective date of the bid. The Company will also post bid results at the major gateways as outlined in Article 3. Posting methods for all required postings will either be via bulletin board, notebook, or computer.
 - 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.
 - c. Crewmembers shall not be awarded (i.e. the posted closing date of the bid) a vacancy during their probationary period unless the needs of the service require such award.
 - 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.
 - (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 twelve (12) 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.

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 fourteen (14) 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 fourteenth (14th) 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 twelve (12) months beginning fourteen (14) 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 fourteenth (14th) 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 twelve (12) 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. The Company may elect to bypass any crewmember who is within two (2) years of the FAA mandated retirement age for a Captain or First Officer/IRO position, as of the system bid effective date of his vacancy and who requires initial/transition training. If the Company does not bypass such crewmember, the crewmember shall have the right to decline such upgrade or transition. 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.
- b. 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. In the event the FAA modifies the age 60 rule, those crewmembers who have previously been bypassed will continue to be pay protected even though they may be more than two (2) years from the new date that they would be prohibited from serving in the capacity of a Captain or First Officer/IRO. Pay protection shall continue until such time as they are eligible to be awarded a vacancy in the bypassed status or aircraft, if bypassed for a transition, unless, at that time, they are again within two (2) years of the new normal retirement date.

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.

(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 twenty-five (25) 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. 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. 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).

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 twenty-four (24) 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 in Flight Operations 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 systemwide preference listing in order of seniority, unless otherwise excepted by this Agreement, or excepted below:

1. Crewmembers who have no systemwide 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 systemwide preference listing (or an incomplete one) on file provided he has sufficient seniority to hold his status.
2. Crewmembers may be assigned a position during their probationary period and do not have the rights of displacement. 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. Primary shall refer to the excess positions posted in the displacement notice. Secondary shall refer to the position(s) affected by primary displacement. In case of a reduction in force within Louisville (SDF) and with no other permanent domiciles in existence, the asterisk (*) items will apply in order.

Primary Captain Displacement Steps:

1. Displaces most junior Captain on recently qualified equipment in present domicile.
2. Displaces most junior Captain in present domicile.
3. If he is the most junior Captain, then he will bid either A. or B. If the crewmember bids option A, but is unable to hold any position outlined by option A, the steps in option B shall be used for this crewmember.
 - a. System-wide to displace a more junior Captain
 - (1) Displaces most junior Captain system-wide on current equipment
 - (2) Displaces most junior Captain system-wide most recently qualified equipment
 - (3) Displaces most junior Captain system-wide
 - b. Within a present domicile
 - (1) Displaces most junior First Officer in his current equipment in present domicile
 - (2) Displaces most junior First Officer in present domicile
 - *(2a) Displaces most junior First Officer system wide*
 - (3) Displaces most junior Second Officer/PFE in present domicile
 - *(4) Displaces most junior crewmember systemwide *
 - (5) Furloughed

Secondary Captain Displacement Steps:

1. Displaces most junior Captain in present domicile.
2. If he is the most junior Captain, then he will bid either A. or B. If the crewmember bids option A, but is unable to hold any position outlined by option A, the steps in option B shall be used for this crewmember.
 - a. Systemwide to displace a more junior Captain
 - (1) Displaces most junior Captain system-wide on current equipment
 - (2) Displaces most junior Captain system- wide
 - b. Within present domicile
 - (1) Displaces most junior First Officer in his current equipment in present domicile
 - (2) Displaces most junior First Officer in present domicile

- *(2a) Displaces most junior First Officer system-wide*
- (3) Displaces most junior Second Officer/PFE in present domicile
- *(4) Displaces most junior crewmember system-wide*
- (5) Furloughed

Primary First Officer Displacement Steps:

- *1. Displaces most junior First Officer on most recently qualified equipment in present domicile.
- 2. Displaces most junior First Officer in present domicile.
- 3. If he is the most junior First Officer, then he will bid either A. or B. If the crewmember bids option A, but is unable to hold any position outlined by option A, the steps in option B shall be used for this crewmember.
 - a. System-wide to displace a more junior Captain or First Officer
 - (1) Displaces most junior Captain or First Officer system-wide on current equipment
 - (2) Displaces most junior Captain or First Officer system-wide on most recent equipment
 - (3) Displaces most junior Captain or First Officer system-wide
 - b. Within present domicile
 - (1) Displaces most junior Captain or Second Officer/PFE on his current equipment in present domicile
 - (2) Displaces most junior Captain or Second Officer/PFE in present domicile
 - *(2a) Displaces most junior First Officer system-wide*
 - *(3) Displaces most junior crewmember system-wide*
 - (4) Furloughed

Secondary First Officer Displacement Steps:

- 1. Displaces most junior First Officer in present domicile.
- 2. If he is the most junior First Officer, then he will bid either A. or B. If the crewmember bids option A, but is unable to hold any position outlined by option A, the steps in option B shall be used for this crewmember.
 - a. System-wide to displace a more junior Captain or First Officer
 - (1) Displaces most junior Captain or First Officer system-wide on current equipment
 - (2) Displaces most junior Captain or First Officer system-wide

b. Within present domicile

- (1) Displaces most junior Captain or Second Officer/PFE in his current equipment in present domicile
- (2) Displaces most junior Captain or Second Officer/PFE in present domicile
- * (2a) Displaces most junior First Officer system-wide*
- * (3) Displaces most junior crewmember system-wide*
- (4) Furloughed

Primary Second Officer/PFE Displacement Steps:

1. Displaces most junior Captain, First Officer or Second Officer/PFE on most recently qualified equipment in present domicile.
2. Displaces most junior Captain, First Officer or Second Officer/PFE.
3. If he is the most junior Second Officer/PFE, then he will bid either A. or B. If the crewmember bids option A, but is unable to hold any position outlined by option A, the steps in option B shall be used for this crewmember.
 - a. System-wide to displace a more junior Captain, First Officer, or Second Officer/PFE
 - (1) Displaces most junior crewmember system-wide on current equipment
 - (2) Displaces most junior crewmember system-wide on most recently qualified equipment
 - (3) Displaces most junior crewmember system-wide
 - b. Within present domicile
 - (1) Displaces most junior crewmember
 - * (2) Displaces most junior crewmember systemwide*
 - (3) Furloughed

Secondary Second Officer/PFE Displacement Steps:

1. Displaces most junior Second Officer/PFE.
2. If he is the most junior Second Officer/PFE, then he will bid either A. or B. If the crewmember bids option A, but is unable to hold any position outlined by option A, the steps in option B shall be used for this crewmember.
 - a. System-wide to displace a more junior Captain, or First Officer or Second Officer/PFE

- (1) Displaces most junior crewmember system-wide on current equipment
 - (2) Displaces most junior crewmember system-wide on most recently qualified equipment.
 - (3) Displaces most junior crewmember system-wide
- b. Within present domicile
- (1) Displaces most junior crewmember
 - * (2) Displaces most junior crewmember 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 60. All references to age sixty (60) 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, for reasons other than those set forth above, unless his current position is creating a personal hardship and the downbid is 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 downbid under this provision must be to a lower status on the same aircraft as a part of a realignment or vacancy bid and award. 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 downbid is posted and awarded. Any crewmember who is allowed to downbid 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, nonreduced 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. 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 0800 local domicile time of the day which would be ninety-six (96) 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 0800 local domicile time of the day in which it would be forty-eight (48:00) hours prior to the trips scheduled departure time. 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 13.F., this Section and Section P. below. RADAR list will be maintained by domicile.
- (2) If a trip cannot be covered within a domicile, the Company shall attempt to assign the trip to a system wide volunteer decline list of crewmembers who wish to be available for such assignments. The Company will offer the trip in seniority order until twenty-four (24) hours prior to the report time of the trip unless the entire volunteer list has been exhausted. The Company may offer

the trip in seniority order only to those crewmembers who are in the geographical proximity of the trip. Crewmembers will be obligated to position themselves to operate the trip. Such voluntary assignments may include airport standby duty or aircraft simulator periods. The assignment will become part of the crewmember's line of time and will be paid at an open time rate. Per diems, if applicable, will start at the time the crewmember reports for duty. Such assignments will not count toward the staffing formula under paragraphs b. or c. below.

- (3) 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, or the systemwide voluntary decline list, the Company shall have the right to assign trips from one domicile to reserves from another domicile prior to using the junior available process. 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. In addition, the Company may only use reserves on a system-wide basis pursuant to this paragraph if the Company is in compliance with the staffing formula set forth in Section P. below for that domicile for that bid period. If the staffing formula has not been complied with then the Company must exhaust the junior available process system-wide basis before it can cross-assign reserves between domiciles. The provisions of this paragraph shall also apply to a domicile within a domicile. In addition, the Company may not use this paragraph 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 first attempt to assign the trip to crewmembers on the volunteer list created under K.1.a.2. above and, then, junior available on a systemwide 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 Section A.4.c. above.
- 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 six 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.

L. Crew Augmentation on Two-Pilot Aircraft

1. 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. The MD-11, pursuant to paragraph 6 below, shall be exempt from the new vacancy requirement. Training will be scheduled, bid, awarded and compensated in accordance with Articles 10, 12 and 13.
2. 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). 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	Maximum Duty	Block Hours
1-2	14:30	16:00	8:00 – 12:00
3	13:30	15:00	

3. 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.
4. 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.

5. 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.
6. The Company shall be allowed to use First Officers to perform IRO duties on the MD11 fleet. For the one-year period following ratification of this agreement the Company shall be entitled to continue using Captains on the MD11 to perform IRO functions. During the one-year period the Company will build Captain and First Officer lines with IRO duties as necessary based on the number of qualified First Officers. At the end of the one-year transition period, all bid lines containing IRO duties will be covered by First Officers. At that point, Captains will be used to perform IRO duties only in accordance with Article 13, Section F.1.f. MD11 First Officers who do not volunteer to obtain the qualification to perform as an IRO shall have one (1) year from the date of ratification to bid a vacancy in another domicile and may not bid lines which require performance of IRO duties. If at the end of that year the First Officer does not obtain the qualifications to be an IRO, he shall be transferred in status to a fleet that does not utilize augmented crews. No MD11 Captain will be reduced in status or displaced from the MD11 as a result of this paragraph.
7. 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 two (2) 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.
8. With 24 hours advance notice prior to the trip departure, the Company may request, for the one (1) year period referenced in paragraph 6. above, that a Captain switch places with another Captain who is designated to operate the trip as an IRO for the purpose of training the Captain IRO. Should the Captain agree to switch seats, the Captain may elect to either: 1) be paid a premium payment of two (2) hours for each flight segment the Captain agrees to perform IRO duties, or 2) be displaced following the guidelines of Article 13.M. The Company retains the right to revise Captains to Captain IRO duties and vice versa in accordance with Article 13.E. The Company will be contractually obligated to publish "pure" Captain only lines.
9. In order to complete IOE for the line crewmembers on the MD-11 during duty periods which have more than eight-block hours, the following rules apply:

- a. IOE support lines shall be published for MD-11 first officers at the Company's discretion for any bid period in which there is a need to cover IOE on flight legs scheduled over eight (8) block hours, but less than eleven (11 block hours). Nothing in this agreement will allow the Company to conduct double crewing on the MD-11 (required on all flights scheduled over 12:00 block hours.)
- b. The IOE support lines will be published as CA/CP lines per the contract except only CA/CP days will be placed on the line for the purpose of covering duty periods over eight (8) block hours on which IOE is performed. The duty days/days off will be constructed during the VTO line building process once the line crewmember IOE instructor schedules are known. No conversion to short call reserve status will be allowed. No duties other than IOE reserve support will be allowed.
- c. The IOE support lines will be built with fourteen (14) days off in twenty-eight (28) day pay period with a seventy-five (75) hour guarantee.
- d. Separate CA/CP RADAR lists shall be established for IOE support lines. Assignments will be in RADAR order.
- e. In the event an IOE support reserve is unable to operate an assigned trip due to his unavailability, the Company shall first attempt to contact a previously released CA/CP IOE support reserve crewmember who placed himself on a volunteer call list for assignment. The Company shall only be obligated to contact those IOE reserve support CA/CP's on reserve days who have put their name on a volunteer list for such assignment. If such a CA/CP is assigned the trip, he shall be entitled to a two (2) hour premium payment. If there is less than twelve (12) hours notice, the IOE support reserve shall not be obligated to take the assignment. If the Company provides the volunteer with more than twelve (12) hours notice of the assignment, he shall be obligated to accept the assignment and shall be entitled to the two (2) premium payment. If no such CA/CP is available, the Company shall have the right to assign an "A", "B", "C" or "D" reserve F/O to staff the trip. If an "A", "B", "C" or "D" reserve is used, the Company shall pay him a two (2) hour premium payment for each duty period in which he is assigned as a fourth crewmember in order to conduct IOE on an over eight (8) block hour flight.
- f. A crewmember awarded or assigned IOE reserve support may not be revised to operate in any capacity other than IOE reserve support for the duration of that assignment.
- g. If an IOE support crewmember returns to a domestic gateway and his crew is going into rest, the IOE support reserve shall be entitled to contact the Company and be released from duty.

M. 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, Section 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 eleven (11) hours of block. Double crew duty periods shall be scheduled for no more than fifteen hours and forty-five minutes (15:45) of block time. Double crew duty periods may be scheduled up to seventeen hours and forty-five minutes (17:45) not to exceed a maximum of nineteen hours and forty-five minutes (19:45).

- 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 supercede 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 eighteen (18) 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 eighteen (18) 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 fourteen (14) 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 eighteen (18) hours prior rest, the reserve who is assigned must have had at least twelve (12) 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. Additional jumpseaters may be allowed on other future long-range freighter aircraft obtained by the Company subject to the parties reaching mutual agreement.

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 call-in status in accordance with Article 13.E.5.f.(2) except the crewmember shall not be required to report for duty with less than twenty-four (24) 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 call-in status 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. The Company may turn an inbound reserve crewmember if there is only one reserve available even if the percentage limitation in Article 13.B.6.b.(7) has not been met. However, the flight being assigned must depart within the reserve crewmember's original on call period.
- 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 two (2) years from his vacancy award date. There shall be no transition restriction for a crewmember who has been displaced to the new aircraft type.

O. Cruise Crewmembers

Subsequent to ratification, the Company and the Association will meet upon request to discuss and determine how to implement the concept of "cruise crewmember" if necessary to deal with the issue of currency for First Officers on augmented or double crews. Agreement will not be unreasonably withheld. Any such agreement will adequately address any safety concerns or issues raised by the Association.

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 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 twenty percent (20%) 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 including amounts deferred under Sections 125, 129, and 401(k) and 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 (Section 13.E.4) and (c) an award of Late Arrival Pay (Sections 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.

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. If the legal limits are reduced below those

allowed in 2006, IPA and UPS will meet to discuss how excess amounts will be paid to the affected crewmembers and how to comply with law.

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 anytime 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.

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 covered by the UPS Health Program for Retirees (for Air Operations) 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, crewmembers who retired pursuant to the voluntary separation package offered by the Company during 2003 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 Pension Plan will be amended by the Company so as to provide eligible crewmembers a defined

benefit at normal or early 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 Pension 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. Vesting year for the purpose of this section shall be the first twelve (12) months of employment provided the crewmember completes 750 hours of service in such twelve (12) month period. If the crewmember fails to complete 750 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 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 five hundred one (501) 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 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.

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 (1) 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 normal retirement age on or 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) (i) three thousand dollars (\$3,000) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of Captain or a bypassed Captain (as defined in Article 14.E.3.(a));

(ii) two thousand four hundred dollars (\$2,400) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of First Officer, Professional Flight Engineer or a bypassed crewmember (as defined in Article 14.E.3.(a)); or

(iii) two thousand one hundred dollars (\$2,100) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of Second Officer.
- c. A crewmember who retired pursuant to the voluntary separation package offered by the Company during 2003 will be entitled to a normal retirement benefit 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) (i) three thousand dollars (\$3,000) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of Captain or a bypassed Captain (as defined in Article 14.E.3.(a));

(ii) two thousand four hundred dollars (\$2,400) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of First Officer, Professional Flight Engineer or a bypassed crewmember (as defined in Article 14.E.3.(a)); or

(iii) two thousand one hundred dollars (\$2,100) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of Second Officer.

6. Deferred Retirement Benefit

In the event a crewmember continues in employment beyond Normal Retirement Age, he shall be entitled, upon actual retirement to receive the greater of:

- a. The benefit he would have received if he had retired at the Normal Retirement Age,
- b. The benefit he would have received if he had retired at an early retirement age, or
- c. The benefit at his deferred 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]. A crewmember who will attain normal retirement age on or before ratification of a successor labor agreement shall receive an annual benefit 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) (i) three thousand dollars (\$3,000) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of Captain or a bypassed Captain (as defined in Article 14.E.3.(a));

(ii) two thousand four hundred dollars (\$2,400) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of First Officer, Professional Flight Engineer or a bypassed crewmember (as defined in Article 14.E.3.(a)); or

(iii) two thousand one hundred dollars (\$2,100) times years and months of service credits accrued by the crewmember (not to exceed thirty (30) years) a crewmember who has attained at least the rank of Second Officer.

For the purposes of this paragraph, a crewmember's final average earnings at deferred 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 retires 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 normal retirement age 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 including amounts deferred under sections 125, 129 and 401(k) and 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.

b. A crewmember's final average earnings will be limited to the lesser of:

(a) the legal limits in effect at time of retirement; or (b) \$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 the 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 age so as to be the actuarial equivalent of the benefit payable at age sixty (60).

10. Social Security Offset

The Social Security offset is eliminated.

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 (\$3500.00). If the present value of the accrued benefit does not exceed thirty-five hundred dollars (\$3500), 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 Normal Retirement Age 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

All benefits provided under the Plan are subject to applicable limits provided by the Internal Revenue Code and regulations. If the legal limits shall be reduced by subsequent legislation, the Company and Association shall meet to discuss the new limits and how the excess amounts will be paid to the affected crewmember(s).

E. Administration of the UPS Pension Plan

The Company shall be solely responsible for the administration of the UPS Pension Plan. The Company shall provide the Association an amended copy of the UPS Pension Plan within sixty (60) days of ratification and an updated summary plan description or summary of material modifications within forty-five (45) days of Agreement ratification. Except as provided in Section D of this Article, benefits will be provided in accordance with the terms of the UPS Pension Plan as it is in effect now or as it may be amended. 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: (1) Form 5500 including all attachments; (2) Determination letters; and (3) Electronic copies of plan documents in PDF format. In addition, the Company will provide the Association, upon request, crewmember census data (e.g. date of hire, years of service and compensation) for purposes of negotiations.

Crewmember information and pension statements will be made available for on-line access as soon as possible but no later than one (1) year after agreement ratification.

F. Benefit Security

The Association has expressed their desires to tie the security of their defined benefit pension to that of UPS managers and supervisors. To that end, the Company agrees to amend that UPS Retirement Plan to provide the retirement benefits provided for under Article 15.D and to transfer all of the assets and liabilities associated with these benefits under the UPS Pension Plan to the UPS Retirement Plan as soon as reasonably practical, but no later than 18 months after the date of contract ratification. 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 amendment of the UPS Retirement Plan to include crewmembers subject to this agreement and the determination of the assets and liabilities of the UPS Pension Plan that will be transferred to the UPS Retirement Plan shall be accomplished by the Company in its sole discretion. The Association agrees that it will not seek to impact, influence or affect the Company's determination of the assets and liabilities of the Pension Plan that are to be transferred or the manner in which those assets are to be transferred.

The Company shall be solely responsible for the operation and administration of the UPS Retirement Plan. The Company shall provide the Association an amended copy of the UPS Retirement Plan within fifteen (15) days after the Plan is amended to include crewmembers and an updated summary plan description and/or summary of material modifications as soon as possible but no later than six (6) months after the plan is amended to include crewmembers. 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; and (c) electronic copies of plan documents in PDF format. In addition, the Company will provide the Association, upon request, crewmember census data (e.g. date of hire, years of service and compensation) for purposes of negotiations.

Crewmember information and pension statements will be made available for on-line access as soon as possible but no later than one (1) year after the Plan is amended to include crewmembers.

ARTICLE 16

CRAF OPERATIONS

A. General

The FARs, in effect on October 18, 1991, shall supersede the limitations contained in Article 13 on all Civil Reserve Aircraft Fleet (CRAF) flights. The current FARs shall remain applicable for CRAF flights unless amended to require more rest, less duty or less flight block time.

B. CRAF Activation

1. It is agreed and understood that the provisions of this Section B. 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 this Section B. 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.
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.
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.

ARTICLE 17
JOINT UPS/IPA 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 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.

ADDENDUM ARTICLE 17– UPS/IPA TECHNOLOGY COMMITTEE

The UPS/IPA Technology Committee has reviewed and the Company and the Union have agreed that the following technological improvements will be made subsequent to the ratification of the new collective bargaining agreement. The deadline for the implementation of the various items will be as specified in the Implementation Letter of Agreement.

UPS/IPA Technology Committee will oversee the implementation of new details of new website functionality. The Committee agrees to meet on a monthly basis, as needed, to accomplish agreed upon tasks in a timely manner and to discuss changes to existing technology. The UPS/IPA Technology Committee will mutually agree upon all changes or enhancements to technologies described herein.

A. Flight Operations Web Site Enhancements

The terminology “IVR” and “VRU” are interchangeable and refer to the same system. The terminology “Flight Operations Website” also refers to any future successor system the Company develops for communications with crewmembers.

1. Mirroring of IVR functionality
 - a. The Company agrees to mirror current IVR functionality to 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

Company reserves the right to disable a specific VRU function 120 days after the successful implementation of the function on the Flight Operations Website.

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 shall be grouped with associated pairings.

3. RADAR Reserve Callout List

Company agrees to provide hourly updates to the online RADAR list for reserve crewmembers.

4. Crewmember Digital Photos

- a. Company agrees to modify 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 provide an 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 implement a 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

The Company agrees to provide an internet web-based Automated Crewmember Schedule Adjustment System accessible via the new CMS II 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.
- e. Automated Schedule Adjustment System shall be fully implemented as part of CMS II within two and one-half (2 1/2) years of ratification of the new collective bargaining agreement. The Company will meet and provide CMS II progress/development reports to the Association during the first week of each quarter until the system is fully implemented. If at any point, the Company projects the new system may not be implemented on schedule, the Association may file a grievance that will, at the Association's option, be scheduled for arbitration within thirty (30) days of filing. The Company's obligation will be to fully fund and support any and all means to have the system fully operable on schedule. The Company agrees to implement the Automated Schedule Adjustment System on schedule even if it should require separating that component from the development of CMS II system as a whole.

8. Crewmember Electronic Subscription Service

- a. The company agrees to configure a subscription email 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 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. 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, or when a Jumpseat previously bumped becomes available. 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.

- (2) Allow a bumped crewmember to reinstate Jumpseat should one subsequently become available. The Flight Operations Website, UPS Jumpseat desk, or Crew Scheduling when the Jumpseat desk is busy or unavailable, will execute the reinstatement.
- (3) A crewmember will have twelve (12) hrs or ½ the time remaining until Jumpseat departure (whichever is less) from notification to reinstate Jumpseat or the option is cancelled.

B. Data Sharing with the IPA

The Company will transfer the following to the IPA via FTP or other appropriate system agreed upon by the UPS/IPA Technology Committee:

1. Schedule Bid Awards - when made available on the FlightOps Website.
2. UPS Flight Schedules - when made available or updated on FlightOps Website.
3. Open Time Data - updated every 30 minutes.
4. View Schedule Bid Summary - every 5 minutes during active bidding.
5. No Bidders – List of Crewmembers by GEMS who will not bid for a schedule. Updated as necessary during active schedule bidding.

C. Accounting

The Company and the IPA will mutually agree to the electronic format and frequency for the reports and data.

1. Union Deduction Report
 - a. Dates for the associated reporting period
 - b. Dues amount deducted
 - c. Initiation fee amount deducted
 - d. Union business amount deducted
 - e. Mutual Aid amount deducted
 - f. IPA group life insurance amount deducted
 - g. IPA Foundation amount deducted
 - h. IPA group long term disability amount deducted
2. Union Dues Reconciliation Report:
 - a. Dates for the associated reporting period
 - b. The number of crewmembers paying dues in the associated pay period
 - c. The number of crewmembers who began paying dues during that pay period
 - d. Crewmembers by name and employee number in the following categories:
 - (1) returned from disability
 - (2) returned from unpaid leave

- (3) returned from loss of license
 - (4) returned from military leave, etc.
 - (5) began disability
 - (6) began unpaid leave
 - (7) began loss of license
 - (8) began military leave, etc
 - (9) transferred into management
 - (10) left employment of the company
3. Dues Deduction Report
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Union gross income
 - e. Dues deducted for the reporting period
 4. Initiation Fee Reconciliation Report
 - a. Dates for the associated reporting period
 - b. The number of crewmembers paying initiation fees in the prior reporting period
 - c. The number of crewmembers paying initiation fees in the associated pay period who:
 - (1) returned from disability
 - (2) returned from unpaid leave
 - (3) returned from loss of license
 - (4) returned from military leave, etc
 - (5) leaving the employ of the company
 - (6) transferred into management
 - (7) began disability
 - (8) began unpaid leave
 - (9) began loss of license
 - (10) began military leave, etc
 5. Initiation Fee Deduction Report
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Amount deducted for the reporting period
 - e. Total deducted for all crewmembers on the report
 - f. Total count of all crewmembers with deductions on the report
 6. Manual Dues Information Report
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Union gross
 - e. Dues that would have been generated by union gross

7. Union Business Report
 - a. Dates for the associated reporting period
 - b. Details of the trip
 - (1) Start date
 - (2) End date
 - (3) Pairing number or reserve type
 - (4) Trip drop control number
 - (5) Total hours charged to Association business
 - (6) Total amount charged to Association business
 - (7) Crewmember names
 - (8) Employee number
 - (9) Aircraft and seat position
 - (10) Crewmember domicile
 - (11) Date of hire
 - (12) Total dollar amount deducted from the dues wire transfer
 - (13) The Company shall return to the Association the yellow copy of the trip drop forms associated with that deduction

8. IPA Group Life Insurance
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Amount deducted for the reporting period
 - e. Total deducted for all crewmembers on the report
 - f. Total count of all crewmembers with deductions on the report

9. UPS Loss of License Participant Report
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Amount of income excluded from dues
 - e. Amount of dues that would have been deducted

10. A report of changes in deductions for the IPA Pilots Mutual Aid Plan, IPA Long Term Disability Plan and IPA Group Life Insurance Plan.
 - a. Dates for the associated reporting period
 - b. Changes to deductions made on the previous pay run as compared to the current pay run due to a crewmember who had a deduction skipped or cancelled:
 - (1) Name of each crewmember whose deduction was not made
 - (2) The type of deduction that was not made
 - (3) Reason the deduction was not made
 - c. Deductions not made on the previous pay run but begun or reinstated on the current pay run:
 - (1) Name of each crewmember whose deduction began
 - (2) The type of deduction that began
 - (3) Reason for the change in deduction

11. Probation Date Changes Report
 - a. Dates for the associated reporting period
 - b. Pay period through which probation changes were generated
 - c. The following for each affected crewmember:
 - (1) Crewmember name
 - (2) Employee number
 - (3) Date of hire
 - (4) New probation end date
 - (5) Reason for the change in probation date
 - (6) Applicable leave date(s) generating probation date change
12. IPA Long Term Disability Report
 - a. Crewmember names
 - b. Employee number
 - c. Amount deducted for the reporting period
 - d. Total deducted for all crewmembers on the report
 - e. Total count of crewmembers with deductions on the report
13. IPA Pilots Mutual Aid Report
 - a. Crewmember names
 - b. Employee number
 - c. Amount deducted for the reporting period
 - d. Total deducted for all crewmembers on the report
 - e. Total count of crewmembers with deductions on the report
14. IPA Foundation Report
 - a. Crewmember names
 - b. Employee number
 - c. Amount deducted for the reporting period
 - d. Total deducted for all crewmembers on the report
 - e. Total count of crewmembers with deductions on the report
15. Separation from UPS Employment Report
 - a. Dates for the associated reporting period
 - b. Crewmember names
 - c. Employee number
 - d. Date of hire
 - e. Date of separation
 - f. Category of Separation (e.g. retirement, resignation)
16. Negative Deductions from UPS Payroll Report
 - a. Crewmember names
 - b. Employee number
 - c. Gross earnings
 - d. Dues
 - e. Long Term Disability
 - f. Life Insurance

- g. Mutual Aid Plan
- h. IPA Foundation

17. Biz Rates Report

- a. Seat
- b. Year of Longevity
- c. Hourly Rate
- d. Benefit Component
- e. Total Union Business Cost

18. Fleet, Seat, and Domicile Change Report

- a. Crewmember name
- b. Employee number
- c. Previous Seat
- d. New Seat
- e. Previous Domicile
- f. New Domicile
- g. Previous Fleet
- h. New Fleet
- i. Bid Period
- j. Effective Date of Bid
- k. Date of starting new rate
- l. Act Comp Date
- m. Comments

19. Status Change Report

- a. Crewmember name
- b. Employee number
- c. Previous Status (e.g. active, military)
- d. New Status (e.g. active, military)
- e. Effective Date

20. Earnings Reconciliation Report

- a. Crewmember name
- b. Employee number
- c. Gross earnings
- d. All components of earnings including earnings not subject to union dues

D. Scheduling Reports

The Company and the IPA will mutually agree to the electronic format for the reports and data. The Company will provide the following reports to the Association as required by the collective bargaining agreement.

1. Junior Available Reports

- a. Date
- b. Flight Number
- c. Leg

- d. Pairing
 - e. Equipment
 - f. Seat
 - g. Crewmember name
 - h. Employee number
 - d. Credit Hours per Assignment
 - e. Block Hours per Assignment
 - f. Duty Days per Assignment
 - g. Name of any management crew
2. 208 Report showing any crewmember exceeding two hundred and eight hours (208:00)
- a. Crewmember name
 - b. Employee number
 - c. Credit hours
 - d. Reason for exceeding two hundred and eight hours
3. Ferry Maintenance (MMX) Report showing all ferry or maintenance flights that are performed
- a. Date
 - b. Flight Number
 - c. Crewmember Name
 - d. Employee number
 - e. Seat
 - f. Equipment
 - g. Origin
 - h. Destination
4. Management Proficiency Flying and IOE Report showing any manager that does Proficiency or IOE flying
- a. Base
 - b. Equipment
 - c. Seat
 - d. Employee number
 - e. Name
 - f. Flight Number
 - g. Date
 - h. Origin
 - i. Destination
 - j. Block Hours
 - k. Pay code
5. Management Emergency Flying Report showing any flying done by management due to inability to cover flying
- a. Date
 - b. Flight Number
 - c. Leg
 - d. Pairing

- e. Equipment
 - f. Time
 - g. Name
 - h. Employee number
6. Management Displacement Report showing any displaced pilot for management flying
- a. Date
 - b. Crewmember Name
 - c. Crewmember Employee number
 - d. Flight number
 - e. Cities
 - f. Code
 - g. Management Pilot Name
 - h. Management Pilot Employee number
7. Cross Domicile Report showing flying done outside current domicile
- a. Type
 - b. Base
 - c. Equipment
 - d. Seat
 - e. Employee Number
 - f. Crewmember Name
 - g. Pairing
 - h. Flight Number
 - i. Date
 - j. Origin
 - k. Destination
 - l. Credit Hours
8. Altitude to CMS Trips/Lines Extract sent to IPA no later than the Monday the bid is distributed. This data is the raw extract data for crewmembers to use in the BidPro application. This should be plain text data.
- a. Header
 - (1) Version Number
 - (2) Bid Period
 - (3) Fleet
 - b. Trip summary
 - (1) Domicile
 - (2) Trip Start Date
 - (3) Trip End Date
 - (4) Report Time
 - (5) Local Report Time
 - (6) Credit Hours
 - (7) Block Hours
 - (8) Number of landings
 - (9) Time away from base

- c. Leg summary
 - (1) Domicile
 - (2) Trip number
 - (3) Origin Station
 - (4) Destination Station
 - (5) Depart time
 - (6) Local depart time
 - (7) Arrival time
 - (8) Local Arrival time
 - (9) Flight Number
 - (10) Day offset
 - (11) Trip duty number
 - (12) Leg type
 - (13) Equipment type by leg type
 - (14) Catering Flag
 - (15) Seat1
 - (16) Seat2
 - (17) Seat3

- d. Trip occurrence
 - (1) Domicile
 - (2) Trip number
 - (3) Trip Start Date
 - (4) Bid line number
 - (5) Bid line sequence number

- e. Duty summary
 - (1) Domicile
 - (2) Trip number
 - (3) Duty period number
 - (4) Block hours
 - (5) Credit hours
 - (6) Duty hours
 - (7) Credit type code
 - (8) Layover time
 - (9) Layover code

- f. Line summary
 - (1) Domicile
 - (2) Bid line number
 - (3) Pay period
 - (4) Block hours
 - (5) Credit hours
 - (6) Required number of captains
 - (7) Required number of first officers
 - (8) Required number of second officers
 - (9) Number of duty days

(10) Number of days off

- g. Special task
 - (1) Domicile
 - (2) Bid line number
 - (3) Pay period
 - (4) Line type abbreviation
 - (5) Start date
 - (6) Length in days

- h. Carryout
 - (1) Domicile
 - (2) Trip number
 - (3) Trip start date
 - (4) Credit hours
 - (5) Bid line number

- i. Hotel
 - (1) Station ID
 - (2) Station phone number
 - (3) Hotel name
 - (4) Hotel phone number
 - (5) Transportation by-1
 - (6) Transportation by-2
 - (7) Transportation by-3

B. Retirement Reports: As stated in Article 15.e. and f.

ARTICLE 18
DURATION AND EFFECT ON OTHER AGREEMENTS

This Agreement shall be in full force and effect from the date it is signed by the parties consistent with the Letter of Agreement on Implementation to and including the amendable date of December 31, 2011 and shall renew itself without change through each succeeding January 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 December 31, 2011 or January 1 of any subsequent year. Dependent on the timing of the notice above, the parties agree to begin expedited negotiations no later than July 1, 2011, or July 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 December 31, 2011.

This Agreement shall supersede and take precedence over all Agreements, Letters of Agreements, and similar related documents in effect between the Company and the Association on the date of execution of this Agreement except as provided elsewhere in this Agreement, provided that all rights and obligations of the parties, monetary and otherwise, which may have accrued prior to the effective date of this Agreement under the said Agreements, Letters of Agreement, and said related documents for the crewmembers of the Company shall remain in effect until satisfied or discharged unless specifically stated otherwise.

Notwithstanding the above, Letters of Agreement concerning IPA/UPS Defined Contribution Money Purchase Pension Plan shall remain in full force and effect unless otherwise changed during the course of this Agreement.

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.

For The Company:

Brian McCabe
Richard E. Barr
Chuck Martorana
Kevin Foster

For The Association:

Tom Nicholson
Chuck Patterson
Herb Hurst
Dean Cibotti
Cindy Driscoll

Negotiating Committee:

Jim Magner
Glenn Kaine

Date: June 27, 2006

1
2 LOA # 06-01
3 LETTER OF AGREEMENT ON RETENTION BONUS
4
5

6 United Parcel Service Co. (Company) and the Independent Pilots
7 Association (Union) agrees to the following to be effective on the day of
8 execution:
9

- 10
11 1. The Company shall have the right to offer a two thousand and five
12 hundred dollar (\$2500.00) per pay period retention bonus to those
13 crewmembers who are Second Officers and will be over Normal
14 Retirement Age at the date of ratification. The bonus will be offered
15 and awarded in seniority order by fleet/seat/domicile. The offer will
16 include a proposed separation/retirement date for crewmembers
17 accepting the bonus. The crewmember will be paid the accumulated
18 bonus within two (2) weeks of his separation date, provided he
19 remains in active service until that date unless the crewmember is
20 precluded from working for reasons beyond his control. The period
21 of employment will not exceed twelve (12) months.
22
23 2. The Company shall be allowed to publish this bid prior to the
24 ratification date of the new contract. It may also cancel the retention
25 bonus within two (2) weeks of the ratification results if the contract
26 offer is rejected.
27
28 3. Those Second Officers who are over Normal Retirement Age who
29 were displaced in 2006 shall be allowed in seniority order to return to
30 their displaced Second Officer position if a vacancy is created by a
31 retiring crewmember. Those crewmembers who are interested in
32 transitioning back to the aircraft they were displaced from shall
33 notify the Company in writing prior to the ratification date.
34
35

36 For the Company:

37
38 Brian McCabe
39 Chuck Martorana
40 Kevin Foster
41

For the Association:

Tom Nicholson
Chuck Patterson
Herb Hurst
Dean Cibotti
Cindy Driscoll

42
43
44 Date: June 28, 2006
45
46

LOA #06-02
LETTER OF AGREEMENT – HURRICANES

The Independent Pilots Association and UPS do hereby agree to the following:

1. Crewmembers taking personal leaves of absence for personal reasons due to hurricanes that hit the United States, or are projected to hit the United States with the potential to cause death and destruction of property, will be permitted to pick up open flying time in accordance with the contract for the purpose of making up any lost credit time. Such make-ups will be allowed until the end of the sixth full pay period after the pay period in which the hurricane occurs. Such make-ups will count for purposes of restoring crewmember benefit accruals (sick, vacation, etc.) as well as pension contributions.
2. The provisions of this agreement concerning the special treatment of personal leaves of absence taken to deal with threats and/or destruction caused by hurricanes shall take effect for crewmembers whenever authorities issue hurricane warnings or evacuation notices for areas of the United States that appear to be in the path of an approaching hurricane or tropical storm. This Agreement will apply to crewmembers who have a primary residence or immediate family member in the area covered by the hurricane warning or evacuation notice. Based upon agreement between the Association and Company, these provisions will also be triggered by other natural disasters that place crewmembers' families and personal property at risk in areas that are designated by government authorities as being in a "state of emergency."
3. Under the contract, credit time missed due to personal leaves of absence is not paid until this time is made up. In order to prevent some crewmembers from suffering a loss of a substantial portion of their paychecks while dealing with the devastation of a hurricane, the Company agrees to pay crewmembers missing any time due to a hurricane as if they had not missed the flying time. These crewmembers will then have until the end of the sixth full pay period after the pay period in which the hurricane hits to make up this time. If the time is not made up, or not completely made up, by the end of the sixth full pay period after the pay period in which the hurricane hits, the Company will deduct whatever amount of credit time has not been made up from the appropriate paycheck in the seventh full pay period.
4. If the missed time cannot be made up by the end of the sixth full pay period after the hurricane hits, a crewmember may request an extension to make-up the credit time from UPS Labor. The determination of granting such an extension will be reviewed and decided on a case-by-case basis by UPS Labor.
5. The late arrival pay provisions will not apply to any crewmember who is delayed from completing his trip due to the hurricane.
6. Notwithstanding the staffing formula in Article 14.P, the Company shall be allowed to use reserves cross-domicile during the period of time that trips are in open time as a result of crewmembers taking a leave under this Agreement.

FOR THE COMPANY:

FOR THE ASSOCIATION:

Chuck Martorana

Tom Nicholson

Kevin Foster

Chuck Patterson

Herb Hurst

Dean Cibotti

Cindy Driscoll

Negotiating Committee: Jim Magner; Glenn Kaine

DATE: June 24, 2006

**LETTER OF AGREEMENT [LOA 06-03]
CASS AND NWA**

1. The Company agrees that carriers will be added to the CASS system to the maximum extent possible. The Company will not unreasonably withhold approval in adding additional carriers to CASS as they become eligible.

2. With the announcement that the Northwest Airlines mechanics and management are back in contract talks, the parties agree that NWA is back on the approved carrier list in accordance with Article 13.H.

FOR THE COMPANY:

Kevin Foster
Pete Laurentz
Richard E. Barr

FOR THE ASSOCIATION:

Tom Nicholson
Chuck Patterson
Herb Hurst
Dean Cibotti

Date: July 28, 2006

**LETTER OF AGREEMENT [LOA 0604]
ANCHORAGE DOMICILE IMPLEMENTATION**

United Parcel Service Co. (UPS) and the Independent Pilots Association (Association) hereby agree to the following with regards to the opening of the Anchorage domicile as it pertains to the MD11:

1. The twelve (12) month period referenced in Article 14.A.2. will begin on the system bid effective date regardless of whether any crewmember is given an advanced effective date. Any crewmember given an advanced effective date shall have the same rights as if he were in the twelve (12) month period.
2. In consideration of the uniqueness of the Anchorage area, the parties agree to supersede the language of Article 13.B.6.a (6) and establish a two (2) hour report time for the Anchorage domicile. This shall not affect the applicability of the other reserve rules in the applicable labor contract.
3. Current probationary crewmembers will be allowed to participate in bid 06-104 for the Anchorage domicile. Upon being assigned to Anchorage, these crewmembers will be provided benefits in accordance with paragraph 7 below.
4. Based on the unique circumstances associated with commuting into the Anchorage domicile, the Company will limit jumpseats to one (1) for bid line construction on the MD11 between Anchorage and the lower forty-eight (48) states beginning thirty (30) days prior to the first effective date of a crewmember into the Anchorage domicile. This limitation shall remain in effect for a minimum of one (1) year from the system bid effective date. The parties shall thereafter meet to determine whether the limitation should be continued if necessary for purposes of crewmembers commuting to and from Anchorage.
5. In accordance with Article 14.A.4.g. of the current contract the following reserve times will be observed in Anchorage:

RSVA: 0600L – 1859L
RSCP: 1630L – 0430L

RSVB: 1200L – 0059L
RSCA: 2230L – 1030L

To the extent there is any conflict between this paragraph and the new Tentative Agreement, the new Tentative Agreement will apply.

6. Seniority Crewmembers: In return for a three (3) year voluntary commitment (which shall begin on the crewmember's effective date in the Anchorage domicile) to remain in the Anchorage domicile and forgo any transition bid opportunities, the Company will provide seniority crewmembers the benefits of Relocation Package #2 for purposes of moving to the Anchorage Domicile and in connection with any future relocation from the Anchorage domicile to another domicile. In addition, a crewmember shall receive the benefits provided by Article 12.K.3.j. in connection with both moves. These relocation expenses will be subject to Article 12.K.2.f., g. and h. Also a crewmember and his/her spouse shall be provided lodging for ten (10) days total for housing searches in connection with each move. Nothing in this Agreement shall restrict a crewmember's right to upgrade or any greater rights or benefits provided to him by the Collective Bargaining Agreement.

EXAMPLE OF HOW 3 YEAR VOLUNTARY COMMITMENT WORKS:

Crewmember A's effective date is January 1, 2007. He shall be allowed to bid any transition vacancy with a system bid effective date after December 31, 2009.

7. New Hire Crewmembers: In return for a three (3) year voluntary commitment (which shall begin on the crewmember's effective date in the Anchorage domicile) to remain in the Anchorage domicile and to forgo any transition bid opportunities, the Company will provide the following to crewmembers hired directly into a position in Anchorage.

- a. A fifteen hundred (\$1,500) dollar pay period stipend beginning with the start of IOE and ending at the completion of the probationary period. This stipend will only be available to those crewmembers that relocate to Anchorage.
- b. The Company agrees to waive the limitation of Article 12.K.2.a. and will reimburse crewmembers hired into the Anchorage domicile relocation expenses in accordance with Relocation Package #2, provided the crewmember successfully completes training. Notwithstanding the above, the crewmember will also be provided the benefits of Section 12.K.3.j. upon completion of initial training and prior to beginning IOE. Also upon completion of initial training, a crewmember and his spouse shall be provided lodging of up to ten (10) days total for housing searches. These relocation expenses will be subject to Article 12.K.2.f., g. and h.
- c. Nothing in this paragraph will affect any new hire crewmember's right to upgrade that he might have under the Collective Bargaining Agreement.

8. The terms of this Letter of Agreement are intended to remain in place as specified, regardless of the ratification of the Tentative Agreement.

9. Facilities will be properly planned and implemented as part of the opening of the Anchorage domicile. The parties will work together to ensure that any and all contractual requirements are met on a timely basis.

10. Vacancy Bid 06-103 and Realignment Vacancy Bid 06-104 will close at 5:00 p.m. (SDF) on August 14, 2006, instead of the published time of 8:00 a.m. on August 14, 2006.

FOR THE COMPANY:

Rick Barr
Kevin Foster
Ted Lytle

FOR THE ASSOCIATION:

Tom Nicholson
Chuck Patterson
Herb Hurst

Date: August 11, 2006

**LETTER OF AGREEMENT [LOA 06-05]
SDF TO ANC MD-11 TRANSITION**

United Parcel Service Company, (UPS) and the Independent Pilots Association (IPA) agree to the following:

1. Notwithstanding the provisions of Article 14.K.1.a.(3), UPS shall be allowed to schedule SDF based MD-11 crewmembers to deadhead from the SDF domicile to the ANC domicile even though the first operating flight segment for the trip is in the ANC domicile. This provision shall be in effect for seven (7) bid periods commencing with bid 07-01. This is being done to reduce or eliminate the need to place SDF MD-11 crewmembers on reserve in ANC utilizing the Temporary Duty Assignment (TDY) provisions of Article 14.J.

2. The parties further agree that any MD-11 trip in the SDF bid package with a deadhead(s) between SDF and ANC will be constructed with a commercial ticket. In addition, any new SDF open time trip on the MD-11 constructed during the bid period will also contain a commercial ticket for deadheads between ANC and SDF. These commercial tickets shall be a business class or equivalent ticket in accordance with Article 13.H.2.b. Deviation travel will be allowed as per the contract. The operational jumpseat chart in Article 13.H.10.b. and the ANC Letter of Agreement shall control all other deadheads of MD-11 crewmembers between ANC and SDF. The restrictions in this paragraph shall only remain in effect for the same seven (7) bid periods as referenced in paragraph one (1) above.

3. The Company agrees that to the extent there would arise a need to publish and award any TDY reserve lines from SDF to ANC during the seven (7) bid periods referenced above, it shall first be required to have provided crewmembers awarded an ANC position and who are currently qualified on the MD-11 with the opportunity to voluntarily accept an early effective date in ANC. This early activation opportunity shall apply up to the number of regular flying lines published in ANC for any bid period. The intent of this paragraph is to preclude a senior crewmember from being denied the opportunity to hold a regular flying line in the Anchorage domicile while junior crewmembers are being assigned temporary reserve duty (TDY) in ANC as allowed by the contract.

FOR THE COMPANY:

Kevin Foster
John E. C. [unclear]
Mary [unclear]

FOR THE ASSOCIATION:

[Signature]
[Signature]
[Signature]
Cindy M. Driscoll

Date: October 19, 2006