

Flashpoint

Centralized Operations Update

The Company and Union met on August 4-6, 2008 in Seattle, Washington to continue discussions on the Company's plan to centralize the weight and balance work and how this action would affect our members and the operation (various COPS contractual provisions have been cited for your convenience).

Present for the Company were Wayne Newton, Bob Hartnett, with visits from various members of the project team. Present for the Union were General Chairs Nan Otto and Jackie Fay.

An overview of what we discussed is as follows:

- a) Centralized Operations
- b) Departure Coordinator duties
- c) Timeline for centralized operations cut-over
- d) Labor Agreement provisions involved

As to the Operations Agent classification, the parties agreed that the Company can eliminate a job at a station or close a bid location. (Article 10, Vacancies Letter F1.2. page 41). As noted in previous Company communications, the Company has considered the "Centralized Operations" concept for the weight and balance functions for many years. The focus on cost savings, load plan accuracy and consistency is moving them in this direction.

Departure Coordination

Today CSAs, RSAs, Station Agents and in some cases Supervisors and vendors, are involved in the "coordination" of events that happen both above and below the wing prior to departure.

We recognize the need for continued coordination between the flight crews, gate agents, fuelers, ramp, cargo and dispatch.

With Centralized Operations, the coordination of above and below the wing responsibilities, safety and compliance issues, and all turn timeline elements will be performed in the station by a "Departure Coordinator." This is considered a duty and will NOT be a classification of its own. It is but one of the shared duties Operations Agents, CSAs, RSAs and Station Agents currently perform, either as part of or the majority of their shift today.

Timeline for the Centralized Operation Cut-Over

The transition to centralized operations will begin in October of 2008. This bid location will be in Seattle and be specifically located off airport adjacent to SOC (Flight Operations). This transition is forecasted to evolve over a seven (7) month period. The Central Operation Agent positions will be assigned as follows:

- Posted for bid September 22, 2008
- The bid will close October 15, 2008
- The awards will be posted the week of October 20, 2008 (Article 10.G, page 41-42).

Once the Central Operations Agent positions are awarded, each successful bidder will receive an effective assignment report date to the Central location. These dates will vary (Article 10.G, page: 41). The Company will post a forecasted timeline for the elimination of the operation bid locations and approximate cut-over dates online.

NOTE: As it relates to vacation bidding in October (Article 13.C, page 54), you will bid your vacation at your current bid/station location. The newly established Operations Group in Seattle, who report initially will bid amongst themselves in Seattle in January 2009 for their 2009 vacation periods. For those who report to the Seattle location later in 2009, Article 13.K will apply.

It should be noted that the Company is committed to working with individuals who report after January to as it relates to their vacation preferences if at all possible.

As both the Company and Union are concerned about the possible movement of employees and the affect it may have on homes, families, children's school issues, the affected operations agents will have weeks and in some cases several month's notice about the awarding of their bid or their furlough.

The Operations Agents who are unsuccessful bidders or who choose not to bid to the Central Operations location will be furloughed (Article 10.F. 1,2, page 41). Full furlough entitlements will be afforded to these employees whose jobs will be eliminated (Article 10.A through F).

Should you choose to bump into the CSA or CSA Lead classification at an airport (as you hold seniority in those classifications), you may be eligible to perform the Departure Coordination duties. Interested individuals will be selected for the Departure Coordinator roles once the criteria for selection is defined.

In closing, the Company and Union are reconvening to continue discussions of all the issues associated with the Departure Coordinator duties, Centralized Operations and all other matters involved in this conversion to Centralized Operations the week of August 17, 2008.