Paul D. Jones
Senior Vice President and General Counsel

American Airlines

March 6, 2018

Ms. Nena Martin
President
Association of Professional Flight Attendants
1004 West Euless Blvd.
Euless, TX 76040

Re: Management Grievance: Violation of Sections 10.D.2 and 10.D.2.a of the Joint Collective Bargaining Agreement Between American Airlines, Inc. and Association of Professional Flight Attendants -

Dear Ms, Martin:

Pursuant to Section 204 of the Railway Labor Act (the "RLA"), 45 U.S.C. § 184, American Airlines, Inc. ("American" or the "Company") submits the following dispute concerning the interpretation or application of the Joint Collective Bargaining Agreement (the "JCBA") between American and Association of Professional Flight Attendants ("APFA") for hearing and resolution by the System Board of Adjustment ("System Board"):

> Is APFA violating Section 10 of the JCBA, and the implied covenant of good faith and fair dealing, by interfering with the Joint Scheduling Implementation Committee's ("JSIC") mandate to resolve issues related to the development and implementation of the Preferential Bid System ("PBS") for Flight Attendants?

<u>Relevant Provisions of the American-APFA CBA</u>

Section 10.D.2. of the American-APFA CBA provides:

> A Joint Scheduling Implementation Committee (JSIC) shall be established upon ratification of this Agreement. Implementation and development of the PBS system, TTS, and implementation of Scheduling, Reserve and related sections shall be overseen by the JSIC.

Section 10.D.2.a. of the American-APFA CBA provides:

> The JSIC shall consist of three (3) Company members and three (3) Union members. . . . the JSIC shall continue to meet to resolve any outstanding issues related to implementation of PBS . . ..

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The Dispute and American's Position

In negotiating the JCBA following the merger between American and US Airways, Inc., the parties utilized the legacy US Airways Flight Attendant CBA ("LUS CBA") as the base agreement from which to create their contract. As the previously-agreed deadline for concluding JCBA negotiations approached and a mandatory arbitration process for resolving outstanding disputes loomed, the parties had not yet had an opportunity to discuss a number of the time and date provisions that were to be included in Section 10, including those relating to the applicable period of time during which trip trades were to be prohibited to allow for PBS processing to occur. In an effort to avoid having to arbitrate that issue, the parties agreed to insert the 48-hour freeze period that had been included as Section 10.G.2.c. in the LUS CBA as a mere placeholder for terms that they were sure could be resolved through later discussions. The parties further agreed to establish a JSIC to oversee "implementation and development of the PBS system, TTS, and implementation of Scheduling, Reserve and related sections." The JSIC was afforded exclusive responsibility for "resolving any outstanding issues related to the implementation of PBS."

To memorialize the parties' agreement that the dates and times borrowed from the LUS CBA were to serve only as placeholders, the parties added a final provision to Section 10, confirming that the "[d]ates and times cited in Section 10 are subject to revision based on recommendation by the JSIC."

Following adoption of the JCBA, a JSIC comprised of three (3) Union members and three (3) Company members was established. Consistent with its obligation to oversee implementation and development of the PBS system the JSIC engaged in discussions concerning the actual freeze period that was to replace the "placeholder" in Section 10.G.2.c., which provides:

> In order to avoid transition conflicts, for a period not to exceed forty-eight (48) hours while PBS is processing, a Flight Attendant shall not be able to pick up, drop or trade a trip that touches the last six (6) days of the bid period.

During discussions regarding Section 10.G.2.c, the Company members of the JSIC explained that the 48-hour freeze period borrowed from the LUS CBA would not, as a practical matter, provide sufficient time for PBS to process the new bid each month, and that, as the parties had understood all along, the JSIC would have to exercise its authority to determine the appropriate length of the freeze period. Initial discussions among Company and APFA JSIC members were constructive, and a resolution of the freeze period issue in accordance with the process required under the JCBA was achievable.

However, beginning around October 2017 and continuing to date, APFA interfered with the JSIC's contractual authority and responsibilities by formally directing that the union members of the JSIC were and are prohibited from engaging in any further discussions regarding the appropriate length of the freeze period in Section 10.G.2.c. APFA did so despite the mandate in Section 10.D.2.a of the JCBA requiring that the JSIC shall "continue to meet to resolve any outstanding issues related to implementation of PBS," and despite the parties' agreement in the final provision of Section 10 that "dates and times cited in Section 10 are subject to revision based on recommendation by the JSIC." In accordance with the official directive from APFA, the union members of the JSIC immediately ceased all discussions concerning the applicable freeze period thereby thwarting the contractually mandated process for resolving the issue.

APFA's interference with the JSIC's contractual mandate violates Section 10 of the JCBA, including but not limited to Sections 10.D.2 and 10.D.2.a. If permitted to continue, APFA's interference will require American to implement PBS with a placeholder-only 48-hour freeze period that directly interferes with implementation of PBS in a reasonable manner as intended in Section 10, thereby forcing the Company to increase the number of Flight Attendants serving as Reserves in order to cover potential conflicts and otherwise materially and substantially depriving the Company of the benefit of its bargain with APFA.

APFA's interference also violates the implied covenant of good faith and fair dealing that is part of all contracts, including the JCBA.

Due to these violations of the JCBA by APFA, American hereby submits this dispute regarding interpretation and application of the JCBA to the System Board for resolution.

Request for Relief

American respectfully requests that the System Board order APFA to comply with the terms of Sections 10.D.2 and 10.D.2.a. of the JCBA, and the implied covenant of good faith and fair dealing, including but not limited to taking all effective steps expressly to direct and permit JSIC members to engage in good faith discussions to "resolve any outstanding issues related to implementation of PBS," including but not limited to the appropriate freeze period to be included in Section 10.G.2.c. that will reasonably allow for PBS to be processed without the threat of Flight Attendants trading into conflicts, and without depriving the Company of the benefit of its bargain with regard to implementation of the PBS system in a reasonable manner.

Respectfully Submitted,

Paul D. Jones

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cc: Lucretia Guia
Cindi Simone