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International Association of Machinists and Aerospace Workers AFL-CIO

IAM Proposal

Alaska Airlines Ramp Service and Stores Employees (RSSA)

1. Article 3—Status of Agreement – See attached New Paragraph E Language (Merger Protection Enhancements)
2. Article 25—Effective Date and Duration
Extend 2 years (to July 10, 2012)
3. Article 26 (Schedule A)
Effective 6/1/10: Add 1.5% to all steps
Effective 6/1/11: Add 1.5% to all steps
4. Letter of Agreement #9—Profit Sharing
 - a. Pending explanation of PBP details.
5. Letter of Agreement #14—Job Security – See Attached
Remains as is, extended to the date of signing of the subsequent agreement and to include all stations.

arr/opeiu#12
5/11/2009

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Alaska Airlines Ramp Service and Stores Employees (RSSA)

1 1. Article 3—Status of Agreement – Paragraph E (new language)

2
3 E. 1. Merger, purchase, or acquisition of another company: In the event of a merger,
4 purchase, or acquisition of another company, involving that entire company or a substantial
5 portion of that company by the Company, the IAM and the Company will meet to discuss the
6 merger, purchase, or acquisition. The Company will provide the IAM with information
7 concerning the proposed merger, purchase, or acquisition at the earliest feasible time to allow
8 for the Union to prepare for those discussions. Those discussions will include the impact of the
9 merger, purchase, or acquisition upon the IAM-represented employees.

10
11 (a) The integration of the seniority lists of the respective employee groups will
12 be governed by the provisions of Sections 2.a, 3 and 13 of Allegheny-Mohawk, 59CAB22
13 (1972), provided that no employee on the master seniority list will be adversely impacted in
14 rates of pay, hours, or working conditions by the integration.

15
16 (b) The rates of pay, rules, and working conditions contained in the Basic
17 Agreement, as amended, will not be changed in any way absent agreement of IAM, and will not
18 be open for collective bargaining in the event of a merger, purchase or acquisition of another
19 company nor will the IAM or the Company have any obligation to bargain upon changes thereto,
20 except as provided in Article 25—Effective Date and Duration.

21
22 (c) The parties agree to submit to final and binding arbitration by an arbitrator
23 approved by the National Mediation Board all disputes between the IAM and the Company
24 which are not settled in the meetings provided above within six (6) months of the effective date
25 of the merger. The costs of the arbitration will be shared equally by the parties; and there will
26 be only one such arbitration proceeding, which will be the sole and exclusive remedy for all such
27 disputes.

28
29 (d) It is understood that the provisions of Article 3.E. (1.)(a.), (b.) and (c.) will
30 not apply to the Company's purchase of assets of another airline which does not result in the
31 integration of employees.

32
33 2. Merger, purchase, or acquisition by another company, or "spin-off" of assets or
34 facilities: In the event of a merger, purchase, or acquisition of the Company, or acquisition of
35 control, or acquisition of any assets, facilities or functions of the Company by another company,
36 person or entity, or subsidiary or corporate affiliate of the Company, the IAM and the Company
37 will meet to discuss the merger, purchase, or acquisition. The Company will provide the IAM
38 with information concerning the proposed merger, purchase, or acquisition at the earliest
39 feasible time to allow for the Union to prepare for those discussions. Those discussions will
40 include the impact of the merger, purchase, or acquisition upon the IAM-represented
41 employees.

42
43 3. Labor protection provisions: In the event of a merger, purchase, or acquisition of
44 the Company, acquisition of control of the Company, or acquisition of any assets, facilities or
45 functions of the Company by another company, person or entity, or subsidiary or corporate
46 affiliate of the Company, the integration of the seniority list of the respective employee groups
47 will be governed by the provisions of Sections 2.a, 3, and 13 of Allegheny-Mohawk, 59CAB22
48 (1972). The employee groups of each carrier will remain separated until such time as the
49 seniority lists are integrated in accordance with this paragraph. Additionally, employees
50 displaced or dismissed within the meaning of sections 4 and 5 of the Allegheny-Mohawk

1 protections as a result of the merger, purchase, or acquisition will receive displacement and
2 dismissal allowances in accordance with those sections, except that displacement allowances
3 will be payable for six years, and dismissal allowances shall be paid at 100% of average
4 monthly compensation and for a period of 72 months.
5

6 4. Successorship: In the event of any merger, purchase, acquisition of the
7 Company, acquisition of control of the Company, or acquisition of any assets, facilities or
8 functions of the Company by another company, person or entity or subsidiary or corporate
9 affiliate of the Company (Successorship Transactions), the following will apply:
10

11 (a) This Agreement will be binding upon any company, person or entity, or
12 subsidiary or corporate affiliate of the Company, that acquires control of, purchases, acquires or
13 acquires the Company, or assets, facilities or functions of the Company ("Successor"). The
14 Company will not bring a single step or multi-step Successorship Transaction to final
15 conclusion, or allow such a transaction to proceed to conclusion, unless the Successor agrees,
16 in writing, to:
17

18 (1) Recognize the IAM as the representative of employees on the IAM
19 System Seniority lists consistent with the Railway Labor Act, as amended;
20

21 (2) Employ the employees on the IAM System Seniority list in
22 accordance with the provisions of this Agreement;
23

24 (3) Assume and be bound by this Agreement.
25

26 (4) If the Successor is a subsidiary or corporate affiliate of the
27 Company, the Company will also ensure that the successor agrees in writing to continue other
28 benefits currently provided to employees as a matter of Company policy.
29

30 (b) If the Successor is an Air Carrier or an affiliate of an Air Carrier, the
31 Company will, at the option of the IAM, require the Successor to agree to integrate the pre-
32 transaction System Seniority list of the Company and the Successor in a fair and equitable
33 manner within twelve (12) months of the Successorship transaction pursuant to Sections 2.a., 3,
34 and 13 of the Allegheny-Mohawk LPPs. The requirement of this provision does not apply to the
35 Company's acquisition of all or part of another Air Carrier in a transaction which includes the
36 acquisition of aircraft and employees.
37

38 (c) In the event of a Successorship Transaction, the Company will, 30 days
39 prior to consummation, give IAM written certification that the requirements of subsections 4(a),
40 (1), (2), (3), and (4) have been complied with, and that the successor has agreed in writing to
41 those requirements. The Company agrees that if it fails to comply with the requirements of
42 subsections 4(a), (1), (2), (3) and/or (4), the harm to IAM and its members would be irreparable;
43 that, on showing of failure to comply with any of those requirements, issuance of preliminary
44 injunctive relief and other equitable relief would be appropriate and necessary; and that such
45 relief may issue without any requirement for securing or posting of a bond by IAM.
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Alaska Airlines Ramp Service and Stores Employees (RSSA)

5. Letter of Agreement #14

This Letter of Agreement is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between ALASKA AIRLINES, INC. (hereinafter referred to as the "Company") and the INTERNATIONAL ASSOCIATION OF MACHINISTS AND AEROSPACE WORKERS (hereinafter referred to as the "Union").

WHEREAS, it is the desire of the Company and the Union to enter into a Letter of Agreement providing job security for current Union-represented Ramp Service and Stores employees.

NOW, THEREFORE, it is mutually agreed and understood by and between the parties that between the date of the signing of this Letter of Agreement and the date of signing of a subsequent new agreement, No Ramp Service or Stores Union-represented employee who is actively employed or on an approved leave of absence as of the date of signing of this Letter of Agreement will lose employment, be required to change cities, or suffer a reduction in pay as a direct result of subcontracting of Ramp Service or Stores work. The Company will provide retraining and education as needed to support this commitment.

The Company further agrees that, between the date of signing of this Letter of Agreement and the date of signing of a subsequent new agreement, it will not subcontract any core work now performed by Union-represented Ramp Service or Stores employees for the reasons permitted by Article 2(B)(5) of the current basic collective bargaining agreement. ~~in Seattle, Anchorage, Juneau, Fairbanks, Ketchikan, and Sitka.~~

The "no-layoff" and "no subcontracting" provisions set forth above shall automatically expire on the date of signing of the subsequent new agreement, at which time the Company's rights and responsibilities with respect to the subcontracting of work now performed by Union-represented Ramp Service and Stores employees shall be governed by the basic collective bargaining agreement then in effect.

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