



May 7, 2007

Mr. Steve Gordon
 President and Directing,
 General Chair District #143
 I.A.M.A.W.
 Air Transport District Lodge #143
 2510 Lexington Avenue South
 St. Paul, Minnesota 55120-1260

Dear Steve,

The purpose of this letter is to formalize the discussion regarding a pay rate change for new hires covered by the COPS agreement in Los Angeles, California (LAX Station only). As you are aware the Company has had trouble recruiting qualified candidates for the Customer Service Agent positions in this location. The proposed COPS rate change is for a location position differential that would begin at \$2.00 per hour and drop by 20 cents at each step increase through the ninth step.

**Agent Division LAX
 Current**

Grade	Start*	1st step	2nd step	3rd step	4th step	5th step	6th step	7th step	8th step	9th step	10th step	11th step	12th step
B	\$13.20	\$13.32	\$13.66	\$13.79	\$14.05	\$14.61	\$15.16	\$15.83	\$16.01	\$16.17	\$17.04	\$18.55	\$20.44
C	\$12.30	\$12.42	\$13.09	\$13.22	\$13.48	\$14.04	\$14.59	\$15.26	\$15.43	\$15.60	\$16.46	\$17.98	\$20.19

Effective June 1, 2007

Grade	Start*	1st step	2nd step	3rd step	4th step	5th step	6th step	7th step	8th step	9th step	10th step	11th step	12th step
B	\$13.31	\$13.44	\$13.78	\$13.91	\$14.18	\$14.75	\$15.30	\$15.98	\$16.17	\$16.33	\$17.21	\$18.74	\$20.64
C	\$12.40	\$12.53	\$13.20	\$13.34	\$13.60	\$14.17	\$14.73	\$15.41	\$15.58	\$15.75	\$16.62	\$18.16	\$20.39

Effective June 1, 2008

Grade	Start*	1st step	2nd step	3rd step	4th step	5th step	6th step	7th step	8th step	9th step	10th step	11th step	12th step
B	\$13.54	\$13.67	\$14.02	\$14.16	\$14.44	\$15.03	\$15.59	\$16.29	\$16.49	\$16.65	\$17.55	\$19.11	\$21.06
C	\$12.61	\$12.74	\$13.43	\$13.58	\$13.85	\$14.43	\$15.01	\$15.71	\$15.88	\$16.06	\$16.96	\$18.52	\$20.80

Effective June 1, 2009

Grade	Start*	1st step	2nd step	3rd step	4th step	5th step	6th step	7th step	8th step	9th step	10th step	11th step	12th step
B	\$13.66	\$13.79	\$14.14	\$14.29	\$14.57	\$15.17	\$15.74	\$16.45	\$16.65	\$16.81	\$17.73	\$19.30	\$21.58
C	\$12.72	\$12.85	\$13.55	\$13.70	\$13.98	\$14.56	\$15.15	\$15.85	\$16.03	\$16.22	\$17.13	\$18.71	\$21.32

- B Station Agent/Operations Agent
- C Customer Service Agent/Cargo Systems Control Agent/Central Reservations Control Agent

Under this proposed differential, agents will progress through the pay scale as defined by the labor agreement. Employees under the COPS agreement who transfer to another location will maintain their pay rate and continue to advance annually but they will relinquish the location/position differential.

This letter and differential will remain in effect through July 19, 2010 unless otherwise mutually agreed.

Please sign below if you concur with the Company's proposed change and return a copy to me by FAX or U. S. Mail.

Sincerely

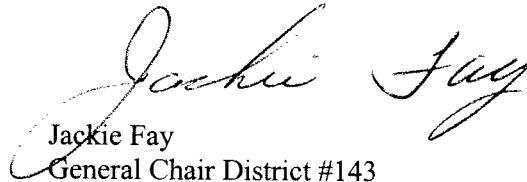


Bob Hartnett
Employee Services, Labor Manager

In concurrence



Steve Gordon
President/Directing General Chair
Air Transport District #143



Jackie Fay
General Chair District #143

cc: Dennis Hamel
Toby Skey
Denise Kliskey
Andy Garboden
File