

LETTER OF UNDERSTANDING
BETWEEN
ALASKA AIRLINES, INC.
AND
THE INTERNATIONAL ASSOCIATION OF MACHINISTS
AND AEROSPACE WORKERS
FOR
CLERICAL, OFFICE AND PASSENGER SERVICE EMPLOYEES

During the course of discussions leading to an extension of the Home Agent Program for reservations agents we have agreed to extend the current program to run concurrent to the Labor Agreement in place at this time. This Letter of Understanding formally ends the test program and establishes the Home Agent Program for the duration of the current agreement and status quo period.

The following amendments to the January 2007 Home Agent Program have been agreed to:

- *An agent's home office must be within a 75-mile radius of the Reservations Center (as determined on mapquest.com). The two-hour report rule still applies.*
- *The percentage of home agents will increase to no more than 35% of the total reservations population between the date of signing this letter and July 1, 2009 and to no more than 50% of the total reservations population between July 1, 2009 and July 1, 2010. Included in this calculation and program are the Reservations Department, Vacations Desk and ARS.*
- *Each office will maintain a Home Agent calendar that indicates when a home agent is scheduled to be in the office; the shop stewards will have access to the calendar in their location.*
- *Where allowed, home agents will be asked to provide the IAM with their personal email address.*
- *District 143 will designate an existing shop steward to serve as Chief Shop Steward in Boise Reservations and another to serve as Chief Shop Steward in Seattle Reservations.*



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Dated June 17, 2008

**Alaska Airlines Call Center
Home Agent Policy and Guidelines**

This document sets out the guidelines and policies associated the Home Agent Program. In addition to the policies and procedures set forth in this agreement, it is expected that you will adhere to all other policies, procedures and regulations of Alaska Airlines and the COPS contract. You understand that Alaska Airlines System Regulations Manual is available for your review at any time and may be accessed via AlaskasWorld.com in the Manuals and Forms section. This is an alternative work environment and not a privilege. It is not suited to everyone or every function, and therefore, management reserves the right to modify or discontinue the program or an agent's eligibility in the program at any time.

Eligibility Criteria

- Interest in program
- Reservations Classification Seniority
- Home Office within a 50 mile radius of the Reservations Center (as determined on mapquest.com)
- Attendance in an Ergonomic Training class conducted by Alaska Airlines Safety Department within 60 days of your acceptance into program.
- If at any point you opt out of the home agent program, you must work within the reservations office for a minimum of one year before requesting to return to the home agent program.

Home Office Environment and Requirements

The home agent's responsibilities --

- Establish and maintain at all times a designated work area within your residence, which only you use during your scheduled shift. It must contain a permanent and stable work surface for the equipment provided and be free of distractions and background noise.
- Supply your own office furniture being mindful of the guidelines suggested in the Ergonomics Training class provided by Alaska Airlines Safety Department. (This includes, but is not limited to, ensuring that the home office is well lit, supplying a chair that provides good support and is comfortable, and maintaining the monitor, keyboard and mouse on a stable work surface in an ergonomically appropriate position at all times).
- Connect all hardware to a properly grounded electrical outlet with surge protection, and keep all wires out of walkways. Keep your home office free of potential tripping hazards and clutter.
- Allow your Reservations Supervisor, or another representative of Alaska Airlines, to visit for an initial site inspection and equipment/connectivity test and at any time during your scheduled shift by providing at least one-hour notice prior to the visit.
- Assume the responsibility of verifying any restrictions, local ordinances, and/or zoning laws that may prohibit use of a home office in your area.
- Notify Alaska Airlines should you decide to move your home office to another building. The new location must be approved as suitable by a management representative, before you can begin to work from this location.
 - Limit relocation of the home office to one move in any twelve-month period, unless the Company explicitly agrees in writing to an additional move.
 - You are responsible for the disconnection and reconnection of your telephone, high-speed Internet service and all required hardware at your own expense in the event of a move of your home office.

Dependant Care

As a home agent, you will not provide dependant care during scheduled work hours. If dependant care was required for in-office work, it will be required for at-home work.

Equipment

Alaska Airlines will provide me with the following equipment:

- Computer Processor
- Monitor
- Keyboard
- Mouse
- Headset
- Telephone
- Surge Protector/Power Strip
- Mouse Pad

- All equipment provided by Alaska Airlines for the purpose of working as a home agent remains the property of Alaska Airlines and no other party is authorized to use the equipment;
- You may not modify the equipment provided (including the downloading of software) in any way without the express consent of Alaska Airlines;
- In the case of equipment failure, it is your responsibility to bring the failed piece of equipment into your local reservations office for replacement;
- The equipment is provided for business purposes, and only very minimal incidental personal use (such as; checking flight loads, listing, etc) by you is allowed, and must remain consistent with the corporate standards of behavior;
- Personal use of company provided equipment could be considered a taxable benefit (income) to the employee. To avoid tax assessment by the IRS, employees will be required to provide a quarterly statement to verify that the computer was not used for any duration of personal use. Such as: "I, Joe Smith, certify that the computer provided by Alaska Airlines was used during my work schedule Monday-Friday for 8 hours a day. My periodic personal use did not exceed more than XX minutes per week. "
- This equipment must be immediately returned to the company in good condition upon your separation (resignation, retirement or termination), transfer to another location or work group, change of status to an extended "Leave of Absence" (more than 90 days) or upon the request of the company;
- While in your possession, you are responsible for the safekeeping of this equipment, and Alaska Airlines may take any legal measures to recoup the cost to replace or repair any equipment which is damaged (beyond reasonable wear and tear as determined by Alaska Airlines), lost, stolen or any company property that you fail to return after a request, separation from the company, or the end of your participation in the home agent program.

Telephone

- You must maintain at your own expense a dedicated telephone line within a local calling area code or exchange of the Alaska Airlines Reservations telephone system (Rockwell ACD) for the duration of your scheduled shift.
- You will not subscribe to the call waiting, 3rd party calling or caller ID features or alter this line in any other way which would degrade the signal quality or effect your ability to connect to the Rockwell ACD and receive calls.

High-Speed Connection

- You must subscribe to and pay for the installation of the computer line, modem and monthly maintenance fees for a continuous high-speed Internet connection such as Digital Subscriber Line (DSL), broadband cable, or fiber optic in your at-home office with a minimum subscribed downstream/upstream connection speed of 768Kbps/384Kbps or higher.
- Maintenance of this connectivity is solely your responsibility, and any disruptions, slow connection speeds or other problems with your service must be resolved directly with your Internet Service Provider (ISP).
- This high-speed Internet connection is to be used exclusively for accessing the AS Network via the VPN connection while you are working a scheduled shift. During this time, use of this computer and Internet connection by another user is not allowed.
- If others in the house are using the Internet (through another jack or wireless modem), you must ensure that your quality and speed of connection are not degraded.

“Ready-to-Work”

- It is your responsibility to ensure that, at the start of each shift, your at-home office is free of any distractions and background noise, and will remain so for the duration of your shift.
- It is your responsibility to ensure that all equipment, the high-speed Internet connection, and telephone are working properly at the scheduled start of your shift.
- As is the case in the reservations office, you must log in to the Agent phone by the scheduled start of your shift. You can then sign out and read your bulletins for 5 minutes, before signing back in and taking phone calls.
- Equipment problems preventing you from signing in must be reported to a supervisor immediately and before the start of your shift, if this is your initial sign in for the day. If a supervisor is not on duty, then you must report the down time to the lead overseeing agent staffing.
- You are expected to troubleshoot the issue by contacting the ICS Help Desk at **1-877-238-1077** or **206-392-2411**, your local telephone provider or your ISP until resolution, or to a point that allows you enough time to arrive at the call center within 2 hours of the reported outage, unless otherwise instructed by your supervisor.
- Neither yourself or any other unauthorized person will attempt to access system software or dismantle equipment without the assistance of the ICS Help Desk;
- You will only be paid for 2 hours of outage/travel time; pay for any time over that 2 hours will be determined on a case-by-case basis.
- In cases of equipment or connectivity failure in your at-home office, if there are more than two hours of your scheduled shift remaining, you are required to report to your reservations office to complete the hours remaining on your shift, unless otherwise instructed by a supervisor.
- If there are two hours or less remaining in your scheduled shift, you may be required to report to your reservations office to finish the remaining time or continue to actively troubleshoot the issue to the end of your shift, based on the instructions of your Supervisor.
- If the connectivity/Internet problems extend beyond the initial day of the outage, you are to work in the call center until the issue is resolved, keep your supervisor apprised daily of the situation, and make tangible and material efforts to resolve the issue outside of your work schedule, so you may return to your at-home office as quickly as possible.
- Repeated and/or ongoing technical issues with your at-home office that result in extensive down time, and/or repeated and excessive calls to the ICS Help Desk may result in your removal from the home agent program.

Software

- Any software provided by and/or owned by Alaska Airlines may not be duplicated without the express written consent of Alaska Airlines.
- You must comply with all company policies and procedures regarding data security including, but not limited to, those set forth in the Information Security Manual and Systems Regulations, which are both found on AlaskasWorld.com
- You must have the company-provided anti-virus software installed and actively running at all times, with virus definition files kept up to date;
- You will not use company equipment in any manner that might allow viruses to be imported into the company environment.

Information Systems Security / Confidentiality

- Company information systems and all the data residing on them are the property of Alaska Airlines and intended for business purposes only; as it applies to your position as a home based agent, this includes all hardware, software, company email, SABRE and IMAGE.
- It is your responsibility to protect these systems as confidential and proprietary company information at all times, never share your passwords or accounts, or provide access to unauthorized users;
- The use of these systems must be consistent with the company's standards of behavior at all times;
- Any usage that interferes with performing your job, incurs additional expense for the company or violates the company's expectations or work environment policy is strictly prohibited;
- Because these systems are company property, usage of them or messages sent on these systems are not private;
- All activities may be monitored and recorded without prior notice to ensure appropriate business use and for compliance with company policy;
- All information created, communicated, contained or transmitted may be reviewed and disclosed to appropriate parties, including but not limited to your department manager or supervisor, Employee Services, Legal, ICS, Corporate Security and law enforcement agencies.
- All Alaska Airlines internal data and information, as well as all customer files, records and information, is considered proprietary and confidential and must not be disclosed to any unauthorized person;
- It is your responsibility to safeguard such information and ensure that it is not accessible to others at any time, by taking such measures as maintaining secure voice communications (e.g., not using a cellular or wireless telephone for home agent work), keeping unauthorized persons away from your at-home office while working, keeping confidential and proprietary materials in a locked file cabinet or drawer, logging off the system when not in use, and destroying proprietary and confidential materials prior to disposal.
- It is your responsibility to immediately notify your manager, Corporate Security and/or ICS Help Desk in the event you suspect or gain knowledge of any breach or misuse of company or customer data or equipment.
- There are legal reporting obligations for the Company when there is a breach of personally identifiable information (name, credit card, social security number, etc.), and you will therefore do your part to protect all such data as well as notify the Company of any suspected or actual breaches.
- You will coordinate, assist and comply fully with any investigation by the Company or law enforcement regarding any actual or suspected breach of information.

- When requested, you will promptly return all hardware, software or other electronic media used under the auspices of this Home Agent Agreement.

Schedules and Meetings

- Home agent shifts will be realigned at the same time as the reservations office to which you report.
- Home agents will bid a shift based on reservations classification seniority and will work all scheduled days from their home office location. Trades or overtime may be worked in the office or at home depending on the facility constraints of the call center.

Working at the Reservations Office

- You are required to attend all scheduled training and team meetings at your assigned reservations office, and will be required to work your entire shift at your reservations office those days on which team meetings and training are scheduled, unless you are able to commute home on your lunch and sign back in as scheduled for the completion of your shift.
- You are responsible for your own transportation to and from the reservations office at all times, and that travel time between your at-home office and the reservations office will be unpaid, except in the event of equipment failure as out-lined in the 'Ready to Work' section.

Communication with your Supervisor

- You are expected to meet with your Supervisor a minimum of twice a month or more as requested or instructed. Your supervisor will coordinate with you on the timing, frequency and methods of contact. Types of communication may include in-person meetings (in the call center, at your home office or at another location as designated) or by email, voice mail, phone call or conference call.
- It is your responsibility to stay current on all daily updates via outlined communication methods. (AlaskasWorld, First Class conferences, email, hotline messages, etc.)

Pay Procedures

- Hours worked and pay will be calculated from time shown from signing into the Agent Phone at the start of your shift and signing out at the end of your shift.
- You will only be paid for the time that you are signed into to the Agent Phone, including authorized off-phone time (breaks, training or other time authorized by your supervisor)
- Assigned reservations staff will update OASYS with sign in/ sign out times from the ACD database report gathered from Total Recall Reports.
- For any shift that you work in the reservations office, you will swipe in to and out of the OASYS time clock.

Safety

Alaska Airlines is interested in the health and safety of all employees while working in an Alaska Airlines office or an at-home office. As such we ask that you --

- Abide by all safety and health guidelines applicable to an Alaska Airlines office in your at-home office;
- Properly locate smoke detectors and maintain them in working order, at your expense;
- Follow the guidelines for at-home office set up and ergonomics as outlined in the Ergonomics Training class provide by the Safety Department.

Workers Compensation and Liability Insurance

Alaska Airlines workers compensation insurance policy may cover personal injuries if an employee is injured in the course and scope of carrying out responsibilities while performing business duties in an at-home office.

- Workers' Compensation coverage is for employees only and does not cover injury to family members, visitors or others in your residence;
- It is your responsibility to report immediately any work-related injury to your supervisor and to follow the company policy regarding Workers' Compensation claims;
- The company's general liability insurance does not cover your designated at-home office.

Taxes and Insurance

- It is your sole responsibility to determine any income tax implications of maintaining an at-home office;
- Alaska Airlines does not provide tax guidance; you should consult with a qualified tax professional to discuss any tax questions you might have;
- You are advised to contact your homeowner's or renter's insurance carrier to discuss the at-home arrangement with an insurance agent in order to evaluate your insurance needs as well as determine any effects on your insurance coverage due to your at-home office;
- Any additional or incremental costs associated with working at home, including but not limited to taxes or insurance premium costs, are your responsibility and will not be reimbursed by the company;

Non-Reimbursement

- You will not be reimbursed for any expenses incurred from working as a home-based agent, including but not limited to: furniture expenses, utility charges, telephone charges, high-speed Internet charges, at-home office construction or remodeling, or automobile mileage to and from the reservation office.

In addition to the policies and procedures set forth in this policy, you will be required adhere to all other policies, procedures and regulations of Alaska Airlines and the COPS contract. You understand that Alaska Airlines System Regulations Manual is available for your review at any time and may be accessed via AlaskasWorld.com in the Manuals and Forms section.

I have read and understand the above Home Agent Policy and Guidelines

Emp. Name (printed): _____

Emp. No.: _____

Employee Signature Date

**Alaska Airlines Call Center
Test Addendum to
Home Agent Policy**

A test of the Home Agent Program is required to validate the systems, procedures and processes listed below. The purpose of the test is to identify recommendations and to monitor connectivity and rates of speed in processing calls; and to review internal service and communication processes within the company and within the call centers.

As with any test, we will require home agents to document and report on certain measurements, so that we can evaluate the program to determine feasibility before extending to a larger audience.

Duration of Test

We are staggering the start of each test, by location. The estimated start dates for each location are listed below:

Boise	September 2006
Seattle	October 2006
Phoenix	March 2007

In order to complete a thorough test, the test period will last three (3) months from the start date or until the next shift realignment, whichever comes later.

Selection Criteria:

We will select up to 20 agents from each location to participate in the test period. Selection will be based on the following criteria:

- Interest in the program
- Home Office within a 50 mile radius of the Reservations Center (as determined on mapquest.com)
- Reservations Classification Seniority with the flexibility, willingness and ability to meet Test Plan Criteria as needed

Test Plan Criteria:

The following criteria need to be validated during the test period. Agents participating will monitor and document recommendations, observations and concerns encompassing the following areas during the test:

- Use of multiple Internet Service Providers (ISPs)
- Use of multiple phone services
- Speed of transactions/software compared to the speed within the reservations center
- Ease of set up of the equipment
- Use of ICS Help Desk to resolve technical problems
- Functionality of the Envision monitoring system to a remote location
- Communication methods and processes with Supervisors, Leads and Network Coordinators (outages, meetings, training)
- Various shifts/days off to test/determine communication and support needs
- Various functions within the Reservations office (excluding Lead Agent)
- Various locals within the 50 mile radius