

Dear Hawaiian Flight Attendants:

At our recent meetings in HNL and LAX, we fielded several questions about the December Incentive Program. Below is a recap of the information for those who were not able to attend any of the meetings.

Background – How did the incentive come about?

Earlier this year, the company tried a couple different things in an attempt to address the significant amount of uncovered flying. And we suggested then that they try incentivizing FAs. But at that point, the company was convinced that sick leave was the problem and they had no appetite for incentivizing what they saw to be a FA problem. At one point, the company threatened to cancel all vacations, and they have the contractual ability to do that, when certain circumstances exist. And they would have been able to do that again, especially with the amount of vacation that people take in December and at the end of the year.

Our position is that incentives are preferred to penalizing FAs. Eventually, the company softened their stance on sick leave, and they became open to incentivizing FAs.

Incentives to encourage higher-time flying are available at some other airlines as tools to improve utilization, we reached out to our counterparts at other airlines to see how their incentives are structured.

Q. Why do we have the December Incentive Program?

The company added additional flying to the schedule for December and realized that staffing would be inadequate. Additionally, the average line value of the PBS awards has been declining, resulting in an insufficient number of reserves. AFA was notified a few days before bids were posted for December that there would be a shortage of reserves.

Q. Did AFA and the company "negotiate" the Incentive Program?

After our November bargaining session ended, management came to us with their concern – only days before bidding started for December. Understand that the company has tools in our contract, such as cancelling vacation, vacation buy-back, etc., which they could use to address staffing concerns. However, AFA suggested incentivizing FAs, instead of employing punitive measures – especially in December, a holiday month with high, senior vacation. Management agreed and AFA quickly drew up a proposal which was narrowly tailored to addressing the core problem.

Q. Did management accept the AFA proposal?

Management countered with a much more comprehensive proposal. So we stepped back and said to the company, basically, "okay, well, if you think that's going to work." Because it looked like potentially

a considerable amount of money for the FAs who worked higher time, it would have been difficult for us, as a union, to decline such a positive provision for a majority of FAs. Originally, reserves were not included in the Incentive Program, and AFA advocated for that. Management also included LAX in the program, even though staffing is not an issue there for December.

Lastly, it was a voluntary program, and there really wasn't any problem with it from a union standpoint. If it had been forced, that would be a different story. And because it was a voluntary program, there really was no telling how many people would participate, or whether they just valued their time off more than money. It was an individual Flight Attendant's decision. The alternative would have been to cancel vacations.

Q. Did the Incentive Program achieve the desired results?

The response to the program was overwhelming and caused some unintended results. Crew planning was targeting 300 reserve lines and ended up with 385 reserve lines. Unfortunately, this forced several FAs who had been holding lines back onto reserve and altered the ability of some FAs to hold trips they were used to flying.

Q. Why is the company offering Flight Release if it was so "understaffed" for December?

The sole goal of the December Incentive Program was to increase the number of reserves to cover the operation. Well, the program worked really well and resulted in an excess of reserves.

One way for the company to recoup some of the cost of the Incentive Program is to have line FAs drop trips which are then given to reserves who will most probably not be assigned flying up to their guarantee for the month of December. This situation is positive for the FA who wants to drop a trip to get time off, and a cost savings for the company because instead of paying a lineholder to fly the trip, it will be given to a reserve who would be paid for those hours (reserve guarantee) anyway.

For further clarification on the Flight Release Program, we have requested Robin Sparling to repost the 2013 memo by Crew Planning on the IFS.HawaiianAir.com Website.

Final Note:

Looking back, it is clear that the company was in search of a program which was simple-to-manage and administer, and one which would ensure that there was sufficient reserve coverage for the month of December. Because management had committed to paying the incentive premium on the Jan 22 paycheck, they were not equipped to manually process the calculation, looking at each FA's schedule. The incentive program needed to be structured simply so that figuring out the pay for the incentive flying could be quickly accomplished by running a report.

As a reminder, our email address is open and available for questions, comments, or suggestions. Our address is <u>AFAcontract2017@halafa.org</u>

Mahalo from the Negotiating Committee,

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