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MEMORANDUM

To: All Clerical, Office and Passenger Service Employees of Alaska Airlines and

Virgin America Airlines

From: Joshua M. Javits, Neutral

Date: April 5, 2017

Subject: Seniority Integration Process

I want to take this opportunity to introduce myself to all of you. I am Joshua M. Javits, a full-time professional mediator and arbitrator. I am a member of the National Academy of Arbitrators, a roster arbitrator for the American Arbitration Association and Federal Mediation and Conciliation Service, and a former Chairman and Member of the National Mediation Board. By agreement between Alaska Airlines, Virgin America Airlines, and the International Association of Machinists and Aerospace Workers, AFL-CIO ("IAM"), I was appointed as a Neutral to assist in the seniority integration process resulting from the merger of Alaska and Virgin America.

According to federal law, known as the McCaskill-Bond Amendment, in airline mergers the integration of seniority must be accomplished in a fair and equitable manner. The IAM's long-standing internal policy is to integrate seniority by date of entry into classification. In other words, the IAM's policy is to give credit to employees of each premerger carrier for time worked in a given classification. Under the agreement between Alaska, Virgin America, and the IAM, the Union's internal policy will apply in this seniority integration, except if I determine that a fair and equitable integration requires a different approach in some instances.

It is important to note that not all IAM-represented employees at Alaska Airlines will be part of this seniority integration process. Specifically, the IAM represents ramp and stores employees at Alaska, but Virgin America does not have any employees performing equivalent work. Therefore, there is no need for a seniority integration process involving these employees. With respect to clerical, office, and passenger service employees, however, there are employees at both Alaska and Virgin America who perform similar work. As a result, it is necessary to integrate seniority for these employees.

Alaska, Virgin America, and the IAM have also agreed upon a process for this seniority integration. The process is intended to be less formal and more cooperative than an arbitration proceeding and will involve several phases, as follows.

- 1. Initially, I will engage in fact-finding in order to understand employees' current seniority arrangements and to identify potential issues impacting the integration of seniority lists. As part of this process, I have already requested certain background information from both Alaska and Virgin America, including current seniority lists. In addition, on April 4, 2017, I met in Seattle with employee representatives from both premerger Carriers. The primary purpose of this meeting was to identify potential issues and areas of concern to employees.
- 2. Also, as part of the fact-finding process, I will consider any written comments or information regarding the integration of seniority lists that any affected employee wishes to submit. Comments must include: employee name, employee number, job title, and station. Comments should be sent by regular mail or email to the following so that they are **received no later than May 5, 2017**:

Attn: Neutral Joshua M. Javits c/o Guerrieri, Clayman, Bartos, Parcelli & Roma, P.C. 1900 M Street, N.W., Suite 700 Washington, DC 20036 IAMseniority@geclaw.com

- 3. At the conclusion of the fact-finding stage, I will issue a Report and Recommendations regarding the integration of seniority, as well as proposed integrated seniority lists, which will be promptly published to affected employees for review.
- 4. Following the publication of the proposed lists, affected employees will have 45 days to file in writing any protest they may have regarding their placement on the list. Details regarding how to file a protest will be provided in conjunction with the publication of the proposed lists.
- 5. I will consider all timely filed protests and issue a final and binding determination with respect to each. After deciding all protests, I will issue final integrated seniority lists, incorporating any necessary adjustments or corrections in light of my protest determinations.

The parties have not set a deadline for the conclusion of the seniority integration process, but it is my intent to resolve all seniority matters as expeditiously as possible. Throughout this process, I will be assisted by the Washington, DC law firm of Guerrieri, Clayman, Bartos, Parcelli & Roma, P.C., which has extensive experience in airline seniority matters. I look forward to working with all the stakeholders in this matter in order to achieve a fair and equitable seniority integration.