

MEMORANDUM OF AGREEMENT

between

ALLEGIANT AIR, LLC.

and

THE FLIGHT ATTENDANTS

in the service of

ALLEGIANT AIR, LLC.

as represented by the

THE TRANSPORT WORKERS UNION OF  
AMERICA, AFL-CIO

THIS MEMORANDUM OF AGREEMENT (“MOA”) is made and entered into by and between ALLEGIANT AIR, LLC. (hereinafter referred to as “the Company”) and the FLIGHT ATTENDANTS in the service of ALLEGIANT AIR, LLC., as represented by THE TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO (hereinafter referred to as “the Union”).

**WHEREAS**, the Company and the Union are parties to a collective bargaining agreement (hereinafter “the Agreement”) covering the period of December 21, 2017, to December 21, 2022, pursuant to the Railway Labor Act; and

**WHEREAS**, the Company had reached agreement with the U.S. Department of the Treasury and received emergency relief under the Coronavirus Aid, Relief and Economic Security (CARES) Act, and in accordance with the Payroll Support Program (PSP) had targeted a percentage of those funds to support Flight Attendant salaries and benefits to avoid Furloughs or reduction in force through September 30, 2020;

**WHEREAS**, the parties agree that the COVID-19 pandemic’s impact on the airline industry will continue to have the significant negative impact on travel demand resulting in the reduction of block hours to be operated and the need for fewer flight attendants in the near term; and

**WHEREAS**, the Company needs the additional flexibility to offer extended leaves and other cost-saving initiatives to better align the work force where overstaffing due to the block hour reductions will occur post September 30, 2020: and

**WHEREAS**, the Company and the Union want to work together to avoid involuntary Furloughs or reduction in force and to preserve work opportunities for existing Flight Attendants beyond September 30, 2020; and

**NOW, THEREFORE**, the Company and the Union agree as follows:

**A. Involuntary Furloughs**

1. No flight attendant shall be involuntarily Furloughed through March 31, 2021, so long as no less than fifty (50) eligible flight attendants request to participate in the Early Out Program as provided for in Section E. of this MOA. If the fifty (50) eligible flight attendants request to participate is met, and the agreement is canceled before March 31, 2021, the company cannot furlough flight attendants for additional sixty (60) days from the date this agreement is no longer in effect.

**B. Voluntary Short Term Leave programs**

1. The terms of the parties' MOA, executed on March 29, 2020, to make available to flight attendants a Voluntary Short Term Leave (VSTL) program based on projected flight attendant staffing need across our network will be extended. The program will continue to be administered in accordance with the original March 29, 2020, MOA except as expressly provided for below:
  - i. Beginning the Bid Month following the processing of the awarded Early Out Program, the company shall identify and post the minimum number of voluntary leave opportunities (i.e., VSTL and/or CCL) that will be available for bid in a particular Base.
  - ii. CCL and VSTL opportunities may vary in duration based on the Company's staffing requirements, however VSTL opportunities shall not encompass less than a full Bid Month and shall not exceed three (3) Bid Month in duration.
  - iii. The Company shall award no less than the number of posted VSTL/CCL opportunities as referenced in Section B.1.i. above, provided that the number of eligible flight attendants in that particular Base who bid for such posted VSTL/CCL opportunities are equal to or greater than the number of posted opportunities.
  - iv. The Company may award additional VSTL/CCL opportunities in excess of the posted minimums based on projected flight attendant staffing needs.
  - v. When a flight attendant bids for a posted VSTL/CCL opportunity, they will be able to indicate in their bid if they are requesting a CCL or VSTL, so long as the bid opportunity meets the length limitations identified in Section B.1.i. above. Should the posted opportunity be less than a full Bid Month, it may only be awarded as a CCL.

b. Once inside the 1000 Pacific Time two (2) calendar days prior to the scheduled report time threshold in Section C.1.ii.2.a. above, Crew Services will evaluate coverage and, at their discretion, make the determination to;

- i. Assign any open assignments to available reserves; or
- ii. Attempt to contact flight attendants on an awarded CCL or VSTL who have indicated availability to operate in a particular Base on that date in seniority order; or
- iii. Proceed to other contractually available means to cover the open assignment.

c. If Crew Services elects to utilize the option provided for in Section C.1.ii.2.b.ii. above, the following procedure shall occur;

- i. Crew Services will attempt to contact those flight attendants on an awarded CCL or VSTL who have indicated availability to operate in a particular Base on that date in seniority order, with the assignment being awarded to the first acceptor.
- ii. If contacted, a flight attendant will not be required to accept the open assignment(s) being offered.

4. On those dates not identified as "Critical Coverage", the following procedures shall become available to the company:

a. Flight attendants awarded a CCL or VSTL shall be prohibited from transacting with Open Time any time prior to 1000 Pacific Time two (2) calendar days prior to the scheduled report time for the trip.

b. Once inside the 1000 Pacific Time two (2) calendar days prior to the scheduled report time threshold in Section C.1.ii.2.a. above, Crew Services will evaluate coverage and, at their discretion, make the determination to;

- i. Assign any open assignments to available reserves; or
- ii. Proceed to other contractually available means to cover the open assignment, short of Junior Assignment.

c. If Crew Services is unable to cover the open assignment after following the procedures identified in Section C.1.ii.3.b. above, it may, at its discretion, attempt to contact flight attendants on an awarded CCL or VSTL who have indicated availability to operate in a particular Base on that date in seniority order before



- vi. Due to the dramatic drop in flying in many Domiciles, the Company will not assign airport standby for periods when no flight activity is scheduled for that day in that domicile.
- vii. Beginning in the October Bid Month, flight attendants who request and are awarded VSTL opportunities will be compensated at 42.5 Hours at their applicable rate for each full Bid Period the awarded VSTL encompasses.
- viii. For reference, the original March 29, 2020, VSTL MOA is attached as Appendix A.

### **C. Open Time Opportunities for Flight Attendants on awarded CCL and VSTL**

1. Recognizing that barriers exist that impact the company's ability to maximize the awarding of requested VSTL and CCL opportunities, the parties agree that, under certain express conditions identified herein, allowing a flight attendant to work on an awarded CCL or VSTL is beneficial to both parties. Specifically, the parties agree:
  - i. Flight attendants on an awarded CCL or VSTL shall continue to be prohibited from Trip Trade With Flight Attendants and Open Time (i.e., CBA Section 19.E.).
  - ii. Flight attendants on an awarded CCL or VSTL shall continue to be prohibited from transacting with Open Time (i.e., CBA Section 19.C.), except as expressly provided for below:
    1. The Company may, at its discretion, identify up to ten (10) days a month in a particular Base as "Critical Coverage". Such "Critical Coverage" determination shall normally be designated at least five (5) days prior to the identified date, unless the designation is due to extenuating circumstances beyond the company's control (e.g., hurricane, crew quarantines, etc.).
    2. A flight attendant on an awarded CCL or VSTL may provide notice to the company that they would be available on an a particular date(s) by submitting a request to Crew Services through submitting a request to Crew Scheduling using the Flight Crew Member Change Form on G4Connect, selecting "Other" and request to make yourself Willing to Work ("WW").
    3. On those dates identified as "Critical Coverage", the following procedures shall become available to the company:
      - a. Flight attendants awarded a CCL or VSTL shall be prohibited from transacting with Open Time any time prior to 1000 Pacific Time two (2) calendar days prior to the scheduled report time for the trip.

engaging in the Junior Assignment process. If contacted, a flight attendant on CCL or VSTL will not be required to accept the open assignment(s) being offered.

5. A flight attendant on CCL or VSTL will not be eligible for Mission Mode or Junior Assignment.

#### **D. Reduced Forty (40) Hour Bid Lines**

1. A defined number of forty (40) hour regular Bid Lines may be awarded in a particular Base(s) for flight attendants at the Company's discretion. No flight attendant shall be involuntarily assigned a forty (40) hour regular Bid Line. The Bidding and Awarding of such forty (40) hour regular Bid Lines, when offered, shall be processed in accordance with CBA Section 19.A. and B., except:
  - i. The line value for an awarded forty (40) hour regular Bid Line value will be guaranteed at a minimum of forty (40) hours. This defined forty (40) hour guarantee also overrides any contradiction with Section 6.M. of the CBA.
  - ii. The forty (40) hour regular Bid Lines shall not be constructed to contain more than fifty-six (56) hours.

#### **E. Early Out Program**

##### **1. Eligibility**

- i. Eligibility to participate in the Early Out Program (EOP) shall be limited to active line flight attendants (i.e., non-management) who meet all of the following criteria:
  1. Completed four (4) or more years of service (i.e., at least year 5 wage rate as provided for in Section 6.A. of the CBA) as a flight attendant as of September 1, 2020; and
  2. Active Flight Attendant status (i.e., as defined in the parties' CBA) as of September 1, 2020; and
  3. Full time flight attendant status as of August 1, 2020.
- ii. Flight attendants who meet the above criteria for eligibility must formally submit their request for EOP consideration during the solicitation period, which will be announced in accordance with Section E.2.i. below.

## 2. Awarding

- i. The Company shall identify and communicate the solicitation period for flight attendants to request EOP. The solicitation period shall begin no later than seven (7) calendar days after the full execution of this MOA, and shall encompass a period of no less than later than ten (10) calendar days in duration.
- ii. EOP awards shall be actioned in seniority order.
- iii. EOP awards shall be considered actioned as of either September 1, 2020, or October 1, 2020, at the company's discretion. Accordingly, any flight attendant awarded EOP shall be ineligible to bid for the September or October 2020 Bid Month based on the actioned date. Should the company identify the need to stagger the processing of EOP beyond October 1, 2020, it shall notify the union. All awarded EOP shall be processed no later than December 1, 2020.
- iv. The number of EOPs ultimately awarded shall be at the discretion of the company.
- v. A flight attendant who solicits and is awarded EOP shall be considered to have voluntarily resigned their position, and shall relinquish all rights to seniority in accordance with Section 23 of the parties' CBA, and shall further be required to enter into and execute a General Release.

## 3. Lump sum payment and benefit options

- i. A flight attendant who requests and is ultimately awarded EOP shall receive the following, based on their years of service as a flight attendant (i.e., year wage rate as provided for in Section 6.A. of the CBA) as of September 1, 2020.
  1. A flight attendant who has accumulated 5 years of service as a flight attendant as of September 1, 2020 (i.e., year 5 wage rate), shall receive a one-time lump sum payment of \$15,500.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.
  2. A flight attendant who has accumulated 6 years of service as a flight attendant as of September 1, 2020 (i.e., year 6 wage rate), shall receive a one-time lump sum payment of \$19,000.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.
  3. A flight attendant who has accumulated 7 years of service as a flight attendant as of September 1, 2020 (i.e., year 7 wage rate), shall receive a



one-time lump sum payment of \$22,500.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.

4. A flight attendant who has accumulated 8 years of service as a flight attendant as of September 1, 2020 (i.e., year 8 wage rate), shall receive a one-time lump sum payment of \$26,000.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.
5. A flight attendant who has accumulated 9 years of service as a flight attendant as of September 1, 2020 (i.e., year 9 wage rate), shall receive a one-time lump sum payment of \$29,500.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.
6. A flight attendant who has accumulated 10 years of service as a flight attendant as of September 1, 2020 (i.e., year 10 wage rate), shall receive a one-time lump sum payment of \$33,000.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.
7. A flight attendant who has accumulated 11 years of service as a flight attendant as of September 1, 2020 (i.e., year 11 wage rate), shall receive a one-time lump sum payment of \$36,500.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.
8. A flight attendant who has accumulated 12 or more years of service as a flight attendant as of September 1, 2020 (i.e., year 12 wage rate), receive a one-time lump sum payment of \$40,000.00, to be processed on first of the month of the awarded EOP (e.g., EOP effective October 1, 2020, would be paid October 1, 2020), and a continuation of current active employee Health, Dental and Vision Insurance through December 31, 2020.

#### 4. Additional benefits

##### i. Travel benefits:

1. A flight attendant who requests and is ultimately awarded EOP shall be eligible for retiree non-rev travel benefits on Allegiant Air in accordance with company policy, and, to the extent allowed under Allegiant's interline agreement, other airlines. Such flight attendants shall also receive twenty-four (24) annual buddy passes for the next five (5) years, to be distributed on October 1 of each year, from the years 2020 through 2024 (i.e., useable from October 1 through September 31 of each applicable year).
2. A flight attendant who requests and is ultimately awarded EOP that is ineligible for retiree travel benefits in accordance with company policy shall be provided with retiree-level non-rev travel benefits on Allegiant Air for a period of three (3) years (i.e., October 1, 2020 through September 31, 2023). Such flight attendants shall also receive twenty-four (24) annual buddy passes, to be distributed on October 1 of each year, from the years 2020 through 2022 (i.e., useable from October 1 through September 31 of each applicable year).

##### ii. Vacation and sick

1. As a flight attendant who requests and is ultimately awarded EOP is considered to have voluntarily resigned their position, any unused current year vacation shall be processed in accordance with Section 12.A.8. of the CBA.
2. As a flight attendant who requests and is ultimately awarded EOP is considered to have voluntarily resigned their position, any unused sick leave shall be processed in accordance with Section 13.D. of the CBA.
3. Should a flight attendant utilize sick leave between being granted EOP and the actionable date of the EOP, such use of sick leave may be subject to additional review. If it is determined that a flight attendant has attempted to utilize sick for reasons other than provided for in the CBA, or misusing or abusing the federal benefit of FMLA, it will be thoroughly investigated, and may result in formal discipline, up to and including removal from EOP and termination of employment even for the first offense.

#### F. Duration of Agreement

1. Except as expressly provided in Section F.2. and F.3. below, or otherwise modified with mutual agreement between the Company and the Union, this MOA shall become effective on the date signed and shall remain in full force and effect until March 31, 2021, at which



- time either party may elect to cancel the terms of this MOA by providing the other with ninety (90) days written notice.
2. If the threshold for enacting the involuntary Furlough prohibition clause as provided for in Section A.1. of this MOA is not met, this MOA shall become effective on the date signed and shall remain in full force and effect until March 31, 2021, however, either party may cancel the terms of this MOA by providing the other with ninety (90) days written notice.
  3. The terms as set forth in Section D. of this MOA (i.e., forty (40) hour regular Bid Lines) shall become effective on the date this MOA is signed and will remain in full force and effect concurrently with the parties' CBA effective December 21, 2017, to December 21, 2022, as provided in Section 33 Duration, until and unless the parties mutually agree otherwise in writing.

### G. General

1. This MOA is based on facts unique to this matter and is offered on a non-precedential basis. It shall not be cited, offered or relied upon in any manner whatsoever, now or in the future, in connection with any matter involving any other bargaining unit employees or the Union, excluding only a proceeding to enforce the express terms of this specific agreement.
2. The failure to insist upon compliance with any term, covenant or condition contained in this Agreement shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power contained in this Agreement at any one time or more times be deemed a waiver or relinquishment of any right or power at any other time or times.
3. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, all of which together shall constitute one and the same instrument. Photographic and facsimile copies of such signed counterparts will be sufficient to bind the parties to this Agreement and may be used in lieu of the originals for any purpose.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

Dated this 4 day of August, 2020.

Dated this 4<sup>th</sup> day of August, 2020.

**For the Union:**

The Transport Workers Union of America, AFL-CIO

**For the Company:**

Allegiant Air, LLC.

By: 

By: 

Its: President, TWU Local 577

Its: Managing Director of Labor Relations