

**Letter of Agreement**  
**between**  
**PSA Airlines, Inc.**  
**and**  
**THE FLIGHT ATTENDANTS**  
**in the service of**  
**PSA Airlines, Inc.**  
**as represented by the**  
**ASSOCIATION OF FLIGHT ATTENDANTS**  
**Flexible Hiring Rates and Retention Bonuses**

THIS LETTER OF AGREEMENT is made under the provisions of the Railway Labor Act, as amended, between PSA Airlines, Inc. (the Company or PSA) and the Flight Attendants in the service of PSA, as represented by the Association of Flight Attendants–CWA, AFL-CIO (the Association), with both the Company and the Association referred to as “the Parties.”

**WHEREAS**, the Parties wish encourage recruitment and retention of flight attendants at PSA;

**NOW Therefore**, the Parties agree to the following:

*Flexible Hiring Rates*

The Parties agree to add new subsection R to Section 3 of their collective bargaining agreement:

R. Flexible Hiring Rates

1. In the event the Company, in its sole discretion, determines that the Rates of Pay for Flight Attendants with 0-6 months or 7-12 months of service are not sufficiently competitive to attract and retain qualified Flight Attendant candidates, the Company may hire applicants at the Rate of Pay for Flight Attendants with two years of service. As market conditions change, the Company may, in its sole discretion, change its Rates of Pay for Flight Attendants with 0-6 months or 7-12 months of service. Such Rates of Pay may be higher or lower than the previously-designated rates, however, those Rates of Pay may not be lower than the Rates of Pay for 0-6 months of service or higher than the Rates of Pay for 18 years of service.
2. Should the Company raise Rates of Pay as specified in Paragraph 1, above, Flight Attendants who are receiving less than the newly-designated Rate of Pay will have their Rate of Pay concurrently increased to the newly-designated Rate of Pay.

3. A Flight Attendant whose Rate of Pay is increased in accordance with Paragraph 1 or 2, above, will progress to the next higher Rate of Pay of the pay scale on the date such Flight Attendant's length of service catches up with his/her/their adjusted Rate of Pay. This is the same date the Flight Attendant would have progressed to that higher Rate of Pay had the Flight Attendant's pay not been adjusted. For example, a Flight Attendant who is hired at the Rate of Pay for two years of service, will remain at that Rate of Pay from the date of hire until the completion of two years of service, at which time his/her/their Rate of Pay will progress to the rate for three years of service.
4. The Company will notify the MEC President whenever it uses flexible hiring rates.
5. Paragraphs R.1-4, above, will go into effect July 1, 2022, and will remain in effect for the duration of the Parties' current collective bargaining agreement.

#### *Retention Bonuses*

6. Every Flight Attendant who does not have his/her/their Rate of Pay adjusted the first time the Company opts to use flexible hiring rates, will receive a one-time payment of \$1,500, less applicable deductions and withholdings, during the first, regular payroll run occurring after September 15, 2022, provided that the Flight Attendant is employed by PSA on the date of payment.
7. Every Flight Attendant who receives a one-time payment under Paragraph 6, above, will receive an additional one-time payment of \$1,500 (less applicable deductions and withholdings) on the first, regular payroll run occurring after January 15, 2023, provided that the Flight Attendant is employed by PSA on the date of payment.
8. Every Flight Attendant who has his/her/their Rate of Pay adjusted the first time the Company opts to use flexible hiring rates, but who does not receive a total base pay increase of \$3,000 between July 1, 2022, and July 1, 2023, will receive a "top-up" bonus paid in two installments (September 15, 2022, and January 15, 2023) so that their total base pay increases by \$3,000 for the period of July 1, 2022, through July 1, 2023. The Flight Attendant must be employed by PSA on the dates of payment to be eligible for them. "Total base pay" for purposes of this paragraph is based on the Flight Attendant's minimum monthly guarantee.

#### *Commuter Hotels*

#### **Revise Section 6.B.4 of the Parties' collective bargaining agreement as follows:**

4. Training Hotel for Commuter

A Flight Attendant whose status with the Company is listed as a Commuter, who commutes to FAA-mandated annual recurrent training in his/her/**their** domicile, will be provided up to two (2) nights of Company-paid lodging during training. For the purpose of this paragraph, a Commuter is defined as someone who resides ~~one hundred~~ **50** miles or more from the airport serving his/her/**their** domicile and who is designated as a Commuter with the Company. Flight Attendants will be

required to register as a Commuter with the company, and proof of residence may be required. ~~Any change in address for a Flight Attendant registered as a commuter must be communicated to the company within 30 days of said change.~~ **For Flight Attendants in training, the registration form must be completed prior to the completion of IOE.**

Hotel accommodations must be requested through the Company-approved method the month prior to training between 1700 on the 21st of the month, and are due by 1200 on the 23rd of the month.

Once hotel accommodations are secured, it is the Flight Attendant's responsibility to notify the Scheduling Supervisor via e-mail no later than 24 hours prior to the training event when the room is no longer needed.

**Add new Section 6.B.5 to the Parties' collective bargaining agreement:**

5. A Flight Attendant who is a registered commuter and commutes to work a distance of 50 miles or more from his/her/their awarded domicile will be allotted a maximum of \$250 per month to be used for hotels in any of the crew bases.

Commuter hotels may be used before, during, or after a trip or a block of reserve days. Rooms booked at commuter hotels are not required to comply with hotel standards prescribed by other provisions in this Agreement.

Commuting distance will be calculated by using the shortest distance between the Flight Attendant's place of residence and the airport terminal address of his/her/their domicile, according to Google Maps. Toll roads will not be used to calculate the commuting distance, unless the Flight Attendant would normally use toll roads to commute to work. To determine the appropriate month for a commuter hotel expense, the Company will use the date of check in. For example, a Flight Attendant checking into a commuter hotel on June 29 and checking out on July 1 would be required to use his/her/their June commuter hotel allotment.

Flight Attendants who want to participate in the commuter hotel program must register through the Company-approved method for registration. Proof of residence may be required. Flight Attendants who move or become a commuter at a later date must complete the registration form after they have updated their address in Workday. Flight Attendants who want to register as a commuter due to a base change must fill out the registration form prior to the end of the time allotted to relocate to their new base.

All commuter hotel receipts for a month must be submitted in one expense report in Workday no later than the 15<sup>th</sup> of the following month. Incidental expenses incurred during a commuter hotel stay are not reimbursable.

This Section 6.B.5 will go into effect July 1, 2022.

**[Renumber the remainder of Section 6.B accordingly.]**

The parties have signed this Letter of Agreement on this 11th day of June 2022.

For AFA:



Sara Nelson  
President, AFA



Lee Wilkes  
President, PSA MEC

For PSA Airlines:



Lourdmareddy Gumireddy  
Vice President of Inflight and  
Operations Performance



Steven Nigh  
Chief Legal Counsel