

November 10, 2006

Peggy Gordon
AFA-CWA MEC President
47-228 Hui Aeko Way
Kaneohe, HI 96744

Dear Ms. Gordon

This letter confirms our discussion regarding the implementation issues of Document 41. In order to resolve these issues, the parties have agreed as follows:

1. The Company will grant as many ninety-hour (90:00) bid requests as possible. A minimum of twenty-five percent (25%) of bid holders will be granted the ninety-hour (90:00) option unless fewer than twenty-five percent (25%) of bid holders request such option. This will become effective January 1, 2007 for the February bids.
2. The Company will grant as many eighty-five hour (85:00) bid requests as possible. A minimum of twenty-five percent (25%) of bid holders will be granted the eighty-five hour (85:00) option unless fewer than twenty-five percent (25%) of bid holders request such option. This will become effective January 1, 2007 for the February bids.
3. The minimum number of reduced bids will be increased from seven percent (7%) to ten percent (10%). The Company commits that this minimum will not become an artificial maximum.. This will become effective January 1, 2007 with the February bids.
4. Flight Attendants may, at their sole option, elect to waive the thirty-in-seven flying restriction up to thirty-five-in-seven. A Flight Attendant who elects this option when building bids may build her/his bid up to thirty-three hours (33:00) of hard flying (excluding trip rig, deadhead, etc.) in a seven-day period. This will become effective in January 2007 for February bid awards. Effective January 1, 2007, a Flight Attendant may, at her/his sole option, elect to waive the thirty-in-seven flying restriction via trading and/or Drop/Pick-up provisions. A Flight Attendant exercising this provision may schedule her/himself up to thirty-four hours and thirty minutes (34:30) of hard flying (excluding trip rig, deadhead, etc.) in a seven-day period.
5. The NOVA PBS system for Flight Attendants will be upgraded and improved by January 1, 2007.

6. The new bid windows specified in Document 41 will become effective January 1, 2007 for the February bids.
7. The unlimited Drops and Pick-ups specified in Document 41 will become effective January 1, 2007. For the January 2007 bid period, and that bid period only, there will be no Adjustments for growth for any flight attendant who picks up.
8. Effective 1/31/2007, Adjustments will be handled as follows:
 - Section 8.D.1.d. Adjustments: If a flight attendant's pay projection exceeds her/his bid window by one (1) hour or more, she/he may, at her/his option, be adjusted off a trip. Such flight attendant's pay will be the greater of her/his guarantee or actual credited hours. (Example #1: An 85-hour bid flight attendant with a final bid award of 85:15 is projected at 90:45 due to gaining time. She/he is adjusted off a four hour (4:00) combo. Her/his final pay would be 86:45. Example #2 An 85-hour bid flight attendant with a final bid award of 89:30 is projected at 90:45 due to gaining time. She/he is adjusted off a ten hour (10:00) combo. Her/his final pay would be 85:00)
 - The determination of when an adjustment is due shall be made utilizing the "Bid Award Snapshot" method. This requires that a "snapshot" be taken of each Flight Attendant's bid award and determining the difference between the bid award and the adjustment point for her/his applicable bid window. When a Flight Attendant's projection for the month due to growth exceeds the difference between the bid award and the adjustment point for the applicable bid window, she/he will be entitled to an adjustment.

Example 1: An 85-hour bid Flight Attendant has a bid award of 85:15. The adjustment point for the 85:00 bid option is 90:30. The difference between 90:30 and 85:15 is 5:15. This Flight Attendant would have to experience 5:15 or more of growth in her/his projection, whether the growth occurs on a bid trip, a trade, a pick-up trip or a combination thereof, before she/he is entitled to an adjustment. If the same Flight Attendant picks up a 12:00 trip the pick-up trip would not trigger an adjustment. But if the pick-up trip, traded trip, a bid trip or any combination thereof experiences 5:15 of growth, she/he will be entitled to an adjustment.

Example 2: 90-hour bid option. Bid award of 92:00. Adjustment point is 95:30, a difference of 3:30. Flight Attendant picks up a 10 hour trip. New projection is 102 hours so new adjustment point is 105:30 (102:00 + 3:30). If gains put flight attendant projection at 105:30, then she/he may be

adjusted. If adjusted off a 10:00 trip, her/his new guarantee is 95:30
(105:30 – 10:00).

If the above is your understanding of our agreement please sign below.

Sincerely,

Albert J. Pattison
Sr. Vice President Human Resources

Acknowledged and Agreed this ____ day of _____, 2006.

Peggy H. Gordon
AFA-CWA