

MEMORANDUM OF UNDERSTANDING

This Agreement is entered into by and among PSA Airlines ("PSA" or the "Company") and the Air Lines Pilots Association ("ALPA or the Association") (collectively, the "parties").

The parties agree to the following language for clarification of Section 6.A.1 of the Collective Bargaining Agreement between the Company and Association:

Domicile Changes, Relocation Days, and Per Diem:

Section 6.A.1 of the Contract provides that a pilot who changes domicile will be granted four consecutive days to relocate to his base, also known as relocation days (RLDs). This section also provides that a pilot will be given seven days notice to report to the new domicile. Pilots will be eligible for per diem, hotel rooms, and transportation. Further, a GRC decision from 2004 clarifies that RLDs will not take place until the completion of OE.

In an effort to standardize and clarify the intent of the language contained in this Section, ALPA has conferred with the Company to be sure that we have a shared understanding of the application of this important provision. First, a new hire pilot or a pilot who is changing status (upgrading) will not have RLDs placed on his or her schedule until the completion of OE. Once the pilot completes OE, he will be notified of his schedule for the remainder of the month. RLDs will not be scheduled for at least seven days from the completion of OE so that pilots will have reasonable notice to make moving arrangements.

Apart from this simple rule, there are some potential permutations that should be discussed to avoid unnecessary confusion and grievances. It should first be said that while the Company must give a pilot at least seven day notice of RLDs, that is only a minimum. When pilots have multiple domicile changes in consecutive months, every change in domicile may not necessarily result in a set of RLDs for each change.

Consider the following example: A pilot who was a CLT First Officer prior to entering upgrade is awarded a TYS Captain vacancy upon completion of simulator training. He completes his OE on the 18th of May. While in upgrade he was awarded a DAY vacancy effective June 1. When he completes OE, the Company must give him at least 7 days notice so the earliest he could be scheduled for RLDs would be May 25. The Company may, however, choose to continue to pay expenses under the aforementioned Section and schedule his RLDs in June. Since the pilot is based in DAY in June, he will only receive one set of RLDs to move directly from CLT to DAY, skipping the TYS move altogether. This is completely permissible.

The way that expenses (hotel, per diem, and transportation) are paid is also important to note. When a pilot is out of his original base, he is owed per diem and hotel expenses. The Company is also obligated to provide transportation (normally a deadhead) to the new domicile until the pilot is given his RLDs. If the Company should choose to return the pilot to his old domicile at any period between the effective date and the RLDs, per diem and hotel expenses are no longer owed because the pilot has been returned to

