

ASSOCIATION OF FLIGHT ATTENDANTS-CWA, AFL-CIO
FORTY THIRD BOARD OF DIRECTORS MEETING
APRIL 28 – 30, 2015
LAS VEGAS, NEVADA

SUBJECT: Merger Policy

STATEMENT OF QUESTION:

Should the AFA-CWA Merger Policy be updated?

SOURCE AND DATE SUBMITTED: International President - February 27, 2015

BACKGROUND INFORMATION:

The detailed findings of the Merger Policy Committee (MPC) can be found in their Report to the Board published in April 2015. This report addresses the points of discussion and rationales for the suggestions that have become the recommended changes included in this agenda item.

The need to address the Merger Policy was made clear at the April 2014 BOD Meeting in Orlando. The Board of Directors were presented with Advanced Agenda Item #13, which pertained specifically to AFA-CWA Constitution and Bylaws (C&B) Section X.E – Merger of the Master Executive Councils.

With a unanimous recommendation of the Agenda Item Committee and approved by the Board, the issue was expanded as follows:

“...to study and make recommendations that address the entire merger policy contained in Section X, ...give an interim report to the Executive Board, and a final report in the form of an Advanced Agenda Item at the annual BOD meeting in 2015.”

The Merger Policy Committee (MPC) was established by the Board of Directors in its resolution to Agenda Item #13 from the April 2014 Board Meeting in Orlando.

The resolution is presented in its entirety below:

THEREFORE BE IT RESOLVED, that a special committee of five (5) members of the Board of Directors be formed per the provisions of Article V.K.1.c. to study and make recommendations that address the entire merger policy contained in Section X; and,

BE IT FURTHER RESOLVED, the Executive Board will appoint the members of this committee, ensuring that a cross section of our airlines are represented on this committee; and,

BE IT FURTHER RESOLVED, this committee will give an interim report to the Executive Board and a final report in the form of an Advanced Agenda item at the annual BOD meeting in 2015; and,

BE IT FINALLY RESOLVED, that in the current merger between Continental, Continental Micronesia and United, the merging of the MEC's will be contingent upon either ratification of a joint agreement or mutual consent of all three MEC's.

Note: The remit of the MPC did not involve the final "resolved" pertaining to the merger of the three MEC's at United Airlines. The MPC was charged only with recommending Section X updates for prospective mergers, and the committee was very careful not to shape future policy based on experience with circumstances surrounding one particular merger.

The BOD directed that the Executive Board appoint the members of this committee, ensuring that a cross section of our airlines is represented on this committee.

The Executive Board agreed unanimously on the following members, and directed that the International Secretary-Treasurer be the International Officer to facilitate the MPC:

From Airlines with < 500 Members

Jose Torres, CMI MEC Secretary-Treasurer
Anita Jwanouskos, PED MEC President

From Airlines with 501-3000 Members

Deborah Volpe, USA Member (formerly AMW MECP)
Tim Evenson, EDV LEC 48 President

From Airlines with > 3,000 Members

Laura Masserant, ALA LEC 19 President
Denny Wheeling, CAL LEC 64 President
Greg Davidowitch, UAL Member (formerly UAL MECP)
Nancy Frawley, UAL Retiree (Advisor)

PROPOSED RESOLUTION:

WHEREAS, the Board of Directors in session during 2014 decided that the AFA-CWA Merger Policy required clarifications and updates, and thus the Board created the Merger Policy Committee (MPC) to provide an Advanced Agenda Item to the April 2015 BOD Meeting; and,

WHEREAS, the Committee focused upon clarifications and updates to the Merger Policy that consider the following three important tenets of representation: (1) All clarifications and/or changes should consider the effects on representation of members; (2) Protect seniority as is included already in the C&B; and, (3) Be the most advantageous for negotiation of the Joint Collective Bargaining Agreement (JCBA); and,

WHEREAS, the Committee believes that notification of a merger and activation of this policy needs better definition of topics to be considered and time frame to be followed so that all participants will be more aware of the process; and,

WHEREAS, the Committee believes that the importance of protecting of Flight Attendant seniority or “competitive (bidding) seniority” is such that clarifications are necessary to ensure the existing intent is maintained and the process takes place in a timely manner; and,

WHEREAS, the Committee focused discussion on the need to ensure that decision making pertaining to collective bargaining remains under the control of the MEC, includes additional steps to facilitate reaching consensus, and reaches finality much faster; and,

WHEREAS, the Committee believes that clarifications are required to assist MEC’s in merging in a much more timely manner; and,

WHEREAS, the Committee believes that the Merger Policy with respect to non-AFA carriers is not well understood, and requires clarification of the existing meaning;

THEREFORE BE IT RESOLVED, Section X of the AFA Policy Manual be amended as follows:

Section X
Merger Policy and Related Employee Protective Provisions

A. Scope and Purpose

The fundamental scope and purpose of this policy is to provide protection for the employment rights of flight attendants. **Key priorities are to ensure that representation is maintained or enhanced; seniority is protected; and, negotiation of the Joint Collective Bargaining Agreement (JCBA) is facilitated.** This policy shall be applicable when two or more AFA-CWA-represented carriers engage in any merger, consolidation, acquisition of control, purchase, sale, lease or other similar transactions or arrangement between or among them, involving their previously separate airline operations or services previously performed by them as separate airlines, in a manner that may affect the seniority rights of the flight attendants (all hereafter referred to as "merger" for purposes of this policy).

B. Notice of Merger and Activation of Policy

1. ~~Promptly~~ **Within 30 days** after learning of management action to effect a merger, through agreement, notification to a government agency or otherwise, the International President shall notify the Master Executive Council of each affected airline that, in accordance with this procedure, it is their responsibility to meet and activate Union policy and procedures for the settling of **representation**, seniority merger **integration**, and contractual issues.
- 2. When an MEC President is notified by management or becomes aware that a merger or other business transaction is planned, the MEC President shall immediately notify the International President.**
- ~~2.3~~ The International President, in consultation with the affected Master Executive Council, shall take all measures as may be applicable to assure that the affected flight attendants will have access to appropriate labor protective provisions providing for transfer of employment and seniority from one company to another.

4. When a potential merger has been identified, the International President shall convene a Merger Steering Panel (MSP) comprised of the affected airlines' MEC President(s) and professional staff members to include the General Counsel, Director of Collective Bargaining, Staff Negotiator(s), and others as determined necessary for the purpose of facilitating AFA merger policy and support for the elected leaders of the affected Flight Attendants. The role of the Merger Steering Panel (MSP) is to facilitate and assist the Joint Negotiating Committee throughout negotiations process, up to and including ratification of a merged collective bargaining agreement.

5. The International President shall convene **in joint session** the Master Executive Council(s) of each airline affected under the scope of this policy ~~in joint session~~ **within 60 days of public announcement of a pending merger/consolidation.** The purpose of this joint session shall be to brief and orient the ~~participants~~ **elected Flight Attendant leaders** on the provisions of this policy.

a. The agenda for the meeting shall include:

- 1) Review of the proposed business transaction;**
- 2) Discuss AFA position to support, oppose, remain neutral or reserve the right to later take a position on the proposed consolidation;**
- 3) Review of RLA Single Carrier process, rights of union members and role of NMB;**
- 4) Review of AFA Merger Policy - seniority integration, bargaining and representation;**
- 5) Operating by consensus and final decision-making;**
- 6) Role of the Merger Steering Panel and International Officers;**
- 7) Timeline and Coordinated Plan of Action to achieve best conditions for Flight Attendants;**
- 8) Review confidentiality requirements, as appropriate;**

b. Additional topics as necessary related to the proposed consolidation and Flight Attendant/leadership concerns **may be added.**

3-6.The International President, in consultation with the affected Master Executive Council, shall take all measures as may be applicable to assure that the flight operations, equipment and routes of each company party to a merger shall remain separated until such time as the flight attendant seniority lists are merged and the merged seniority list is implemented, subject to appropriate agreements between the parties.

C. Seniority Merger Policy and Procedures

1. Following the joint Master Executive Council meeting under Section B.1., the Master Executive Council shall elect two (2) representatives from their respective seniority lists to serve as merger representatives. In the event a Master Executive Council fails to elect merger representatives within thirty (30) days following the joint session, the International President may, at the International President's discretion and subject to an opportunity for the affected Master Executive Council to be heard by the International President, appoint any member of the Union in good standing from the affected airline to fill any merger representative vacancy. The Master Executive Council or the International President, whoever designates these representatives, will certify them as having complete and full authority to act for and in behalf of the flight attendants of their respective airlines for the purpose of compiling necessary employment data and a single flight attendant seniority list.
2. Compilation of Employment Data
 - a. **The compilation of employment data is the beginning of the process to protect flight attendant seniority, as stated in AFA's Mission Statement and Objectives (Article I.C.4.)**

(1) The merger representatives shall be responsible for determining the seniority number, the date from which each flight attendant accrues competitive (bidding) seniority as a flight attendant on her/his current seniority list (hereafter "seniority date"), the initial date on which each flight attendant commenced operational training attendant to commencing duties as a flight attendant (hereafter "initial training date"), the number of days after initial training date spent by each flight attendant in initial operational training prior to qualification as a flight attendant (hereafter "training days"), whether the flight attendant accrued seniority for any or all such training days and, if so, the number of days accrued. Such data shall be compiled as of the date of the merger agreement between the affected airlines, unless the merger representatives agree to a later date, provided that use of such later date shall not delay the process for compilation of data.

Note:

- (2) It is the intent of this policy that the "seniority date" of a flight attendant shall be the date from which each flight attendant accrues competitive (bidding) seniority as a flight attendant as of the date of the merger agreement between the affected airlines. It is recognized that this seniority date may be different than the flight attendant's initial training date or may have been adjusted for various reasons since the original date on which the flight attendant began to accrue seniority on or after initial training date; in such cases, the "seniority date" is not to be changed back to the original date on which the flight attendant began to accrue seniority.
- b. The merger representatives shall strongly urge the respective carriers to make available for inspection and copying all records necessary to ascertain and to verify such information and data, and the merger representatives of each group shall, at the appropriate time, be entitled to examine the data utilized by the other.
 - c. It is intended that clerical and staff assistance be used to compile this data where practicable and that such data, once compiled, shall be stored by the AFA-CWA office for future use as needed.
 - d. The merger representatives shall forward a statement of their findings via USPS First Class Mail to each active flight attendant and via USPS Delivery Confirmation to all inactive flight attendants within sixty (60) days of their appointment. Notices must be posted on each domicile AFA-CWA bulletin board that this statement has been mailed out to each flight attendant and outline the responsibility of the flight attendant to verify or challenge these findings within the allotted time period. In addition, the integrated seniority list of each respective airline shall be posted along with the notices on the bulletin board and AFA-CWA website. In addition, **all currently employed electronic means should be used, and** if a newsletter is being published during this time period, the information posted on the bulletin board should be included in it.
 - e. It is the responsibility of the individual flight attendant to verify or challenge the findings of the merger representatives within forty-five (45) days of the posting of the seniority list **by replying to merger representatives as designated in the posting.**
 - f. The merger representatives will receive and evaluate all protests and will adjudge the validity of the claim. Their decision will be final and such decision shall be in writing and shall be forwarded to the flight attendant following completion of the hearing, if any, by the means outlined in Section C.2.d. above.

- g. Certified Seniority Lists — Upon completion of the process outlined above, the merger representatives shall promptly and without delay prepare a flight attendant seniority list and shall certify that the list reflects the proper relative position of each flight attendant thereon, and that the information provided is the most accurate information available. The relative position of the flight attendants on their respective seniority lists shall be maintained. Such list shall contain the following information compiled pursuant to Section 2.a. above pertaining to each individual listed: seniority number, name, seniority date, initial training date, training days, whether the flight attendant accrued seniority for any or all such training days and, if so, the number of days accrued.
 - h. The merger representatives involved in a merger may, by mutual agreement and with the approval of the International President, make adjustments for compilation of employment data and related time limits, using existing policy as a guide, but shall otherwise follow existing policy.
 - i. The International President may adjust the date for commencing compilation of employment data and related time limits until the International President determines that there is a reasonable probability that the merger will be consummated. The International President may also adjust such date and related time limits until there are reasonable assurances that the affected flight attendants will have access to appropriate labor protective provisions providing for transfer of employment and seniority from one company to another
3. Compilation of Merged Seniority List
- a. Implementation of the policy beyond preparation of the certified seniority lists pursuant to Section C.2.h. above shall be held in abeyance until the International President determines that there is a reasonable probability that the merger will be consummated. The International President may further hold implementation of policy beyond preparation of certified seniority lists in abeyance until there are reasonable assurances of labor protective provisions for transfer of employment and seniority from one company to another.
 - b. Within ten (10) days following the International President's determination pursuant to Section C.3.a. above, the merger representatives shall meet and exchange their findings. Data pertinent thereto and pertinent to the solution of integration problems will be made available to all representatives, including available information on policies of each airline relating to seniority accrual for training days.

c. Within twenty (20) days following the meeting under Section C.3.b. above, the merger representatives will meet again and compile a merged seniority list. If all flight attendants on both seniority lists were subject to the same policy regarding seniority accrual for training days, the merged seniority list will be compiled based upon the seniority date of each flight attendant.

(1) In the event that this is not the case, the merger representatives will compile a merged seniority list based upon adjusted **bidding** seniority date, the only adjustment to seniority date as defined in Section C.2.a. above, being reconciliation of differences in policies on the respective carriers relating to seniority accrual for training days so that each flight attendant on the merged seniority list receives credit for her/his training days.

(2) The merger representatives are empowered to compromise their differences over reconciliation of such training policies to the extent necessary to reach an agreement on a merged seniority list, provided that each flight attendant on the merged seniority list receives credit for her/his training days. **In the event that that all training dates cannot be identified, the merger representatives shall agree upon a methodology that can be applied in a consistent and equitable fashion.**

(3) **The merger representatives must also agree upon a methodology to integrate members from different seniority lists that have the same-date bidding seniority.**

(4) In compiling the merged seniority list, whether by seniority date or adjusted seniority date, the relative position of the flight attendants on their respective seniority lists shall be maintained and the merger representatives shall not have the authority to alter the relative position of any flight attendant to others on her/his own list for any reason. For purposes of completing their functions, the merger representatives must list the names of all flight attendants in integrated order on a merged list.

4. Arbitration

- a. In the event that the merger representatives have not completed the integrated seniority list within thirty (30) days of commencing their meetings under Section C.3.c. above, any remaining data disputes and any issues remaining in dispute between the parties under Section C.3.c. shall be resolved by final and binding arbitration as provided below.
- b. The merger representatives, within thirty (30) days of commencing their meetings under Section C.3.c. above, shall agree upon a Neutral who will agree to arbitrate the dispute. The Neutral shall be from a list of five (5) Neutrals approved by the Union. The list of Neutrals shall be provided to the merger representatives at least five (5) days before the meeting. If the parties fail to agree on a Neutral from the list, the merger representatives for each carrier shall alternately strike from the list until only one name remains, the party striking first to be determined by a toss of a coin. The final name remaining on the list shall be asked to serve. If that person is unable or unwilling to act as the Neutral, then the final name stricken shall be asked to serve, and so on, until a Neutral has consented to serve.
- c. Arbitration before the Neutral will commence no later than ten (10) days after the end of the thirty (30) day period provided for meetings by Section C.3.c. above or as soon thereafter as the Neutral is available. The Neutral shall have the only vote and shall be the sole signatory to the award. The award of the Neutral shall be issued within thirty (30) days following the close of the hearings, or within sixty (60) days following the commencement of arbitration, whichever occurs first, unless the merger representatives mutually agree to extend such time limit with approval of the Neutral.
- d. The Neutral shall **provide a decision within 30 days that will** resolve only the issues remaining in dispute between the parties, including any data disputes, but shall confirm through the award the areas upon which the groups agree.
- e. The Neutral shall merge the flight attendant seniority lists, by seniority date or adjusted seniority date in accordance with the directives set forth in Section C.3.c. above, by resolving issues remaining in dispute between the parties, provided that the Neutral shall have the authority to interpret Section C.3.c. to resolve issues in dispute between the parties, provided further, that the relative position of the flight attendants on their respective seniority lists shall be maintained and the Neutral shall not have the authority to alter the relative position of any flight attendant to others on her/his own list for any reason. For the purposes of the award, the merged seniority list must list the names of all flight attendants in integrated order. Additional data may be included if the Neutral so designates.

- f. The award of the Neutral shall be final and binding on all parties to the arbitration and shall be defended by the Union. The Neutral shall include in the award a provision retaining jurisdiction until a merged agreement incorporating the award has been concluded, for the limited purpose of resolving disputes which may arise between the flight attendant groups with regard to the meaning or interpretation of the award.
- g. The merger representatives of the affected airlines shall be charged with the preparation of their contentions regarding the merger and their subsequent presentation before the Neutral. Such contentions may be made orally or may be made in writing as the representatives shall deem advisable.
- h. This award to resolve individual seniority dates should in no way delay the delivery of an integrated seniority list once the JCBA is ratified. Any data corrections resulting from the arbitration may be corrected after delivery of the integrated list, if necessary.**

5. Additional Flight Attendant Group

If, prior to reaching an agreement on an integrated seniority list or prior to the beginning of arbitration hearings under this policy, the interest of another flight attendant group is projected into the seniority integration problem, said meetings or arbitration may be delayed at the discretion of the International President of the Union. Such delay shall be for the purpose of allowing the additional flight attendant group to become a party to the procedures in progress under this policy. In the event such delay is invoked, the International President shall set the extent of such delay not to exceed an amount of time consistent with the circumstances.

D. Contractual Protection

1. The Union shall seek to incorporate into all employment agreements the strongest and most effective protection possible covering mergers and similar arrangements as defined above. Such protection may include, but not be limited to contractual successor and survival provisions, contractual labor protective provisions, scope clauses, and use of Section 6 openers under the Railway Labor Act.
2. Within thirty (30) days following the joint MEC meeting under Section B.1., each of the affected MEC(s) shall appoint two (2) members from each carrier participating in merged contract negotiations to the joint negotiating committee for the purpose of jointly obtaining interim safeguards, including a fence agreement with management, and merging the employment agreements. The Master Executive Council President of the respective airlines shall be ex-officio members of such committee, until merger of the Master Executive Councils, at which time the President of the merged Master Executive Council shall be a member in accordance with Union policy. The International President shall closely monitor the preparation of opening proposals for interim safeguards and a merged agreement and all attendant problem areas and shall, if necessary, appoint a ~~President~~ **Chairperson** of the joint negotiating committee to function until merger of the Master Executive Councils.
 - a. The International Secretary-Treasurer of the Union shall establish a budget for merger- related negotiations, including obtaining interim safeguards and merging the employment agreements. Such budget shall be approved by mail ballot of the Executive Board, unless the Executive Board or Board of Directors is scheduled to meet within sixty (60) days of the joint Master Executive Council meeting under Section B.1. in which event the budget shall be approved by the applicable Board in session.
3. In no event, except by decision of the merged Master Executive Council, will the company be given the right to use the merged seniority list prior to the successful conclusion of the merged ~~working agreement~~ **collective bargaining agreement**.

4. The members of the negotiating committee shall have complete and full authority to resolve any and all trackage disputes between the flight attendant groups including those arising from the interpretation or implementation of any agreement embodying interim safeguards.

a. The JNC, with support from the MSP, shall fully prepare for merged contract negotiations. The preparation process should be completed within 180 days of the financial closure of the business transaction or sooner:

(1) The MSP shall facilitate an initial training of new JNC members within 30 days of appointment and no later than 30 days following the financial closure of the business transaction, or conduct a new training within 30 days of appointment of a JNC member,

(2) A survey/polling of the membership will be completed within 60 days of initial training of the JNC and no later than 60 days following the financial closure of the business transaction;

(3) While the survey/polling is being conducted, the committee will conduct a review of the respective agreements to identify commonalities, differences, areas of cultural preference, benefits of each agreement and unique issues associated with specific air service. The committee shall also conduct a review of collective bargaining agreements and employment terms at comparable airlines;

(4) The work of the JNC, industry comparisons and membership feedback/polling results shall be used as the committee completes the union's opening position ("opener") for negotiations within 180 days of the financial closure of the business transaction;

(5) The MSP will facilitate JNC consensus decision-making.

(6) If consensus is not achieved, the JNC shall utilize dispute resolution procedures outlined in Section X.D.4.c.;

b. The MEC President may petition the International President to modify the time parameters within this process if such modification supports a strategic plan to improve the union's position at the bargaining table in order to achieve a ratified agreement.

c. In the event that the members of the negotiating committee are unable to resolve a dispute **reach consensus**, the International President shall **convene the Merger Steering Panel (MSP) for the purpose of facilitating a resolution process to achieve the opener and make negotiations decisions within the union's control, up to and including ratification of a merged collective bargaining agreement:**

- (1) If the JNC is unable to complete the opener within 180 days of the financial closure of the business transaction, outstanding differences will be submitted to mediation (utilizing federal or professional mediation services secured by the union) within seven (7) days. Mediation shall convene and conclude within 30 days of submission, subject to extension of mediation proposed by the JNC/MSP and approved by the International President;**
- (2) If all issues are not resolved through mediation, the International President shall call a meeting with the MSP, including the MEC President, for purpose of providing a final recommendation to the Joint Negotiating Committee;**
- (3) If the JNC is still unable to reach consensus, the MSP may recommend that the MEC appoint a new committee to conclude the process within 247 days of the financial closure of the business transaction;**
- (4) Per Section X.D.2, the International President may appoint a Chairperson of the JNC, with authority and purpose of reaching a final decision on all outstanding issues within 247 days of the financial closure of the business transaction;**
- (5) The MEC President may petition the International President to modify the time parameters within this process if such modification supports a strategic plan to improve the union's position at the bargaining table in order to achieve a ratified agreement.**

d. If resolution is not achieved through the steps above, within thirty (30) days ~~of notification,~~ **the International President shall** provide the negotiating committee members with a list of five (5) Neutrals, from which the negotiating committee members shall select an arbitrator by alternately striking from the list until only one name remains. All such arbitration proceedings shall be expedited, **to convene within 30 days of arbitrator selection. In no event shall the arbitration hearing take more than one week, and the award shall be made within 30 days of the arbitration. The hearing testimony and proceedings shall remain confidential to the union to ensure management negotiators are only advised of a single position from the union.** All flight pay loss, costs and expenses of such arbitration proceedings, including the ordinary and necessary expenses and fees of the Neutral, **must be pre-approved by the International President, and** shall be borne by the respective groups incurring such expenses. The award of the Neutral shall be the position of the Union with the carrier.

E. Merger of Master Executive Councils

1. Within thirty (30) days following the ~~effective date of~~ **financial closing of the** merger between the affected airline corporations, the International President shall convene the Master Executive Councils of each airline in joint-session for the purpose of **outlining the process of** merging the Master Executive Councils into a single Master Executive Council.

a. The agenda shall include but not be limited to the following:

- (1) Schedule for** electing Master Executive Council Officers;
- (2) Existence of two collective bargaining agreements;**
- (3) Status of MEC Committees and/or need for separate committees specific to each contract;**
- (4) Merger of Local Executive Councils;**
- (5) Alignment of Budgets;**
- (6) Consideration of office leases and assets;**
- (7) Role of the International Officers;**
- (8) And such other business as required under the circumstances.**

- b.** The International President or International President's designee shall ~~conduct such meeting until elections have been completed~~ **ensure this process is completed no later than 90 days after the financial close of the merger.**

- ~~a.c.~~ The terms of the Master Executive Council Officers elected shall be for the remainder of the term of Officers on the surviving carrier. If a new corporate entity is established, the merged Master Executive Council shall be assigned to ~~Election Group I~~ **an Election Category by the International Secretary-Treasurer.**

- d. When an MEC is merged but still operating with two collective bargaining agreements, decision making that affects one CBA or the other, will rest with MEC members of the respective previous MEC.**

~~b.e.~~ Local Councils at those bases where a duplication of Councils exists shall continue in existence until the signing of a merged working agreement. The Local Council Officers or their successors in such Local Councils shall likewise continue in office until elections in the combined Local Councils are completed.

- (1) Within thirty (~~30~~) **(90)** days after the signing of a merged working agreement, the International Secretary-Treasurer of the Union shall initiate Local Council Officer elections at those bases where a duplication of Councils exist. The Council identity of the combined Local Councils shall be that of the surviving carrier. If a new corporate entity is established, the Council number shall be that of the lowest rank of the former Councils at the domicile.
- (2) Any election category imbalance that may result from the merger of Councils at a domicile shall be realigned by the International Secretary-Treasurer of the Union.
- (3) The successful Local Council Officer candidates shall continue in office for the term established for the election category involved.

~~e.f.~~ In the event of a merger between two single Council airlines, the two Local Council Presidents shall be the members of the merged Master Executive Council, subject to being combined into a single Local Council under Section E.I.b. above.

2. The merged Master Executive Council shall determine its committee structure and committee members in accordance with the Constitution and Bylaws and applicable policy, subject to the following:
 - a. The negotiating committee shall include at least one member from each affected airline until completion of a merged agreement.
 - b. The Master Executive Council shall maintain separate grievance committees and System Board members for each affected airline until completion of a merged agreement.
 - c. Should a seniority merger representative become unwilling or unable to continue in office after merger of the Master Executive Councils, the Master Executive Council members from the affected airline shall select a replacement from their seniority list. Such replacement shall have all the duties, responsibilities, and authority of the predecessor. Pending such selection, the remaining merger representative shall continue to function in all respects under this policy.
3. The International Secretary-Treasurer of the Union shall recalculate the Budget of merged Master Executive Councils according to the formula established for the calculation of all Master Executive Council budgets.

F. Office Retention of Merger Records

At the conclusion of a merger or proposed merger, all factual material related thereto which was gathered under Union policy and at Union expense will be turned over to the **International** Office for filing.

G. Expenses and Flight Pay Loss Authorized in Merger Cases

1. The Union will assume the cost of ordinary and necessary flight pay loss and expenses for merger representatives selected pursuant to Section C.1, in amounts currently provided by Union policy, while implementing AFA-CWA seniority merger policy and procedures **as described in Sections X.C.1, .2, and .3. In addition to flight pay loss, expenses may include travel costs of the committees, the costs of mailing the findings of the merger representatives to the members, and other related expenses as approved by the International President. Expenses will be reimbursed** up to the following limitations:

Notice of merger through meeting to select Neutral

Limit of two (2) months flight pay loss and expenses for each merger representative for up to 3,000 members; limit of three (3) months flight pay loss and expenses for each merger representative for over 3,000 members.

Arbitration

Limit of one (1) month flight pay loss and expenses for each merger representative.

2. When arbitration is necessary under seniority merger policy, the Union, in addition to the foregoing expenses of merger representatives, will assume the following costs entailed in the arbitration proceeding:
 - a. Ordinary and necessary expenses and fees of the Neutral as agreed upon by the Union
 - b. One original transcript of evidence and one set of exhibits taken at the arbitration proceedings.
3. Expenses incurred by any group of merging flight attendants, other than the above, must be paid by the respective groups incurring such expenses.

H. Payment of Legal Fees in Merger Cases

The Union shall not, under any circumstances, pay any of the legal fees of attorneys retained by a Master Executive Council or by merger representatives or by flight attendants or otherwise incurred by flight attendants in merger cases.

I. Seniority Merger Assessments and Funds

1. All balloting for assessments for seniority merger purposes shall be conducted only upon the request of the designated merger representatives to the International Secretary-Treasurer of the Union. All such assessments shall be approved by a majority vote of valid ballots returned by active members in good standing on the affected airline, in a secret mail ballot membership referendum conducted by the International Secretary-Treasurer of the Union in accordance with Union voting procedures.
2. All funds derived from a seniority merger assessment shall be held by the designated merger representatives, in a separate account, and disbursed solely for implementation of AFA-CWA merger policy. All disbursements shall be based upon written invoices. Books and records showing income and disbursements shall be maintained in a format approved by the International Secretary-Treasurer of the Union.
3. All funds derived from a seniority merger assessment shall be recorded in a manner showing the amount paid by each member. After the jurisdiction of the Neutral is terminated pursuant to Section C.4.e. above, no expenses thereafter incurred will be chargeable to the assessment fund. Within six (6) months thereafter, all appropriate remaining bills shall be paid and all unexpended funds derived from assessment shall be returned, on a pro rata basis, to the members who paid the assessment.
4. The merger representatives shall report quarterly to the membership and International-Secretary-Treasurer of the Union on income and disbursements, and shall make a final report within thirty (30) days after terminating the fund.
5. The International Secretary-Treasurer of the Union or a designee may inspect, audit and copy the books and records of the assessment fund at any time upon reasonable notice.

J. Merger with Non-AFA-CWA Carrier

1. In the event of merger with an airline where the flight attendants are not then represented by AFA-CWA, the International President shall convene the Master Executive Council and Organizing Committee of the AFA-CWA carrier at an appropriate time after learning of management action to effect a merger, through agreement, notification to a government agency or otherwise. The functions of such meeting shall include briefing and orienting the participants on merger-related matters and commencing a program in conjunction with the International Office for the protection of the employment rights of the AFA-CWA flight attendants, protecting the AFA-CWA representation, and organizing and related activities for the purpose of assuring AFA-CWA representation on the merged carrier. The meeting shall include a review of AFA-CWA merger and organizing policies.
2. Seniority integration with a non-AFA-CWA carrier shall, to the extent legally possible, be accomplished by compiling an integrated seniority list in the same manner as provided for seniority integration between flight attendants on AFA-CWA carriers.
3. The Executive Board (or the International President, where necessary pending Executive Board action), may authorize legal and related expenses for seniority merger purposes, up to the time that AFA-CWA acquires representation for all flight attendants of the merged carrier.
4. Maintaining AFA-CWA representation rights through a merger and on the merged carrier shall be considered a priority under AFA-CWA organizing policy.
5. **For clarity, this Merger Policy recognizes the realities associated with passage of time. While a carrier may be non-AFA at the time of the merger, this may change as a result of single carrier status and the single representative determined by the National Mediation Board (NMB). AFA's policy applies to the combined group of Flight Attendant once the union becomes the representative as determined by the NMB. Section X.J. does not have application once AFA becomes the certified representative of the combined group.**