



September 4, 2015

How do we compare?

The ARW Tentative Agreement in the Fee-for-departure segment

This email will summarize some of the comparisons between our current contract, our Tentative Agreement, and other contracts and TAs for 50-seat aircraft at our peer fee-for-departure airlines. Instead of comparing language, we present here raw numbers so you can see the monetary value in each contract.

Our first comparison is **basic pay rates**. We have taken a snapshot at various years of service, so we show first officer rates for years 1, 4 and 8 and captain rates for years 1, 6, 12 and 18. All of these rates are for 50-seat turbojet aircraft except PSA, which uses a blended rate for the CRJ-200/700/900. In addition, we are the only carrier that offers both duty and trip rigs; ASA offers a 1:2 duty rig (up to 12 hours, then it is 1:1), and starting in 2016 SkyWest will offer a trip rig of 1:4 similar to ours.

We will then look at other items such as our **monthly guarantees, per diem**, and how additional flying on top of our bid schedules is paid (**premium pay**).

Finally, we will look at how our **health care insurance** contribution compares across contracts; and how much and on what schedule the company will contribute to our **retirement plans**.

This email is just a small part of a Full Language TA comparison. What we want to focus on here are the major contractual items that determine how much we end up getting paid at the end of the day. It is important that you read through the Bullet Point Summary, and the Full Language TA when it becomes available, and look at all the aspects of the TA before you make your decision on ratifying this agreement.

Pay Rates

Here is how 50-seat turbojet pay rates compare as of October 1, 2015:

	ARW curre nt	ARW 2015 TA	ENY 2015	PDT 201 5	PSA 201 5	PCL 201 4	MA G 200 8	MA G 201 5 TA	TSA 2015	TSA 2015 TA	RJE T 200 3	ASA 2011	XJT 200 9	SKY W 2015
Ye	27.6	29.0	25.8	24.	24.	25.	22.	22.	25.2	35.8	22.	23.2	23.	30.0

ar 1 F/ O	4	0	4	24	24	28	18	40	9	1	95	3	05	0
Ye ar 4 F/ O	43.7 6	43.7 6	39.7 8	39. 49	38. 96	37. 73	34. 56	34. 91	40.5 8	41.6 8	36. 62	39.7 9	38. 88	41.2 1
Ye ar 8 F/ O	49.2 4	49.2 4	42.7 0	39. 49	38. 96	37. 73	37. 43	37. 80	44.3 3	44.3 3	36. 62	43.5 9	43. 76	46.4 6
Ye ar 1 CA	65.1 5	65.1 5	65.0 3	57. 86	62. 81	59. 51	54. 30	54. 84	62.8 4	62.8 4	55. 74	56.9 5	61. 42	61.4 4
Ye ar 6 CA	77.4 0	77.4 0	75.3 9	72. 67	75. 27	68. 99	62. 95	63. 58	74.5 2	74.5 2	69. 07	70.4 7	71. 21	73.0 9
Ye ar 12 CA	92.7 9	92.7 9	82.0 7	86. 14	89. 07	82. 37	75. 19	75. 94	89.0 3	89.0 3	83. 29	84.9 8	84. 18	88.2 4
Ye ar 18 CA	107. 67	107. 67	100. 30	86. 14	89. 07	82. 37	80. 93	81. 74	102. 96	102. 96	98. 32	100. 30	96. 68	104. 48

And in two years - effective October 1, 2017:

	ARW curre nt	ARW 2015 TA	ENY 2015	PDT 201 5	PSA 201 5	PCL 201 4	MA G 200 8	MA G 201 5 TA	TSA 2015	TSA 2015 TA	RJE T 200 3	ASA 2011	XJT 200 9	SKY W 2015
Ye ar 1 F/ O	28.4 8	30.4 5	25.8 4	25. 02	24. 81	25. 28	22. 18	23. 08	25.2 9	36.8 9	22. 95	23.2 3	23. 05	30.0 0
Ye ar 4 F/ O	45.0 8	45.0 8	39.7 8	40. 77	40. 09	38. 49	34. 56	35. 96	40.5 8	42.9 4	36. 62	39.7 9	38. 88	41.8 3
Ye ar 8 F/ O	50.7 3	50.7 3	42.7 0	40. 77	40. 09	38. 49	37. 43	38. 95	44.3 3	45.6 7	36. 62	43.5 9	43. 76	47.1 6

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Year 1 CA	67.12	67.12	65.03	59.03	64.18	60.70	54.30	56.50	62.84	64.74	55.74	56.95	61.42	62.36
Year 6 CA	79.74	79.74	75.39	74.13	76.90	70.38	62.95	67.30	74.52	76.77	69.07	70.47	71.21	74.19
Year 12 CA	95.60	95.60	89.12	87.87	91.00	84.03	75.19	78.24	89.03	91.72	83.29	84.98	84.18	89.56
Year 18 CA	110.93	110.93	101.03	87.87	91.00	84.03	80.93	84.22	102.96	106.07	98.32	100.30	96.68	106.05

Notes on pay rates:

1. PSA rates are a blended CRJ-200/700/900 rate.
2. PSA, PDT and PCL F/O rates cap at year 4 and CA rates cap at year 12.
3. PDT rates are effective when the first EMB-145 enters revenue service, expected November, 2015.
4. ENY will cap CA rates at year 12 and F/O rates at year 4 effective 1/1/2016 if they meet flow criteria to American Airlines – otherwise the cap will not pertain for 2016.

Key to carriers:

ARW – Air Wisconsin ENY – Envoy Air PDT – Piedmont PSA –
PSA Airlines MAG – Mesa Air Group
TSA – Trans States RJET – Republic Airlines ASA – Atlantic Southeast XJT –
ExpressJet SKYW – SkyWest

Guarantees / Min Day / Per Diem

Our base annual pay is our hourly rate times our monthly guarantee, multiplied by 12. Essentially, this is what you would get paid per year if you don't voluntarily take time off. Compare this to someone's "base salary" in the outside (9-to-5) world.

	ARW current	ARW 2015 TA	ENY 2015	PDT 2015	PSA 2015	PCL 2014	MAG 2008	MAG 2015 TA	TS 20
Lineholder guarantee	75	75	72	75	75	75	75.83	76	
Reserve guarantee	75	75	75	75	72	75	75.83	76	

Here is what the value of a day is. This is the minimum we will get paid for a day at work. It also forces schedule construction to build pairings that don't go below this, as it is money the company has to pay us where we aren't actually working.

	ARW current	ARW 2015 TA	ENY 2015	PDT 2015	PSA 2015	PCL 2014	MAG 2008	MAG 2015 TA	TS 20
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<i>Minimum pay per duty period</i>	3.0 (see note)	3.0	3.7	4.0	3.5	4.0	See note	3.9	None	None
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Notes on minimum day value:

1. Pairings can be declared “no min day” but only in initial pairing construction.
2. Min day typically does not apply for voluntary leg drops.
3. MAG will credit a pilot 4 hours if a pilot’s trip is cancelled and the pilot is put on reserve status. There are other conditions that pay a pilot less than that for mechanical cancellations.

We get paid per diem from the time we start duty on a trip until we duty off at the end of that trip. Per diem is non-taxable except for day trips where you don’t go into an overnight away from your domicile. Rates are per hour. (We see this as the TAFB - Time away from base - value on a trip pairing.)

	ARW current	ARW 2015 TA	ENY 2015	PDT 2015	PSA 2015	PCL 2014	MAG 2008	MAG 2015 TA	TS 20
<i>Per Diem</i>	1.60	1.75	1.85	1.70	1.70	1.70	1.44	1.50	
<i>Per Diem adjustment</i>	None	None	0.05 per year	None	1.75 4/1/16, 1.80 10/1/17	None		Annual by CPI	

Premium Pay

How we get paid for flying above what we are schedule for varies on how we get that flying. We’ll try to summarize premium pay in a table here as best we can, as there are several very different schemes how carriers define premium pay. Percentages cited are of your seat/longevity rate.

	ARW current	ARW 2015 TA	ENY 2015	PDT 2015	PSA 2015	PCL 2014	MAG 2008	MAG 2015 TA	TS 20
<i>Voluntary pickup of flying</i>	150%	100% or 150%	150% or 200%		See note	150%	See note	100%	150%
<i>Involuntary added flying (junior man)</i>	150%	200% see note	See note	See note	See note	150% or 200%	200%	200%	See note
<i>Holiday pay</i>	None	None	200%	None	None	None	None	150%	No

Notes on Premium pay:

1. ARW currently does not publish “straight time” open flying, but will under the TA. Additional junior man options with TA.
2. ENY voluntary pickup is 150%, but designated “critical pickup” flying is 200%. Holidays are automatically designated as critical pickup days. Junior man pay is 200% for legs not on original schedule; 200% with 4 hour minimum on a scheduled day off.
3. PDT junior man options are 4 hours and credit towards annual JM cap or credit towards JM cap and an additional day off.
4. PSA voluntary pickup is 125% for “non critical” at actual block flown; “critical” flying is the greater of 4 hours or 150% of actual block flown. Junior man pay is the greater of 4 hours or 175% of actual block flown.
5. PCL involuntary flying paid at 150% on a workday, and 200% if flown on a scheduled day off.
6. MAG may declare some open time as critical flying and offer “incentives” for it.

7. TSA junior man pay is the greater of 4 hours or 150% of actual flight time for line holders; 125% for a RSV on a scheduled day off.
8. RJET junior man pay is the greater of 4 hours or actual flight time. Holiday pay is 4 hours above monthly guarantee.
9. SKYW uses incentive pay: 115% if picked up within 15 days, 130% if picked up within 10 days, or 150% if picked up within 5 days. The 115% and 130% is also keyed on RSV coverage.

Health Insurance

Now, let's take a look at our health care insurance contribution. This is the amount we will pay towards the annual insurance premium; the company pays the rest. These numbers only depict the percentage of the total premium that we pay; the actual premium cost as a dollar amount is calculated every year based on past history and other data that insurance actuaries use to calculate the new premium value. Keep in mind that the quality of the insurance plans is something that cannot be quantified in a data table.

	ARW current	ARW 2015 TA	ENY 2015	PDT 2015	PSA 2015	PCL 2014	MAG 2008	MAG 2015 TA	TS 20
1/1/2016	25%	27%	31%	See note	33%	35%	See note	See note	Se no
1/1/2017	25%	27%	32%		35%	35%			
1/1/2018	25%	27%	33%		35%	35%			
1/1/2019	25%	27%	34%		35%	35%			
1/1/2020	25%	27%	35%		35%	35%			

Notes on insurance:

1. PDT currently pays 17%; will pay 18% on the first day of the month following 60 days after the fourth jet aircraft enters revenue service, then 23% after another 12 months, 28% after 24 months, 33% after 36 months, and 35% after 60 months.
2. MAG does not define the percentage pilots will pay other than to state that benefits will be offered at the same terms as to other company employees. They carry similar language in their TA.
3. TSA is currently capped at 38% for pilot-only plans and 50% for all others. Under their TA, their caps will be 29% for pilot-only plans and 34% for all others (not including a 2% administrative fee).
4. RJET pilot contribution per the 2003 contract is \$15 per pay period for pilot only coverage, \$25 for pilot and spouse, and \$35 for pilot and family. "Should the cost of such insurance increase, the Company may require greater contributions from pilots."

Retirement

Finally, we will compare retirement plans. All retirement plans are 401(k) plans so once the money is in your retirement account, the company cannot take it - unlike the pension plans the legacy carriers had prior to last decade's bankruptcies. This table shows generally shows the maximum amount of your contribution the company will match, so if it says "3%" the company will match your contribution up to that amount. If you contribute 2% of your pay, the company matches that amount. If you contribute 4% of your pay, the company will pay in 3%. Please see the notes, as not all contribution plans are the same.

	ARW current	ARW 2015 TA	ENY 2015	PDT 2015	PSA 2015	PCL 2014	MAG 2008	MAG 2015 TA	TS 20
1 YOS	See note 1% for 3-4%		No data	50% of 6%	50% of 2%	3%	3%	See note	25

2 YOS	2% for 5-6% 3% for 7% 4% for 8% 5% for 9%		50% of 6%	50% of 2%	3%	3%		2%	2%	2.5%
3 YOS			50% of 9%	50% of 2%	3%	3%		2%	3%	2.5%
4 YOS			50% of 9%	50% of 2%	3%	3%		2%	3%	2.5%
5 YOS			50% of 9%	50% of 4%	4%	3%		3%	3%	4%
6 YOS			50% of 9%	50% of 4%	4%	3%		3%	3%	4%
7 YOS			50% of 9%	50% of 8%	4%	3%		3%	3%	4%
8 YOS			50% of 9%	50% of 8%	4%	3%		3%	4%	4%
9 YOS			50% of 10%	50% of 8%	4%	3%		3%	4%	4%
10+ YOS			50% of 10%	75% of 8%	5%	3%		3%	4%	6%

Notes on Retirement:

1. ARW company contributions are not keyed to a pilot's longevity. The company contributes 3%.
2. PDT pilots hired after 9/1/2002 get a 1% company contribution.
3. PSA pilots get a company contribution of 1.5% for 1-4 YOS, 2% for 5-6 YOS, 2.5% for 7-9 YOS, and 3.5% for 10+ YOS.
4. MAG pilots will be offered the same 401(k) benefits as other MAG employees. At DOS + 24 months, pilots will get the greater of the company match offered to other employees or a 3% guaranteed contribution.
5. SKYW data are for "non-HCE" pilots; "HCE" pilots' contributions are 1% less but they get a 1% paycheck match.