

Letter of Understanding on the Compromise Resolution
of the Grievance of Ronald N. Hansen

This letter of understanding dated 27 October, 1971 and revised 08 November 1971 is subject to ratification by the Company and by the Board of Directors' of FEPA.

1. The Company and FEPA each disagree with the other's interpretation concerning the authority of the Company to furlough out of seniority under Section 11.C.11 and Section 6.D.4 of the FEPA Agreement.
2. The Company and FEPA agree that security is also within the valid qualification criteria of Section 10.A.3 of the FEPA Agreement.
3. The Company and FEPA agree that where Section 10.A.3 qualification criteria exist, the Company can furlough out of seniority.
4. The Company and FEPA agree that in programs designated as Special Assignments, where valid Section 10.A.3 qualification criteria exist, once crewing has been established such crewing is immune from normal bid, displacement and furlough procedures for the length of the program except as noted below :

Composition of established crew membership in such programs shall remain unchanged until a crewmember wishes to leave or until the nature of the program changes so that valid Section 10.A.3 qualification criteria no longer exist.

5. The Company and FEPA agree that seniority rules will apply within all programs designated as Special Assignments.
6. The Company agrees that it will not furlough out of Seniority in the C-130 program in the future, unless the nature of this program shall change to bring it within Section 10.A.3.
7. The two furloughed pilots affected by the Company's past action of furloughing out of seniority in the C-130 program will as part of this compromise receive an extension of the date of their respective furloughs of one half the time between the date of such furlough and the date of this Agreement.

In witness whereof the parties hereto have executed this Agreement as of the date written above.

WITNESS

[Signature]

James W. Walker
James W. Walker
For: Air America, Inc.

WITNESS

[Signature]

John C. McRainey
John C. McRainey
For: Far East Pilots Association

The above letter of understanding is ratified by the undersigned this 8th day of November 1971.

WITNESS

[Signature]

James W. Walker
James W. Walker
For: Air America, Inc.

WITNESS

[Signature]

Jesse Walton
Jesse Walton
For: Board of Directors
of Far East Pilots Association