

LETTER OF AGREEMENT #1 O.E. Scheduling

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THIS LETTER OF AGREEMENT (hereinafter, "LOA") is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between, Atlas, Air, Inc. (hereinafter, "Company") and the Pilots and Flight Engineers (hereinafter, "Crewmembers") in the service of the Company, as represented by the International Brotherhood of Teamsters, Airline Division (hereinafter, "IBT" or "Union").

WHEREAS, this Letter of Agreement sets forth the parties' agreement concerning bidding of monthly schedules and bidding rights (including Extension Days) for Crewmembers requiring Operating Experience (OE Crewmembers), i.e., Crewmembers who have completed ground and flight training and require supervised operating experience (OE)).

THEREFORE, BE IT RESOLVED:

1. **Days Off Prior to Commencing OE.** A Crewmember shall receive five (5) days off at his residence or other mutually agreeable location after completing ground school and flight training in accordance with Section 25.I.3.b. The Crewmember may waive this requirement in whole or part.

2. **Work Days Remaining in Bid Month in Which Ground School and Flight Training Are Completed.** If there are days remaining in the Bid Month in which ground school and flight training are completed, the Company shall construct and assign an OE Schedule for the Crewmember consisting of scheduled Work Days and scheduled Days Off. The OE Schedule shall not exceed seventeen (17) Work Days for the Bid Month inclusive of Work Days the Crewmember spent in training, i.e., ground training, flight training, other days at the training location and associated Deadhead. The Company is not required to assign trips to Work Days associated with an OE Schedule.

A. **OE and Records Check Completed.** If an OE Crewmember completes OE and the associated Records Review prior to the time the bidding closes under Section 25.K.2 for the following Bid Period, he shall be eligible to bid on the same basis as all other eligible Crewmembers in his Position in accordance with Section 25.K.

3. **First Bid Month Following Completion of Ground School and Flight Training.** In the Bid Month following completion of ground school and flight training, an OE Crewmember who has not completed OE and the associated Records Review prior to the date Bid Lines are published under subsection 25.K.1 shall bid for and be awarded or assigned in seniority order an OE Schedule made available for bidding by the Company.

A. **Bidding for an OE Schedule.** OE Crewmembers, including New Hire Crewmembers, shall be permitted to bid for an OE Schedule in seniority order within Position. The Company will distribute the OE Schedule bid package, if any, no later than 1700Z of the 24th of the month preceding the Bid Period.

Bidding will close at 1700Z on the 25th of the month preceding the Bid Period. All OE Schedules shall be published no later than 2359Z on the 27th of the month preceding the Bid Period.

4. Second Bid Month Following Completion of Ground School and Flight Training.

In the second Bid Month following completion of ground school and flight training, an OE Crewmember who has not completed OE and the associated Records Review prior to the date Bid Lines are published under subsection 25.K.1 shall bid for and be awarded or assigned in seniority order an OE Schedule made available for bidding by the Company.

- A. **Bidding for an OE Schedule.** OE Crewmembers, including New Hire Crewmembers, shall be permitted to bid for an OE Schedule in seniority order within equipment. The Company will distribute the OE Schedule bid package, if any, no later than 1700Z of the 24th of the month preceding the Bid Period. Bidding will close at 1700Z on the 25th of the month preceding the Bid Period. All OE Schedules shall be published no later than 2359Z on the 27th of the month preceding the Bid Period.

5. Third and Subsequent Bid Months Following Completion of Ground School and Flight Training.

Notwithstanding Section 25.H.1.c, in the third and subsequent Bid Months following completion of the ground portion of training he shall be eligible to bid on the same basis as all other eligible Crewmembers in his Position in accordance with Section 25.K., regardless of whether OE and associated Records Review has been completed.

6. General Provisions:

- A. The provisions of Section 25.B shall apply to Crewmembers on OE Schedules, except OE Schedules are for single Bid Months, i.e., no 60-day OE lines.
- B. After receiving an OE Schedule, a New Hire Crewmember may waive the seventeen (17) day limitation.
- C. A Crewmember awarded or assigned an OE schedule is considered a Reserve Lineholder for assignment purposes while on the OE Schedule. If a Crewmember completes OE, any remaining workdays in the awarded or assigned OE Schedule shall be converted to Reserve Days and subject to additional assignments in accordance with Section 25.
- D. A Crewmember shall not be awarded his OE Schedule if Section 25.H.5.a. or Section 25.H.5.b. renders him ineligible as of 0001Z of the first day of the OE Schedule he has bid.
- E. A New Hire shall be paid in accordance with Section 3 A.1.f of the Agreement. If a New Hire completes OE prior to the end of a Bid Month,

his pay shall be determined in accordance with the following: Bid Monthly Pay = the product of the number of days prior to completion of OE (Line Check) and \$1600/days in Bid Month + the product of the number of days after completion of OE and guarantee/days in Bid Month. Extended Duty Pay does not apply until a Crewmember completes OE. When determining his Bid Monthly Pay under 3.C.1 in the month that a crewmember transitions from New Hire Training Pay to Crewmember pay (i.e. completes OE or four months from Date of Hire), the determination of the "greater of" shall be on a dollar basis.

For example:

In a 30 day Bid Month, a New Hire Crewmember subject to a 50 hour Monthly Minimum Guarantee completes OE on the 10th of the month, after which he operates for 30 hours and is credited with 29 hours of CRT, all on Days "on." When determining 3.C.1 pay:

3.C.1.a.: 30 hours of pay credits = $30 * \$75.00 = \$2,250.00$

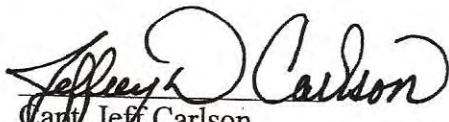
3.C.1.b.: 29 hours of CRT = $29 * \$75.00 = \2175.00

3.C.1.c.: $(\$1600.00 * (10/30)) + (50 * (20/30)) * \$75.00 = \$533.33 + \$2500.00 = \$3033.33$

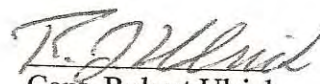
- F. OE Crewmembers that are not New Hires shall be paid in accordance with Section 3 on the same basis as all other Crewmembers.
 - G. "Completes OE" and "completed OE" means successfully completes a Line Check.
6. **Enforcement.** This LOA is enforceable under Section 21 and Section 22 of the Agreement.

Signed this day of 26 January 2012.

FOR THE COMPANY:


Capt. Jeff Carlson
Vice President of Flight Operations
Atlas Air, Inc.

FOR THE UNION:


Capt. Robert Ulrich
Chairman
Atlas Air, Inc. Executive
Council