



SOUTH PACIFIC ISLAND AIRWAYS, INC.

28 March 1985

All Crew Members:

Attached is your copy of the Flight Crew Policy excerpt from the Company Policy and Procedures Manual, which shall be placed in effect immediately.

Par. V, VI and VII are anticipated to be in effect on May 1, 1985 for pay computation purposes and being placed back on the sixty hour base pay. Until then your pay computations are as is in effect now.

Mahalo,

Larry McCartney  
ACOO/Director of Operations



SOUTH PACIFIC ISLAND AIRWAYS

FLIGHT CREW POLICY

March 25, 1985

The following policy is established for flight crew members of SPIA. This policy establishes parameters by which the company will control and maintain sufficient crew complements to enable it to accomplish its business, as a Flag Air Carrier under Part 121 of the Federal Air Regulations.

I - PROBATION

The employee shall be considered on probation for a period of six (6) months, starting with his date of passing his proficiency check ride. During this six month period the company may terminate the employee with or without cause.

If the employee should be terminated during this period, said employee shall have all pay, per diem and any other benefits except vacation or sick leave time, paid up to the effective date of his termination. Such monies will be made available to the employee no later than one (1) day after the effective date of his termination.

II - TRAINING

The company shall provide all training in accordance with the company Approved Training Manual at company expense.

When an employee is designated for upgrade or transition to other equipment, such training shall be at company expense. Training costs consist of such costs as transportation to the training center, hotels, ground transportation, per diem, simulator and aircraft flight training time as necessary.

While at the training center and away from home base, the employee shall receive his guarantee base pay plus per diem only. The guarantee shall be computed against the number of days the employee is away from his home base and the per diem shall be computed at the rate of one (1) dollar per hour for all time the employee is away from his home base.

If the employee reports to the training center as scheduled by the Chief Pilot, from a point other than his home base and returns to point other than his home base after completing his scheduled training, the training period for pay purposes will be determined by the Chief Pilot. Such period will determine the amount of guarantee base pay credit hours, per diem and the half rate deadhead travel pay credit hours that will be accrued for the employee.



## II - TRAINING (cont'd)

While at the training center the employee shall have a single occupancy room and ground transportation provided by the company. Room costs plus tax will be paid for by the company, all other charges to the room will be paid for by the employee at check out time. Ground transportation will be provided for travel to and from the airport and/or training center only.

New hire employees that are scheduled to the training center by the Chief Pilot, will receive payment of per diem only at the rate of one (1) dollar per hour for the scheduled time period. Transportation and room costs will be at company expense. All charges to the room other than cost plus tax will be paid by the employee at check out.

Failure of the employee to pass any tests or the proficiency check ride shall be considered cause for termination.

## III - SALARIES

## CAPTAINS

Upon completion of training, passing a proficiency check ride and being designated a Captain by the company, the employee shall receive the amount of \$53.60 for each block hour logged as a Captain on Boeing 707 company aircraft. Such payment shall not be paid for simulator flights or any proficiency check rides. Such payment shall start with his first Initial Operating Experience flight for Line Check purposes as a line Captain, required by FAR.

## FIRST OFFICERS

Upon completion of training, passing a proficiency check ride and being designated a First Officer by the company, the employee shall receive the amount of \$29.48 for each block hour logged as First Officer on Boeing 707 company aircraft. If the employee has a valid Airline Transport Pilot's license with a Boeing 707 rating, he shall receive an additional \$2.68 per block hour logged as First Officer on Boeing 707 company aircraft. Such payment shall not be paid for simulator flights or any proficiency check rides. Such payment shall start with his first Initial Operating Experience flight required by the FAR.



## III - SALARIES (cont'd)

## FLIGHT ENGINEERS

Upon completion of training, passing a proficiency check ride and being designated a Flight Engineer by the company, the employee shall receive the amount of \$29.48 for each block hour logged as a Flight Engineer on Boeing 707 company aircraft. If the employee has a valid Airframe and Powerplant license, he shall receive an additional \$2.68 for each block hour logged as Flight Engineer on Boeing 707 company aircraft.

Such payment shall not be paid for simulator flights or any proficiency check rides. Such payment shall start with his first Initial Operating Experience flight required by FAR.

In the event that the Flight Engineer is used in the capacity of an Airframe and Powerplant mechanic, or as an Inspector on the ground at a station away from home base, the employee shall receive \$10.00 per hour or prorated portion of, for each hour. Such time shall not be considered as crew rest time for purposes of acting as flight crew member regarding flight/duty time limitations.

## IV - TRAINING PAY FOR NEW HIRES

Applicants who are selected for employment by the company and are requested to report to the Honolulu base for training will be afforded transportation at the best economy rate available to the company.

Hotel accommodations for the new employee will be at company expense for a period of seven (7) days to enable the new employee to locate suitable quarters of his own choosing. Room costs plus tax will be paid by the company, all other charges will be paid by the employee at time of check out.

The new employee shall receive a living allowance of \$24.00 a day for the training period and after completion of training, passing a proficiency check ride and designated pilot or flight engineer by the company, shall be placed on the sixty hour guarantee base pay rate, starting with his first Initial Operating Experience flight as required by FAR.

The guarantee base pay rate will be prorated to the starting day if the employee starts on any day other than the first day of the month.



## V - TRAINING PAY - CHECK AIRMAN

Pilot or Flight Engineer Check Airman performing simulator training and proficiency check rides will receive full flight pay credit hours for all hours spent in training others and giving proficiency check rides at the request of the company.

The Check Airman will receive an additional fifty (50) dollars for each individual satisfactory proficiency check ride given at the request of the company to a member of the flight group. All training and proficiency checks will be scheduled by the Chief Pilot and approved by the Director of Operations.

If the flight check is performed in the aircraft by the Check Airman, the flight or series of flights back to home base shall be considered as one flight, providing no lay over or duty rest is required prior to continuation of the next flight segment to be checked. The Check Airman shall receive full flight pay credit for all flight hours accrued during the flight check plus fifty (50) dollars.

Travel arrangements to the training center, ground transportation and hotel accommodations will be at company expense. The company will pay for the Check Airman's room cost plus tax, all other charges to the room will be paid by the employee at time of check out.

Travel pay credit hours will be at the deadhead rate, one half the scheduled block time while on company aircraft or other carriers aircraft.

Per diem will be paid at the one (1) dollar per hour or prorated portion thereof rate while the Check Airman is away from home base for training purposes at the request of the company.

## VI - GUARANTEE PAY - 60 HOURS

All Captains, First Officers and Flight Engineers shall receive a sixty (60) hour guarantee base pay each month commensurate with their rate or salary. One half of this guarantee shall be paid on the twenty-first day of the month following the first fifteen days of the month in which the block hours were accrued, and the other half will be paid on the sixth day of the month following the month in which the block hours were accrued.

The guarantee base pay will be prorated to the starting day of the month if started on any day other than the first of the month.

All required deductions, such as Federal and State Withholding taxes and TDI insurance will be deducted from each check issued. Medical insurance will be withheld from the check issued on the twenty-first of the month for the month which the premium applies.



## VII - OVERTIME RATES

All block hours logged by the crew members on Boeing 707 company aircraft in excess of sixty (60) hours per month shall be paid at the applicable rate of hourly pay for individual crew members. Such payment shall be designated as overtime pay and shall be paid on the twenty-first of the month following the month in which the block hours were accrued.

All per diem and deadhead hours accrued will be paid on the twenty-first of the month following the month in which the hours were accrued.

## VIII - PER DIEM

All Captains, First Officers and Flight Engineers shall receive one (1) dollar per hour or prorated portion thereof for each block hour away from home base on a lay over trip or "trips" at the request of the company.

Such per diem shall be computed from the aircraft log starting with the block out time and continuing until block in time at home base from the lay over trip.

## IX - DEADHEAD PAY CREDIT HOURS

When deadheading on company aircraft or other company's aircraft for purposes of company business such as Positioning or Training, the employee shall receive pay credit hours computed at one half of the scheduled block hours flown which shall be verified through data that is written in the company aircraft log book or scheduled airline flight times as stated in the OAG (Official Airline Guide).

Such pay credit hours shall be computed at the applicable rate for the individual.

## X - HOTEL ACCOMODATIONS

Each employee when on layover or at the training center on company business, shall have single room accomodations provided by the company.

Every effort will be made to secure single rooms, and in the event that all hotels have full occupancy and it is not possible for everyone to have single rooms, then double occupancy arrangements will be made.

The company will pay room cost plus tax only, all other charges to the room will be paid by the employee at check outtime. Telephone calls made for company business only will be reimbursed after proper receipts are presented to the Accounting Department.



## XI - GROUND TRANSPORTATION

The company shall provide ground transportation for the employee from the airport to the hotel and back when on lay over flights, or when crewmembers are scheduled to the training center at the request of the company.

Receipts for transportation expense must be presented to the Accounting Department for reimbursement to the employee.

## XII - UNIFORMS

The company uniform for all flight deck crewmembers shall be as follows:

1. White short sleeve shirt, airline type
2. Trousers with no pleats or cuffs, Navy Blue in color
3. Black shoes
4. Black belt
5. Black or dark blue socks

The company shall provide the employee with the appropriate epaulettes designating his flight crewmember position. The company shall provide a set of wings for the crewmember to display on his shirt.

An initial clothing allowance for new employees of ninety (90) dollars shall be provided by the company to purchase standard clothing meeting company requirements enabling a professional appearance to be presented while in the public view.

An annual clothing allowance of fifty (50) dollars will be paid to the employee on his anniversary date for upkeep and replacement of worn or tattered clothing to maintain a professional image while in the public view.

If the employee damages a part of his uniform while on company business beyond repair thereby making it unsuitable to wear in public, he may submit a reimbursement request and receipt for the new article to the Accounting Department for payment of the replaced article of clothing.

## XIII - CREW SCHEDULING

Assignment of crews to company flights shall be done by the Crew Scheduler and approved by the Chief Pilot. There will be no bidding for separate flights or lines of time, and the employee shall fly the flight or series of flights as assigned by the Crew Scheduler.

Exceptions to the above statement will be as follows and restricted to the following items:



XIII - CREW SCHEDULING (cont'd)

1. Sickness or injury to the employee
2. Serious sickness in the employee's immediate family
3. Trading of a flight with the permission of the company as approved by the Chief Pilot. Such trading must be arranged two (2) weeks prior to the affected flight.

XIV - SICK LEAVE

The employee shall start accruing sick leave effective with his date of passing the proficiency check ride and designated a pilot or flight engineer by the company.

The rate of accrual for sick leave pay hours will be two and one half (2½) hours per month for sixty (60) hours of pay credit maximum accruable.

Sick leave pay for the employee shall start after the employee informs the Chief Pilot that he is unable to report for a flight assignment. Temporary disability insurance payments start seven (7) days after the employee becomes sick or is injured off the job and cannot report for flight assignment. The sum of the sick leave pay and TDI benefits cannot exceed the standard sixty (60) hour guarantee pay.

Before the employee can be returned to flight duty he must have a release from a physician and present same to the Chief Pilot to verify his status and ability to perform flight duties thereby enabling safe operation of company aircraft over its routes.

Sick leave can only be used for an illness or injury that causes the employee to require time off for recovery.

XV - VACATIONS

All employees shall be entitled to thirty (30) hours of vacation after serving one year with the company.

Vacation pay hours shall be accrued at the rate of two and one half (2½) pay credit hours per month after the first year. Vacations will be posted for bid and all are encouraged to place their choice of time with the Chief Pilot keeping in mind that your individual year starts with your anniversary date, not January 1. After the bids are posted and awarded, employees will be encouraged to take their time off as there will be no accrual beyond their next anniversary date. Pay in lieu of time off may be considered.





## XV - VACATIONS (cont'd)

Employees who bid and are awarded time but cannot be released from duty due to company commitments will be considered for pay in lieu of taking time off. This will be the exception rather than the rule.

Vacation time off will be awarded and controlled by the Chief Pilot who will ensure the company has at all times sufficient crews to operate its scheduled flights to maintain its business stature for public transportation.

## XVI - RESIGNATIONS

The employee may elect to resign from service of the company upon tendering a letter of notification giving two weeks notice of intentions.

At the time of leaving the service of the company the employee shall have all pay credit hours, per diem and vacation credit computed to the last worked and made available to him on the next regular pay date after his leaving. Accrued sick leave credit hours is not a benefit and shall not be paid.

The employee must turn in all company property such as:

1. Company Operations Manual
2. Aircraft Operations Manual
3. Airport Analysis Manual
4. Company and Airport ID
5. Office and Airport Keys

These items must be turned in before his final pay check will be released on the next regular pay date.

## XVII - TERMINATION

The employee may be terminated from service of the company for justifiable cause after the six (6) month probation period for the following reasons:

1. Failure to report for duty
2. Consistent late reporting for duty
3. Violation of FAR's, Operating Specifications and company manuals
4. Insubordination to company officials
5. Disrespect to the traveling public
6. Non-professional behavior reflecting a bad public perception of the company image
7. Failure to pass any required flight training and/or proficiency check rides administered by the company



In the event that justifiable cause prevails, the employee will be immediately suspended from all flight duty without pay until an investigation has been made.

The employee shall have the right to defend himself by appealing before a board consisting of the Chief Pilot, another member of company management and a member from the individual's crew classification. The employee may present witnesses or evidence for his defense at the hearing.

At this hearing the majority vote of the board shall determine the final disposition of the employee. The board shall have the power to return the employee to full status, suspend or downgrade the employee as it feels just and fair, considering the best interests of the company.

In the event that the board decides by majority vote that termination is the solution, then the following shall apply:

1. The employee shall be paid all due payment of earned credit hours, per diem and vacation credit hours to date of termination, within one day after the effective date of termination.

Such payment will be made to the former employee upon his return of all company property such as:

1. Company Operations Manual
2. Aircraft Operations Manual
3. Airport Analysis Manual
4. Company and Airport ID
5. Office and Airport Keys
6. Company wings and epaulettes

#### XVIII - FURLOUGHS

In the event there is a lack of company business for reasons beyond control whereby a reduction in force is necessary, the amount of reduction and length of the reduction time will be as follows:

##### A. TEMPORARY REDUCTION - LESS THAN SIX MONTHS

A temporary reduction will be one considered to last for less than six (6) months. The reduction of flight crewmembers will be from the bottom of the seniority list and reduce the available staff to a level that has been determined by the company that it can maintain the reduced flight and work loads adequately and maintain a level of company business and flight operations.



## XVIII - FURLOUGHS (cont'd)

Employees will be given as much notice as possible in the event that a reduction is necessary, and when the employee is placed on furlough he will receive all earned pay credit hours and per diem plus accrued vacation credit hours up to the time of the effective date of his furlough. Accrued sick leave time will not be paid.

Employees will return all company property items such as:

1. Company Operations Manual
2. Aircraft Operations Manual
3. Airport Analysis Manual
4. Company and Airport ID
5. Office and Airport Keys

These items must be returned before the final pay check will be released on the next regular pay date.

## B. PERMANENT REDUCTION IN FORCE

When the company determines that there is a need for a permanent reduction in force, those employees furloughed will be from the bottom of the seniority list in accordance with the amount of reduction necessary.

Employees will be given as much notice as possible, and all earned pay credit hours for flight time, vacation, per diem and any other benefit except sick leave time will be computed and made available to the employee on the next regular pay date after the effective date of the furlough.

Such payment will be made to the employee after all company property has been returned such as:

1. Company Operations Manual
2. Aircraft Operations Manual
3. Airport Analysis Manual
4. Company and Airport ID
5. Office and Airport Keys
6. Company wings and epaulettes

These items must be returned before the final pay check will be released on the next regular pay date.

## XIX - RECALL FROM FURLOUGH

Employees who are recalled from a temporary furlough, six months or less, will be given a one week notice to report for duty or training. The company may recall on a less than one week notice but will not penalize the employee for delays in returning to work for one week from date of call.



## XIX - RECALL FROM FURLOUGH (cont'd)

Employees on temporary furlough will be given one (1) notice of recall and if the employee fails to respond, his name will be removed from the seniority list.

Employees on a permanent reduction furlough will remain on the seniority list for a period of two (2) years before removal of their name from the list. In the event that there is reason to recall, two (2) notices will be given the employee and if he fails to respond on the second notice and return to work or training, his name will be removed from the seniority list.

## XX - UPGRADE POLICY

A First Officer may be upgraded to Captain by the company as the needs of company direct such expansion of the flight crew staff is warranted.

A First Officer will be selected for upgrade by giving consideration to seniority, the employees progress as a First Officer for the company and whether or not the First Officer meets or exceeds the basic minimum time requirements and has documentation in his record file.

If there are no First Officers with the company that meet the requirements or there are no First Officers ready for upgrade when the need exists, the company then may seek a Captain candidate from outside the seniority list.

In the event that the company is forced to seek outside for a Captain to maintain company business and its flight schedule, the new hired employee as a Captain will have his name placed on the bottom of the seniority list as published.

All training requirements for upgrade of an FO to Captain will be in accordance with the company Approved Training Manual, in an expeditious manner to minimize costs, but in no case will the safety of operation of the company aircraft or the professional standards of the company be compromised over economy of the training required.

First Officers being considered for upgrade or selected for upgrade will be afforded an opportunity for left seat experience. The left seat time will be assigned by the Chief Pilot who will be assign a check airman or training captain to fly with the First Officer over approved segments of company flights when approved by the Director of Operations.



## FLIGHT CREW QUALIFICATIONS

The following qualifications are the basic minimums that are desired for employment as a pilot or flight engineer by the company.

CAPTAIN	Airline Transport pilot - B707 type rating 4000 hours total time 2000 hours PIC Heavy Jet or equivalent or 1000 hours PIC in type 1st Class Medical
FIRST OFFICER	Commercial/Instrument and Multi engine Rating ATP B 707 Preferred 2500 hours total time 1000 hours Heavy Jet or equivalent 500 hours in type 1st Class Medical
FLIGHT ENGINEER	FE Turbo Jet Rating and A&P License 2000 hours total time 1000 hours Heavy Jet or equivalent 500 hours in type 2nd Class Medical
FO UPGRADE	Airline Transport Pilot 4000 hours total time 2000 hours Heavy Jet or equivalent 1000 hours in type 1st Class Medical 1½ to 2 years with company as FO in type



## XXI - SENIORITY

Seniority shall establish when the employee is eligible for upgrade, when he can take his vacation, when he is furloughed and when he is recalled for work as an employee of the company.

In the event of a necessary reduction in work force, the reduction will start from the bottom of the seniority list and in the event of a recall it will start from the top of the furloughed list of employees per the seniority list.

Seniority shall be one of the main considerations for upgrade of a First Officer to Captain that is ready for upgrade when the time arrives.

Seniority shall be determined by date of hire which shall be the first day the individual starts initial ground school for the company. If there is more than one employee starting on the same day, the eldest shall have the lowest seniority number.

First Officers upgrading shall retain their seniority number until it is changed through attrition of employees.

All new hire employees shall have their name entered at the bottom of the respective list, pilot or flight engineer.

The Flight Engineer Seniority List shall be separate from the Pilot Seniority List and maintained without merging.

The Seniority List shall be published and the Master List shall be used to determine crewmember position, vacation bidding, upgrade, furloughs and recalls.

The seniority list as published shall be checked and amended on a bi-monthly basis to ensure that a correct list is available and that all changes are incorporated.

## XXII - SENIORITY LIST

The following seniority lists have been established for South Pacific Island Airways, A Flag Air Carrier operating under authority granted by Part 121 of the Federal Air Regulations.