

March 06, 2015

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President Elect Steven H. Bradford
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Dear Captains Hummel and Bradford,

The three signatories to this letter hereby submit our resignations as the Phoenix representatives to USAPA's Board of Pilot Representatives. Our resignations are effective immediately.

There are many reasons why we are resigning. The primary reason, however, is USAPA's continued refusal to treat the East and West Pilots equally in the ongoing SLI process. Over time, the Phoenix members of the BPR have often tried to convince the East Pilot leadership of USAPA that USAPA should either (1) provide funds/financial support to both the East and West Pilots proportionately so that each group can independently represent themselves in the SLI process or, in the alternative, (2) cease all financial support to the East Pilots as long as USAPA is denying comparable financial support to the West Pilots. USAPA, through the East National Officers and/or the East BPR members, have refused to do either.

Beginning last December and continuing to the present, numerous demands have been made on USAPA to stop spending USAPA funds to support only the seniority objectives of both the East controlled USAPA Merger Committee and USAPA's East Pilot leadership. USAPA, through the East Pilot leadership, has refused to do this. Recently, three West Pilots in good standing with USAPA made demands on 14 individual members of USAPA demanding that they cause USAPA to stop spending USAPA monies in furtherance of actions adverse to the interests of the West Pilots in the SLI process. In addition, the three West Pilots demanded that the 14 individuals cause USAPA to disburse the remaining funds in the USAPA treasury to its members in accordance with the procedure outlined in USAPA's Constitution. We expect that USAPA's East Pilot leadership will once again refuse to undertake these appropriate steps to comply with their fiduciary duties and the USAPA Constitution. Nevertheless, in our last act as BPR members, we urge you to take these steps.

After USAPA was certified as our exclusive bargaining representative in April, 2008 and before it was decertified on September 16, 2014, the West Pilots accepted the fact that USAPA was our exclusive bargaining representative and worked with USAPA by joining the BPR and other USAPA committees. Matters changed dramatically on September 16, 2014. Since then, APA has served as our exclusive bargaining representative with our new employer, American

Airlines, Inc., and in that role, APA last month designated a West Merger Committee to represent the West Pilots in the SLI process. As a result of USAPA's decertification and APA's designation of the West Merger Committee, there are no longer common legal goals requiring collective legal action on behalf of all the former U.S. Airways pilots as a group.

USAPA claims to be a private, unincorporated nonprofit association organized and existing under the laws of North Carolina. For an unincorporated nonprofit association to exist under North Carolina law, its "members" must be joined by mutual consent for a common, nonprofit purpose. N.C. Gen. Stat. § 59B-2. After USAPA was formed in 2007 and before it was certified as our exclusive bargaining representative in April, 2008, the joint common purpose embraced by the initial USAPA supporters was to unseat ALPA and block the implementation of the Nicolau Award. Prior to USAPA's certification in April, 2008, the West Pilots did not support USAPA's purpose and indeed no West Pilots were initial members of USAPA.

After decertification, USAPA immediately reverted to its pre-certification purpose of blocking the Nicolau Award from being presented as a seniority option to the SLI Arbitration Board. By now it should be absolutely clear to everyone, including the East Pilot leadership, that the West Pilots do not support USAPA's current purpose of blocking the Nicolau Award from being utilized as the East/West seniority list to be merged with the APA seniority list. This means that the "joint mutual consent for a common nonprofit purpose" requirement for an unincorporated association to exist under North Carolina law is missing and has been ever since USAPA's decertification last September.

USAPA's current purpose as envisioned by the East Pilots was articulated in the Joint CLT, PHL, DCA USAPA Update dated December 27, 2014. In that Update, the eight East Pilot BPR representatives wrote: "We are your Charlotte, Philadelphia and Washington Board of Pilot Representatives. Because USAPA exists almost exclusively to represent the interests of our pilots during the seniority integration process. . . ." When made, this statement by the eight East Pilot BPR members did not accurately reflect the West Pilots' objectives for the SLI process. By late December, 2014, the West Pilots had just finished participating in the preliminary arbitration in Washington, DC where they argued strongly and successfully that USAPA and the East Merger Committee did not and could not represent the West Pilots in the SLI process. The December 27 statement by the eight East BPR members just ignored the West Pilots' desires.

The West Pilots' insistence about representing themselves in the SLI process was unequivocally accepted and confirmed in the Preliminary Arbitration Award on January 9, 2015. No matter how much, how hard or how badly the East Pilot leadership wishes that the current situation with respect to the SLI process was different, the fact remains that it isn't. The West Pilots will represent themselves in the SLI process. Currently, there is no need nor room in the SLI process for an association claiming to act for the collective interests of the entire group but in reality representing only a portion of the group and surely there is no room for an association in this process for a group that takes the funds contributed by all the pilots and spends them to support only a portion of the group. There is no common not-for-profit purpose that justifies USAPA's continued existence under North Carolina law. Likewise, USAPA's Constitutional requirement of a "collective legal action on behalf of the pilots' group" that might justify delay in USAPA's dissolution does not currently exist. We can no longer sit by and allow this charade to continue.

The three Phoenix BPR members can no longer continue to serve as representatives of a private, nonprofit association that fails to have “members joined by mutual consent for a common, nonprofit purpose.” In addition, it necessarily follows then that we cannot continue to serve an organization dominated and controlled by former East Pilots who refuse to follow USAPA’s Constitution and dissolve the organization, as they should. Finally, we cannot in good conscience continue to serve as representatives of an organization whose East leadership wrongfully perpetuates USAPA’s existence mainly to delay refunding of its excess dues to the member pilots until the current SLI process has been completed, while at the same time spending USAPA monies to advantage the East Pilots and their seniority desires to the detriment of the West Pilots just because they can. All three of us therefore resign immediately from the USAPA’s Board of Pilot Representatives.

A handwritten signature in black ink, appearing to read "John Scherff". The signature is written in a cursive style with large, sweeping loops.

John Scherff

A handwritten signature in black ink, appearing to read "Eric Ferguson". The signature is written in a cursive style with a prominent, sweeping initial letter.

Eric Ferguson

A handwritten signature in black ink, appearing to read "Dave Simmons". The signature is written in a cursive style with a prominent, sweeping initial letter.

Dave Simmons