



Fellow LUS Pilots,

As you are aware, several major events occurred during the last few weeks which could have a major impact on the Seniority List Arbitration. Foremost is a reversal of the DFR ruling in the Addington II decision. This resulted in the permanent withdrawal of the USAPA Merger Committee from the arbitration process as they were unable to fairly and equitably represent the East Pilots' interests in accordance with McCaskill-Bond. USAPA has since filed an appeal requesting the full Court to hear the case. While it is far from certain whether an appeal will be granted, there is reason to believe the initial decision may be reviewed due to an apparent contradiction on both prior decisions and Federal law.

Following the ruling, the Board of Arbitrators in the SLI arbitration met with the remaining parties and requested oral arguments, briefs, and among other things, the following question:

- 1 Whether APA should engage in best efforts to establish a new merger committee to represent the legacy U.S. East pilots ("East Merger Committee")?

The panel answered in the affirmative. Specifically, *"APA should engage in best efforts to establish a new merger committee to represent legacy U.S. Airways East pilots."*

In response, the APA tasked the PHL and CLT reps to staff a new East Merger Committee and have asked us to do so within a 7 day period. As you can imagine, this has been a daunting task for the PHL and CLT representatives.

First, we would like to thank the pilots who took the time to submit resumes for consideration.

Everyone must understand we were tasked with establishing a team that will have a very short period in which to get up to speed and be prepared to argue our position in front of the Board of Arbitrators. Furthermore, in selecting a new committee, we were very

cognizant and respectful of the Court's ruling against USAPA and did not want in any way to give the appearance of just changing the "letterhead" of the committee while everything else remained the same.

After a thorough review of all the candidates, we have decided on an initial cadre selection.

The criteria we used to make our initial selection included:

- Prior merger or arbitration experience was preferred
- A working knowledge of analytical modeling
- Legal background where appropriate
- Minimal involvement with USAPA, if possible

We have determined that the size of the Committee is not fixed. Accordingly, we decided to start with a framework to get the Committee functioning in minimal time and ultimately we may add to, or subtract, from the Committee as necessary.

While the individual members may submit their own qualifications and resumes to you at a later date, we want you to know and understand our rationale behind the members we selected to begin this process.

The selected members are:

**Kelly Ison:**

Kelly brings a wealth of experience and educational knowledge. He maintains a BS in Labor Relations, and an MS in Business Management with an emphasis on Strategy and Finance. He has over 10 years of active involvement in ALPA and has been deeply involved in areas such as Negotiating, strategic planning, and financial analysis and arbitration. By unanimous decision, we believe that he is the most capable individual to take on the role of Merger Committee Chairman.

**Phil Osterhaus:**

Under ALPA, Phil had served 5 consecutive terms as the Secretary/Treasurer. He brings a wealth of union experience and has strong analytical and communicative skills. Phillip is also a licensed attorney. Furthermore, he has worked well with Kelly in the past and we believe he will be a strong member of the team.

**Rick Brown:**

While Rick is the only member who was involved in the prior committee, it was purely an analytical role. Rick joined the prior committee very late in the game and will be helpful transitionally to bring the new committee up to speed.

**Merger Counsel:**

We decided it is in our best interest to retain the Merger Counsel of Baptiste and Wilder.

While this is the initial Committee Structure, we may find it necessary to make changes if conditions warrant.

We have all met and had an initial presentation with the newly formed East Committee/Counsel. They have established a very strict working schedule to meet the next arbitration scheduled for September 29, 2015. This is a new committee and command structure and as such there will be a totally new review which may produce a proposed list that does or does not resemble the initial USAPA list.

We will keep you fully informed throughout the SLI process.

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PHL Chairman

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