



US AIRLINE PILOTS ASSOCIATION

December 24, 2013

Via Email and Certified Mail (Return Receipt Requested)

Beth Holdren
Managing Director Labor Relations, Flight
US Airways, Inc.
4000 E. Sky Harbor Road
Phoenix, AZ 85034

RE: MTA Dispute No. 2

Dear Ms. Holdren:

In accordance with the Merger Transition Agreement (“MTA”), as specifically set forth in paragraph 20 of the Memorandum of Understanding (“MOU”), among American Airlines, Inc., US Airways Inc. (“the Company”), and the airline pilots in the service of US Airways, Inc., as represented by the US Airline Pilots Association (“USAPA” or “the Association”) and Allied Pilots Association (“APA”), USAPA submits for resolution by the Pilots’ Special System Board of Adjustment under paragraph 20 of the MOU a dispute concerning the Company’s violation of its obligations under the MOU to deal only with the exclusive bargaining representatives of the pilots of US Airways concerning the matters that are the subject of the MOU, including the seniority integration process established under paragraph 10 of the MOU to comply with its obligations to produce information relevant to the seniority integration process in response to the requests of the Association’s merger committee.

Specifically, USAPA asserts:

1. Questions at Issue

Whether the Company violated relevant provisions of the MOU by recognizing and meeting with persons other than the APA and USAPA concerning the seniority integration process under paragraph 10 of the MOU, specifically by inviting and meeting with representatives of the plaintiffs in *Addington, et al. v. US Airline Pilots Association*, 13-cv- 00471 (ROS) (Dist. Ariz. 2013)(“*Addington IP*”); and

By failing and refusing on multiple occasions to reasonably respond to requests for information related to the merger from the US Airline Pilots Association, including requests by the USAPA Merger Committee made over the last several months and more particularly in November and December of 2013 as described below.

2. Statement of Facts

On December 10, 2013, the Company, in the form of the merged carrier New American, transmitted an electronic mail message to representatives of the APA and USAPA proposing a meeting on December 20, 2013 for the purpose of discussing the seniority integration process

under paragraph 10 of the MOU. The Company included as addressees of that electronic mail message the attorneys for the plaintiffs in *Addington II* and invited representatives of the plaintiffs in that litigation to participate in the meeting. The Company invited the *Addington II* plaintiffs although the United States District Court for the District of Arizona has not granted relief to the plaintiffs permitting them to participate in the Section 3 and 13 seniority integration process established under the MOU. Counsel for the USAPA Merger Committee put the Company on notice by electronic mail dated December 12, 2013 that the seniority integration process under paragraph 10 of the MOU was to include only the certified bargaining representatives. By electronic mail dated December 12, 2013, Company representative Paul Jones responded that the Company would go forward with the meeting scheduled for December 20, 2013. By letter dated December 19, 2013, counsel for the USAPA Merger Committee put the Company on notice that including persons other than the exclusive bargaining representatives of the pilot groups absent a court order requiring such action was a violation of the MOU. Despite being placed on notice that it was violating the MOU by injecting the *Addington II* plaintiffs into the MOU seniority integration process, the Company met and bargained with representatives of the plaintiffs on December 20, 2013 concerning the MOU paragraph 10 seniority integration process.

On November 27, 2013, USAPA Merger Committee Chairman Jess Pauley submitted information requests to the Company pursuant to paragraph 6 of the MOU. On December 4, 2013, the Company, through its counsel acknowledged receipt of Mr. Pauley's email. The Company did not produce any information in response to Mr. Pauley's request. On December 9, 2013, counsel for the USAPA Merger Committee again communicated with Company counsel concerning the USAPA Merger Committee's information request. On December 12, 2013, counsel for the Company again acknowledged the information requests by the USAPA Merger Committee. In the December 12, 2013 email, counsel for the Company stated it would identify by December 13, 2013 when information would be produced in response to the USAPA Merger Committee information requests. The Company failed to do so. Despite a further request, the Company continues to fail and refuse to produce information in response to the USAPA Merger Committee information requests.

3. Position of the Association

The Company has violated its obligations under the MOU by unilaterally recognizing and injecting the *Addington II* plaintiffs into the MOU paragraph 10 seniority integration process. The Company took this action knowing that the United States District Court for the District of Arizona *has not* granted the relief requested by it and the *Addington II* plaintiffs permitting those plaintiffs to participate in the seniority integration process. The Company's action in dealing with the *Addington II* plaintiffs concerning the seniority integration process will only delay and disrupt the seniority integration process of the MOU. It is further an obvious tactic to undermine USAPA's merger committee, which includes former East and former West pilots, as the representative of all US Airways pilots in the seniority integration process. Finally, it is an effort by the Company to disrupt cooperation between APA and USAPA in the seniority integration process. All of these actions are taken against the best interests of the pilots of US Airways and are contrary to the Company's duties under the MOU.

The Company has further violated its duties under the MOU by failing to timely respond to information requests by the USAPA Merger Committee under paragraph 6 of the MOU. The Company has stalled its response to USAPA's requests with no explanation or even estimated date of compliance with the MOU's information request provisions (much less actual compliance). The Company's actions in violating the clear requirements of the MOU for production of information also reflects the Company's effort to disrupt and delay the seniority

integration process, to disrupt and delay cooperation between the merger committees of APA and USAPA, to undermine USAPA's representation of all US Airways pilots, and to undermine the best interests of both pilot groups.

4. Position of the Company

Despite its patent violation of its MOU obligations, we anticipate the Company will assert that its unilateral recognition and dealing with the *Addington II* plaintiffs concerning the MOU seniority integration process does not violate its obligations under the MOU. Further, although the Company has not complied with its obligations to timely respond to information requests from the USAPA Merger Committee, or even to say when it will respond, we anticipate the Company will claim it has not violated its obligations under paragraph 6 of the MOU.

USAPA submits these disputes for hearing by the Board and for expedited determination in accord with the provisions of the MTA and MOU.

Sincerely,



Captain Gary Hummel
President, US Airline Pilots Association

Parties to be cc'd via electronic mail:

Captain Lyle Hogg, Vice President Flight Operations
Linda Malone, Sr. Manager Labor Relations
Alli Mcintosh, Manager Labor Relations
Edgar N. James, Esq., General Counsel to the APA
Captain Mark Stephens, Seniority Integration Chairman
Bennett Boggess, Esq., Director of Representation

Captain David Ciabattoni, USAPA Grievance Committee Chairman
First Officer Jeff Koontz, USAPA Grievance Committee Vice-Chairman
Brian O'Dwyer, Esq., General Counsel to USAPA
Matt Bradley Associate Counsel/Director Contract Administration
Sue Edwards, Esq., Contract Administrator
Laura Backus, Esq., Senior Contract Administrator