

1 Todd C. Duffield (*pro hac vice*)
toddduffield@paulhastings.com
2 PAUL HASTINGS, LLP
75 East 55th Street
3 New York, NY 10022
Phone: (212) 318-6000
4 Fax: (212) 319-4090

5 Neal D. Mollen (*pro hac vice*)
nealmollen@paulhastings.com
6 PAUL HASTINGS, LLP
875 15th Street, N.W.
7 Washington, DC 20005
Phone: (202) 551-1700
8 Fax: (202) 551-1705
Twenty-Fifth Floor
9 Los Angeles, CA 90071-2228
Telephone: 1(213) 683-6000
10 Facsimile: 1(213) 627-0705

11 *Attorneys for AMR Corporation and*
12 *American Airlines, Inc.*

13 UNITED STATES DISTRICT COURT
14 FOR THE DISTRICT OF ARIZONA

15 Don ADDINGTON; John BOSTIC; Mark
16 BURMAN; Afshin IRANPOUR; Roger
17 VELEZ; Steve WARGOCKI; Michael J.
SOHA; Rodney Albert BRACKIN; and
18 George MALIGA, on behalf of themselves
and all similarly situated former America
19 West pilots,

20 **Plaintiff,**

21 **vs.**

22 US AIRLINE PILOTS ASS'N, an
unincorporated association; and US
23 AIRWAYS, INC., a Delaware Corporation,

24 **Defendant.**

Case No. CV-13-00471-PHX-ROS

Judge Roslyn O. Silver

25 **STATEMENT OF**
26 **AMR CORPORATION AND AMERICAN AIRLINES, INC.**
27 **REGARDING JUSTICE DEPARTMENT LITIGATION TO BLOCK MERGER**
28

1 On August 13, 2013, the Court ordered that the parties, and any proposed intervenors, if
2 they desired,¹ each file a statement identifying the impact on this case of the antitrust lawsuit filed
3 by the United States arising from the merger between American Airlines and US Airways,
4 including an explanation regarding whether dismissal without prejudice would be appropriate in
5 this case. *See* Order [Doc. 150]. American Airlines, Inc., and its corporate parent, AMR
6 Corporation, (collectively, “American”) file this statement to address those two issues.

7 The Court should not dismiss this action or alter its current schedule as a consequence of
8 the antitrust lawsuit. First, the merits of this case concern a long-standing dispute between two
9 groups at US Airways. The dispute existed long before the prospect of a merger between US
10 Airways and American existed, and must be resolved even in the absence of a merger with
11 American, to finally accomplish the integration of pilots once employed by America West into
12 US Airways.

13 Second, American believes and expects that notwithstanding the Justice Department
14 litigation, the merger between American and US Airways will ultimately be approved, although
15 perhaps delayed from the parties’ original timeline. American believes that the DOJ is wrong in
16 its assessment of the merger, and that the merger provides the best outcome for AMR’s
17 restructuring, for employees of both companies, and for the flying public. American will mount a
18 vigorous defense and intends to consummate the merger as soon as possible. Thus, the Court’s
19 resolution of this case remains an important step in preparing for the timely integration of the
20 American and US Airways pilot workforce.

21 In particular, American does not believe that dismissal of the underlying action is
22 appropriate. Presumably, the Court is concerned that the antitrust lawsuit undermines this Court’s
23 prior conclusion that the dispute at issue in this case is ripe for resolution. But the allegations
24 made in the Government’s Complaint are just that – allegations. On the other hand, American,
25 US Airways, and their respective pilot unions are parties to a Memorandum of Understanding that
26 contains concrete and mature contractual promises that must be respected. For the Court to now

27 ¹ The Court denied American’s Motion to Intervene, but invited American to participate as an
28 *amicus curiae*. American intends to file a motion for leave to proceed as an *amicus* promptly.

1 reverse course and conclude that this lawsuit is no longer ripe would be to treat the allegations
2 made in the antitrust suit as established fact. That would be neither appropriate nor fair to the
3 parties.

4 Accordingly, American respectfully requests that the Court continue all means necessary
5 to resolve the case with all due haste.

6
7 DATED: August 15, 2013

Respectfully submitted,

8
9 /s/ Todd C. Duffield

10 _____
Todd C. Duffield
PAUL HASTINGS, LLP
75 East 55th Street
New York, NY 10022
11 (212) 318-6000

12
13 Neal D. Mollen
PAUL HASTINGS, LLP
875 15th Street, N.W.
14 Washington, D.C. 20005
15 (202) 551-1700

16 *Attorneys for AMR Corporation and*
17 *American Airlines, Inc.*

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

CERTIFICATE OF SERVICE

I hereby certify that on this 15th day of August, 2013, I electronically transmitted the foregoing document to the U.S. District Court Clerk's Office by using the ECF System for filing and transmittal.

/s/ Todd C. Duffield
Todd C. Duffield