

# **EXHIBIT Q**

## Pilot-For-Pilot Conference Call Recap – 10/08/2012

Fellow P4P's,

We would like to thank the pilots who were able to join the P4P Conference call on October 8. We hope that all of you find this recap useful when you're out on the line talking to fellow pilots. As a reminder, this is for face-to-face use and not to be posted on the Web or blogs.

**Again, please remember that this recap is for Pilot-For-Pilot use in face-to-face interaction while talking to your fellow pilots. DO NOT FORWARD or post on any Web sites.**

We would like to thank those again that have been sending in feedback to the "What's Up on the Line" email address ([whatsup@usairlinepilots.org](mailto:whatsup@usairlinepilots.org)). This feedback is critical to ensuring we are communicating properly both to and from the line pilots.

We also would like for you to continue doing a good job of separating personal feelings from your comments. We need to ensure that we, as P4Ps, deal in facts from USAPA and make sure that we do not interject our personal views. You don't have to agree with the facts, just convey them.

A special thanks to all of those who joined us as guest speakers, which included President Hummel, Vice President Bradford, Secretary/Treasurer Streble, Executive VP Smyser, Merger Counsel Pat Szymanski, NAC Chairman Dean Colello, GAC Chairman Randy Dopp, and Communications Committee Chairman James Ray.

Again, we hope that you will review this recap, find it helpful, and as always, please feel free to contact Glenn or me at any time to have your questions, or fellow pilots' questions, answered.

Courtney and Glenn

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At 9 AM ET, Courtney began the call, and after Glenn briefly reviewed the ground rules, we went straight to the Officers' remarks.

President Gary Hummel began his briefing with addressing the Committee on 3 points:

First, as a result of Judge Silver's proposed ruling, USAPA "is free to use whatever seniority list we want."

Second, about the MOU, over the last couple of weeks each domicile had "good meetings" and provided great feedback. After much debate, this MOU will never be enough for some folks. We have identified the items that need to be shored up, and we will work on those items after the NDA is complete.

Third, a recent issue has been the picketing events by APA pilots, and if we should support and assist in picketing. Much debate has occurred at the BPR level and we are in contact with the APA pilots. I talk almost every day with new APA President Keith Wilson and they understand if we do not participate in picketing events at this time. The problem (and again APA understands

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our position) is that APA and AMR are having some labor problems; however, some picketing signs at these events include "Our Management must go" and "Now is time for a leadership change." APA is in favor of Doug Parker and if we picket with them, it would be like us supporting Doug Parker before Doug Parker has fully addressed our concerns. If APA's picketing was for Safety or some other reason, we would be there helping.

**Vice President Steve Bradford** will be representing USAPA by attending a Union Labor Coalition (ULC) meeting on Thursday (10/11/12) in Pittsburgh, concerning keeping jobs and service in the PIT area, as the County Airport Authority makes it harder with increased costs.

Also, he will be finalizing the USAPA search for an investment banker/financial consultant representing our interests at the table in the future. This could have an impact with respect to Change of Control and negotiating issues.

**Secretary/Treasurer Rob Streble:** There is a current Section 29, PHL-based pilot that is about to be terminated, as final briefs are about to be submitted. Bottom line, you must pay dues as it is a requirement to remain employed. It's not an option; pay or be terminated.

**Executive Vice President Steve Smyser** – Nothing to report at this time.

**NAC Chairman Dean Colello** – The NAC completed domicile meetings last week, and presently APA-USAPA talks are on the back burner as we estimate that the APA and AMR will be in contract talks through the end of October.

The whole NAC is out flying this week and the NAC will be prepared to meet again when the APA and the Company are available.

A question was asked earlier, why are we dealing with the Term Sheet? Essentially the Term Sheet was handed to us. It was negotiated with a gun to the heads of the APA pilots. We are hopeful that we will be able make some changes and modify the Term Sheet via the MOU. Some points are arbitration is onerous and goes to Arbitrator Bloch. Basically, the Term Sheet arbitration is at odds with our ratification process. Also as far as pay rates, you've heard it could end up in the mid \$160s for our Group 2 Captains, but the APA believes they have found the required concessions to get the \$172. Pay Parity is a critical point and we will plan on working on the language.

**Merger Counsel Pat Szymanski** – On Tuesday, October 2, President Hummel, Secretary-Treasurer Streble, Executive Vice President Smyser, and 100-plus pilots attended the Declaratory Judgment hearing in PHX before Judge Silver.

There were three counts in the complaint filed by US Airways: Count I, USAPA is required to follow the Nicolau Award. Count II, USAPA is not required to follow the Nicolau Award. Count III, US Airways is not liable for anything that happens in bargaining concerning seniority. Pending was a Motion for Summary Judgment by the West Pilot Class asking the Court to agree with Count I, that USAPA is required to follow the Nicolau Award. Also pending were motions by USAPA asking (1) for the Court to agree with Count II, that USAPA is not required to follow the Nicolau Award, and (2) that USAPA is entitled to pursue discovery before the Court could rule against it on the claim that failing to follow the Nicolau Award violates USAPA's duty of fair representation.

A "Proposed Order" was distributed before the hearing. The Proposed order DENIED the motion by the West Pilot Class to require USAPA to follow the Nic, GRANTED IN PART and DENIED IN PART USAPA's motion for judgment on Count II that it was not required to follow the Nic, DENIED USAPA's motion for discovery because the Court was not ruling on the duty of fair representation claim, and DISMISSED Count III.

Pat Szymanski read the first paragraph of the decision: "This is a hard case. As set forth in the parties' summary judgment filings, the underlying facts are undisputed but the appropriate conclusions to be drawn from those facts differ greatly. Having reviewed all of the filings, the Court concludes Defendant US Airline Pilots Association ("USAPA") is free to pursue any seniority position it wishes during the collective bargaining negotiations. But with that freedom comes risk because the West Pilot Defendants may have viable legal claims in the future should the collective bargaining agreement contain a seniority provision harmful to a subsection of the union. As for US Airways, it must negotiate with USAPA and it need not insist on any particular seniority regime. But US Airways must evaluate any proposal by USAPA with some care to ensure that it is reasonable and supported by a legitimate union purpose."

The transcript of the argument (which is subject to correction) is in the Legal Library and the final order will be posted as soon as it is issued by the Court. Subsequent to the argument, the West Pilot Class filed a motion to amend the Proposed Order. USAPA's lawyers have filed an opposition arguing that the motion is improper and that the proposed amendments are both unnecessary and contrary to the basic findings and conclusions in the Proposed Order. Our lawyers do not expect any significant change in the Proposed Order.

The bottom line is that "USAPA is free to pursue any seniority position it wishes during collective bargaining" but that, as the Ninth Circuit held in *Addington*, the West Pilots are entitled to file a duty of fair presentation claim once there is a ratified agreement, if they believe that agreement violates the duty of fair representation.

This is a major development for USAPA as an organization and was the result of a true team effort. Special thanks goes to Jess Pauley (Merger Committee Chair), Mike Cleary (former President), Randy Mowery (former Vice President), Bill Turbett, John Owens, Brian O'Dwyer, Gary Silverman, Roland and Bill Wilder, and local PHX counsels Susan Martin and Jennifer Krol.

The current plan is to ask the NMB to reconvene separate Section 6 negotiations with US Airways once the final order is issued because one of the reasons the NMB has previously given for not scheduling negotiations was the pending litigation. There is still no guarantee that the NMB will schedule separate negotiations with US Airways because it has also cited the pending merger discussions as another reason for holding off further mediation.

In 2008, USAPA presented a seniority list based on Date of Hire, with conditions and restrictions to the Company. Since that time, there have been no negotiations on the proposal. Pat Szymanski said that it was essential to reach out to the West Pilots in an effort to resolve the dispute.

Pat Szymanski was able (via conference call) to be at the CLT and PHL domicile meetings last week and suggested that we should be good winners and it is essential that we make an effort to work together to get a single contract for the betterment of all pilots. We are stronger if we work together and weaker if we continue to be divided over this issue.

Pat Szymanski commented on a few questions that had been presented prior to the call. Professional Negotiator Roland Wilder has always said the MOU is just one step in achieving the goal of an industry standard contract and represents about 85-90% of what the negotiators were sent to get: immediate pay parity with American Pilots, industry parity after three years, furlough and pay protection, and a guarantee that increases or decreases in flying will be shared proportionately between US Airways and American. He has also said that we can only expect to receive parity with Delta and United if there is a merger.

Finally, is the NIC gone? President Hummel said that based on Judge Silver's proposed ruling, it is in terms of USAPA not having to use it. If there is a merger with American, seniority integration with APA will be done according to McCaskill-Bond and all aspects will be complied with.

**Communications Committee Chairman James Ray** expressed appreciation for the work of Courtney and Glenn and the entire P4P Committee. It is not always an easy job to communicate the facts without personal views and bias, but that is what P4P is all about.

**GAC Chairman Randy Dopp** thanks all for the help in writing representatives. It does make a big difference. Tomorrow, I have a meeting with Senate leadership at the highest level. And Vice Chairman Pete Machtel has a meeting with North Carolina Representative Foxx. Also, President Hummel has nominated Captain Larry Rooney as EVP of CAPA, with elections later this fall.

**At just under an hour, we began Questions from each P4P on the call, until 11 AM:**

**Question** – In regards to getting a seat at the table, it appears we are negotiating from a position of weakness?

**Answer** – Dean Colello – The Term Sheet is as if we were not there, and we did not have any input, and there are some things agreed to already that are not good. The Company (President Kirby) had threatened to try to skip over us, but they realize now that if they include us, it will make the process easier.

Pat Szymanski – Dean's right, the Company has come to understand that a merger will be easier with our cooperation than it will be if we oppose it. We need to be at the table with APA and US Airways during negotiations for Joint Collective Bargaining Agreement (JCBA) to protect our position and our interests. And, for the purposes of a McCaskill-Bond seniority integration proceeding, it is important for us to negotiate an MOU that gives us pay parity with American pilots and protects our flying, because otherwise, APA will argue that it should get credit for increasing our pay rates and that our flying is not guaranteed. Pat continued:

- USAPA pilots will be seriously and adversely affected if we don't have protections of the MOU when it comes time for integration of the seniority lists.
- To accomplish our goal of an industry standard contract, we need a seat at negotiating table, and an MOU will help get that "in order to fix the things the BPR wants fixed."
- No stand-alone deal with just US Airways will be anywhere close to as good as with a merged deal with AMR, because the "New Company" will have revenue that stand-alone US Airways would not.

**Question** – Do we have to have a seat of table?

**Answer** – Gary Hummel – Remember, we were handed this Term Sheet, and in it, APA has agreed to file for single carrier status. What the BPR decided to do was try to get an MOU

where USAPA must be an EQUAL Partner at table. With the MOU, we have a seat at the table and we also received a guarantee that all Shuttle flying will be back at mainline, and E190 pay rates will be looked at with the Parity review which is now at 3 years. We also made it so that the APA has to deal with and be concerned about the E190 pay rate, as after 30 E190s, the APA also receives E190s at a 2:1 ratio with us. At the end of the day, without a MOU, if we are forced to file grievances, it will be rolling the dice; we can't comment on if we can win COC until we see how the deal is structured.

Pat Szymanski – We absolutely need a seat at the table, because, as a practical matter, the JCBA that is negotiated pursuant to the Term Sheet will be the pattern for our wages and terms and conditions once there is a merger. Everyone says the APA Term Sheet is a “bankruptcy contract,” but US Airways pilots should not be focused on that “label” but should be looking at how the APA Term Sheet, the MOU and negotiations for a JCBA will affect our existing terms and conditions. With the MOU you get a full seat at the table in negotiating the JCBA, immediate pay parity with American Pilots when the POR is approved, industry parity in 3 years, furlough and pay protection, a guarantee that any changes in flying will be shared proportionately between US Airways and American, and several other benefits. Without an MOU, none of this is guaranteed and it could be months, or even years, before there is a JCBA that gives our pilots the same wages and terms and conditions as American Pilots. Just look at where we are now after the merger between US Airways and America West in 2005. Of course there are things that need to be improved in the MOU and in the Term Sheet. We expect the NAC will be back at the table with US Airways to address the issues the BPR has identified with the MOU once the Non-Disclosure period is over. And with an MOU in place, we will have a full seat at the table in negotiating the JCBA and hopefully fixing the shortcomings in the Term Sheet. We need to work to improve the Term Sheet and MOU, and we will work to improve them when the Company is finished with the NDA (Non Disclosure Agreement) with AMR. The merger is the path to industry standard contract. Without an American merger, US Airways will be a second-tier airline, and we will not get the pay and contract we want.

Dean Colello – You have to look where we are today; even if it is a bankruptcy agreement to some, it may be an improvement to others. When we weren't at the table, we got what the APA negotiated for us: arbitration, the E190 pay rate, and reduced Shuttle flying. They did not know some of the key facts and wording and how our Management works.

**Question** – What are the 5 principles the BPR initially set before the MOU negotiations?

**Answer** – 1-USAPA MUST be an equal partner

2-Every pilot must receive equal pay, furlough protection on the POR

3-Agree to accept scope of existing flying

4-Agree to pay parity with Delta and United

5-Prior to POR – Joint contract (preferably but not a requirement)

**Question** – Why do they need us (USAPA Pilots) to complete a merger versus run two separate airlines similar to what they are doing today?

**Answer** – Dean Colello – The Company does not get the synergies of the merger without a complete contract. It is part of Parker's plan to be able to convince the Unsecured Creditors and the Bankruptcy Court.

Pat Szymanski – If they don't have our agreement, the Company will face a Change of Control claim and won't be able to Code Share. They do not want two different contracts, and with the APA negotiating with the Company and the Single Carrier Determination, APA likely would end

up as our representative and negotiate away Change of Control, the code share prohibition, and other provisions in our contracts.

**Question** – Where are we at with the 3% grievance?

**Answer** – Gary Hummel – Dave Ciabattoni has had communications with Arbitrator Kasher and it was about five weeks ago when Kasher said he would have an answer for us in three weeks.

**Question** – What is the strategy to improve what's in the MOU; what to keep or get rid of?

**Answer** – Dean Colello – We will be negotiating on pay parity review issues, Block hour floor, E190 pay rate, 40 furloughed pilots on the West, and the things we have mentioned earlier.

**Question** – Will we be sending out the NAC Presentation for all pilots to help educate themselves?

**Answer** – Dean Colello – We are done presenting at base meetings for now, and the information is available on the Web site in the Merger Library. We will not be going out again until after we have worked on the MOU with the Company and the APA.

**Statement** – It seems we need to educate that we are not in a cram down with the MOU and it has good points.

**Answer** – Gary Hummel – The history of what happened at APA a month ago shows the problems when they voted "No" to the Last Best Final Offer out of spite and hate for their management. They ended up with the Court abrogating their contract.

Pat Szymanski – What happens down the line in terms of education will be up to BPR. We don't want to adversely affect our bargaining position by starting a campaign supporting the MOU before the problems identified by the BPR are addressed. What we are doing now is what we should be doing. Now is not the time to be pursuing a full bore campaign for the MOU. That needs to wait until the NAC has a chance to address the shortcomings in the MOU and the BPR decides what to do with the result. Everyone should understand its good points and bad points and the important part it will play in assisting us in a seniority integration proceeding, protecting our interests, getting us pay parity, and guaranteeing us a seat at the table when the JCBA is negotiated. It is extremely important to have the P4P continue doing the job of face -to-face communications.

**Question** – In any negotiations, we want to understand the opponent's view. How does Parker's affect us and our MOU?

**Answer** – Gary Hummel – From day one, we asked this Management team and were told by Parker and everyone, "We don't need anything from you." That is the way they have acted, but they do actually need us to help facilitate this merger.

Dean Colello – We know Chief Pilots have been handing out the MOU, and if they didn't need us, they wouldn't talk to us. We do not want to over-reach, but they want our cooperation. Some think it's good, some not. We all think that US Airways will want to talk to us after this NDA time is up. Parker and Kirby are not going to give us keys to the candy store, but they need us and will make it easier.

**Question** – When do we expect Judge Silver's final order and when do we expect to contact the NMB?

**Answer** – Pat Szymanski – We expect the final order from Judge Silver this week or at the latest early next week. As far as the NMB, we will send the letter to them as soon as the final order is issued and would then expect a week to 10 days for a reply. But, do not expect a quick

answer or positive action from the NMB because they have also cited the possible merger as another reason not to schedule further mediation sessions.

Gary Hummel – We already have a draft letter and we will pursue it, but we do not expect much, as they will come back with - you will get a better deal with a merger.

**Question** – Will we get the same mediator (Terri Brown) if we go back into Section 6?

**Answer** – Gary Hummel – Honestly I'm not that sure, but I think we would ask for new mediator.

Dean Colello – On the positive side, Brown is familiar with the case and that has good and bad points, but NMB will make that decision.

**Question** – With all the new hires that the Company is projected hiring, what is the status of the "Mentorship" program?

**Answer** – Membership Services is the responsible committee, and it is being discussed who has the better chance of assisting our fellow new hire pilots. We will follow up in the near future. Please note that the P4Ps were of great assistance with the 2011 new hires and could somehow play a part in helping the new hires now as they start their careers with US Airways.

**Statement** – On the line, there is overwhelming support for the BPR actions, but they want more information on the MOU.

**Answer** – Gary Hummel – People need to take an assessment of history; the Term sheet was handed to us, and the final MOU will give us equal protection. Everyone is working together - the NAC has done and will continue to do a great job. Scope and Grievance are looking over their shoulder to firm-up the language.

Pat Szymanski – The MOU doesn't get everything everyone wants, but it did get 85-90% of what the BPR sent the NAC to get and the NAC will negotiate for the improvements identified by the BPR once the Non-Disclosure Period ends. The MOU is critical in the McCaskill-Bond integration with the APA. Based on what I have seen, there is a consistent group of pilots that have opposed almost everything any administration has tried to do. This group was against Steve Bradford and Mark King in the beginning, then against Mike Cleary and Randy Mowery, and now against Gary Hummel and Steve Bradford. They are not pursuing the best interests of the membership as a whole. In my judgment, they are just out to criticize and say no. I expect the BPR to take action based on the best interests of the membership as a whole and not to be swayed by this small but apparently vocal negative minority.

Dean Colello – The MOU is not perfect and we will be doing our best to fix it. We will make sure that it is the best we can achieve.

**Question** – What is timeline of the Plan of Reorganization (POR)?

**Answer** – Pat Szymanski – The current deadline for submission of the POR by American Airlines management (AMR) is December 28, 2012. AMR can, however, ask for additional time and AMR's previous requests have been granted. So, the deadline could be extended further, particularly if there is some agreement with US Airways concerning a merger.