

Exhibit C

**In the Matter of the Seniority List Integration Arbitration
Under ALLEGHENY-MOHAWK Labor Protective Provisions, Section 13(b)
Pursuant to the Dispute Resolution Agreement Among and Between**

---THE PILOTS OF ---

REPUBLIC AIRLINE/CHAUTAUQUA AIRLINES/SHUTTLE AMERICA,
represented by International Brotherhood of Teamsters (“IBT”),

FRONTIER AIRLINES, represented by Frontier Airline Pilots
Association (“FAPA”),

MIDWEST AIRLINES, represented by Air Line Pilots Association,
International (“ALPA”),

LYNX AVIATION, represented by United Transportation Union (“UTU”)

-and-

REPUBLIC AIRWAYS HOLDINGS, INC., (“RAH”)
[on behalf of Itself and Its Affiliates Chautauqua Airlines, Inc.,
Republic Airline, Inc., Shuttle America Corp., Frontier Airlines, Inc.,
Midwest Airlines, Inc., and Lynx Aviation, Inc.]

APPEARANCES

For UTU/Lynx Aviation Pilots: Clinton J. Miller, III, General Counsel

For ALPA/Midwest Pilots: Highsaw, Mahoney & Clark, P.C.
By John O’Brien Clark, Jr.

For FAPA/Frontier Pilots: Allison, Slutsky and Kennedy, P.C.
By Wesley G. Kennedy

**For IBT/Republic, Chautauqua,
Shuttle America Pilots:** Baptiste & Wilder, P.C.
By William R. Wilder

For RAH, Inc.: Ford & Harrison, LLP
By Thomas J. Kassin
Lilia R. Bell

MERGER COMMITTEE CHAIRS

Capt. Anthony Freitas, Midwest
Capt. Mark Manausa, Lynx
Capt. Jeffrey Thomas, Frontier
Capt. Daniel Sneddon, Republic

TECHNICAL ADVISORY TEAM

Capt. Anthony Freitas, Midwest
Capt. Eve Grauer, Republic
F.O. Trevor Jenkins, Frontier
Capt. Cory Sewell, Lynx
Mr. Ken Pack, RAH, Inc.

ALLEGHENY-MOHAWK Labor Protective Conditions

Section 1. The fundamental scope and purpose of the conditions hereinafter specified are to provide for compensatory allowances to employees who may be affected by the proposed acquisition of control of [CARRIER], approved by the attached order, and it is the intent that such conditions are to be restricted to those changes in employment due to and resulting from such acquisition. Fluctuations, rises and falls, and changes in volume or character of employment brought about by other causes are not covered by or intended to be covered by these provision.

Section 2

(a). The term “merger” or “acquisition” as used herein means joint action by the two carriers whereby they unify, consolidate, merge, coordinate or pool in whole or in part their separate airline facilities or any of the operations or services previously performed by them through such separate facilities.

(b). The term “carrier” as used herein refers to either [CARRIER] or to the corporation surviving after consummation of the proposed merger of the two companies.

(c). The term “effective date of merger” as used herein shall mean the effective date of the amended certificates of public convenience and necessity transferred to the surviving corporation pursuant to the approval granted in the attached order.

(d). The term “employee” as used herein shall mean an employee of the carriers other than a temporary or part-time employee.

Section 3. Insofar as the acquisition or merger affects the seniority rights of the carriers’ employees, provisions shall be made for the integration of seniority lists in a fair and equitable manner, including, where applicable, agreement through collective bargaining between the carriers and the representatives of the employees affected. In the event of failure to agree, the dispute may be submitted by either party for adjustment in accordance with Section 13.

* * * * *

Section 13(b) Dispute Resolution Agreement (November 3, 2009)

WHEREAS, Section 13(b) of the Allegheny-Mohawk Labor Protective Provisions (“LPP”s) authorizes the parties to devise an alternative method to resolve the seniority integration issues which are subject to Section 3 of the Allegheny-Mohawk LPPs’ command that the parties integrate seniority in a fair and equitable manner, and the parties to this Agreement desire to devise that alternative dispute resolution process;

THEREFORE, Republic Airways Holdings Inc. (“RAH”), on behalf of itself and its wholly-owned affiliates Republic Airline Inc., Chautauqua Airlines, Inc. and Shuttle America Corp. (hereinafter collectively, “Republic”), Midwest Airlines, Inc., Frontier Airlines, Inc. and Lynx Aviation, Inc. (RAH and its affiliates together one “party” under this Agreement), and the Republic, Midwest, Frontier and Lynx pilots, as represented by their respective Seniority Merger Committees (the “Merger Committees”) as duly created and authorized by each pilot group’s duly designated representative (each such Merger Committee another “party” under this Agreement) agree to establish the following procedures for resolving the seniority integration issue in accordance with Sections 3 and 13 of the LPPs.

Section I: Production of Information

(a). No later than twenty-one (21) days from the effective date of this Agreement, each Merger Committee may submit to RAH, in writing, a list of specific information that is relevant, material and necessary to seniority integration. Within five (5) business days of the request, RAH shall provide such available information, subject to a confidentiality/non-disclosure agreement, or otherwise inform the Committee that the information is not available or does not meet the requirements of this paragraph. Nothing in this Agreement shall require that RAH or its affiliates create documents that are not otherwise in existence.

(b). If, during the course of the seniority integration process pursuant to this Agreement, RAH modifies the operational fleet plan previously produced to the Merger Committees, such modified plan(s) will be provided to the Merger Committees, subject to a confidentiality/non-disclosure agreement.

(c). Upon request of a Merger Committee, RAH shall facilitate a meeting with appropriate management individual(s) and all Merger Committees for the purpose of addressing any follow-up questions raised by the information produced pursuant to paragraphs (a) or (b) above.

(d). Any dispute over any party's compliance with the requirements noted in this Section I that is not resolved by the disputants five (5) days after the dispute arises may be referred by a party to the dispute to the arbitrator selected pursuant to this agreement for final and binding resolution on an expedited basis by oral decision rendered as soon as possible after the record on that dispute is closed. The oral decision shall be followed by a written order memorializing the decision.

Section II: Negotiation of the Integrated List

(a). No later than ten (10) days after the completion of the discovery process set forth in Section I(a), but in no event later than forty (40) days after the effective date of this Section 13(b) Agreement, the Merger Committees shall exchange with each other and with RAH their respective seniority lists containing the seniority number, date of hire, date of birth, and adjustments to longevity, if any, as specified in the applicable collective bargaining agreements and/or established practices. They shall also exchange with each other, but not with RAH (unless specifically requested to do so by RAH), all applicable collective bargaining agreements, including Pilot Working Agreements, and Letters of Agreement, and all pending grievances related in any way to seniority or reinstatement of pilots.

(b). No later than five (5) days after the exchange of the seniority lists, the Merger Committees shall exchange with each other, but not with RAH, their respective proposals for the integration of the pilot seniority lists on a fair and equitable basis.

(c). No later than ten (10) days after the Merger Committees exchange integration proposals, they shall confer in an effort to reach an agreement for the fair and equitable integration of their respective airlines' pilot seniority lists. In the event of differences in the rules affecting adjustments to longevity under the parties' agreements and/or established practices, the Merger Committees shall meet in an effort to reach agreement on how to resolve those differences, but failing to reach agreement the dispute may be referred to the arbitrator selected pursuant to Section IV for resolution as part of the integration. Any adjustment of longevity to resolve such differences shall not affect any

pilot's longevity pursuant to the applicable collective bargaining agreement for any other purpose, such as pay or benefits.

(d). If the Merger Committees are able to reach a written agreement, they shall jointly transmit that agreement as a proposal to RAH by the next calendar day. RAH and the Merger Committees shall meet within five (5) days after transmittal of the agreement for the purpose of securing RAH's agreement to the seniority integration.

(e). If the parties are able to reach an agreement for the fair and equitable integration of the pilot seniority lists, they shall include in that agreement a date when the integration will become effective, which date shall not be before the National Mediation Board (NMB) issues its ruling on whether the RAH affiliates comprise a single transportation system and certifies the Organization, if any, that is the duly designated representative of the pilot craft or class on that transportation system.

(f). If the Merger Committees are unable within forty-five (45) days after conferences begin under Section II (c) to reach an agreement for the fair and equitable integration of the pilot seniority lists, any Committee may refer the dispute to the arbitrator selected pursuant to Section IV for final and binding resolution. If the Merger Committees reach an agreement, but then are unable to secure RAH's agreement within ten (10) days after such conferences begin under Section II (d), any party may refer the dispute to the arbitrator selected pursuant to Section IV for final and binding resolution.

Section III: Mediation

(a). No earlier than fifteen (15) days after negotiations begin under Section II (c), any Merger Committee may request that the mediator selected pursuant to Section IV (b) assist the Merger Committees in reaching agreement for a fair and equitable integration of the seniority lists. All Merger Committees shall cooperate in the mediation of the dispute.

(b). If all parties agree, mediation may continue after the dispute is submitted to the arbitrator selected pursuant to Section IV (b), but shall cease on the date the arbitrator establishes for submitting comments under Section V (f) on the proposed award.

(c). The salary and expenses of the mediator and the costs of the mediation process shall be shared equally by the Merger Committees.

Section IV: Selection of the Mediator and Arbitrator

(a). Within ten (10) days of the effective date of this Agreement, each Merger Committee shall submit to the other Merger Committees and RAH a list of at least three (3) arbitrators/mediators who will be acceptable to that Merger Committee to mediate under Section III, or to hear and decide any dispute under this Agreement, or over the fair and equitable integration of the pilot seniority lists. RAH shall submit to the Merger Committees by that same time period a list of three (3) arbitrators who would be acceptable to RAH to hear and decide any dispute under this Agreement, or over the fair and equitable integration of the pilot seniority lists.

(b). No later than fifteen (15) days after the effective date of this Agreement, all parties shall meet either in person or by phone to select an arbitrator and, for the Merger Committees, a separate mediator from the lists of acceptable arbitrators/mediators produced by the parties. If the parties are unable at that meeting to select an arbitrator

and/or a mediator from the Section IV (a) lists, any party to this Agreement may immediately request from the NMB a list of eleven (11) available arbitrators knowledgeable of, and experienced in, airline labor disputes, from which list the parties shall select the arbitrator. That list shall also be used by the Merger Committees to select the mediator. The parties shall first select the arbitrator by alternatively striking names until one name remains or the parties agree upon the arbitrator; the Merger Committees shall then use the same list, with the arbitrator's name removed, to select the mediator by the same strike method. The parties participating in the selection process shall determine by agreement or by lot the order of striking. The selection process shall not be delayed if a party declines to participate in the selection process.

(c). If the arbitrator or mediator selected is unwilling to serve, or subsequently withdraws, the parties shall select another arbitrator and/or mediator by the above methods.

(d). One half of the salary and expenses of the arbitrator and the costs of the arbitration (such as hearing facilities and court reporter) shall be borne by RAH and the other half by the Merger Committees. Each party shall be responsible for the compensation and expenses of its representatives and participants in the arbitration process.

Section V: The Arbitration Hearing

(a). No later than ten (10) days after the submission of the integration dispute under Section II (f) for final and binding resolution, the arbitrator shall commence a pre-hearing conference to determine the issues in dispute, set the date for the commencement of the hearing in accordance with Section V (b), establish the order of presentation of evidence, and determine any other matter that the arbitrator believes will be conducive to a just and orderly resolution of the dispute, including procedural issues.

(b). No later than thirty (30) days after the submission of the integration dispute under Section II (f) for final and binding resolution, the arbitrator shall commence the hearing on the dispute at which the parties shall be permitted to produce evidence as to the fair and equitable integration of the seniority lists, including conditions that the parties believe are necessary for a fair and equitable integration of the seniority rights of the pilot groups. The hearing shall take place at a location(s) agreed-to by the parties but, barring such agreement, shall take place at a location(s) designated by the arbitrator.

(c). In addition to jurisdiction to resolve disputes under Section I and to devise the fair and equitable integration of seniority, the arbitrator shall have the authority to resolve any dispute arising out of the interpretation or application of this Agreement.

(d). The arbitrator shall conduct the hearing and schedule any post-hearing briefing so that the proposed award may be made within sixty (60) days after the hearing commences, unless the parties agree to an extension of the date for the issuance of an award.

(e). Unless during the hearing process the parties reach an agreement as to the manner in which the pilot seniority is to be integrated, the integration, including any conditions thereto, shall be devised by the arbitrator.

(f). Prior to issuing the final award, the arbitrator shall submit the proposed award to the parties for their review. The parties may submit written comments as to the proposed award, with suggested changes, if any, with copies to the other parties. No new evidence may be submitted. The arbitrator, in his or her sole and un-reviewable discretion, may

schedule oral argument on the comments. This comment and review process shall be conducted so that it is concluded in a twenty (20) day time period, with the final award being issued by the twentieth day from when the proposed award was issued.

(g). The award of the arbitrator shall be stated in writing and shall be final and binding on the parties to this Agreement and on the pilots employed by RAH and its affiliates. The award shall include the date on which the seniority integration will become effective, which date shall not be before the NMB issues its ruling on whether the RAH affiliates comprise a single transportation system and certifies the Organization, if any, that is the duly designated representative of the pilot craft or class on that transportation system.

(h). The Organization, if any, designated by the NMB as the duly designated representative of the combined craft or class of Flight Deck Crew Members for the single transportation system shall continue the Merger Committees in existence and delegate to the Merger Committees authority solely for the purpose of adjusting any dispute or disputes that might arise as to the interpretation or application of the award, including authority to compromise such disputes, and to initiate, defend, mediate, and litigate such issues in the dispute resolution mechanism under this Agreement. The Organization shall have authority over the manner in which the Merger Committees' operations are financed. The Merger Committees which are parties to this agreement represent that they have been authorized by their principals (the duly designated representative of their airline's pilots) to enter into the commitments set forth in this paragraph and in this Agreement. Each Merger Committee shall fill its own vacancies by selection made by the remaining members of that Merger Committee.

(i). In case a dispute arises involving an interpretation of the award within one hundred and twenty (120) days of the date that the seniority integration becomes effective, the arbitrator, upon request by a party to this Agreement, shall interpret the award in light of the dispute. Any such dispute must be submitted to the arbitrator within sixty (60) days after the dispute arises.

(j). The award of the arbitrator issued under either Section V (g) or V (i) shall be considered as a part of the collective bargaining agreement(s) applicable to the combined craft or class of Flight Deck Crew Members for the single transportation system. Any dispute arising out of the interpretation or application of the award more than one-hundred and twenty (120) days after the effective date of the seniority integration shall be handled in the usual manner by the applicable Merger Committees up to and including the highest carrier official designated to handle such disputes, but failing to reach an adjustment in this manner, the dispute may be submitted by any party to the dispute to the adjustment board established by the designated representative of the combined craft or class and the single carrier for final and binding resolution. All Merger Committees shall be given notice of the dispute and, in addition to the Merger Committee invoking the adjustment board jurisdiction, may be heard by the system board of adjustment in resolving the dispute, with the decision of the board being made by the arbitrator selected pursuant to the applicable agreement to sit with the system board (without a vote by the other members of the system board).

PROCEEDINGS

Republic Airlines, Chautauqua Airlines, and Shuttle America (collectively, “Republic”), each have separate operating certificates issued by the Department of Transportation (DOT) and the Federal Aviation Administration (FAA), but are considered a “single carrier” by the National Mediation Board (NMB) for labor representation purposes. Republic Airways Holdings, Inc. (“Company” or “RAH”), the parent holding company of Republic Airlines, Chautauqua Airlines, and Shuttle America, acquired Midwest Air Group, Inc., (“MAG”) corporate parent of Milwaukee-based Midwest Airlines (“MEA” or “YX”), on July 31, 2009. Two months later, on October 1, 2009, RAH acquired Frontier Airlines Holdings, Inc., the corporate parent of both Denver-based Frontier Airlines (“Frontier” or “F9”) and Frontier's wholly owned subsidiary Lynx Aviation (“Lynx” or “L3”)

The pilots of the RAH affiliates are represented by the International Brotherhood of Teamsters (“IBT”), whose Collective Bargaining Agreement (CBA) with RAH provides, at Article 1.H.3, for “fair and equitable integration” of seniority lists pursuant to *Allegheny-Mohawk* §§3 and 13, in the event of an “operational merger”. In these proceedings, and when Midwest Airlines proper was in operation, the pilots of Midwest were represented by the Air Line Pilots Association, International (“ALPA”). The Midwest-ALPA CBA in effect at the time of the Midwest acquisition also contained, in §1.D.3, a seniority integration provision referencing §§3 and 13 of the *Allegheny-Mohawk* LPPs. The Frontier Airlines pilots are represented by the Frontier Airlines Pilots Association (“FAPA”). Both §1.G. and Letter of Agreement No. 39 (“LOA 39”) of the FAPA-Frontier CBA provide for seniority integration, pursuant to §§3 and 13 of the *Allegheny-Mohawk* LPPs. At the time of the transaction, the pilots of Lynx Aviation were represented by the United Transportation Union (“UTU”) but had not yet negotiated a CBA.

Public Law No.110-61 (December 26, 2007), *a.k.a.*, the "McCaskill-Bond" legislation, also brings to bear the *Allegheny-Mohawk* LPPs in transactions involving two or more air carriers resulting in the combination of crafts or classes under the Railway Labor Act (45 U.S.C. § 151, *et seq*). The two LPP sections that are applicable, *Allegheny-Mohawk* §§ 3 and 13, provide for integration of the respective seniority lists, in a "fair and equitable manner", through a dispute resolution process culminating in arbitration. (59 CAB 19, Appendix B, 45, 1972).

On November 3, 2009, RAH, Inc., (on behalf of itself and its affiliates Republic Airline/Chautauqua Airlines/Shuttle America, Midwest Airlines, Frontier Airlines and Lynx Aviation) and the four Pilot Merger Committees represented by the IBT, ALPA, FAPA and UTU signed a Dispute Resolution Agreement (DRA), *supra*, pursuant to §§3 and 13 of the *Allegheny-Mohawk* LPPs. When direct negotiations and mediation assistance resulted in stalemate, the parties appointed me solo impartial arbitrator, to conduct hearings and render an Award under the terms of the DRA.

At my request, each Committee and the Company designated a member of a Technical Assistance Team ("TAT"); whose expertise and extraordinarily diligent work made possible the calculation, cross-check, verification and certification of the proposed seniority list generated by each final proposal, as well as the various iterations, permutations and combinations thereof which led to my final Award. The dedicated and critically important service of the TAT in verifying and certifying the accuracy of all those calculations was of inestimable assistance. In accordance with the mandates of the DRA, however, this Arbitrator alone made any and all judgments and determinations of "fairness and equity" in the creation and issuance of the Integrated Master Seniority List ("IMSL"), which is incorporated by reference in my Award and attached thereto as Appendix A.

The DRA originally established an untenable timetable for completion of the various procedural steps of the process, which required extension by consensus of the parties. Hearings were held in Washington, D.C. on March 15-19, May 21-25, and August 9-11, 2010. Each party presented direct and rebuttal evidence in support of disparate proposals for integrating the respective lists. Revised final proposals were submitted and exchanged, following which post-hearing briefs were filed on September 24, 2010. In accordance with the DRA, a proposed Award was circulated for review and Counsel submitted comments and suggestions for modifications, a number of which were found persuasive and incorporated into the final Award.

BACKGROUND

Republic Airway Holdings, Inc.

Prior to the 2009 transactions, RAH Inc. subsidiaries Republic Airline, Chautauqua Airlines, and Shuttle America (collectively “Republic”) operated exclusively in fee-for-departure (“FFD”) service under capacity purchase agreements (“CPA”) with mainline carriers; providing lift with RAH-employed crews flying RAH-owned aircraft. RAH, a holding company organized in 1996, initially operated through one FAA operating certificate, issued to Chautauqua in 1974. Chautauqua Airlines began operating various turboprop aircraft as a code-share lift provider for US Air. Due to limitations on the size of aircraft it could operate under the Chautauqua certificate to service its fixed-fee agreements, RAH obtained an operating certificate for Republic Airlines. That strategic move in 2004 enabled RAH to enter into CPAs to operate, through Republic Airlines, the Embraer E-170s that it acquired thereafter. By the end of 2004, RAH had converted its expanding fleet entirely to regional jet aircraft.

When RAH was unable to complete the Republic Airlines FAA certification process in time to commence the E-170 operations it had already contracted to provide, RAH acquired Shuttle America in May 2005 as its platform for flying those 70-seat aircraft. [Those respective pilot seniority lists were integrated by an *Allegheny-Mohawk* arbitration panel chaired by

prospects of pilots on furlough". Midwest and Lynx pilots active on the acquisition dates, save the junior Lynx pilots (with 2008 hire dates), are placed by IBT above all pilots on furlough on the acquisition date.

According to the Republic Committee, "the risk associated with Frontier's operation warrants those pilots' placement in accordance with the Republic pilot final proposal, which integrates Frontier captains, including downgraded captains and a group of senior first officers, with Republic captains". The Republic pilots claim the placement accorded to Midwest captains and first officers active on the transaction date is appropriate "given severely impaired career expectancy owing to their inability to continue their careers at Midwest past 2009 and that the Lynx pilots have less career expectations in comparison than any other active pilot groups." Finally, the Midwest furlougees are placed below all other pilots involved in the integration.

The Republic pilot committee proposes to "pull and plug" only management pilots, take the pilot population numbers identified under each ratio, reduce those numbers by the number of pilots in the grouping on the long-term medical leave of absence and military leave of absence, construct a new ratio based on the reduced numbers, integrate the active pilots under those ratios and then reinsert the LOA pilots. For example, in the group of 710 Republic pilots and 355 Frontier pilots integrated on a 2:1 basis following the initial 299 Republic pilots, those numbers should be reduced by the number of pilots falling within those populations who are under a covered leave of absence. A similar reduction would be made to the next ratio grouping of 560 Republic pilots and 280 Frontier pilots, and so on/so forth to all the other ratio groupings of pilots.

REPUBLIC AIR WAYS HOLDINGS, Inc.

The Company does not have a position on the methodology that should be adopted by the Arbitrator in integrating the four seniority lists at issue in a "fair and equitable" manner – *i.e.* the order in which pilots should be placed on the merged list. However, the Company does oppose, as operationally impractical, burdensome, unfair and inequitable, and/or outside the jurisdiction of the Arbitrator and the scope of these proceedings, certain "conditions" and/or "restrictions" that have been proposed by FAPA, ALPA and UTU.

The Company maintains that the seniority integration decision should exclude the noted provisions from the FAPA, ALPA and UTU proposals and include the standard conditions/restrictions proposed by the Company: 1) No bump/displacement/system flush; 2) Pilots who, at the time of implementation of the integrated seniority list, have been awarded a new position, shall be permitted to commence and/or complete training and assume the new position, regardless of their relative standing on the integrated list; 3) No requirement for pilots to be compensated for flying not performed as a result of the seniority integration (*e.g.* differential pay for a position not actually flown. Finally, the Company urges that implementation date of the integrated seniority list should follow certification of the single pilot representative by the NMB and closure on the necessary negotiations with that representative related to contract consolidation.

7. Dispute resolution procedures shall be in accordance with Section V. of the DRA. To the extent specified in Sections V(c) and V(i), the undersigned Arbitrator retains jurisdiction to resolve any unresolved disputes between the pre-merger pilot groups as to the terms of the DRA and/or the interpretation or application of this Award.
8. In the event of inadvertent error or unintended omission by the Technical Advisory Team ("TAT") in the certified IMSL attached hereto as Appendix A, the TAT may agree upon and make an appropriate correction. Failing such agreement, the Party seeking such a correction may file a petition for correction with the undersigned Arbitrator.

C. EFFECTIVE/APPLICABLE DATE OF THE IMSL

The IMSL (Appendix A) shall become effective for purposes of the second sentence of DRA §V (g) and applicable for purposes of the first sentence of DRA §V (j) on the sixtieth (60th) day following the date of the National Mediation Board rulings and certification referenced in DRA §V (g), unless an earlier date is agreed upon by the designated pilot representative and the single carrier.

The awarded seniority integration shall be implemented on the specified effective/applicable date, with appropriate adjustments to the IMSL (Appendix A), if the NMB rules that fewer than all of the carriers are included in a single transportation system for the pilot craft or class.

Dana E. Eischen

/s/ Dana Edward Eischen

On this day 19th day of February 2011, I, DANA E. EISCHEN, do hereby certify that I am the individual described herein and that I executed the foregoing instrument on that date, which I affirm upon my oath as Arbitrator to be my **AWARD** in seniority list integration arbitration, under the terms of the Dispute Resolution Agreement of November 3, 2009.