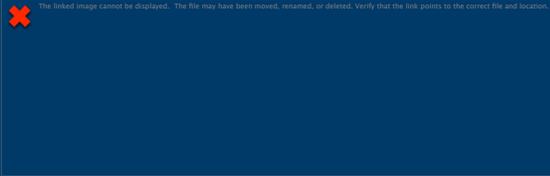


From: USAPA Merger Committee [<mailto:Merger@usairlinepilots.org>]

Sent: Saturday, January 17, 2015 7:21 PM

To: Mark Emanuel Burman

Subject: USAPA Merger Committee Update



**Merger
Committee**

January 17, 2015

Merger Committee Update

Over the past week, the Merger Committee and counsel have carefully reviewed the decision in the Preliminary Arbitration which directed APA to create a separate merger committee for former America West pilots.

We are obviously disappointed with the decision. It failed to address the important arguments we presented concerning the proper interpretation of the McCaskill-Bond Amendment and the binding effect of the January 2014 decision of the United States District Court in Arizona in Addington II. Indeed, the Preliminary Arbitration decision fails to analyze the language of McCaskill-Bond at all. Moreover, the Preliminary Arbitration decision, without any reasoning, relied upon statements by the Arizona District Court that are clearly "dicta" and which the Addington Plaintiffs have conceded are without legal effect. The Preliminary Arbitration decision was wrong on a number of other points as well.

The only matter decided by the Preliminary Arbitration, however, was whether there would be an APA Committee created to represent the former America West pilots. Neither the decision in the Preliminary Arbitration nor any part of the evidence or proceedings in the Preliminary Arbitration is admissible in the SLI proceeding.

Litigation is always an option to protect the rights of our pilots, and the Committee will not hesitate to pursue appropriate claims if the Committee determines such action is necessary. In the judgment of the Merger Committee and its counsel, litigation

concerning the Preliminary Arbitration decision is not necessary at this time to protect the rights of our pilots. The Merger Committee and counsel will continue to review and evaluate matters as they progress, always with the purpose of protecting the interests of the US Airways pilots.

At the hearing in the Preliminary Arbitration and in subsequent communications, the former America West pilots have indicated their seeming intention to predicate their proposal for integrating seniority based on an “updated Nicolau list.” We do not believe such a proposal is consistent with the RLA status quo at US Airways, with McCaskill-Bond, with the MOU or the Protocol Agreement or with the decisions of the United States District Court in Arizona. Nor do we believe such a proposal is in the best interests of US Airways pilots. The APA America West Merger Committee is free to make whatever proposal it wants, but whatever it proposes is just that – a proposal – nothing more. We are fully prepared to oppose any proposal that attempts to integrate the pilots of the New American Airlines in any manner that is not fair and equitable.

The Merger Committee will continue its work to certify the seniority lists at American and US Airways. We anticipate discussing various issues with the APA Committees, finalizing the schedule for the SLI hearings and preparing for those hearings. The Company is still in the process of producing information requested by APA’s American Airlines Pilots Seniority Integration Committee (the “AA PSIC”) and by the USAPA Merger Committee. The certification process cannot be completed without this information as well as the agreement of the new APA America West Committee.

We will continue to keep you informed of our efforts and the process.

USAPA Merger Committee

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