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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF ARIZONA

Case No.: 2:13-CV-00471-PHX-ROS

Addington et. al.,
Plaintiffs,
v.
US Airline Pilots Ass’n, et. al,
Defendants.

**DECLARATION OF JESS
PAULEY IN OPPOSITION TO
PLAINTIFFS’ MOTION FOR A
PRELIMINARY INJUNCTION**

JESS PAULEY, declares as follows under penalty of perjury pursuant to 28 U.S.C. § 1746:

1. I am presently, and have been since April 5, 1988, a pilot employed by defendant US AIRWAYS, INC. (hereinafter “Company”).

2. From April 5, 1988 to present, I have been, and continue to be, a member of the labor organization certified as the exclusive representative of US Airways pilots. From April 5, 1988 until April 2008, I was a member of the Air Line Pilots Association, International (hereinafter “ALPA”). On or about April 18, 2008, defendant US AIRLINE PILOTS ASSOCIATION (hereinafter “USAPA”) replaced ALPA as the certified bargaining representative for US Airways pilots. From April 2008 to the present, I have been, and continue to be, a member in good standing of USAPA.

3. I am presently, and have been since in or around April 18, 2012, the Chairman of USAPA’s Merger Committee. In that capacity, my duties include, but are not limited to: contributing to and supporting the development and implementation of all seniority-related positions of USAPA, coordinating Merger Committee activities with other key committees within the USAPA structure, interfacing with the Board of Pilot

1
2 Representatives, and representing USAPA with US Airways management on seniority-
3 related matters.

4 4. Prior to serving as Chairman, from March 25, 2010 to April 18, 2012, I was
5 a member of the USAPA Merger Committee. From July 2008 to March 2010, I was also
6 the Vice Chairman for the Boston Domicile.¹

7 5. Pursuant to my USAPA duties, I have personal knowledge of the facts set
8 forth herein, and if called as a witness in this matter, could competently testify regarding
9 same.

10 6. As Chairman of the Merger Committee, I have personal knowledge of the
11 provisions contained within the Memorandum of Understanding regarding Contingent
12 Collective Bargaining Agreement (“MOU”).

13 7. Paragraph 10 of the MOU provides for the following: (a) the Company will
14 remain neutral with respect to the way pilot seniority is integrated between US Airways
15 and American pilots, (b) neither the MOU nor the JCBA² will be the basis for any change
16 in the current two list seniority arrangement at US Airways, and (c) seniority integration
17 between US Airways and American pilots will be done pursuant to the McCaskill-Bond
18 process.

19 8. The McCaskill-Bond process involves two steps. First, USAPA and APA
20 will enter into negotiations in an effort to agree upon a satisfactory seniority arrangement
21 for the pilots of US Airways and American. As part of these negotiations, USAPA and
22 APA will initially exchange relevant data on the pilots they represent, such as: name, date
23 of birth, date of hire, longevity, time on furlough (if any), current status and current bid
24 including aircraft and seat). If USAPA and APA reach an agreement through these
25 negotiations, the results of said agreement must be ratified according to internal union
26 procedures.

27 ¹ The Boston Domicile was closed by the Company on or about May 2, 2010.

28 ² The Joint Collective Bargaining Agreement that will cover all pilots of the New American
Airlines, and which will be negotiated after the merger takes effect and other steps have been
taken (e.g. obtaining a single carrier operating certificate from the FAA).

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9. Second, if no agreement can be reached through the above-described negotiations, the parties will proceed to interest arbitration, where an integrated seniority list will be created that is “fair and equitable” under the relevant McCaskill-Bond standards. The proposal made by the Merger Committee and any subsequent changes must be approved by USAPA’s Board of Pilot Representatives (“BPR”), which includes three representatives for the West Pilots.

10. The timeline and sequence of the procedure in paragraph 10 is as follows:

- a. The seniority integration process required by McCaskill-Bond begins on the date the POR³ is approved (the “Effective Date”).
- b. APA and USAPA are required to negotiate a Seniority Integration Protocol within 30 days of the Effective Date. This Protocol will establish various additional guidelines concerning the proceeding such as the length of the arbitration hearing, the order of presentation and the presentation of briefs.
- c. APA and USAPA will attempt to agree on an integrated seniority system within the 90-day period following the Effective Date. Any tentative agreement concerning an integrated seniority system will be subject to ratification, if required by internal union policies of each of the pilot groups separately.
- d. If APA and USAPA are unable to reach agreement within 90 days, then within the next 15 days, they will select a panel of three neutral arbitrators. That arbitration proceeding will commence no later than 60 days after the designation of the arbitrators, or as soon thereafter as practicable given the availability of the designated arbitrators, provided that it is understood that, in no event, shall the seniority integration arbitration proceeding commence prior to final approval of the JCBA pursuant to the deadlines and procedures in Paragraph 27 below. The panel of arbitrators will render its award within six (6) months of the commencement of the arbitration, and in any event not later than 24 months after the Effective Date.

11. The written materials distributed to our pilots during the ratification process and the oral statements made during the roadshows all stated that the MOU was neutral with respect to the issue of seniority. In particular, our pilots, including the pilots at the Phoenix Domicile, were told that voting for the MOU would not result in the implementation of the Nicolau Award.

³ Referring to the Plan of Reorganization, a document submitted to a federal bankruptcy court in Chapter 11 bankruptcy proceedings in order for the Debtor to emerge from bankruptcy.

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12. I was present during the MOU educational presentations by the USAPA Negotiating Advisory Committee (“NAC”) at the roadshows at each of the system domiciles (Philadelphia, Washington D.C., Charlotte, and Phoenix) from January 17, 2013 to January 29, 2013. During the presentations and follow up question and answer periods, it was made clear to all in attendance that the MOU is neutral regarding the seniority lists currently in effect. The information given was consistent with other USAPA communications of the Merger and Negotiating Committees, such as written in January 23, 2013 issue of the Iron Compass, which stated:

The MOU is completely neutral with respect to the Nicolau Award. In fact, Paragraph 10.h of the MOU says explicitly that neither the MOU nor the JCBA “shall provide a basis for changing the seniority lists currently in effect at US Airways” other than through the McCaskill-Bond process. So, no East pilot should vote against the MOU because they fear that ratifying the MOU will implement the Nicolau Award, and no West pilot should vote for the MOU because they believe the MOU will implement the Nicolau Award. USAPA will propose a DOH integration in accord with the USAPA Constitution. At the outset of the McCaskill-Bond process, the parties exchange accurate information about their current seniority lists and with respect to each of the currently employed pilots (DOH, DOB, current bid and so forth). Based on this information, the pilot groups attempt to negotiate a mutually agreeable merged seniority list and, if they are unsuccessful, the issue is submitted to a panel of one or three neutral arbitrators who are required to issue a decision that integrates seniority “in a fair and equitable manner.” As provided in the MOU, APA and USAPA have agreed that, if there is an arbitration proceeding, it will be a panel of three neutral arbitrators. In accord with the USAPA Constitution, our Merger Committee will propose a DOH method for integrating seniority.

A true and correct copy of the January 23, 2013 issue of the Iron Compass is annexed hereto as Exhibit “B.”

13. APA is the exclusive representative under the Railway Labor Act for the pilots of American Airlines. The APA represents over 10,000 American pilots. APA has appointed a committee of seven pilots to their Seniority Integration Committee. USAPA represents approximately 4,000 pilots.

14. APA pilots recently voted to increase contributions to their “Seniority

1
2 Defense Fund.” Upon information and belief, APA has approximately five million
3 dollars in reserve at present to protect the seniority of American pilots.

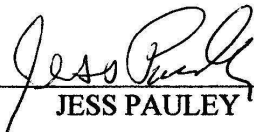
4 15. The Merger Committee and USAPA’s President have been actively seeking
5 participation on the Merger Committee by West pilots.

6 16. We do not know at this point what proposal will be made by APA at the
7 beginning of the McCaskill Bond process. And, of course, it is impossible to know
8 whether there will be any agreement in negotiations with APA pursuant to paragraph 10
9 of the MOU, and, if there were an agreement, how any such agreement would merge
10 seniority or whether it would be approved by the parties. Nor do we know what proposal
11 will be advanced by USAPA or how any decision would integrate seniority if the process
12 proceeds to arbitration.

13 17. It is the goal of the Merger Committee and USAPA to get the best seniority
14 integration for all of our pilots, both those who flew for the former US Airways and those
15 who flew for the former America West. In this respect, it is essential for US Airways
16 pilots to present a united position in order to have the best possibility for success in
17 dealing with APA concerning seniority integration both in negotiations and, if necessary,
18 in arbitration. The need for a united front is increased by the fact that APA has double
19 the amount of pilots as US Airways, and significant funds laid aside to support its
20 positions during the integration process.

21
22 I declare under penalty of perjury under the laws of the United States that the
23 foregoing statements are true and correct

24 Executed this 26th day of April, 2013.

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27 
28 JESS PAULEY