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June 19, 2009

VIA E-MAIL, US MAIL AND FACSIMILE

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VIA E-MAIL, US MAIL AND FACSIMILE

Robert A. Siegel
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400 South Hope Street
Los Angeles, CA 90071-2899

Re: US Airways, Inc. – Addington Plaintiffs' Grievance/Arbitration

Dear Mr. Bloch:

Pursuant to your recent order, the Addington Plaintiffs hereby submit their position with respect to their grievance.

The Addington Plaintiffs respectfully disagree with the result of your Opinion dated May 8, 2009 regarding the Transition Agreement Dispute No. 9 (“TA9 Arbitration”), submitted by USAPA. Notwithstanding their disagreement with your decision, which is explained more fully herein, in the interests of economy and efficiency, Plaintiffs do hereby respectfully withdraw their grievance.

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Plaintiffs are aware that both USAPA and the Company have argued that your Opinion in the TA9 Arbitration is dispositive of the Addington Plaintiffs' claims. Plaintiffs disagree, as explained below.¹

As Plaintiffs alleged in their hybrid complaint in *Addington v. US Airways/USAPA*, CV08-1633-PHX-NVM, they believe that the Company breached its agreements with the pilots and abused its discretion under the relevant agreements by, *inter alia*, operating in such a way as to take economic advantage of the terms of the US Airways CBA ("East CBA"), while taking advantage of concessions made by the former America West pilots ("West Pilots") in the Transition Agreement, to the detriment of West Pilots.

The Transition Agreement established contractual and collective bargaining rights and obligations that ran, among other things:

- a) Between Defendant US Airways and individual West and East Pilots;
- b) Between Defendant US Airways and the West Pilot Group;
and/or
- c) Between Defendant US Airways and the East Pilot Group.

All parties understood and intended that the rights and obligations arising in the Transition Agreement were part of a multiparty bargained-for exchange. All parties understood

¹ For example, the Addington Plaintiffs in their grievance sought relief beyond what USAPA sought in its TA9 Grievance, including but not limited to:

- A. An order that:
 - (1) Defendant US Airways shall not furlough any West Pilot before it has furloughed all pilots on the New Hire Seniority List;
 - (2) Defendant US Airways shall not furlough any West Pilot before it has furloughed all East Pilots junior to them on the Nicolau List;
 - (3) Defendant US Airways shall not amend the West CBA unless such amendment is ratified by a majority of the West Pilots.
- B. An order that Defendant US Airways shall negotiate and implement a single collective bargaining agreement that fully implements the Nicolau List;
- C. That Defendant US Airways compensate Plaintiffs for the value of lost wages and benefits caused by the injuries alleged herein;
- D. That Plaintiffs be awarded their reasonable attorneys' fees and costs in pursuing these claims against US Airways pursuant to A.R.S. § 12-341.01; and
- E. That Plaintiffs be granted such other relief that the neutral deems necessary and proper.

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and intended that the rights and obligations arising in the Transition Agreement were supported by valid consideration and would be legally enforceable by all beneficiaries.

The bargained-for terms of the Transition Agreement included among other things:

a) West Pilots agreed, for the benefit of East Pilots, to waive Scope Provisions of the West CBA that required America West to operate airplanes in the service of America West under America West designator code and/or marketing identity;

b) West Pilots agreed, for the benefit of Defendant US Airways and East Pilots, that Defendant US Airways must provide all furloughed East Pilots an opportunity to be either recalled as East Pilots or hired as West Pilots before it could hire any new pilots;

c) Defendant US Airways and East Pilots agreed, for the benefit of West Pilots, that Defendant US Airways must place any pilots hired after the date of the Transition Agreement on a third seniority list entitled 'New Hire Seniority List' and that it must treat these pilots as junior to all pilots on the West Pilot seniority list during separate operations;

d) East Pilots and Defendant US Airways agreed, for the benefit of West Pilots, that if any West Pilot was furloughed during Separate Operations, Defendant US Airways could not hire any new pilots until it provided all furloughed West Pilots an opportunity to be either recalled as West Pilots or hired as East Pilots;

e) West Pilots agreed, for the benefit of Defendant US Airways and East Pilots, to waive some of the West CBA restrictions on the seating capacity of aircraft using the company's marketing identity that could be flown by Express Carriers;

f) West Pilots agreed, for the benefit of Defendant US Airways and East Pilots, that Defendant US Airways could use East Pilots to operate East Airplanes on certain flights that, according to the Scope Provisions of the West CBA, Defendant US Airways could fly only with West Pilots and West Airplanes;

g) East Pilots and Defendant US Airways agreed, for the benefit of West Pilots, that Defendant US Airways could use West Pilots to fly West Airplanes on certain flights that, according to the Scope Provisions of the East CBA, Defendant US Airways could fly only with East Pilots and East Airplanes;

h) West Pilots agreed, for the benefit of Defendant US Airways and East Pilots, to negotiate (in good faith) amendments to the West CBA necessary to allow Integrated Operations of Defendant US Airways using a single integrated seniority list and a single CBA;

i) East Pilots agreed, for the benefit of West Pilots, to negotiate (in good faith) amendments to the East CBA necessary to allow Integrated Operations of Defendant US Airways using a single integrated seniority list and a single CBA;

j) Defendant US Airways agreed, for the benefit of West Pilots, to negotiate (in good faith) amendments to the West CBA and to the East CBA necessary to allow Integrated Operations of Defendant US Airways using a single integrated seniority list and a single CBA;

k) West Pilots agreed, for the benefit of Defendant US Airways and East Pilots, that the single integrated seniority list referred to above would be created in accordance with ALPA Merger Policy;

l) East Pilots agreed, for the benefit of West Pilots, that the single integrated seniority list referred to above would be created in accordance with ALPA Merger Policy;

and

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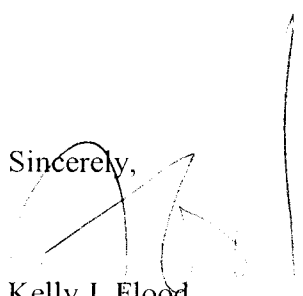
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m) Defendant US Airways agreed, for the benefit of West Pilots, that the single integrated seniority list referred to above would be created in accordance with ALPA Merger Policy.

Notwithstanding these terms, it is undisputed that US Airways has furloughed pre-merger West Pilots ahead of New Hires and ahead of East Pilots who were on furlough at the time of the merger. The Addington Plaintiffs alleged and believe that such actions by the Company are in breach of the TA and are contrary to the Company's duty of good faith and fair dealing in exercising its rights under the TA.

Although Plaintiffs believe that their claims are valid and supported by the facts and the law, and Plaintiffs respectfully believe that the Arbitrator erred in his decision with respect to the TA 9 Arbitration, Plaintiffs will nevertheless withdraw their grievance.

Sincerely,



Kelly J. Flood

KJF:kah

Enclosure

c: Nick Granath
Theresa Murphy