

NAC Update

Details

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As you know, your union reached agreement on a new proposed Memorandum of Understanding (MOU) that would apply if there is a merger of US Airways and American Airlines in bankruptcy. On January 4, your Board of Pilot Representatives voted unanimously to recommend the proposed MOU to you, the pilots of USAPA, for your review and ratification. [Click here](#) to read the joint BPR/Officer message.

Today, under the terms of the Non-Disclosure Agreement, which remains in place, the parties have agreed that the MOU can be presented to the pilots of USAPA and APA. As a result, details of the proposed MOU and an accompanying [side-letter](#) are being mailed to you via first class U.S. Mail this week. Please review the documents prior to making a decision on how you will vote. In addition, the Negotiating Advisory Committee will visit each domicile on the following dates to talk to you about the contents of the MOU ([click here](#)) and the associated [APA 2012 Contract](#), and answer any questions you might have. The NAC will give presentations 2-3 times each day and will also be available for questions at other times during the day.

Base	Dates (Times)	Location
DCA	Thurs, Jan 17th (9-2)	Conference Center, Terminal A, ground floor, next to the lobby of the old terminal
	Thurs, Jan 17th (2-5)	Room 264 in terminal A
	Fri, Jan 18th (9-1)	
CLT	Mon, Jan 21st (4 PM)	USAPA Headquarters
	Tue, Jan 22nd (9-5)	Auditorium, above the Food Court
	Wed, Jan 23rd (9-4)	
PHX	Thurs, Jan 24th (9-5)	International Concourse, Meeting Room next to British Airways Club, above B23
	Fri, Jan 25th (9-1)	
PHL	Mon, Jan 28th (9-5)	Airport Tour Room, inside security, between concourses C&D, near Au Bon Pain
	Tue, Jan 29th (9-4)	

These sessions are open to all members. Keep in mind; you will not be affected by the MOU unless it is approved by a USAPA membership ratification vote. Balloting will begin on January 18 and end on February 8.

What follows is an outline of the major points of the MOU and the accompanying side-letter. This is only a short summary; you will need to read the entire document and attend one of the Road Shows to become fully informed on these documents.

Summary of Major MOU and Side Letter Elements

- Pay rates
 - US Airways pilots will be paid the same as American pilots starting on the Effective Date (of approved Plan of Reorganization).
 - After the Effective Date, US Airways pilots will receive a retrospective payment based on the new pay rates back to the date of pilot ratification.
 - These new rates will result in pay increases ranging from 13% to 35% over today's rates for this year, plus substantial annual increases for the life of the contract.
- Retirement Contribution Rates

- 14% as of Effective Date
- Joint Collective Bargaining Agreement (JCBA)
- The recent APA 2012 collective bargaining agreement will serve as the baseline for a new contract, as modified during the JCBA process.
- USAPA and APA will jointly bargain with management to develop the MOU & Merger Transition Agreement (MTA) into a joint agreement that will apply to all pilots for the life of the agreement (Dec 31, 2018)
- MOU establishes interim flying protections
- All existing AA aircraft, including orders and options, will be flown by current APA pilots.
- All existing US aircraft, including orders and options, will be flown by current USAPA pilots.
- Shuttle operations (BOS-LGA-DCA) will be flown by current USAPA pilots.
- Existing PHX-Hawaii flying will be flown by current USAPA pilots.
- All transpacific (Asia) flying will be performed by current APA pilots.
- Minimum block hour floors are established at US and AA to prevent the new company from disproportionately drawing down either operation at the expense of the other.
- Minimum widebody Captain and First Officer positions are established for US Airways pilots.
- Pay protection is provided for pilots subject to displacements
- If either US Airways or American Airlines is hiring, furloughed pilots on either side may volunteer to fly for the other operation
- Provisions and procedures are established for a Seniority List Integration process in accordance with McCaskill-Bond ([click here](#)).
- Current West short term disability plan is extended for 3 years.
- East pilots with sick leave balances in excess of 1000 hours will be able to retain the amount above 1000, but will not accrue additional sick bank hours
- The \$40 million payment from the original MOU will be paid to pilots as of the Effective Date.
- The current East life insurance and survivor benefit plans are extended for 5 years.
- The current West life insurance plan is extended for 5 years

Our pilot group has been without a reasonable contract for far too long. We are confident that the resulting document offers our pilots substantial progress towards industry standard pay and working conditions that we have long deserved. We feel it benefits all pilots, no matter where you are on the seniority list. Those with not much time left prior to retirement will be able to increase their retirement savings with higher DC contributions accompanied by higher pay rates. Those with more time left will see substantial pay increases throughout the life of the contract, to better provide for themselves and their families.

If this merger transpires, we believe this MOU is the quickest and surest path to a better lifestyle for us all. We ask you to consider this MOU and associated contract in light of the alternatives. Study the materials you have available, attend the Road Shows and get answers to your questions – then make your decision based on what you believe to be the best choice for you, your family and your career.

We once again thank you for your support and understanding during this long process. We hope that you will join us in believing that it was worth it.

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