

What's in a name?

Sunday, August 13, 2006

It is very interesting of what value humans' will attribute to a name. Whether it is a title, a definition or combination of the two, humans' will attribute greater or lesser value based upon perception or opinion rather than basing the value upon facts. Take the name "ALPA". Look at the facts and ask yourself, really, what does it mean to you? Take for example the US Airways company webcast for Pilots dated 7/20/06. It's interesting to note how misguided and misinformed humans' become when confronted with the facts.

Let's first analyze the actual questions posed by the America West pilots in this group and then analyze the responses and answers provided by Doug Parker. I will try to provide references to documents as necessary at the end of this document. First, however, a few disclaimers. I am not a stenographer but I did review the webcast in conjunction with this letter to make sure I got it as close as I can. I tried to paraphrase as little as I could and when I did I tried to take the straight meaning or effectually summarize the statement. Second, the purpose of providing this document is to show every one of how little value America West pilots attribute to us and, secondly, to show how ALPA has sown and encouraged an air of aristocracy and entitlement among those that somehow demonstrate that, if they throw a temper tantrum enough and threaten enough chances are, they'll get their way.

This is where "ALPA merger policy" rears its ugly head and only serves to destroy the very fundamental foundation that ALPA espouses to preserve. ALPA merger policy tries to "split the baby" with what is called "fair and equitable". Notice that nothing in that statement has anything to do with fundamental principles. Fair and equitable is nothing more than communism in its purist form. Pilots fly airplanes because the laws of nature are fundamental and absolute. Not because of equity. Suits in equity are legal terms lawyers use to negotiate in trying to deprive the other side of a legal right. Mergers are not "fair and equitable". The money talks.... PERIOD. Nothing more. Read the May 2006 issue, pages 14 through 17 of Airline Pilot magazine if you want to know what "lawyers" think. There's nothing "fundamental" about it. Chris Bebee said at the end of that article as follows: "you and I each have the ability to change things." I agree. My method, however, is not through ALPA, but from my writing. Until FUNDAMENTAL CHANGE becomes a part of ALPA, you can only count on one thing.... pilots will continue to be on the losing end of the change.

In any case, this webcast serves to factually show the disunity and dysfunction ALPA has promoted that serves to take away the hard work and efforts of the majority and bestow those benefits onto the few. Read this transcript (speaking of names, most of you know me, many of you revile me, but when confronted with sufficient FACTS, TRUTH can be ascertained by the majority and time is the proving ground.) Facts are hard to digest. Read it several times and view the webcast to confirm it.

To be sure, in the short term, US Airways needed the merger. Having said that, however, and listening to this webcast, in the long-term (and the definition of long-term here is measured in MONTHS, NOT YEARS) America West needed the merger as well. In short, one without the other meant NO INVESTMENT MONEY and history would have radically changed for the worst for BOTH COMPANIES. I hope you enjoy this read. (even if you don't enjoy me.)

Labor Integration

Pilot: Flight Attendant integration unfolds with date of hire integration. It is diminishing morale as pilots. Parker made past promise or statement that he would not allow one labor group to have a windfall with another. What strategies or tactics do you have available to you as management to make good on that promise of going down that road because the rest of us are certainly watching.

Parker: I don't certainly think that there should be a windfall and I wish I had more say over this than I do. The flight attendants did have in their agreements that date of hire is the method of integration of their seniority list. Both cases, people stay where they are. Both unions sort it out. But what I think is going to work pretty well is a structure that says, "yes, date of hire, but, one, no one can come off furlough and replace an active employee" and "furthermore, no one can move into a base unless there is a vacancy. They can only see themselves displaced because there was an opening somewhere. I wish we could get there and see what's its like because I just don't think it's going to be as bad as everybody thinks."

Where we were able to stick our nose into this (the pilots side) was the transition agreement. This required management's approval. Addressed seniority integration in broad terms. What it says is no one can come off furlough and replace an active employee and two; you can't come up with a list that creates undo training expense for the company. The mediator is going to be constrained by those guidelines now. He can't come back with something like "straight seniority" that will take a bunch of guys out of the left seat and more them to the right seat and cause all sorts of training cycles. At this point, to be candid, I think that we have done what we can do. The arbitrator/mediator, when he decides, will be constrained by those guidelines.

Merger Issues

Pilot 1: You (Parker) brought up the merger, the acquisition, however you want to call/term it, the Consensus is still out there as a whole on east side is that they were just fine, their perception was that it was totally wrong, that I think it starts right here. We kind of acquired another business to add to our umbrella of doing business. You talk to an east pilot (or flight attendant) that we're going to be working another ten years, no problem. That perception is wrong and I think that needs to be clarified, and laid clear.

We were doing fine prior to the possible acquisition of US Airways. Now that we've done it, its continued on as a "merger", with two companies coming together with equal equity and becoming one. NOT TRUE! That perception needs to be cleared up, "A". "B"...(stopped by Parker)

Parker: Stop on that, "What difference does it make?"

Pilot 1: I think the difference is the workplace. The environment that were working in.

Parker: I'm curious as to why this keeps coming up?

Pilot 1: For instance, (paraphrased) Pilots from east talking to us on over night at the hotel in Vegas and its hostile to us in a sense that, date of...(Parker is interjecting his surprise and as an aside to the pilots in the room of about 45 or so people, this pilot says) "am I the only one saying this?" to which the pilot group in the room seemed to agree. So here's a majority, speaking up, what's it going to take to, as a group, get the respect back, is a key point for you as a CEO of Cactus, taking over this entire acquisition...

Pilot 2: Here's why it's important is that the perception on their part is that the windfall is all on us (America West Pilots) and none for them.

Parker: I'm not sure I agree with that. I talk with a lot of those guys and I never hear a one of them say that they were fine.

Pilot 1: Second part of the question is that, we were approached as the pay scale in the coming negotiations to consider the current US Airways contract. I tell you what, I take that as a personal slap in the face. That's a definite cut in pay for me and my constituents, why would I even, as management I see why you would do that, in business that's fair business, here's a piece of worm, if you bite on it great. If you don't, which we are not going to, its still considered to me, an insult to my intelligence to even present that to me.

Parker: Let me address both of those things. First of all I have yet to hear from anyone that "we were fine". I do hear that a lot of them saying they get a lot of "we saved you" and why can't they get over that and we all work together, but none of them were saying that we'll be fine. So I will answer this yet again so we can stop trying to figure out WHO WAS IN WORSE SHAPE, because at this point it really doesn't matter, or it shouldn't matter. We need to get past this.

The facts are as follows: US Airways, without the merger, would have liquidated, I feel 99 percent certain of that.... (Asking Ed Bular, do you think the pilots on the east side think they were going to be ok without the merger? ...to which Ed Bular responded "absolutely not" to which Parker continued) "Precisely!"

Pilot 1: Doug, think about it, the consensus on their MEC is "date of hire". That's arrogance all by itself!

Ed Bular: I would call that negotiating.

Pilot 1: I DISAGREE WITH YOU. I WOULD CALL THAT ARROGANCE!

Parker: It's negotiating. Its what they're trying to do. To answer your questions, there was no doubt they were going to liquidate. That's not an "oh maybe". That's simple. Board minutes, anything you want to look at, they all say this is the only alternative.

Now, to be fair, what you DON'T know is, "What would have happened to America West if we hadn't done the merger?"

If you care what was going to happen to them you should care what was going to happen to US!!

What I do know for certain, because I was running the place, is that we didn't have enough money to make it through the winter of 2005-2006. WE HAD INSUFFICIENT FUNDS TO MAKE IT THROUGH! We could have possibly raised more funds...and made it through...and I'm not saying we wouldn't of...

Pilot ?: Even with loads at max capacity we didn't have cash to go through...

Parker: ABSOLUTELY NOT...NOT EVEN CLOSE!

Pilot ?: I think we had a ticket price problem.

Parker: Absolutely, of course we did.

Pilot ?: We were flying full airplanes, and your telling me we didn't have enough money?

Parker: So was Delta and Northwest...and they FILED BANKRUPTCY. It ran out of cash and we would have run out of cash. The prices only went up when seats went away, it was a race to see whose seats went away and WE KEPT OURS (SEATS) IN THE AIR BY DOING THE MERGER!! My strong belief and it's probably not as high as ninety nine percent but in the high eighties is that we'd be in bankruptcy now. We wouldn't have liquidated, we'd be in bankruptcy and we'd be going through cutting a bunch of airplanes and all this stuff that Northwest and Delta are doing and we'd be talking about concessions, not staying where we are because...I can tell you right now that I'd be telling you "look guys, everyone else has gotten their labor costs down to ours, we have or I've always told you we have a revenue DISADVANTAGE because of where we fly, Phoenix and Las Vegas, we can't have costs the same, we've got to go even lower than where they are, and that's the conversation we'd be having right now. So that's where we were headed, I think, all this shit doesn't matter. It really doesn't cause what has happened is that none of that stuff happened. What happened is A BUNCH OF PEOPLE PUT IN MONEY BECAUSE THEY BELIEVED PUTTING THESE TWO COMPANIES

TOGETHER WOULD WORK AND THAT WAS A MERGER, IT WASN'T AN ACQUISITION, WE DIDN'T HAVE ANY MONEY TO GO BUY US AIRWAYS.

A billion dollars in new investment, it was 867 million came in, new investment, thinking that would work and we made it work. We made it work. We got to realize where we are instead of who, what was going to happen to whom, particularly when none of us know for certain.

The bigger piece of this is, I've talked to some guys, I've talked to thousands of US Airways pilots and not one of them has said we didn't need this. I've got a ton of them coming up and saying thank you very much and not one of them coming up to me and saying hey, we didn't need this. Now they're looking forward and saying we are where we are and how are we going to integrate it.

The second question is the insult of telling you your going to the US Airways contract. We are now in negotiations for a combined contract.... moving to the east contracts, that's a legal argument that we feel very strongly about, it's the way that the contracts are structured, if we've chosen not to negotiate and for some reason we had to go litigate, our position would be the America West contract didn't have strong "successor-ship language" in it, the US Airways contract did... if there's a merger, our contract (the US Airways pilot contract) prevails...it wasn't strong in the America West contract, it's pretty strong in the US Airways contract. Our legal position is if we have to consolidate them, then the US Airways contract prevails...Management has said, consistently, to every labor group, we went and did this...THE REASON THE 867 MILLION DOLLARS came in is that there were contracts on both sides that were essentially the same... essentially the same as each other and essentially where now other airlines are going. That is "market rate" what it takes to attract and retain the best people in the business. So that is what we think we have. As we put them together, managements objective to put them together is to not have the costs go up...not have the costs go down, but not have them go up. Not get ourselves uncompetitive with everybody else who's now getting to our level, just keep them where they are when we put them together.... I shouldn't dance around this, if you move the America West people to the US Airways contracts, the America West people would end up...that would be a reduction in pay in total. Were trying to work together to somehow not have the costs now go up...it's a challenge."

MERGER VS. ACQUISITION

Pilot: Were the paperwork filed with the IRS...during the last quarter of 2005, did that state that America West was the acquiring carrier of US Air?

Parker: The SEC I think but, nonetheless for ACCOUNTING PURPOSES America West is the acquiring entity.... accounting, when you go combine companies, accounting rules are mainly for these little companies that go and acquire bigger companies, what the accountants make sure happens...they don't want to make some company look like they

had enormous growth, they have these rules where here's how we decide who acquires whom for accounting purposes, it doesn't have anything to do with the legal structure. But you gotta pick one. They don't allow you to or very seldom allow you to what accountants call "pooling" which is add up the two results. Were not going to let you add them up because you don't know what would of happened if you add them together, you gotta pick one or the other for the history of the accounting. So, they go and look at a number of tests. The tests include who's the CEO of the company, America West wins that one, who has the most board seats, America West wins that one, and, ummm, something else. Of those tests, America West prevailed. So, yeah, for ACCOUNTING purposes, we are (America West) is the acquiring entity.

Pilot: So, then, it would have been legal for you to refer to this as an acquisition by America West of US Airways, but you chose to call it a merger.

Parker: For ACCOUNTING purposes we do call it an acquisition...

Pilot: And my statement is, that, when you ask a question, what does it matter if it was a merger or not, I think going back to the flight attendant issue earlier, the reason why the flight attendants are getting date of hire is because that's AFA's merger policy, its not their acquisition policy. And I think that statements by the company as far as, like this is a merger, this is not an acquisition, has a huge impact on some of these workgroups and how they end up and you know, with the seniority there going to end up with, and also with how our group is going to negotiate with their group as far as following the ALPA merger policy, as opposed to an acquisition.... so I think that is one thing that you said where managements doing everything that we can do but I don't know if that's necessarily true because you didn't have to call this a merger, I mean, was there some legal reason why you had to call it a merger?

Parker: Legally, it is a merger...

Pilot: Legally, it's an acquisition too.

Parker: Legally, it's an acquisition by US Airways, the legal structure that we kept in place is US Airways Group remained as an entity and America West is a subsidiary of US Airways Group. So from a purely legal structure, the real deal is, we can't lie about this, IT WAS A MERGER. What happened is we had two companies neither of which could acquire the other one, some people put in a BUNCH of new money to put them together, and merge them, yeah I'm still CEO, yeah we had more board members, yes because we had a solvent company, we got more of the value of the merger than US Airways creditors did, because we had shareholders that had a share in it too, and we got a higher percentage (of the shares) but when it was all done, the new money CONTROLLED the entity. They had many more shares than America West shareholders did, and many more than US Airways creditors did. I might have these numbers a little off but to my recollection it was like 10 percent went to US Airways creditors, almost thirty percent to America West shareholders and all the rest was in new money do, it's a merger, it's just what it is, I can't go around lying about it, it's what it was.

FICTION VS. FACT ANALYSIS

1. FICTION: This was an acquisition by America West Airlines.

FACT: This was a LEGAL ACQUISITION by US Airways, Group and I quote:

“ On September 27, 2005, US Airways Group, Inc. (US Airways Group) consummated the transactions contemplated by its plan of reorganization, including the merger transaction with America West Holdings Corporation (America West Holdings). As a result of the merger, America West Holdings became a wholly owned subsidiary of US Airways Group. As described in greater detail in Notes 1 and 2, while the merger was structured such that US Airways Group was the legal acquirer, the merger has been accounted for as a reverse acquisition such that America West Holdings has been treated as the accounting acquirer. Financial information for periods prior to the merger include the accounts and activities of America West Holdings. America West Holdings is the holding company that owns all of the stock of America West Airlines, Inc. (AWA). This combined Form 10-Q is filed by both US Airways Group and AWA and includes the financial statements of each company in Item 1A and Item 1B, respectively.”
Form 10-Q Quarterly Report, September 30, 2005.

“The accompanying unaudited condensed consolidated financial statements include the accounts of America West Airlines, Inc. (AWA), a wholly owned subsidiary of America West Holdings Corporation (America West Holdings). On September 27, 2005, America West Holdings merged with Barbell Acquisition Corp., a wholly owned subsidiary of US Airways Group, Inc. (US Airways Group), and as a result itself became a wholly owned subsidiary of US Airways Group.”
Form 10-Q Quarterly Report, September 30, 2005.

<http://www.sec.gov/Archives/edgar/data/701345/000095015305002835/p7141401e10vq.htm>

2. FICTION: America West bought US Airways.

A. FACT: Because of the newly negotiated labor contracts in place at US Airways, our contract costs were considerably lower than our competitors, INCLUDING AMERICA WEST. By listening to this webcast, Parker specifically said that one of the reasons for the investors putting 867 million dollars into the COMBINED CARRIERS was that US Airways contracts were “market rate”. This advantage, combined with US Airways being the SURVIVING LEGAL ENTITY allows them to LEGALLY argue CORRECTLY that the US Airways pilot contract is the SURVIVING CONTRACT.... PERIOD. Therefore, America West pilots are currently being OVERPAID contrary to market rates. Parker wants a “cost neutral” solution in the transition agreement and he is bound to that because, as CEO of the company he has a FIDUCIARY DUTY to “make

good” on the legal commitment to the majority shareholders (not pilots), most of whom were outside investors and very little were US Airways creditors or America West Shareholders. The VALUE of the merger accrued to the shareholders, NOT TO THE EMPLOYEES.

AMERICA WEST PILOTS ARE PAID GREATER THAN MARKET RATES. (Webcast)

B. FACT: “WHAT HAPPENED IS A BUNCH OF PEOPLE PUT IN MONEY BECAUSE THEY BELIEVED PUTTING THESE TWO COMPANIES TOGETHER WOULD WORK AND THAT WAS A MERGER, IT WASN’T AN ACQUISITION, WE DIDN’T HAVE ANY MONEY TO GO BUY US AIRWAYS.” (webcast)

3. FICTION: American West didn’t need US Airways or we didn’t need to merge.

A. FACT: We know beyond all reasonable doubt that US Airways would have been liquidated. (Webcast)

B. FACT: We know that America West, with a very high degree of certainty (high 80’s, which is splitting hairs with high 90’s) would have gone into bankruptcy. (Webcast)

C. FACT: We know that Delta and Northwest filed for bankruptcy last fall with considerably more cash (Parker said they ran out of cash but in reality, if you go into bankruptcy with NO CASH then your almost certainly guarantee for a liquidation) in the bank than America West had on hand. (Northwest/Delta filings, public record)

D. FACT: We know that Parker, who was there according to this webcast, said that “I’ve always told you we have a revenue DISADVANTAGE because of where we fly, Phoenix and Las Vegas, we can’t have costs the same, we’ve got to go even lower than where they are...”. America West, with its REVENUE DISADVANTAGE, and being in bankruptcy, would have been competing for exit financing with Delta and Northwest which has REVENUE ADVANTAGES that greatly exceeded America West. The investment community would not have put their money into such a high risk investment and in all likelihood America West would have liquidated as well. “We wouldn’t have liquidated (yet), we’d be in bankruptcy and we’d be going through cutting a bunch of airplanes and all this stuff that Northwest and Delta are doing and we’d be talking about concessions, not staying where we are...” (if you ever ask Parker a question, ask him what the chances would have been for America West to liquidate in bankruptcy on this point and he’ll more than likely come up with the high number again.) (Webcast)

E. FACT: Severe downsizing at America West would have put high numbers of employees, including pilots, on furlough. Many aircraft would have been released to the Lessor (America West owns no aircraft) and thereby COMPLICATING AND/OR INCREASING THE REVENUE DISADVANTAGE previously discussed. In short, downsizing feeds on itself as is beyond the scope of this discussion. (Webcast)

4. FICTION: US Airways brought no value to the MERGER.

A. FACT: US Airways was over two-thirds the size of America West. US Airways had B-767, A-330 aircraft and E-190 orders. (SEC filings)

B. FACT: US Airways had very little overlap with America West. US Airways brought REVENUE SYNERGIES that greatly enhanced America West due to the large East Coast structure. (Webcast)

C. FACT: America West flew the same aircraft that US Airways did, simplifying fleet integration. (SEC filings and webcast)

D. FACT: US Airways contracts were “market rate”. (Webcast)

E. FACT: US Airways had an international presence, slots and gates, in Europe and the Caribbean that America West did not have. (SEC filings and www.usairways.com)

F. FACT: America West DID NOT HAVE THE MONEY to buy US Airways. The investors did. (Webcast)

G. FACT: The investors saw the values of the COMBINED carriers and invested the money. Without the combination there would have been NO MONEY. In short, NO MERGER-NO MONEY. (Webcast)

H. FACT: With out the merger, REVENUE ADVANTAGES would have greatly enhanced and/or accrued to all the other carriers still operating which would have greatly eroded the already dismal REVENUE DISADVANTAGE America West had (read Southwest and Delta here). (Logic and mathematics)

5. FICTION: The America West pilots contract prevails.

FACT: The US Airways contract has “survivorship” protection that the America West contract does not. In short and when it comes right down to it, the Company will argue that:

“moving to the east contracts, that’s a legal argument that we feel very strongly about, it’s the way that the contracts are structured, if we’ve chosen not to negotiate and for some reason we had to go litigate, our position would be the America West contract didn’t have strong “successor-ship language” in it, the US Airways contract did... if there’s a merger, our contract (the US Airways pilot contract) prevails...its wasn’t strong in the America West contract, it’s pretty strong in the US Airways contract. Our legal position is if we have to consolidate them, then the US Airways contract prevails...Management has said, consistently, to every labor group, we went and did this...THE REASON THE 867 MILLION DOLLARS came in is that there were contracts on both sides that were essentially the same... essentially the same as each other and essentially where now other airlines are going. That is “market rate” what it takes to attract and retain the best people in the business. So that is what we think we have. As we put them together, managements objective to put them together is to not have the costs go up...not have the costs go down, but not have them go up. Not get ourselves uncompetitive with everybody else who’s now getting to our level, just keep them where they are when we put them together.... I shouldn’t dance around this, if you move the America West people to the US Airways contracts, the America West people would end up...that would be a reduction in pay in total. Were trying to work together to somehow not have the costs now go up...it’s a challenge.”
(webcast)

6. FICTION: The company will argue and/or advocate a method of integration of the pilots list that supports and/or justifies a slotting method.

FACT: The Company’s position is, simply and legally, that they MUST advocate the US Airways pilots contract provisions over the America West pilot contract, so a cost “neutral” position is attained. Again, they have a fiduciary duty to the shareholders (and their 867 million dollars). The company has to thereby advocate that if the US Airways pilot contract ultimately prevails, it is therefore only legal and logical that they must only recognize and advocate a “date-of-hire” position for the US Airways pilots with protections (not integration) that limit or protect the “bumping and/or flushing COSTS associated with the America West pilots “date-of-hire”. That’s what US Airways pilots are advocating. The disagreement comes with the junior America West pilots losing upgrade positions that would go to US Airways pilots in a Date of Hire/longevity integration that result from vacancies and/or attrition.

AN AMERICA WEST SENIORITY NUMBER CHANGES TO A DATE OF HIRE NUMBER UNDER THE US AIRWAYS CONTRACT. ANY OTHER LEGAL POSITION JEOPARDIZES THE COMPANIES ARGUMENT FOR THE US AIRWAYS PILOTS CONTRACT. If they are called to testify before the Arbitrator, and you can bet they will be... this is, on the record, their position. If the US Airways MEC fails to bring these facts before the Arbitrator or if he fails in his findings of facts/conclusions of law that omit these facts, then our

negotiators, the Arbitrator and ALPA can be held personally liable and will be subject to legal challenges in Federal Court.

7. FICTION: America West pilots will be better off advocating and/or possibly prevailing for “slotting” under a combined list.

FACT: This line of reasoning is greatly flawed because the amount of US Airways pilots on furlough almost out-numbers the pilots on the America West seniority list. If you wish to get technical, US Airways can numerically bring those pilots of furlough and train them, which can reduce the costs that are associated with the America West pilots contract and short course the pilots that are active and online at the east US Airways pilots group to Captain positions. Almost every pilot here has an ATP and is type rated on all the America West aircraft. In fact, most of the furloughed US Airways pilots, if not all, are type rated and have ATP ratings as well. I’m sure most, if not all, would be happy to return to the mainline at “market rates” (read US Airways contract). If another merger is pursued by the company using the same method of financing that other companies used to put these two airlines together, the company will legally pursue the lowest contract, thereby pitting the next pilot group to be integrated in with this one.

8. FICTION: ALPA has the power to protect you.

FACT: During the webcast, Doug Parker referred to “market rates” and revenue advantage/disadvantage. The simple fact is that ALPA is a dysfunctional organization where every man is for himself...i.e. “the number one seniority guy gets everything first”. Facts are pilots in general and ALPA pilots in particular are at a REVENUE DISADVANTAGE. The company knows what the “market rates” are. They can get 1600 furloughed US Airways pilots to fly at “market rates” that are below America West book (contract) rates. They can get the bottom half of the online and current US Airways pilots to fly Captain positions on the America West side because they have an ATP and are type-rated. Just as the company was at a revenue disadvantage because there were too many airline seats chasing too few paying customers, we are at a revenue disadvantage because there are too many pilots chasing too few paying pilot seats. PERIOD. This is the basic and fundamental principle called supply and demand.

9. FICTION: You get what you negotiate.

FACT: In reality, be careful what you negotiate, you just may get it. When you read the line of questioning in the webcast concerning Merger vs. Acquisition, America West pilots endeavor to “discount” the value of the US Airways pilots by the inference that an “acquisition” gives America West pilots a somehow greater value or entitlement to higher numbers of integration on a combined seniority list than that of a merger, where the FACT is both airlines were flying similar equipment, except for the heavy equipment, which is on the US Airways

side. US Airways brought value in its size. US Airways pilots brought value to the combined carriers by negotiating a “market rate” contract and losing its pension, all of which allowed US Airways to survive as a LEGAL entity, (which I would like to remind all of you that, that is what you are by definition, its not how you keep your books), long enough so that the outside capital and the contracts could be brought together. US AIRWAYS PILOTS BOUGHT THE TIME NECESSARY TO PROVIDE THE PROFITS THAT WE ARE CURRENTLY ENJOYING NOW. THIS IS NO MISTAKE AND CANNOT BE DISCOUNTED. TO DO OTHER WISE PUNISHES AND DEVALUES ALL OF US AS PILOTS. Mr. Parker declines to dwell on the alternative because, well, he would most likely have had no job by the date of this letter.

ALPA merger policy is a flawed and greedy logic that prevails due to the previous attempt of “merging” the possible lists of United and US Airways pilots lists several years ago. That somehow, the America West pilots will be at a disadvantage on a “date of hire” list if it is combined that way, which is simply not factual. What America West pilots advocate is combining a list where say, 10 year pilots on the America West side “jump” in front of, say, 20 year pilots that do the same job. This devalues longevity and exposes a combined list to dangers that further fractionalize the pilot work force and reduces the bargaining power. In short, it advances youth over age. The America West pilots advocate slotting. This is no secret. But what happens with this scenario, if it does come to pass, is that 1600 furloughed US Airways pilots along with the bottom 1500 US Airways pilots online, not to mention all the wholly owned subsidiaries and Mesa, among the other ALPA carriers, will think we are being paid above “market rates” and will bargain to fly for less. This is combined with the very real and possible combination with another US carrier, most likely an ALPA represented carrier, which will pit pilot group against pilot group and fractionalize ALPA.

The arguments used in the ALPA integration can and will be used against you in another arbitration and serves as a reminder that pilots, as the history in “Flying the Line” and “Flying the Line, Volume II” reminds us time and time again, pilots love to screw other pilots. We repeat what we see, hear and experience. The “I got mine mentality” prevails again.

10. FICTION: ALPA has the reputation and the power to provide “above market rate” contracts.

FACT: The name of this piece is, “What’s in a name”? If I were to ask every ALPA member what’s the first thing that pops into their head when they hear the acronym ALPA you would get mostly a different answer from each of them. I have been told that YOU are ALPA. Not me! And certainly not most of the US Airways pilots. We have been spit on for 20 years. You have ALPA to thank for that.

In the terminal in Charlotte, there is a picture commemorating ALPA's 75 years. Charles Lindbergh is on one side and a pilot with ALPA insignia on the hat and crest is on the other. Let's be clear. This is false advertising. No union runs an airline. Not ALPA, SWAPA, APA or any other. ALPA pays a paycheck to those either at ALPA national or to those full time personnel in the MEC offices. Maybe those personnel wear that uniform at "ALPA National" but to those "flying the Line" those crests, those wings, those stripes are Company decorations. Do not ever forget that. The company shows you the money, not ALPA! Market rates, remember? Scab has no meaning any longer. If anything, by negotiating and establishing new market rate contracts here at US Airways, we have set the industry levels for new low rates. If in fact you felt that Delta, United, American or any other pilot union around would give you credit for your longevity and bring you there in return for voting no on a new market rate contract your not living in the real world.

Airline consolidation fractionalizes pilot groups, in that one group values itself over another. Airline fractionalization, downsizing or liquidation fractionalizes pilot groups and again pits those that have against those that don't and provide the airlines with a willing and able labor pool from which to chose. They don't care about the best, they care only about the best that "market rates" can buy. There is a difference. Airlines can now only grow by acquisition. Otherwise, market saturation will reoccur and pricing levels will lower again (read revenue disadvantage.)

Government is no longer of any assistance to Airline pilots either. Ever since the demise of mail contract money as a means of subsidy and therefore a form of control over airline management as it was in the past, deregulation has provided airline pilots no leverage in Congress.

What can ALPA do? Nothing with their present mentality. They and all other labor unions have an entitlement or "I got mine" mentality that will prevail for quite some time. If you have an ATP, have a type-rating on any given aircraft the company uses and you have reasonably sufficient flight time, you to can be a "Captain". Remember too that Captain is a company management title. You will not find the term "Captain" in the FAR's.

What can ALPA do?

It can create brand awareness. It can market and control its product. It can account and value ALL ALPA members on a scale that takes into consideration their time, longevity, hours, certificates, ratings, service to ALPA, and many other ways that will enhance their value. Controlling their training and making the companies pay the union for the services, who then pay you, would be a start. There are many ways that ALPA can prevail for future generations. But this discussion is beyond the scope of this letter. First things first!

But wait a minute! I'm talking like a businessman. How silly of me. ALPA is a labor union. Labor unions don't like change (unless you like to split from the AFL-CIO which is one of the smarter things the two largest labor unions, the 1.7 million members of the SEIU and the 1.4 million members of the IBT or Teamsters recently did.)

"Our world has changed, our economy has changed, employers have changed. But the AFL-CIO is not willing to make fundamental change,"
Andrew L. Stern, president of the SEIU.

In short, ALPA, an AFL-CIO member, likes Sweeny. They won't change either. Read this article if you're interested and get the FACTS!

<http://www.washingtonpost.com/wpdyn/content/article/2005/07/25/AR2005072500251.html>

In short, if you don't control the money, you don't control the product. IT'S THAT SIMPLE, LIKE IT OR NOT!

James L. Javurek.
Pilot, US Airways, Inc.
Charlotte, NC

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