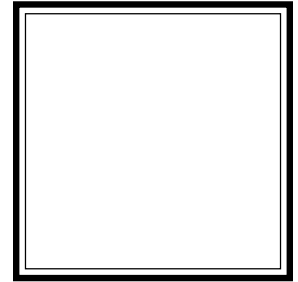




# Talking From Strength



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With the announcement of the US Airways /UAL merger proposal comes a mix of cautious enthusiasm and serious concern. You can't help but try to predict possible outcomes for our airline and careers, and discuss them with fellow pilots. In doing so, however, we should consider that some comments may hinder the process when delivered outside of our pilot group or on an ALPA message board. There is never a good reason to belittle ourselves or our airline careers when we are faced with common concerns. Such comments are sought after by the "other side" for possible use in the merger arbitration process as support for negative assumptions or accusations about our pilot group and airline.

It is easy to look at a past accomplishment of another pilot group or pilot leadership, such as the mid-80s UAL pilot strike, and project that achievement on to a current process. But that attitude does not correctly reflect the current situation and is a poor excuse for promoting self-doubt or fear. We can admire a past accomplishment of another pilot group, but not allow it to exceed proper context. Also, in this case, size really doesn't matter. UAL is offering \$60 a share for a then-\$24 stock because of the added value and synergies our airline would accomplish for UAL. This premium reflects the importance this deal has for them, and the high value they have recognized in our airline. Perhaps when pilots on both sides reflect upon these issues, we can avoid some anxiety, as well as overconfidence or condescending arrogance. A realistic approach

on both sides would increase everyone's odds of achieving fairness and equity.

In the forefront of our deliberations should be that our pilot group and our MEC can and will stand up to anyone in a merger process. It is a bit minor league to hold the UAL leadership, or any other participant in this potential merger, as something more than he, she, they or it may be. Public posturing, overconfident dispositions and/or surfing off of past "glory" are not enough to succeed, either within ALPA Merger Policy or against our pilot group.

As much as our contract could improve, UAL pilots are still working their way up to many of the contractual standards we take for granted. Perhaps, for us, some of their past successes or maybe their larger size overshadows an admittedly failed ESOP and substandard pilot contracts when compared to our own. Accordingly, it is self-defeating for any of us to approach this potential seniority integration with a fawning outlook. We have a wealth of merger experience, a history of better contracts, and other important strengths. Recall that the United pilot leadership was initially worried about a fair and equitable seniority integration process as outlined in ALPA Merger Policy. They are quite aware of our strengths.

Our pilots have been through the biggest and the best of the prior airline industry mergers and are comfortable with ALPA Merger Policy. The UAL pilot leadership, on the other hand, has taken actions to avert the process or soften the results, seeking prenuptial seniority agreements and management "protections" from the policy.

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***“The MEC considers this expanded furlough protection a crucial and integral part of its immediate business and has charged that it be negotiated. This may again seem low on the glamour scale, but it is high on importance.”***

The first step your MEC directed was to secure contract compliance as a condition of the proposed transaction agreement. The result was the first amendment to the agreement. The requirement, in accordance with Section 1(C)1 of our contract, to “assume and agree to be bound by all terms of the US Airways pilot’s collective bargaining agreement as a condition of the merger” was an important accomplishment. The amendment also guarantees that UAL will fulfill its obligation under Section 1(C)2 of our Contract to provide the US Airways pilots with a seniority integration governed by ALPA Merger Policy. In fact, the amendment expressly mandates that UAL will cause US Airways after its purchase “to honor and comply with all terms of its collective bargaining agreements . . . .”

While this achievement may not hold much glamour and glory when compared to past pilot strikes at UAL, it is of contemporary importance, targets our immediate needs, and it is

done—a first success. The merger is still in the potential phase—still in its infancy. We have pilots on our seniority list who must be better protected in the wake of this merger announcement and subsequent UAL contractual furlough protection, something they did not achieve until now. The MEC considers this expanded furlough protection a crucial and integral part of its immediate business, and has charged that it be negotiated. This may again seem low on the glamour scale, but it is high on importance.

There will likely be a time for more aggressive actions if the merger unfolds or the Company becomes hostile to our needs. While the managements of both companies, as well as our Negotiating Committee, have highlighted the growth possibilities and potential strengths of the combined carrier, our guard should remain up for possible negative effects. These include a poor Department of Justice decision, the Company’s plans for Potomac Air, UAL’s commitment to and administration of the combined carrier, and US Airways management living up to its original commitments in the event the transaction is aborted or fragmentation options arise. How these issues unfold depends largely on the actions of people outside of our pilot group and Union, most of whom do not value our careers nearly as highly as we would hope they would. History has not demonstrated an overabundance of credibility, care for employees, and commitment consistency within managements or government officials when it comes to the airline industry and pilots.

So do your part to stay informed and know who is pursuing your interests. We are major-league players in all this and the game is afoot. Please support your reps and fellow pilots by restricting negative commentary to within our pilot group. I suggest you review your MEC and LEC communications and talk to your reps about your concerns. They are positioning themselves and our pilot group to succeed in this process or any contingent outcome. Please keep your concerns out of the public’s view and recognize that your MEC and committees are working on your behalf. It is easy to talk from strength when you stay properly informed, understand the process, and monitor the substantive outcomes.

