

Light at the End of the Tunnel



*Chris Beebe
MEC Chairman*

“Promises of employment in this day and age aren’t enough to make everybody feel secure about their future.”

Once again, a big announcement was made concerning the futures of US Airways pilots, and once again, we got to read about it in the papers. This time, in fact, US Airways management didn’t even give the Company’s labor leaders a heads-up about the offer between United and American. There had been speculation by the media and the financial community about the possibility of US Airways assets being sold off to allay antitrust concerns, but the players and their particular methods were still unforeseen.

Now, as we’re faced with the possible fragmentation of our airline as United and US Airways race to get this deal approved, it’s become obvious that the pilots are viewed as just another asset for the companies to divest. We *are* an asset—just not the kind that we’d like them to think we are.

The pilots of an airline are the glue that holds it together. During the 1980s and early 1990s, when the airlines were still trying to muddle their way through the changes of deregulation (and losing money at a spectacular rate), the pilot groups agreed to take pay cuts to ensure that their airlines could stay in business. The pilots of US Airways made sacrifices too, but now, as we were going to start planning the next round of contract negotiations, the United/US Airways merger was announced.

About two hours before CNN broke that story, Wolf and Gangwal gathered the labor leaders to tell them what would be happening. We were assured that everyone would have jobs for at least the next two years. With those pat assurances, the real work began for the MEC. Promises of employment from securities docu-

ments and media reports in this day and age aren’t enough to make everybody feel secure about their future.

So then the complications started: We have a contract. The United pilots have a contract. And UAL and US Airways drew up a proposal that, in several ways, violated both contracts. That left the MEC to quickly gather information, elect a Merger Committee, hire merger counsel, and receive reports from every source available to us. Our legal staff and merger counsel provided information about what our contract provides for us in the case of a merger. ALPA merger policy was studied. The Merger Committee began analyzing the information and prepared it for dissemination to the MEC and the pilot group.

Still, we weren’t as informed as we should have been. United MEC Chairman Rick Dubinsky is on the UAL Board of Directors, so he was privy to this information and knew it was coming. Since our pilot group does not have a seat on the US Airways Board of Directors, or any other kind of veto power concerning proposals such as this, we weren’t notified until the last minute.

Then, on January 10, United announced that it wanted to divest assets to American. Because this deal would be between United (if the United/US Airways merger is approved) and American, the US Airways employees were not informed at all. American’s pilots were informed by their management almost three days before this offer was officially announced. With this advance information, they were able to immediately begin preparing for their next big steps.

When I called Mr. Gangwal, he informed me that US Airways was not a party to the deal between United and American. Further, not being a party to the talks and since the information was expected shortly through SEC filings, there was no need for an employee briefing. I pointed out that anything that could have a major effect on the pilots—be it negative or positive—should *always* be reported to me, in advance, no matter the players. He is still President and CEO of the Company, and he still has US Airways to run. His responsibilities still include communicating to his employees.

Obviously, we can't rely on management to keep us informed of things that could possibly impact our careers and lifestyles. It's always too little, too late. So MEC Vice Chairman Bill Pollock, MEC Secretary-Treasurer Philip Osterhus, and I have decided to change this by turning our weaknesses into strengths. To that end, we've developed a plan that will be used to manage any other surprise announcements while also efficiently managing the developments in which we're already involved.

The overall goal of your MEC officers is to provide all US Airways pilots with the best possible job opportunities. This would include the pilots' choice of airline, at the best possible pay, and with the best working conditions and seniority. No US Airways pilot can be allowed to suffer financial harm, and your seniority at either American or United should be consistent with your expectations.

We have mapped out a strategy to accomplish this goal. First, we must determine the plans of the various parties involved in these transactions, whether they are unions or company officials. To determine these plans, we will insist on steady and reliable communication. I am in contact with John Darrah, the MEC President of APA, Bob Pastore, MEC Chairman at TWA, and of course, Rick Dubinsky, MEC Chairman of UAL. Contact and communication with our company's management, and the management of United and American, is proving difficult to achieve. Effective communication to the pilots from US Airways management and direct communication with the management of United and American has been difficult to achieve. The companies involved must understand that employees need more than media reports or bits and pieces from the rumor mill.

Next, we must engage in an aggressive assertion of our rights. It appears that US Airways

management has once again violated our contract by not enforcing the fragmentation protections for which we negotiated and paid. If this is true, I will proceed immediately with an MEC grievance to resolve this in as timely a manner as possible.

Additionally, the Communications Committee has developed a "Contract Compliance" campaign that will include bag tags, posters, articles and letters, asking all of us to aggressively defend our contract. The intent is to heighten your awareness and recognition of contract violations to encourage you to report possible contractual violations that stem from old or incorrect company scheduling practices, understaffing, and poor communication, to name a few. It boils down to knowing our rights and knowing where to report deviations (the Contract Hotline at 800-USAIR MEC).

Finally, you must be provided with accurate information in a timely manner. The various committee structures will be redoubling their efforts and in order to be more responsive to pilots' needs and questions. Be assured that we will report all possibilities—and their ramifications—to you in advance, so that you can make all of the decisions that are necessary in order to plan for your future.

And while it is necessary to have a strategy to help us achieve this main goal, we must also prepare for contingencies in case none of the deals go through. Now that American has stepped into the fray and offered to take up to 1,100 US Airways pilots (not to mention routes, gates, slots, and aircraft), many people are convinced that US Airways will soon be no more. But what if it doesn't happen? There is a chance that we could end up alone, waiting for the next time an airline wants to buy the Company whole or fragment it. In the meantime, the pilots of US Airways have a contract that we signed onto three years ago. Within that contract are provisions that call for continued growth of this airline, no matter what management's expectations are at this point. The Company needs to live up to its end of our deal and effectively manage this airline instead of worrying about who its next partner will be in the airline consolidation dance. Rest assured that your MEC and MEC Officers, Merger Committee, Negotiating Committee, and your other MEC committees are working to protect your rights and interests.

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