

## Contemplating the Future



Chris Beebe  
MEC Chairman

The last few months have indeed been trying ones. With September 11 falling on the heels of the Company's stated intent to make US Airways smaller, the ensuing furloughs, bids, training, POTA, etc., have forced us to focus on the short term. This continues today as we work our way through *force majeure* issues, route transfers, and furloughs. The impact of these combined issues is nearly overwhelming and of severe personal distress for many of us—from those who have been displaced to those who are losing their livelihood. I will not try to understate any of these things. They are all real, and in many cases, devastating. As we move forward, and we will continue to move forward, we must also keep a weather eye on what is to come.

Like most U.S. carriers, US Airways is still losing money, lots of it, even after shedding aircraft, routes, and most tragic of all, over 11,000 employees, including 1,350 of our brother and sister pilots. This is more than disturbing, but not unique to our pilot group and airline. ALPA International's Furlough Resource website lists all furlough numbers by airline, which shows that most of the major airlines have furloughed at least 500 pilots. Other airlines are also dismantling parts of their airline through workforce reductions, route modifications, and aircraft and fleet changes and eliminations. Although some companies are pulling back their originally planned job reductions, others continue to adjust their capacity and

furlough schedules. By the end of March, over 6,000 ALPA members are scheduled to be furloughed from major carriers that include United, Northwest, Continental, Delta, and TWA.

While the airline industry continues its slow recovery, passengers are taking back to the air, and some carriers this year may even post a profit. Since so many airlines are hurting, though, will a greater push be made to apply for government loan guarantees, which carry certain financial conditions? Or could more mergers be on the way? How fast will the economy pick up, and how long after that will business travel recover?

When the airline industry isn't performing well, and with the Company suffering financially, I realize that your expectations are already managed down. This has been doubly difficult for us because US Airways' recovery plans have not included labor input. However, it would be shortsighted to only look at the possible changes that would occur from an SJ deal (or from no SJ deal).

It is also important that we look toward longer-term issues. Our contract becomes amendable on January 2, 2003. As we march toward that date and the negotiations that will develop as a result, there is much to be done. As in the past, we will again reacquaint you with the negotiating process under the Railway Labor Act. The Communications Committee and Family Awareness sub-committee will begin preparations for increased activities. The Strike Preparedness Com-

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mittee preparations will be set in motion. And all of us must reckon with the idea of what to procure in this series of negotiations.

The Negotiating Committee is gathering industry and economic data to send to pilots, and will also be developing an extensive questionnaire for you to fill out. So start asking yourself some questions—questions that go beyond what may be gained or lost through an SJ agreement. What do you want out of the next contract?

And remember, with any preparation for Section 6 negotiations, begin to put aside money, if you haven't started already. Financial stability and preparedness is a key factor when entering these negotiations.

### **Pilots helping pilots**

The loss of your job is one of the most devastating events you can go through. It is akin to the loss of a loved one. Since the Company announced its intent to downsize, the highest priority for the MEC has been the creation and preservation of jobs. Unlike other groups, our

skills are not easily transferable to another company, much less another industry. For that reason, we place a very high premium on our careers. Lamentably, negotiations have dragged on far too long, and we have now lost over 1,000 pilot jobs. The MEC will continue to fight for each of them, and time and arbitration decisions will determine a significant part of the outcome.

In the meantime, you have approved paying for furloughed pilot medical benefits so no family of a US Airways pilot need be without health coverage. More can be done, though. The US Airways Pilot Foundation can use your support of cash contributions so that money is available for those who are truly in need. You can also help by donating unneeded companion passes by calling the MEC office at 800-USAIRMEC.

### **Airport security**

In response to the arrest of two US Airways pilots since September 11 at the same station in Philadelphia Airport, the MEC issued a press release that criticized US Airways for allowing security operations at Philadelphia International Airport to conduct inconsistent and arbitrary security screening procedures. The MEC is also seeking a meeting with US Airways management officials in Philadelphia in an effort to form a working group to resolve the issues concerning employee security screening at Philadelphia International Airport.

If I can tell pilots one thing that will help them when a security screening experience becomes frustrating, it is this: Stay calm, cool and collected. If you are unhappy with your treatment at a security screening checkpoint, please conduct yourself in a professional manner. Do not challenge or argue with the screener, and remember that interference with a screener is a federal crime. As a resource for all pilots, ALPA International sent out a pilot security screening checkpoint guide, printed in Jeppesen format to all ALPA members in a “Pilots United with America” newsletter. This guide was originally published by ALPA in 1997 and has been revised to reflect new security screening procedures now in place post-September 11, 2001. It contains sections on Proper Screening Procedures, hand wand procedures, pat down and search procedures, and conflict resolution. I advise all pilots to carry this document with them when they fly.

Also keep in mind that on February 17, the federal government took control of security checkpoints. This should help create consistent security service, training and procedures to be

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implemented throughout the nation's airports. I'll update you further as the government continues its security implementation process.

### **Stock options**

Not much has been said about our stock options recently. Though the trading price for US Airways stock is well below the strike price of these options, it's time for an update:

Grant 4 stock options were awarded to pilots based on the allocation principles described in Letter 69 for the period beginning January 31, 2000, and ending January 30, 2001. These options have a one-year vesting period, which ended on January 30, 2002. While these options should be applied to individual pilots' accounts, that hasn't happened because ALPA has raised an objection on the allocation of the Grant 4 options, which has not yet been resolved. After a review is completed of the fourth grant, the options should be allocated.

Grant 5 options are awarded to pilots based on the allocation principles described in Letter

69 for the period beginning January 31, 2001, and ending January 30, 2002. These options will vest on January 30, 2003. The strike price is being determined at this time.

### **When will the pain end?**

What is arrayed before us is a combination of issues ranging from the economy to our own ability to remain unified in the weeks and months ahead. It is likely that the next few months in particular will be pivotal to the future of US Airways and the entire airline industry. As we work past the events of September 11 and a recessed economy, the issues of consolidation, increasing competition, and downsizing remain. This will make for unprecedented challenges, and I am certain we can rise to those challenges. It is time to consider what changes are needed to secure our future, and this is an area that ALPA is well prepared to navigate.



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