

Report; Meeting of the Labor Committee of the Board of Directors of US Airways Group, Inc.
April 13, 2007
Velvet Hawthorne, CWA Staff Representative

The meeting between the US Airways Labor Union Committee members and the members of the Labor Committee for US Airways was held on April 11, at 1:00 PM at the Ritz Carlton Hotel in Phoenix Arizona.

Attending for the Company was Douglas Parker, CEO, Scott Kirby, Vice President, Bruce Lakefield, and Herbert Baum, Executive Board members for US Airways, INC.

Doug Parker started the meeting out with a short report on the performance of the Airline this quarter. He stated that the airline is looking to make a very small profit this quarter, despite the two weather related problems in February and March and the Res Migration problems experienced since the March 3rd cut over. He expressed his frustrations with the problems and customer complaints stemming from the Computer glitches and feels that many of the problems that happened at cut over are being addressed as quickly as possible and are slowly getting better according to the IT folks. Doug said he completely understands how frustrated the agents are feeling as he has been out in the field talking to many of them in the past few weeks. **He did say he did not think having more staffing at the time of cut over would have alleviated the problems that the employees and customers all faced. I stated that he was wrong, that having the correct staffing would have made a world of difference for the customers as well as for the employees during this meltdown.**

I attended on behalf of the CWA/IBT Association and presented the following issues to the committee and provided each of the US Airways committee members a copy via email;

I prepared this to present to you on behalf of the entire workforce, who are in essence, investors of this company with their blood, sweat and tears, yes tears, for over a month. You have seen what has been going on, this I know from the news reports; you keep expressing your concerns to the media about this huge Res migration screw up. It takes more then press and PR to fix this problem. The front line see it everyday and send a representative from each work group to these meetings to share the "real" reports from the customers and employees both. Not the "things are getting much better, sugar coated reports" from local management and regional directors.

The employees of US Airways have felt a huge loss of dignity in the last few years and especially in the last two months. Their hard work, time, and energy has been devalued so much, before, during and after bankruptcy, all groups have given up so much to make this company survive, they have lost pay, \$22 an hour down to \$17 at top of scale, the real value of their pensions lost, by dumping them on the PBGC who cannot pay the full rates of their earned pensions. Their benefits have been diminished; valuable vacation time with their families has also been greatly reduced.

The staffing has been an issue every time I come in here representing the front line, yet no one seems to listen. The "experts" are running the computer programs to figure out the gaps in staffing I am told. All you have to do is look around in any of the East Cities and see, the staffing is totally inadequate. You cannot put a band aid on it by asking agents from other locations to come in, put them up in hotels, (another expense which is ridiculous) and hope that the problem gets resolved.

The EO positions are not getting filled in some of the cities by the experienced agents. I have offered a suggestion to Al Hemenway in the past month, one that makes a ton of sense. Fill every other vacancy as an EO and you are still saving money, you will get experienced agents back to work to help out during this crises. Most of the West agents

who were kind enough to come out and help us have told us they have never seen such awful working conditions, in PHL,CLT, MCO BUF DCA and BOS just to name a few. Most of them said they will not volunteer for another trip out East.

It is not just for the members of the CWA/IBT Association, it is for the sake of the customers and the stock holders that we come to this table to share with you our most urgent of issues and problems. We DO NOT want to see this company fail AGAIN. Believe me.

One of the hardest things lately the employee group has had to deal with is the news of the bonuses that Select executives may be getting. Who made the decision to go with this system and cut over WAY before the system was ready to handle an airline this size? HOW can someone be rewarded with making some of the worse decisions in recent years, in my opinion? A mistake is made above, the employee group bails them out each and every time, by working double shifts, not getting breaks and getting the customers anger and dissatisfaction directed at them each and everyday. The employee gets so little in return in comparison to the ones making these horrendous decisions. The profit sharing is very much skewed from our vantage point. Where does the buck stop?

We are hiring in at \$8.72 an hour for this high stress job and in NC, American Express travel is luring our trained res agents away by offering them \$12 to \$14 an hour to start, with great benefits. In CHS we had 8 people quit in the last two weeks; we only had 29 agents working there to begin with. Now the remaining group left has to work double shifts and their days off, not by choice.

When you announced your intent to buy Delta, the statement you made was, every group would be given the higher of the pay and benefit packages between DL and US. In our current contract, we agreed to wait until 2011 for any snap backs, yet, the "current" executive group doesn't have to wait till then to be given what they believe is their fair share. The NON contract employees are getting a 3% raise from what I have read on the hub, grades 22 and below in admin salary plan and as far as I remember, they have not given up even 1/10 of what the passenger service group gave up in the past. This is another slap in the face of these dedicated employees.

There is only so far you can go with the inequalities between the Executives and the folks who really make this machine run, as best they can, as under staffed as they are. I truly believe you want to do the right thing, but admitting a huge error was made regarding the "company's" decisions and performance during this Res migration is not enough. You need to reconsider sharing the additional potential profit sharing bonus recently announced, with the entire workforce, who has been carrying this company through most of the ups and downs.

Customer service is what makes an airline succeed, not the paint job on the plane or the ads in the seat back trays. Our Customer service as you know is in the toilet right now. I hate that my coworkers are perceived in this light by the public, they are embarrassed and depressed. Disgruntled customers are causing our agents to be disciplined because the agents don't have the tools to do their jobs. Many have to take medication to get through the day. I am sure if you check with the EAP folks, the calls have spiked tremendously in the past month for mental health issues. The sick calls have increased and the OJI's have as well.

Something positive needs to be done for the employee group. Not just giving them Pizza and drinks Talk is cheap, loss of our valued, experienced employees and loyal customers is not. Get the contracts settled with the other union groups and give the employees the pay and tools they deserve to make them proud again to be working for a decent company that CARES about them.

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I also requested during the meeting that the company seriously work with us to resolve many of the problems going on in many of our locations, such as **under staffing**. In CLT for example, I showed them that the "**authorized FTE**" head count for this June, per Jeffrey Schuyler at US Airways, is 549.7, yet in reality, there are only 450 agents total (not the FTE) in CLT, which include CSA's, CSS's and CARS. According to news reports, 40 new agents are in Training right now in CLT, yet, they are all PT and 8 have already failed in the first two weeks. **The reality is, we were understaffed when we had the SABRE system, with the SHARES system, we are grossly understaffed.**

Doug Parker did say during the meeting that he wanted to improve communications with the employees so I asked him to start by at least responding to the letter the CWA and IBT Association leaders sent to him on March 12, 2007. You can find that letter in the Archives on this site.

In Unity,  
Velvet Hawthorne  
CWA Staff Representative