

Merger Transition Agreement For US Airways and America West

On March 12, 2008 the IAM and US Airways signed a Letter of Agreement that brought the wages, benefits and work rules into line for both America West workers and US Airways workers.

We thought our readers would find some of the highlights interesting. On the date of signing all employees received a 10% increase in pay. They received an additional 3% increase on January 1, 2009. They will get 3% more on January 1, 2010 and then again in 2011. America West employees did particularly well. Those employees had earned substantially less than their counterparts at US Airways. On the date of signing America West employees closed that gap by 50%. Six months later they went to 100% of US Airways wages. All ground service employees at US Airways will be making \$19.77 as of January 1, 2010.

The agreement also included the restoration of night shift differential of 58 cents per hour and 51 cents per hour for afternoon shift.

All US Airways IAM employees are now covered by the IAM National Pension Fund. The payoff at retirement for these employees is substantial. As of 2011 baggage handlers are guaranteed well over \$80 per month per year of service when they retire.

The superior accrual rates and work rules of US Airways pre merger employees were applied to America West employees.

After We Win

Once we win the union representation election, we expect that Northwest workers

will have their wages equalized with the higher wages of Delta workers. Historically this is what has happened. We also expect that this higher wage would form the foundation for increases for all workers at the new Delta, just as US Airways workers received. The negotiation of a merger transition agreement would also be an opportunity to regain what was lost during bankruptcy. US Airways workers were able to make substantial gains in this direction, including regaining shift differential pay.

The IAM Pension would be an important gain for Delta workers, as would the superior sick and OJI accruals of Northwest workers. Other items that the IAM members at Northwest now enjoy are superior long term disability insurance and subsidized retiree medical insurance. Northwest workers also have exclusive legal right to work described in our contract, overtime pay after 8 hours, real system seniority and many other important work rule guarantees. We would expect that all of these items would be included in a merger transition agreement. Of course the legal right of due process through a grievance procedure would be indispensable for all workers.

Executive Compensation – The Atlanta Constitution Journal reports that of the top 20 highest compensated executives in the State of Georgia 5 reside at Delta.

#3 Richard Anderson – \$17,442,655

#6 Ed Bastian - \$10,774,131

#11 Stephen Gorman - \$7,617,930

#19 Michael Campbell - \$5,908,949

#20 Glen Hauenstein - \$5,906,525

Total for the top 5 - \$47,650,190