

LETTER OF AGREEMENT
between
US AIRWAYS, INC. and AMERICA WEST AIRLINES, INC.
and the
PASSENGER SERVICE EMPLOYEES
in the service of
AMERICA WEST AIRLINES, INC. and US AIRWAYS, INC.
as represented by
AIRLINE CUSTOMER SERVICE EMPLOYEE ASSOCIATION – IBT AND CWA

FINAL TRANSITION AGREEMENT

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (the “Act”), by and between AMERICA WEST AIRLINES, INC. (“America West”), US AIRWAYS, INC. (“US Airways” and, together with America West, the “Airline Parties”), and the PASSENGER SERVICE EMPLOYEES in the service of US Airways and America West, as represented by the AIRLINE CUSTOMER SERVICE EMPLOYEE ASSOCIATION – IBT AND CWA (the “Association”) by and through the COMMUNICATIONS WORKERS OF AMERICA (“CWA”) and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS (“IBT”), respectively. All parties are collectively referred to as the “Parties”.

WHEREAS, the Airline Parties and the Association have executed an Interim Transition Agreement, dated December 5, 2005, setting forth rules regarding the transition of America West and US Airways passenger service employees into an integrated work force, and

WHEREAS, without superceding the Interim Transition Agreement, the Parties now desire to set forth additional rules regarding passenger service employee integration;

THEREFORE, the Parties agree:

- I. Definitions. Any capitalized term that is not defined herein shall have the same definition as in the Interim Transition Agreement.
- II. Transition Dates. In general, the America West employees in the Passenger Service craft or class (“West Employees”) will transition to the existing US Airways/CWA collective bargaining agreement, as amended (the “CBA”) pursuant to Interim Transition Agreement paragraph IV.D—i.e., forty five (45) days after the effective date of this Agreement, “Transition Date”—except where transition dates for specific CBA articles are otherwise set forth either in the Interim Transition Agreement or in Attachment A hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Agreement effective this ____ day of _____, 2006.

AMERICA WEST AIRLINES, INC.:

By: _____

US AIRWAYS, INC.

By: _____

AIRLINE CUSTOMER SERVICE EMPLOYEE ASSOCIATION – IBT AND CWA

By: _____

By: _____

COMMUNICATIONS WORKERS OF AMERICA

By: _____

INTERNATIONAL BROTHERHOOD OF TEAMSTERS

By: _____

ATTACHMENT A

The Parties agree to the following dates and terms for the transition of West Employees to specific CBA Articles. Where the transition date specified herein is prior to Operational Employee Integration (“OEI”), the application of such provision will be separate between East and West until OEI.

1. **Preamble** – Will apply to West Employees on the Transition Date.
2. **Article 1 – Purpose of Agreement.** Will apply to West Employees on the Transition Date.
3. **Article 2 – Status of Agreement.** Will apply to West Employees on the Transition Date.
4. **Article 3 – Recognition and Scope.** Will apply to West Employees on the Transition Date.
5. **Article 4 – Classifications.** West Employees in the positions listed below (as of the Transition Date) will convert to Article 4 classifications on the Transition Date, as follows:
 - A. West Customer Service Representatives will be assigned to the US Airways Customer Service Agent classification under Article 4 (A) of the existing CWA US Airways Collective Bargaining Agreement (CBA).
 - B. West Catering Security Agents will be assigned to the US Airways Customer Service Agent classification under Article 4 (A-3) of the existing CBA.
 - C. West Club Agents will be assigned to the US Airways Club Representative classification under Article 4(C) of the existing CBA.
 - D. West City Ticket Office Agents will be assigned to the US Airways City Ticket Office Agent classification under Article 4(D) of the existing CBA.
 - E. West Special Service Representatives shall be assigned to the US Airways Customer Service Supervisor classification, and West Station Trainers in a craft or class position certified by the National Mediation Board shall be assigned the US Airways CSS Training Instructor classification under Article 4 (E) of the existing CBA.
 - F. West Employees in the following classifications will be assigned to the US Airways Reservations Sales Representative classification under Article 4(F-7) of the existing CBA:
 - Spanish Desk Agent
 - More Care Agents
 - Internet Agent
 - Flightfund/DMSC Agent
 - US Airways Vacations, which includes:
 - USV Tour Sales Agent - Domestic/International
 - USV Group Desk Agent

- USV Quality Assurance Representative/QM and Hotline CSD
- USV Spanish Desk Agent
- Documents Coordinator

- G. West Employees in SSR POC, and SSR PAX Planner, positions will be assigned the US Airways CSS classification under Article 4 (G) of the existing CWA US Airways Collective Bargaining Agreement.
- H. Any other West passenger service employee who is performing work in a craft or class position certified by the National Mediation Board, which is not specifically mentioned in I (B) of the Interim Transition Agreement as excluded from the passenger service craft or class, shall be assigned to the most applicable of the following US Airways positions: Customer Service Agent, Reservations Sales Representative, Club Representative, City Ticket Office Agent, Lead City Ticket Office Agent, Customer Service Supervisor, Tower CSS, CSS Trainer. Article 4 will apply to West Employees on the Transition Date.

6. Article 5 – Hours of Service.

Article 6 – Overtime - Customer Service

Article 7 – Overtime - Reservations

Will transition as a group upon completion by the Company of necessary programming changes for pay week and overtime changes. Current overtime procedures will remain in effect until the Company is able to complete all required programming changes. The Company will make reasonable efforts to complete such programming changes by the first Monday of the first pay period following six (6) months from the Transition Date. The Company may, at the Company's discretion, maintain current scheduling and shift arrangements currently in place for West Employees until OEI.

7. **Article 8 – Seniority.** Will apply to West Employees thirty (30) days from the signing of this Agreement and will be applied at the first work schedule bid in each location following the thirty (30) day period from the signing of the agreement.
8. **Article 9 – Filling of Vacancies.** Will apply to West Employees for West vacancies on the Transition Date, and will apply system wide to all West Employees on the OEI date.
9. **Article 10 – Temporary Employees.** Will apply to West Employees on the Transition Date.
10. **Article 11 – Seasonal Employee Transfer.** Will apply to West Employees on the Transition Date.
11. **Article 12 – Reduction in Force.** Will apply to West Employees in West locations on the Transition Date, and will apply system wide to all West Employees on the OEI date.
12. **Article 13 – Voluntary Furlough.** Will apply to West Employees in West locations on the Transition Date, and will apply system wide to all West Employees on the OEI date.
13. **Article 14 – Recall.** Will apply to West Employees in West locations on the Transition Date, and will apply system wide to all West Employees on the OEI date.

14. **Article 15 – Furlough Benefits.** Will apply to West Employees on the Transition Date.
15. **Article 16 – Medical Examinations.** Will apply to West Employees on the Transition Date.
16. **Article 17 – Leaves of Absence.** Article 17 (A-H, J, K) will become applicable to all requests for leave and for any extensions or alterations to leaves that become effective on or after the Transition Date. The terms and conditions approved for leaves prior to the Transition Date will remain in effect until the termination of the leave. Article 17(I) - Change the line that reads “There shall not be more than ten (10) employees on full-time union leave at any one time” to read “twelve (12).”
17. **Article 18 – Sick Leave.** Will apply to West Employees on January 1, 2007. All unused sick days accrued in 2005 and 2006 will be placed into the employee’s sick leave bank on this date.
18. **Article 19 – Holidays** (also applies to floating holidays). Will apply to West Employees on January 1, 2008.
19. **Article 20 – Vacation.** Will apply to West Employees beginning on January 1, 2008. Note: When West employees bid vacation for calendar year 2008, it will be based on the accruals and provisions of Article 20. (This article is not applicable to any vacation days earned in 2007).
20. **Article 21 – Limited Duty.** Will apply to West Employees on the Transition Date.
21. **Article 22 – Probation.** Will apply to Probationary West Employees on the Transition Date. Any West Employee with an effective date of hire hired before the Transition Date will serve a ninety (90) day probation period pursuant to current West policy. Article 22 (D) will apply to sick leave effective January 1, 2007, and apply to vacation effective January 1, 2008.
22. **Article 23 – Uniforms.** Will apply to West Employees January 1, 2007.
23. **Article 24 – Shift Premium.** Will apply to West Employees on the Transition Date.
24. **Article 27 – Insurance.** West Employees will transition to health and welfare benefits under Article 27 on January 1, 2007, and will no longer be eligible for Company paid STD or LTD on that date.
25. **Article 28 – Pension.** Will apply to West Employees January 1, 2007 and on that date the current West 401k match is eliminated.
26. **Article 29 – Training and Travel.** Will apply to West Employees on the Transition Date
27. **Article 30 – Safety and Health.** Will apply to West Employees on the Transition Date.
28. **Article 31 – Part-Time Employees.** Will apply to West Employees on the same date as Article 5.

29. **Article 32 – Call Monitoring.** Will apply to West Employees on the Transition Date.
30. **Article 33 – Union Security.** Will apply to West Employees on the Transition Date. Add new language at:
1. Amend paragraph B-lines 15 and 16 as follows: “For the purposes of this Section, [membership in good standing in the Union] shall consist of payment by the employee of **fees and dues....**”
 2. Amend paragraph B-line 34 as follows: “....disputes, in writing, to the Union’s **applicable** Secretary-Treasurer who shall handle such disputes in accordance with Union procedures.”
 3. Amend paragraph I-line 14 by adding the following language: The Company will remit all dues and fees for employees who are members of West Teamsters locals, to the members respective Teamster local union. The Company will remit all dues and fees for employees who are members of East CWA locals to the CWA in a single remittance.
31. **Article 34 – General and Miscellaneous.** Will apply to West Employees on the Transition Date.
32. **Article 35 – Amendments to the Agreement.** Will apply to West Employees on the Transition Date.
33. **Article 36 – Compensation.** West Employees will transition into the pay scale under the CBA as set forth in paragraph IV (A-1) of the Interim Transition Agreement with the following clarifications:
1. Pay date seniority for West Employees will be the date listed in the “adjusted seniority date” field of America West’s Human Resources Information System records, consistent with the seniority dates provided by the Company to the Union.
 2. For purposes of transition, “payrate” will include all premiums, excluding supervisor premiums, paid by America West, and such premiums will be rolled into the employees’ base rates of pay and shall become part of the “payrate” prior to the August 2006 pay transition step. Such premiums shall be subtracted from the “payrate” where employees transfer at any time to a non-premium eligible position or location.
 3. All premiums not applicable under the CBA will be eliminated on the first day after the completion of the August 2006 pay transition step set forth in Interim Transition Agreement paragraph IV (A-1). No West Employee will suffer a reduction in pay as a result of the elimination of such premiums except as set forth in paragraph 2 above concerning employees who transfer at any time to a non-premium eligible position or location.
 4. MLE Agents and West Employees will transition to the Mainline pay scale under the CBA as set forth in IV (A-1) of the Interim Transition Agreement and MLE agents and West

Employees will receive Anniversary increases where employees progress to a higher pay step, which occur during the pay transition, will be proportional to the previous transition increase as discussed in negotiations and as illustrated in the enclosed attachment.

5. West Employees hired after the Transition Date and prior to the end of the twenty-month pay transition set forth in the Interim Transition Agreement paragraph IV (A-1) shall be hired at the America West first step plus any pay transition increases already implemented.
6. All remaining provisions of Article 36 not specifically addressed in this Final Transition Agreement will apply to West Employees upon the transition date, except paragraph G which will apply on the transition increase which occurs ten months after the first increase.