

Pilots Urge Management to Take Final Steps to Merge America West and US Airways

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Lack of joint pilot contract delays achieving full merger synergies

The corporate merger of US Airways and America West (NYSE:LCC) was at one time met with critical acclaim by the investment community, but is now alienating loyal customers with its rock-bottom customer service, widespread mis-handling of baggage, and lagging on-time performance. Despite the fact that it has been two years since the merger, US Airways management has cashed in millions for themselves while the passengers, investors and employees of the airline are suffering from a half- finished merger.

This week, US Airways received a single FAA operating certificate. But rather than tackling the largest, most difficult issues first, management has chosen to continually delay the true operational merger of America West and US Airways, while reaping the benefit of keeping the labor groups separate to the detriment of the new airline and its passengers.

For two years, the pilots of America West and US Airways, who are both represented by the Air Line Pilots Association, Int'l. (ALPA), have met with management to negotiate a fair, single agreement that would bring them in line with each other, and recognize the contributions and sacrifices each made to ensure the viability of their respective airlines. During this time, the pilots have worked under separate, mediocre contracts that were either negotiated in bankruptcy or under severe government loan restrictions. Management has taken advantage of the pilots' sacrifices to fund their grand schemes for a bigger airline and make billions of dollars for themselves and their investors while keeping the pilots at bottom-of-the-barrel pay, work rules and benefits.

In response to the protracted pace of negotiations, the US Airways pilots recently launched an "Equal Pay for Equal Work" campaign, and will picket the Washington National Airport today. The America West pilots support the efforts of their union brothers and sisters, and will continue to work toward achieving parity and beyond within the joint negotiations process.

"We are ready, willing and able to negotiate a fair contract that benefits our pilots and our airline. From the beginning, we have stated that we will not pay for this merger, but considering how long it took for management to come to the table with their first economic proposal, they have clearly not gotten this message," said Captain John McIlvenna, chairman of the America West Master Executive Council. "It's time for management to stop trying to divide labor and come to the table with reasonable proposals that meet the needs of all US Airways pilots. Our pilots deserve a fair contract, and there is no reason why we cannot have a tentative agreement negotiated by the end of 2007. Management has made millions on the backs of labor and it is well past time for a return on our investments."

Prior to the merger, the two pilot groups negotiated a Transition Agreement with management requiring three components before the operational integration of the pilots could occur-a single FAA operating certificate, a joint collective bargaining agreement, and an integrated seniority list. With the single FAA operating certificate in place and a merged seniority list complete, a single pilot contract will allow management to complete the merger and capitalize on the yet unrealized synergies, which would benefit the investors, employees and passengers of the new US Airways.

The America West Airlines pilots' contract became amendable in December 2006. The US Airways pilots' contract becomes amendable in December 2009.

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