



March 18, 2013

The Honorable Amy Klobuchar
302 Hart Senate Office Building
Washington, DC 20510

Dear Chairwoman Klobuchar:

As you know, the management teams of American Airlines and US Airways have announced their intention to merge the two companies to form the world's largest airline. Employees of both airlines have welcomed the news with great excitement. In fact, the employees at American Airlines played a critical role in driving the deal. As the elected leadership of many of the companies' workgroups, we can say with certainty that our colleagues are looking forward to the day our operations are combined. Not only will 100,000 employees benefit from the proposed merger, but so will the new American Airlines, the communities we serve, our companies' investors, the commercial aviation industry, and the flying public.

Last year, as American's unions were negotiating under Section 1113 of the Bankruptcy Code, we were approached by the management team of US Airways with a strategic alternative to American's standalone plan of reorganization. US Airways' plan detailed the tremendous synergies and savings that would be created by a merged network. With more routes to more cities throughout the country and abroad, the new American would once again be an attractive option to the business travelers our airlines have lost to Delta and United in recent years. These factors add up to increased revenues and a thriving airline that can break the duopoly currently controlling our industry.

In addition, the new business model will allow the new American to sustain industry-rate contracts for the employees of both carriers and mitigate the furloughs that had been proposed by American's standalone plan. The employees at American and US Airways want our company to succeed. That is why we support the merger and why we worked together to effect it.

Together, our airlines can compete in the current market and compensate its employees fairly. Apart, they can do neither.

The most frequently cited argument against the merger is that both American and US Airways are succeeding financially and they do not need to merge to thrive. We reject this theory out of hand.

In the ten years leading up to bankruptcy, American lost approximately \$1 billion annually. There is near-unanimous agreement in the industry and on Wall Street that American's problems existed on both sides of the balance sheet. Unfortunately, Chapter 11 only allows the debtor to address its costs. If it were to emerge from bankruptcy on its own, American would remain at a competitive disadvantage in terms of generating revenue.

In fact, the principle difference at the airline would be a smaller workforce (trimmed by thousands of furloughs), a 17 percent cut in wages and benefits, and a frozen pension plan. Similarly, US Airways will continue to be hamstrung by the limitations of its network. The recently-approved mergers of United-Continental and Delta-Northwest have marginalized smaller carriers like US Airways, and their long-term viability is constantly in question. More than perhaps any other, our industry is subject to shocks like fuel spikes, acts of terrorism, accidents, and natural disasters. While large network carriers have the capacity to mitigate such volatilities, smaller airlines are disproportionately affected by them. Indeed, the only way to truly ensure a fair and competitive aviation industry is to allow our companies to combine.

The path forward will be challenging, of that we can be sure. However, with labor agreements in place at both carriers, some of the most difficult tasks are already complete. We believe that the benefits the new American will provide to the traveling public, our colleagues, and our membership are well worth the tremendous effort that merging these two carriers will require. We hope that you can share in our enthusiasm and optimism.

Sincerely,

Laura Glading
President, Association of Professional Flight Attendants – American Airlines

James C. Little
International President, Transport Workers Union – American Airlines & US Airways

Keith Wilson
President, Allied Pilots Association – American Airlines

Gary Hummel
President, US Airline Pilots Association – US Airways

Roger Holmin
President, Association of Flight Attendants – US Airways

Deborah Volpe
President, Association of Flight Attendants – US Airways

CC: Rose Baumann