



Association of Professional Flight Attendants

*Proudly Representing the **Flight Attendants** of American Airlines*

Office of the President

3 September 2013

Dear Attorney General Nathan,

Thank you for meeting with representatives of the Association of Professional Flight Attendants to discuss the merger of my employer, American Airlines, with US Airways. I appreciate your interest in the merger and I hope APFA's input can help address some of the areas of concern your office has. As APFA President, I serve on the Unsecured Creditors' Committee in American Airlines' bankruptcy proceedings. I believe I can offer unique and valuable insight into the nature of this merger and why it is so vitally important that it be allowed to proceed without any further interference.

I understand your concerns and those of your colleagues in several other states and the Department of Justice. Ensuring the competitiveness of this country's various industries is a critical role our government plays. However, far from the assertions made so far in court and in public, the proposed American-US Airways merger is anything but anti-competitive. Since its inception, the plan has had the full support of the APFA not only because it protects workers' and job security, but because it is the only plan that allows American to compete and succeed. The more than 16,000 flight attendants of APFA, including hundreds in and around Washington, support the merger and we are joined by our colleagues at the Allied Pilots Association, Transport Workers Union, and major workgroups at US Airways as well.

AMR Chapter 11 Bankruptcy

- APFA had been in protracted contract negotiations with company management for over three and a half years prior to bankruptcy.
- Unable to compete with the massive route structures offered by Delta and United, American lost billions of dollars in the years leading up to the bankruptcy filing in November 2011.
- In bankruptcy, management's intention was to lower company costs on the backs of employees.
- While the company succeeded in cutting labor costs, a plan to allow American to grow and compete still does not exist.

US Airways' Plan

- I was approached by members of the US Airways senior management team with a plan that would make American competitive in the current environment.
- US Airways executives explained that the combined company creates a much more robust route network with minimal overlap.
- Synergies created by the merger and an improved ability to compete with Delta and United will allow the new American Airlines to compensate its employees at a rate consistent with our industry colleagues and avoid all job losses in our workgroup.

- Notwithstanding lower operating costs achieved in bankruptcy, American cannot compete with Delta and United as a standalone company.
- The new American Airlines will offer business and leisure travelers a viable third option for traveling the United States and the globe, breaking the duopoly created by the Delta/Northwest and United/Continental mergers.
- The new route structure allows our company to feed our major international hubs from more small and mid-sized markets, giving consumers more options and access to more destinations.

APFA members and their families depend upon American Airlines' viability in order to make ends meet. Going up against Delta and United makes it impossible to do that. When the merger is complete, though, our members will have the job security and competitive compensation that they need to provide for their families. Please do not stand in the way of the new American Airlines' ability to compete.

Sincerely,

A handwritten signature in cursive script that reads "Laura R. Glading". The signature is written in black ink and is positioned above the typed name.

Laura R. Glading
President, APFA