MASTER EXECUTIVE COUNCILS

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US Airways, America West Pilots Respond to Company Second Quarter Earnings Report

PHOENIX – As US Airways [NYSE: LCC] management today announced a \$305 million profit for the second quarter 2006, the pilots of America West and US Airways reaffirmed their commitment for a forward-moving collective bargaining agreement that would enable US Airways to achieve millions of dollars in synergies created by the merger of the two airlines.

The America West and US Airways pilots, who are represented by the Air Line Pilots Association, Int'l (ALPA), provided their management teams with billions of dollars in cost savings to ensure the viability of their respective airlines. The contributions of both pilot groups, as well as those made by other employee groups, enabled the successful merger of America West and US Airways. The level of this success has been documented by US Airways Group Chairman, President and CEO Doug Parker, who has stated that US Airways' second quarter profit is the highest among the major huband-spoke airlines.

As US Airways continues to post record profits, the pilots of US Airways and America West have been in negotiations with management for nearly nine months to attain a single collective bargaining agreement that recognizes the pilots' contributions and the magnitude of their role in US Airways' turnaround.

"During these negotiations, the America West pilots expect to increase our compensation, enhance our retirement and benefits, and improve our working conditions. Anything less is unacceptable," said Captain JR Baker, Chairman of the America West Master Executive Council (MEC). "The America West and US Airways pilots have each contributed decades of superior service, always supporting our respective companies through bad times, and we intend to share in the success of the new US Airways moving forward."

"US Airways continues to post substantial profits on the backs of the pilots of US Airways and America West, and this will no longer be tolerated. We have been patient for some time, but with each instance of greater fiscal success, this pilot group expects commensurate returns. We are demanding contractual improvements in all areas of our bankruptcy-era contract which will reflect our investment in this corporation," said Captain Jack Stephan, chairman of the US Airways MEC. "We have in no uncertain terms told management that our pilots will only ratify an agreement that recognizes our investment in the airline and rewards our pilots for their sacrifices. If US Airways



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management intends to capture all the planned synergies of this merger and to have any chance of enjoying labor peace, bankruptcy-era bargaining tactics need to end."

Before the merger was completed, the pilots negotiated and implemented a Transition Agreement to provide key building blocks for the negotiation of a single collective bargaining agreement, an orderly seniority integration process, and integration of the two separate airline operations. Until these three requirements are met, the new US Airways cannot fully capitalize upon the synergies it promised investors.

If joint negotiations do not proceed constructively toward a single agreement, the America West pilot group may enter into separate negotiations with US Airways. Such negotiations would result in a traditional collective bargaining process between US Airways management and the America West pilot group. Under the Railway Labor Act, the America West pilots' agreement becomes amendable December 30, 2006.

Founded in 1931, ALPA represents 62,000 pilots at 39 airlines in the U.S. and Canada. Visit the ALPA website at <u>http://www.alpa.org</u>.

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