

United States Senate

WASHINGTON, DC 20510-3802
specter.senate.gov

October 31, 2007

Mr. W. Douglas Parker
Chairman, President and
Chief Executive Officer
US Airways
111 W. Rio Salado Parkway
Tempe, AZ 85281

Dear Mr. Parker:

Thank you for your October 15, 2007 letter in response to concerns raised in my October 4, 2007 letter, co-signed with Senator Casey, regarding US Airways' proposed service and employment cuts in Pittsburgh.

Based on US Airways' treatment of Pittsburgh under your leadership and that of your predecessors, I remain concerned that good faith efforts made on behalf of the company by Federal, state and local officials representing the Pittsburgh region have not always been reciprocated. While I am pleased that Pittsburgh will retain the Operations Control Center and heavy maintenance base, I believe the service and employment cuts proposed for January 2008 are only the latest development in a pattern of unfulfilled commitments and false expectations created by US Airways regarding the airline's presence in the region.

For example, on March 30, 2003, as US Airways emerged from its first bankruptcy, it rejected its lease agreements with the Allegheny County Airport Authority. I am advised that this action violated a written promise to honor the lease agreements made by US Airways only weeks earlier. Then, in May 2004, Pittsburgh was stripped of its hub status, and with it the service expectations envisioned by the public when the airport was constructed to US Airways' specifications for \$1 billion.

While you had no involvement in these two specific actions, several comments attributed to you in the local media appear, in retrospect, to give the region a false sense of security about the future of US Airways in Pittsburgh. When the merger between US Airways and America West was announced in May 2005, for instance, you were quoted as saying that, "We have no intentions of making major changes" in Pittsburgh and that you would, "work very hard to keep everyone employed that's employed." Then, in December 2005, it is my understanding that US Airways furloughed 30 employees at the Pittsburgh operations center after you stated on November 9, 2005 that the company did not intend to furlough any employees. Further, your view of Pittsburgh as an unprofitable market conflicts with comments you made in May 2006 when you referred to Pittsburgh as "marginally profitable" due to previous cutbacks the airline imposed following the merger. At the time, you are quoted as saying, "We feel good about

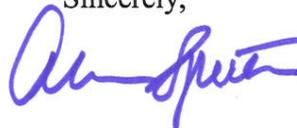
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where it is now," with regard to service and did not predict any more dramatic reductions in local flights. While falling short of a commitment, these comments create an expectation of stability that, regrettably, has not been achieved at Pittsburgh during your tenure.

While US Airways has been unable to live up to commitments it made to and public expectations it created for Pittsburgh since the airport was constructed, it has all the while received my steadfast support. From 1995 to 2007, I wrote 11 letters to U.S. Secretaries of Transportation and one to President Clinton supporting applications by US Airways for international routes. During consideration of the Fiscal Year 2002 Supplemental Appropriations bill, I led the effort to restore loan guarantees available to airlines following the terrorist attacks of September 11, 2001. On June 27, 2002, I along with other members of the Pennsylvania delegation wrote to President Bush supporting Federal approval of US Airways' loan guarantee application. When this loan guarantee was conditioned on the airline restructuring its pension obligations, I made every effort within my power to be of assistance. In December 2002, I wrote and placed calls to U.S. Secretary of Labor Chao, U.S. Secretary of Commerce Evans and U.S. Secretary of Treasury O'Neill, all of whom are Board Members of the Pension Benefit Guarantee Corporation (PBGC), urging them to accept a proposal from US Airways and its pilots' union which would have satisfied the loan guarantee requirements. When the PBGC declared that they did not have the authority to do so, I and several of my Senate colleagues introduced legislation which would have granted the PBGC explicit statutory authority to accept US Airways' proposal and ultimately offered it as an amendment to the Fiscal Year 2003 Omnibus Appropriations bill. While these efforts were not successful, they represented a good faith effort on my part to do everything I could to assist US Airways.

In the future, US Airways should grant Pittsburgh similar considerations. Despite a litany of cost-saving layoffs and service reductions that has seen US Airways retrench from 542 daily flights and 12,000 employees in 2001 to 68 flights and 1,800 employees after the latest cuts go into effect in January 2008, the airline struggles to operate profitably in Pittsburgh. With that in mind and based on the fact that many other carriers are reportedly performing well in Pittsburgh, I question whether you and your predecessors have done everything in your power to ensure that service at Pittsburgh succeeds, and this is a cause of great concern and disappointment given my long-standing record of support for the airline at the Federal level.

Sincerely,



Arlen Specter

AS/mk

Via Facsimile

The entire PA Congressional delegation & PA's GOVERNOR have contributed to all these efforts. On Dec 11, 2002, as I recall, at the request of US Air's CEO, I called the Pres. Secretaries of ~~Finance~~ Treasury, Commerce & Labor on the financing from the Alabama Pension Fund to save US Air from bankruptcy. Pittsburgh & PA deserve better treatment!