

LETTER OF AGREEMENT
between
US AIRWAYS, INC. and AMERICA WEST AIRLINES, INC.
and the
PASSENGER SERVICE EMPLOYEES
in the service of
AMERICA WEST AIRLINES, INC. and US AIRWAYS, INC.
as represented by
AIRLINE CUSTOMER SERVICE EMPLOYEE ASSOCIATION – IBT AND CWA

FENCE AGREEMENT

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AMERICA WEST AIRLINES, INC. (“America West”), US AIRWAYS, INC. (“US Airways”) and, together with America West, the “Airline Parties”, and the PASSENGER SERVICE EMPLOYEES in the service of America West and US Airways, respectively, as represented by the AIRLINE CUSTOMER SERVICE EMPLOYEE ASSOCIATION – IBT AND CWA (the “Association”) by and through the COMMUNICATIONS WORKERS OF AMERICA (“CWA”) and the INTERNATIONAL BROTHERHOOD OF TEAMSTERS (“IBT”). The Airline Parties and the Association are collectively referred to as the “Parties”.

WHEREAS, the Parties are engaged in ongoing negotiations to transition America West employees in the Passenger Service Craft or Class (“West Employees”) to the existing US Airways/CWA collective bargaining agreement, as amended (the “CBA”); and

WHEREAS, the Parties have executed an Interim Transition Agreement, dated December 5, 2005, setting forth rules certain regarding such transition; and

WHEREAS, without superceding the Interim Transition Agreement, except II.F.7 as described in V. below, the Parties now desire to set forth certain seniority rules for West Employees during the transition period;

THEREFORE, the Parties agree:

- I. Definitions. Any capitalized term that is not defined herein shall have the same definition as in the Interim Transition Agreement.

- II. Except as otherwise provided in paragraphs III, IV, and V, the Passenger Service Seniority Date (for any individual who becomes an employee of America West in the Passenger Service Craft or Class after the fifteenth day after the execution of this Agreement) shall be the first day worked, including training, in the Passenger Service Seniority Craft or Class.
- III. America West employees who, as of the fifteenth day after the execution of this Agreement, hold a position in Consumer Affairs, Customer Relations, Central Baggage Resolution, Passenger Coordinated Tower Positions at PHX or LAS, or Cargo Office at Phoenix Sky Harbor International Airport, and who then transfer into the Passenger Service Craft or Class, will be assigned a Passenger Service Seniority Date as follows:
 - a. For such employees who transfer within 90 days after Operational Integration, the Passenger Service Seniority Date shall be equal to their America West Seniority Date as listed in the "adjusted seniority date field" in America West's Human Resources Information System, less any time elapsed between the fifteenth day after the execution of this Agreement and the date of the first day worked, including training, in the Passenger Service Craft or Class.
 - b. For such employees who transfer into the Passenger Service Craft or Class more than 90 days after Operational Integration, the Passenger Service Seniority Date shall be the first day worked, including training, in the Passenger Service Seniority Craft or Class.
- IV. West Employees who transfer to positions outside of the Passenger Service Craft or Class shall retain, but not accrue, all previous Passenger Service Seniority for a period of six (6) months following such transfer. In the event of reduction in force, demotion, or failure to pass probation in the new position within this six (6) month period, these West Employees will be eligible to utilize all retained Passenger Service Seniority to return to their former position and location provided a vacancy exists. Under this paragraph, a vacancy is deemed to exist when the actual complement of employees is below the authorized number and no award has been made to fill the vacancy. When no vacancy in their former location exists, employees will be eligible to bid for

system vacancies during the six (6) month period. The Passenger Service Seniority Date for employees who return to the Passenger Service Craft or Class after more than six (6) months shall be the first day that such employees return to work, including training, in the Passenger Service Craft or Class.

- V. The following language replaces section II.F.7 of the Interim Transition Agreement: The Airline Parties may convert America West Passenger Service Management supervisors in PHX, LAS or LAX and America West Management supervisors in other locations with West Employees, to positions within the Passenger Service Craft or Class in their current location, within ninety (90) days of the signing of this agreement. If the Company has a reduction in force in a location where the Company has a converted Management Supervisor working a position within the Passenger Service Class or Craft, articles 12, 13, 14, and 15 of the CWA CBA will apply to the America West Employees in that location.

The Passenger Service seniority date and pay date seniority for such employees shall be their Seniority Date as listed in the "adjusted seniority date field" in America West's Human Resources Information System including time as a supervisor. America West Management supervisors who transfer from the management supervisor or shift manager position into a passenger service position after the expiration of the ninety (90) day period described above, will receive a Bid Date which will be equal to all time previously worked in a passenger service craft or class position.