



DISTRICT LODGE 141

MACHINISTS UNION

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To: The Members of District Lodge 141 Affiliated with US Airways

Subject: Arbitration Decision related to Employee Health Care Premiums

Arbitrator Richard I. Block has rendered his decision in the recently heard case concerning our Grievance filed against the Company for their application of a formula to determine future increases in employee required healthcare premiums. Unfortunately, he did not agree with our arguments and ruled against us.

Representatives of both District 141 and District 142, in addition to outside legal counsel, worked very hard in the preparation and presentation of this very important case. Every effort was made by your representatives to resolve this issue in favor of our memberships. Many hours and days of joint discussion and planning went into this case and every opportunity was taken to try to reach an acceptable agreement with the Company. However, we were unable to complete a voluntary settlement and relied on Arbitrator Block to hear the contractual arguments from both sides and make a binding decision.

We must accept this answer as final in this matter and look forward to the next phase of this issue. As we receive information regarding the status of our premium costs for 2010 we will immediately forward it to you.

Fraternally,

Richard Delaney
President
District Lodge 141, IAMAW