

**A Message from President Scott Kirby Regarding the Slot Transaction with Delta Air Lines**

May 23, 2011

As you know, we have been working with Delta Air Lines to transfer some takeoff and landing rights at New York's LaGuardia (LGA) and Washington D.C.'s Reagan National (DCA) airports. Doing so will enable us to improve our service at DCA and right-size our LGA operation by focusing on service between LGA and our two East Coast hubs plus our Shuttle routes. Service from LGA to PIT would also continue. Today US Airways and Delta filed a new agreement with the Federal Aviation Administration (FAA) to move this project forward.

With this new agreement, which is subject to certain government and regulatory approvals, US Airways would gain 42 pairs of slots (roundtrip flights) at DCA, while transferring 132 pairs of slots at LGA to Delta. Additionally, Delta would pay US Airways \$66.5 million in cash. This new agreement reinforces our commitment to increasing service and options for our customers in DCA and our hubs in CLT, PHL and PHX. And after this transaction is completed, 99% of our service will originate or end in one of our three hubs, our focus city at DCA or the Shuttle.

This revised agreement has a number of benefits and differs from the original transaction we announced in 2009, including:

- Providing service to at least 15 new routes we do not currently serve from DCA. By adding departures at DCA, we will connect the nation's capital to more small, medium and large communities across the country. We will create additional flight options and connections throughout our route network, enabling business and leisure travelers, as well as military and government employees, to have more access to Washington and its downtown airport. In addition, this agreement will enhance competition by adding service to popular destinations that are currently served by other carriers.
- Increasing the number of peak-day departures at DCA to approximately 230, up 20 percent increase over current service levels. We also plan to further increase our use of larger, dual-class mainline aircraft and soon to be dual class larger regional jets. To manage this increase in service, we anticipate creating new jobs at DCA and across the new destinations we plan to serve from DCA.
- Operating all of our flights at LGA from our existing terminal – Terminal C – rather than being split between the Marine Air Terminal and Terminal D. Moving forward, we'll operate out of nine gates and parking positions in Terminal C. Our customers will also have access to a new 5,000-square-foot US Airways Club.
- Offering more LGA service by operating more than 60 daily flights from LGA, up from the previously planned 57 peak-day departures. Our popular shuttle service will remain unchanged and we'll be able to maintain optimal business travel schedules by providing our customers with more service during the peak afternoon time periods to our CLT and PHL hubs.
- Acquiring additional international rights from Delta to operate daily service at one of world's most important business destinations – Sao Paulo, Brazil (GRU), in 2015. These would allow us to operate up-to two daily flights to GRU and continue our existing daily service to Rio de Janeiro (GIG).

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Unlike the originally announced transaction, we will no longer acquire rights to begin service to Tokyo, Japan (NRT). As a result of the Open Skies agreement signed between the U.S. and Japan, which erased limits on flights and opened up a second Tokyo airport to U.S. service, we believe we will gain access to Tokyo slots on our own and did not feel it was necessary to include in this agreement. Any future planned service to Tokyo is still a number of years off and would be contingent upon a number of factors, including economic conditions and delivery of additional wide-body aircraft.

As with the previous transaction, this slot agreement will have an impact on jobs. In DCA and at DCA destinations, we anticipate adding more Airport Customer Service and Fleet Service employees, though it's too early to say how many. It's also too early to say what impact, if any, there will be to mainline flight crews. While we will still retain a significant presence at LGA, this transaction does reduce our operation there and will also reduce the number of jobs needed at that airport. This is the most difficult part of any transaction that moves flying to other areas, and we will do everything we can to support those employees whose jobs are affected.

We believe the agreement filed today is well-suited for regulatory approval, as the landscape has changed significantly in the last two years. New entrants and smaller carriers, including AirTran Airways, JetBlue Airways and Southwest Airlines, have gained considerable access to slots at both LGA and DCA and expanded service at these and other airports in the New York and Washington regions. Also, mergers between United Airlines and Continental Airlines and Southwest and AirTran have dramatically sharpened competition on the East Coast generally and particularly in the New York and Washington regions. Also, to address concerns previously raised by the Department of Transportation, the agreement provides for the divestiture of up to 16 slot pairs at LGA and eight at DCA by Delta if required by the regulatory authorities.

Today's announcement is part of our daily effort to enhance our competitive presence and strengthen our financial performance to the benefit of all of our employees, customers, the communities we serve and our shareholders. This transaction is an excellent opportunity to strengthen our network and to improve US Airways' bottom line. For more details about this transaction, please visit Wings, where you'll find Frequently Asked Questions about today's announcement, or you can read more in this week's issue of About US.

Thank you for all your hard work and dedication to helping us run a great airline and providing the outstanding customer service that people know they can expect from US Airways.



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