NATIONAL MEDIATION BOARD
WASHINGTON, DC 20572

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In the Matter of the Application of the INTERNATIONAL ASSOCIATION OF MACHINISTS & AEROSPACE WORKERS, AFL-CIO alleging a representation dispute pursuant to Section 2, Ninth, of the Railway Labor Act, as amended involving employees of US AIRWAYS/AMERICA WEST AIRLINES	33 NMB No. 14 CASE NOS. R-7077, R-7078 and R-7079 (File No. CR-6886) FINDINGS UPON INVESTIGATION January 30, 2006

This determination addresses the applications filed by the International Association of Machinists and Aerospace Workers, AFL-CIO (IAM or Organization). The IAM requests the National Mediation Board (Board) to investigate whether US Airways, Inc. (East), and America West Airlines, Inc. (West) (collectively the Carriers), are operating as a single transportation system known as US Airways (US Airways).

The investigation establishes that East and West constitute a single transportation system.

PROCEDURAL BACKGROUND

On September 30, 2005, the IAM filed applications alleging a representation dispute involving the following crafts or classes: Mechanics and Related Employees, and Fleet Service Employees. On October 13, 2005, the IAM filed an application alleging a representation dispute involving the craft or class of Maintenance Training Specialists.

At East, the IAM represents the following crafts or classes: Mechanics and Related Employees (R-4593); Fleet Service Employees (R-6248); and Maintenance Training Specialists (R-6677).

At West, the Mechanics and Related Employees are represented by the International Brotherhood of Teamsters, Airline Division (IBT) (R-6420). The IBT also represents West's Stock Clerks (R-6684). The Fleet Service Employees at West are represented by the Transport Workers Union of America (TWU) (R-6636). The Maintenance Instructors are not represented.

The IAM asserts that East and West constitute a single transportation system operating as US Airways. The applications were consolidated and assigned NMB File No. CR-6886.

The Board assigned Eileen Hennessey to investigate.

On October 3, 2005, the Board requested that the Carriers provide information regarding their operations. The Carriers jointly responded on October 20, 2005. The IAM, TWU, and IBT each filed submissions with the Board on November 2, 2005. The IAM and the Carriers filed responses on November 14, 2005. The IAM supplemented its position statement on December 15, 2005 and January 6, 2006. The TWU supplemented its position statement on December 19, 2005. The Board requested additional information from the Carriers on December 20, 2005, which the Carriers provided on January 6, 2006.

ISSUES

Are East and West a single transportation system? If so, what are the representation consequences?

CONTENTIONS

IAM

The IAM states that East and West entered into a Merger Agreement on May 19, 2005. On September 16, 2005, the U.S. Bankruptcy Court in the Eastern District of Virginia[1] confirmed a reorganization plan and approved the merger of East and West. The corporate merger of the Carriers became effective on September 27, 2005. The IAM states that as of that date, the combined carrier, known as US Airways, had fully integrated ownership, senior management, and a single board of directors. The IAM further contends that US Airways has fully integrated financial control, as well as labor and personnel functions; and it has commenced operating as a single transportation system.

As the certified representative of East's Mechanics and Related Employees, Fleet Service Employees, and Maintenance Training Specialists, the IAM requests that the Board initiate an investigation regarding the operation of East and West as a single transportation system for purposes of the Railway Labor Act (RLA).

In one of its supplemental submissions, the IAM responded to the TWU's contention that the Carriers were not yet operating as a single transportation system with an affidavit from a recent US Airways traveler. IAM contends that the facts cited in the affidavit further support its argument that the operational integration is sufficiently underway that a single carrier determination should be made at this time.

The IAM also contends that the TWU is the only organization that opposes a single carrier determination. The IAM notes that while the "IBT initially filed a cursory opposition to the application," it filed a joint request with the Communication Workers of America (CWA) asking the Board to transfer certifications from each of those unions to the Airline

[1] US Airways Group, Inc., and its domestic subsidiaries, including US Airways, Inc., filed for relief under Chapter 11 of the U.S. bankruptcy code in September 2004.

Customer Service Employee Association-IBT and CWA (Association). By this request, the IAM argues, the IBT tacitly acknowledges that there is now a single carrier.

Finally, the IAM urges the Board to promptly issue a determination finding a single transportation system so that the parties can advance to the next steps without further unnecessary disruption of the work force.

TWU

The TWU argues that East and West are not now a single transportation system under the RLA. TWU argues that, at almost all locations, East and West are still presented as separate carriers. The TWU states that "the two carriers are not now held out to the public as a single carrier, at most, they are separately identified with an indication that they will be consolidating." TWU states that employees who deal with the public are still readily identifiable as employees of the separate carriers; employees work at separate locations and wear different uniforms, and repainting of the West fleet to the US Airways livery will not be completed for at least a year.

TWU also argues that: ticket counters, kiosks and equipment are still separate and separately identified; the Carriers continue to maintain separate web sites; frequent flier programs and airline clubs are still separate; schedules and ticket stock have not been combined; reservations systems are still separate; the Carriers have separate Federal Aviation Administration (FAA) operating certificates; there has been no combination of flights, new city pairs or new combined service; flight dispatching is still separate; at common locations there is no intermixing or cross assignment of fleet service work, no changes in manuals or work procedures, and no combination of station management; and the Carriers have separate benefit plans.

TWU acknowledges that the Carriers now share the same Vice Presidents for Labor Relations and Human Resources, but states that there is no evidence that there has been any change below that level; nor is there evidence of consolidated labor relations or human resources.

TWU also asserts that there is no evidence that the Carriers have been marketed as a single system; marketing has been "to advise customers that they will become a single system at some point in the future." TWU states that "it appears that there still is 'separate flying' and only an intention to coordinate and restructure routes."

TWU argues that the IAM submitted an application that relies merely on conclusory assertions that are not supported by actual evidence. Under Board precedent, the Board considers evidence of actual integration. Therefore, TWU contends that the evidence provided by the Carriers is "plainly insufficient to support a finding that they are now a single transportation system."

TWU further submits that since a single system finding would operate to terminate prior Board certifications, "there should be a presumption against such a finding, or at least a burden placed on those who claim a single system to demonstrate the actuality of a single system rather than an aspiration to a single system." Even if the Board is unwilling to reject the application based on submissions of the IAM and the Carriers, the TWU contends that it has provided the Board with substantial evidence that the Carriers are not currently a single system under Board precedent. If the Board is unwilling to dismiss the application based on the record at present, TWU submits that the Board should conduct a hearing on the single system issue.[2]

IBT

The IBT opposes the single carrier application filed by the IAM. The IBT states that based upon the information provided in the Carriers' initial submission, East and West continue to

[2] The Board finds that there is sufficient evidence in the record to make a determination on the issues presented. Therefore, the TWU's request for a hearing is denied.

operate as two separate carriers. The IBT maintains that while the Carriers assert that that they plan to hold themselves out to the public as a single transportation system, they have not provided any evidence that such a process is completed or will be completed in the near future. The IBT states that the Carriers fly under separate operating certificates and do not expect to obtain a single operating certificate for 18-24 months; in the meantime, the Carriers are legally mandated to maintain separate flight operations and state that routes and schedules will not be fully integrated until they obtain a single operating certificate from the FAA.

Moreover, the IBT asserts that that there is insufficient evidence that the Carriers have published a combined schedule, that reservation systems have been combined, or that tickets are issued on one carrier's stock. The IBT asserts that the Carrier's initial submission contains no information on whether or how the workforces of the respective Carriers will be integrated. There is no indication that employees with public contact are being held out to the public as employees of one carrier. The fact that the Carriers do not expect to standardize uniforms until the third quarter of 2006, further underscores the "separateness of the workforces at present," according to the IBT. Finally, the IBT asserts that the Carriers are continuing to operate under separate management structures except at the highest levels. Therefore, the IBT argues that despite the steps taken by the Carriers to consolidate their operations, they continue to operate separately.

US Airways and America West

The Carriers jointly contend that the Board should issue a finding that East and West are a single transportation system for the following reasons: the Carriers are substantially integrated through combined management, labor relations, human resources and financial operations; and the Carriers are held out to the public as a single carrier through unified media communications, customer policies and co-branding, among other factors. The Carriers argue that the Board does not require complete integration to find a single carrier. To the extent that the Carriers remain separate, they "will integrate many of the remaining functions in the coming weeks – for example, issuing a single new brand for the Company in January 2006."

The Carriers argue that the TWU's position requires full operational integration prior to a Board finding of a single system. The Carriers argue that this full operational integration is unlikely to happen prior to a single system determination by the Board because of the scope provisions in labor agreements. Therefore, the Carriers assert that the single carrier finding must precede full operational integration.

FINDINGS OF LAW

Determination of the issues in this case is governed by the RLA, as amended, 45 U.S.C. §§ 151-188. Accordingly, the Board finds as follows:

I.

East and West are common carriers as defined in 45 U.S.C. § 181.

II.

IAM, IBT, and TWU are labor organizations as provided by 45 U.S.C. § 152, Ninth.

III.

45 U.S.C. § 152, Fourth, gives employees subject to its provisions, "the right to organize and bargain collectively through representatives of their own choosing. The majority of any craft or class of employees shall have the right to determine who shall be the representative of the craft or class for the purposes of this chapter."

IV.

45 U.S.C. § 152, Ninth, provides that the Board has the

duty to investigate representation disputes and to designate who may participate as eligible voters in the event an election is required. In determining the choice of the majority of employees, the Board is "authorized to take a secret ballot of the employees involved, or to utilize any other appropriate method of ascertaining the names of their duly designated and authorized representatives . . . by the employees without interference, influence, or coercion exercised by the carrier."

STATEMENT OF FACTS

A. Corporate Transactions

US Airways, its parent company US Airways Group, Inc., and three affiliated companies, emerged from bankruptcy protection under Chapter 11 of the United States bankruptcy code on September 27, 2005. That same day, pursuant to the US Airways plan of reorganization, US Airways Group, Inc. consummated a transaction in which it acquired America West Holdings Corporation and its subsidiary America West Airlines.

As of October 5, 2005, the employee counts for the crafts or classes covered by the IAM's applications are as follows:

East	
Mechanics and Related Employees	5,482
Fleet Service Employees	5,503
Maintenance Training Specialists	35
West	
Mechanics and Related Employees	833
Stock Clerks[3]	68
Fleet Service Employees	2,498
Maintenance Instructors[4]	8

[3] West Stock Clerks are a separate craft or class. East Stock Clerks are included in the Mechanics and Related Employees craft or class.

[4] At West, the employees who perform the job functions similar to those performed by East's Maintenance Training Specialists are called Maintenance Instructors.

B. Management and Labor Relations

On August 16, 2005, US Airways Group, Inc., East and West, announced their full slate of common officers. This slate of 31 common officers became effective upon the merger. Labor Relations functions for East and West are the direct responsibility of E. Allen Hemenway, Vice President, Labor Relations. Human Resources functions for East and West are the direct responsibility of John M. Hedblom, Vice President, Human Resources. Hemenway and Hedblom report to Jeffrey D. McClelland, Executive Vice President and Chief Administrative Officer. McClelland, Hemenway and Hedblom are all officers of US Airways Group, Inc., US Airways, Inc. and America West Airlines, Inc.

1. Transition Agreements

On December 5, 2005, the Carriers entered into an Interim Transition Agreement with the Airline Customer Service Employee Association-IBT and CWA (Association). Hemenway signed this agreement as Vice President of Labor Relations for both East and West. Pursuant to that agreement, the Carriers voluntarily recognized the Association as the collective bargaining representative of all Passenger Service Employees of the Carriers. The agreement provides that the West Passenger Service Employees will transition to the existing East/Communication Workers of America (East-CWA) collective bargaining agreement (CBA), and sets forth specific dates for pay increases for West Passenger Service Employees to achieve East pay rates. This agreement terminated the West/IBT Section 6 negotiations that had been ongoing prior to the merger. According to Hemenway, the Carriers' negotiations of final rules to transition the West Passenger Service Employees to the East-CWA CBA were scheduled to commence on January 9, 2006.

The Airline Pilots Association, International (ALPA) represents the pilots at both East and West. East and West have negotiated a transition agreement with ALPA. The transition agreement establishes the following: minimum aircraft numbers; distribution of international flying between

East and West; hiring of furloughed East pilots prior to hiring externally; a profit sharing plan for East and West pilots; and pay rates for pilots operating EMB 190 aircraft at both East and West. The Carriers' negotiations with ALPA, for a single CBA, are ongoing and are scheduled for two weeks per month through April 2006.

The Association of Flight Attendants-CWA (AFA-CWA) represents the flight attendants on both East and West. The Carriers and AFA-CWA will commence negotiations for a single agreement covering both flight attendant groups on February 21, 2006.

Dispatchers at both East and West are represented by the TWU. The Carriers have negotiated a Transition Letter of Agreement as Related to Dispatcher Vacancies at America West. Pursuant to this agreement, West will hire furloughed East Dispatchers prior to hiring externally. The Carriers are negotiating an Interim Transition Agreement to provide for the transition of West Dispatchers to the East-TWU CBA.

2. Grievance Processing

Grievance processing for Passenger Service Employees at both East and West is now handled under a single system utilizing the grievance and arbitration provisions of the East-CWA CBA, pursuant to the terms of the agreement between the Carriers and the Association.

Grievances for other represented groups are handled under the provisions of each group's respective CBA until there is either a change specified through a transition agreement or implementation of a single labor agreement. East and West grievances for crafts or classes other than Passenger Service Employees are processed separately; however, the responsibility for processing grievances has been integrated into one Labor Relations department which is headed by Hemenway. Hemenway sets labor relations policy for the combined carrier. Hemenway states that he has "deliberately made every effort to maintain continuity for the unions at America West and US Airways in terms of their day-to-day management contact persons, but nonetheless the Labor Relations department comprises one team for decision-making purposes." Hemenway also states that West Customer Service Managing Directors are responding to grievances filed by both East and West Fleet Service Employees, and a West Manager is now the Step 3 grievance official for East Mechanics and Related Employees.

C. Operations

1. Operating Certificates

East and West operate under separate FAA Air Carrier Certificates. According to McClelland, East and West will maintain separate operating certificates until a single operating certificate is approved by the FAA. McClelland states that the Carriers expect a single operating certificate will be issued within 18-24 months of the merger.

2. Airport Services

The Airport Services departments of East and West have been combined into one department. Since the merger, East and West have synchronized the following customer service policies so that they are identical for passengers traveling on either airline:

Hazardous/dangerous goods-cargo
Checked pets
Unaccompanied minors
Oversale compensation redemption
$25 move up fee
Excess bag fee
Checked miscellaneous sales
Paper ticket surcharge
Check-in times
Cabin pets
Sports equipment
Priority boarding
Involuntary re-route policy
Weather delays and cancellations

Mileage accrual
Lounge use
Through check and boarding pass
Codeshare interline E-ticket and E-ticket check-in
Portable oxygen concentrators
Carry-on bags
Hawaii pet policy
Aligned announcements
STAR alliance priority baggage tags
Shuttle market checked pet policy

Since the merger, East and West have synchronized the following baggage policies so that they are identical for passengers traveling on either airline:

Claims/loss settlement process
Claims/damage settlement process
Claims/pilferage process
Compensation guidelines
Depreciation guidelines
Secondary tracing – fraud query
TSA claims
Warehouse baggage return
Interim expense
Baggage delivery from station
Station resolution/delayed baggage
Station resolution/pilferage
Station resolution/damage
On hand files
Station lost and found
Baggage liability customer reporting requirements

Since the merger, East and West have synchronized the following fleet service policies so that they are identical for passengers traveling on either airline:

Ramp priority baggage handling
Manual operation of Airbus cargo doors
Deplaning during fuel spills
Number of carts that can be towed
Stabilizer usage on catering trucks

Post arrival walk-around and reporting of aircraft damage
Traffic safety posts
Order of removal for over-gross flights

Airport facilities overlap in 37 cities in the combined East and West route system. In 30 of those cities, the Carriers have moved to a single ticket counter. At 19 locations, East and West have integrated third-party vendors, such as skycaps and aircraft cleaners, by terminating contracts or amending contracts to make them applicable to both East and West.

3. Cross Utilization

The Carriers' agreement with the Association provides for "Seamless Service" where either East or West Passenger Service Employees provide assistance to either East or West customers at the 26 airports where both East and West have flight operations and Passenger Service Employees.

Beginning on March 1, 2006, the Carriers will cross-utilize Reservations employees for preferred calls and calls originating from the Carriers' website. At 13 locations where West does not employ Passenger Service and/or Fleet Service Employees, East employees in those crafts or classes have begun servicing West flights and passengers. In total, 929 East employees at these stations have been cross-trained on West policies and procedures.

4. Equipment

On August 23, 2005, US Airways unveiled its new livery. As of January 6, 2006, two West A320 aircraft have been repainted in the new US Airways livery. The Carriers state that it will take four to five years to repaint all of the aircraft in both fleets; most West aircraft are scheduled for repainting by the end of 2006.

The schedule for repainting the West aircraft is as follows:

January 2006	12 aircraft
February	15
April	12
May	12
August	12
September	14
October	17
November	17
December	18
January 2007	2

D. Human Resources

1. Policies and Benefits

Approximately 14 percent of the Carriers' workforce is unrepresented. According to the Carriers, wage and salary grades, job title formulas, and promotion guidelines for these employees were consolidated to a single program effective October 1, 2005. Also, integrated executive compensation plans, sick pay, holiday pay, and vacation pay programs were implemented for all unrepresented employees as of January 1, 2006.

The Carriers are working towards integration of the currently separate ERISA-based health, welfare, fringe and retirement benefit plans. This integration is subject to ERISA plan rules including qualified plan transition rules for sponsorship, administration and integration activities. The Carriers plan to fully integrate all benefit plans for 2007, with retirement plan consolidation to be completed by the end of 2007. The Carriers state that they put out a consolidated benefits administration "Request for Proposal" in December 2005, and that planning for renewal and annual enrollment for 2007 will commence on February 1, 2006.

The Carriers further state that they have activated the following plans:

> (1) Short-term disability and long-term disability plans for unrepresented employees introduced in East to mirror West, with a consolidated vendor;
>
> (2) Consolidated vendor and pricing for prescription drug benefits;
>
> (3) Consolidated vendor for East pilot and flight attendant disability administration; and
>
> (4) Consolidated vendor for life and accidental death and dismemberment insurance in East.

On September 23, 2005, the Carriers combined employee travel policies into a single policy that is applicable to both East and West employees. Effective October 2005, the Carriers announced a new combined employee incentive program, "Hat Trick."

2. Recruiting

The Recruitment departments of East and West have been integrated and are under the control of Bonnie Thompson who is responsible for filling all open positions at both East and West. East's and West's operational departments contact the combined Recruiting department when there are job openings. Open positions at West or East are posted at both carriers and employees from either East or West are eligible to apply. Job postings that are designated for internal posting only are posted at both East and West, and employees from either East or West are eligible to apply.

E. Finance and Accounting

Derek J. Kerr is the Senior Vice President and Chief Financial Officer of US Airways Group, Inc., US Airways, Inc., and America West Airlines, Inc. Kerr states that management of the tax, financial planning and analysis, accounting, purchasing, treasury, and internal audit departments of East and West have been integrated, and the accounting policies of East and West have been conformed. All personnel in these departments report to Kerr. The Carriers' combined accounting department is responsible for preparing the financial statements of both airlines. On November 8, 2005, the Carriers filed their Forms 10-Q with the Securities and Exchange Commission (SEC) for the quarterly period ending September 30, 2005. Those forms were reviewed by one Disclosure Committee and one Audit Committee.

The Carriers' combined treasury department has responsibility for cash management at both East and West and has control over all bank accounts. The outstanding public debt securities of both East and West are guaranteed by US Airways Group, Inc. The Carriers' combined financial planning and analysis department has prepared a single budget for 2006 encompassing both East and West.

F. Corporate Communications

Elise R. Eberwein is the Senior Vice President, Corporate Communications, US Airways Group, Inc., US Airways, Inc., and America West Airlines, Inc. Since the merger, media inquiries made to US Airways are directed to a single Corporate Communications department in Tempe, Arizona, headed by Eberwein.

Eberwein states that prior to the merger, East distributed a daily newsletter called *US Airways Today* and West distributed a newsletter called *HP Today*. Since the merger, the Carriers distribute a single newsletter called *US Daily* to both East and West employees. Eberwein also states that another newsletter called *About US*, which contains updates on news, webcast announcements, and frequently asked questions about the merger, is distributed weekly to East and West employees.

Prior to the merger, East and West had separate weekly hotlines with their respective Chief Executive Officers. Since the merger, those hotlines have been combined into one weekly hotline by W. Douglas Parker, Chairman of the Board, President and Chief Executive Officer, US Airways Group, Inc., US Airways, Inc., and America West Airlines, Inc. This hotline is available to both East and West employees. Parker also conducts quarterly State of the Airline webcasts which are available to both East and West employees.

Eberwein states that all former americawest.com e-mail addresses have been changed to usairways.com e-mail addresses. East and West have combined internal e-mail systems. The West logo on its employee website, www.awacompass.com, has been replaced with the US Airways logo and states that it is a US Airways' Employee Web Portal.

G. Routes and Schedules

The Carriers state that they have made the following network changes as a result of the merger:

> East returned 59 of 280 aircraft to lessors; reduced east-west flying by 20 percent due to the ability to connect through West hubs; reduced 18 percent of the capacity in the Charlotte hub, 24 percent of the capacity of the Philadelphia hub, and 30 percent of the Pittsburgh hub through elimination of unprofitable flying, downguages to express service or elimination of unbanked frequencies; reduced 40 percent of its point-to-point flying; and added three additional roundtrips from Las Vegas. West returned 17 of 143 aircraft and deferred 11 orders; eliminated all point-to-point flying; redeployed 18 CRJ-900s to the East network; suspended service to four stations; added a PHL-SEA redeye flight; and reduced 13 frequencies from Las Vegas and 28 frequencies from Phoenix.

East and West are scheduled to complete a bilateral codeshare by January 2006.

H. How the Carriers Are Held Out To the Public

1. Corporate Headquarters

Prior to the merger, East's headquarters was in Arlington, Virginia, and West's headquarters was in Tempe, Arizona. Upon the merger, US Airways headquarters was established in the pre-merger West offices and all headquarters staff functions were consolidated in Arizona. According to the Carriers' SEC third-quarter report for 2005, as a result of the merger, US Airways transferred approximately 750 positions from Arlington to Tempe; and approximately 300-400 East employees relocated to Arizona to fill some of those positions. According to McClelland, US Airways added a building in Tempe in order to accommodate the headquarters consolidation. The Carriers project that they will spend $300 million on non-recurring charges on the integration of the East and West. These expenses are budgeted for fourth quarter 2005 and calendar year 2006.

2. Reservations

The Carriers have selected the current West reservation and ticketing system, Shares, as the reservation and ticketing system for US Airways. Shares is administered by the Electronic Data Systems Corporation (EDS). In November and December 2005, the Carriers met with EDS and Sabre, the administrator of East's reservation and ticketing system, to evaluate whether a gradual cutover or flash cutover to the combined reservation system was appropriate. The Carriers determined that a flash cutover is the recommended approach. The Carriers state that EDS is to complete the Business Requirements Document for the development of the new Shares system by January 31, 2006. The cutover to a single ticketing and reservations system is scheduled for either October 2006 or February 2007.

Since the merger, East and West manage the call volume between the combined reservations centers. As a result, overflow sales calls are transferred from East's reservations centers to West's reservations centers and international sales calls are transferred from West's reservations centers to East's reservations centers. As noted above, as of March 1, 2006, the Carriers will also cross-utilize Reservations employees for preferred calls and calls originating from the Carriers' website.

3. Frequent Flyer Programs and Clubs

Flight Fund is the frequent flyer program at West. Dividend Miles is the frequent flyer program at East. Effective October 5, 2005, both Flight Fund members and Dividend Miles members earn miles when flying on the Carriers' combined route system. Effective October 19, 2005, members of both programs can redeem miles on the combined route system. Members of both programs have access to unlimited First Class upgrades on both East and West. In the third quarter of 2005, the Carriers sent notice to members of both programs explaining the new benefits on the combined route system. Full integration into a single frequent flyer program is scheduled for March 2006, subject to the implementation of the single www.usairways.com website.

On October 5, 2005, East and West combined all airport clubs for a total of 20 clubs in 15 cities. West Club members are now eligible to use East Clubs and have been issued new cards. East Club members are also eligible to use West Clubs.

4. Signs and Logos

According H. Travis Christ, Vice President, Sales and Marketing US Airways Group, Inc., US Airways, Inc., and America West Airlines, Inc., since the merger, the Carriers have been using co-branded East/West logos and the tagline "Joining together to create the world's largest low-fare airline." This co-brand appeared on airport signage, the Online Merger Guide on both East's and West's websites, in in-flight announcements and videos, on outdoor billboard advertising, in airport lounge signage, and in Flight-Fund and Dividend

Miles direct mail and e-mail. Christ states that the rationale for the co-brand is to introduce new customers and employees to the combined brand and explain the different ticket counter signage while West stations are converted to US Airways stations. In early 2006, the Carriers are scheduled to begin to replace the co-brand with a single US Airways brand and new tagline at most reservation centers, airports, print marketing material, and in-flight announcements and materials.

West began replacing its former insignia and logos with the new US Airways logo on company facilities, airports, and office supplies in October 2005. The signage at the headquarters building in Tempe, Arizona, and flight training center in Phoenix, Arizona, were changed to the new US Airways logo in October 2005. Along with the new US Airways livery, the Carriers utilize a "Heritage logo" that incorporates the classic logos of some of the largest airlines that have emerged over the years to create US Airways.

The Carriers have mainline operations at 79 stations within the United States, and West signage appears at approximately 54 of those stations. The majority of West signage at these stations is scheduled to be removed by June 2006.

5. Uniforms

As of January 6, 2006, the Carriers were reviewing uniform designs. Meetings with union leadership to come to "possible uniform solutions" are scheduled for January 2006. At the end of January 2006, the Carriers will display the uniform options to employees and solicit feedback through the Corporate Communications department. Following that, the Carriers will request a price quote from the vendors and begin a wear test, which will last for approximately one month. The Carriers state that "provided the options are acceptable to employees, financially viable, and wear test well, we will move to outfit all groups as soon as practical, preferably in the spring of this year." Both East and West are scheduled to issue new US Airways badges to employees in the first quarter of 2006.

DISCUSSION

I.

The Board's Authority

45 U.S.C. § 152, Ninth, authorizes the Board to investigate disputes arising among a carrier's employees over representation and to certify the duly authorized representative of such employees. The Board has exclusive jurisdiction over representation questions under the RLA. *General Comm. of Adjustment v. M.K.T. R.R.* Co., 320 U.S. 323 (1943); *Switchmen's Union of N. Am. v. Nat'l Mediation Brd.*, 320 U.S. 297 (1943). In *Air Line Pilots Ass'n, Int'l v. Texas Int'l Airlines, Inc.*, 656 F.2d 16, 22 (2d Cir. 1981), the court stated, "the NMB is empowered to . . . decide representation disputes arising out of corporate restructurings."

II.

Single Transportation System

The Board's Representation Manual (Manual) Section 19.4 provides that: "Any organization or individual may file an application, supported by evidence of representation or a showing of interest . . . seeking a NMB determination that a single transportation system exists." Manual Section 19.501 provides the factors for making a determination whether a single system of transportation exists.

In *Trans World Airlines/Ozark Airlines*, the Board cited the following indicia of a single transportation system:

> [W]hether a combined schedule is published; how the carrier advertises its services; whether reservation systems are combined; whether tickets are issued on one carrier's stock; if signs, logos and other publicly visible indicia have been changed to indicate only one carrier's existence;

> whether personnel with public contact were held out as employees of one carrier; and whether the process of repainting planes and other equipment, to eliminate indications of separate existence, has been progressed.
>
> Other factors investigated by the Board seek to determine if the carriers have combined their operations from a managerial and labor relations perspective. Here, the Board investigates whether labor relations and personnel functions are handled by one carrier; whether there are a common management, common corporate officers and interlocking Boards of Directors; whether there is a combined workforce; and whether separate identities are maintained for corporate and other purposes.

14 NMB 218, 236 (1987).

The Board finds a single transportation system only when there is substantial integration of operations, financial control, and labor and personnel functions. *GoJet Airlines and Trans States Airlines, Inc.,* 33 NMB 24 (2005); *Burlington N. Santa Fe Ry. Co.*, 32 NMB 163 (2005); *Huron and Eastern Ry. Co., Inc.*, 31 NMB 450 (2004); *Portland & Western R.R., Inc.*, 31 NMB 71 (2003); *American Airlines and Reno Air*, 26 NMB 467 (1999). Further, the Board has noted that a substantial degree of overlapping ownership, senior management, and Boards of Directors is critical to finding a single transportation system. *Precision Valley Aviation, Inc., d/b/a Precision Airlines and Valley Flying Serv., Inc., d/b/a Northeast Express Reg'l Airlines,* 20 NMB 619 (1993).

TWU takes the position that there has been no consolidation of operations. The Board finds otherwise. In the approximately three months since the merger, East and West have moved inexorably forward to form a single system. The Carriers have: committed $300 million to accomplish this transition; relocated the corporate headquarters to Tempe, Arizona; established a single senior management structure;

relocated 300-400 management employees from Virginia to Arizona; begun to repaint West's aircraft; begun to implement joint benefit plans; negotiated or commenced negotiating transition agreements with organizations representing employees; scheduled the transition to a single reservations system; trained over 900 Fleet or Passenger Service Employees to be cross-utilized on either East or West flights; combined the labor relations, human resources, recruiting, finance, corporate communications, marketing and sales, and airport services departments; started the process to select new uniforms for the combined carrier; combined the frequent flyer programs and Club access; made significant changes to routes and schedules; introduced a co-brand to introduce the public to the combined brand, with plans to replace the co-brand with the new US Airways logo; moved East and West to a single counter in 30 of the 37 cities in which the Carriers have overlapping facilities; and begun to remove West signage from domestic stations.

These circumstances stand in marked contrast to the circumstances in *Airtran Airways*, 25 NMB 24 (1997) (where the merger had not been consummated and there was insufficient evidence that crews would be integrated even after the merger) and *Frontier Airlines*, 24 NMB 635 (1997) (where the merger had not yet been approved by the FAA, stockholders or the SEC, a name for the combined carrier had not been selected, and the carriers operated under separate management structures). In the present case, the merger has been approved, consummated, and US Airways has taken substantial steps towards the elimination of West as a single carrier.

The TWU correctly argues the Board has held that single system determinations are based on the facts at the time of the Board's investigation, not as-yet realized aspirations. *Allegheny Airlines, Inc./Piedmont Airlines, Inc./Potomac Air/PSA Airlines, Inc.*, 29 NMB 160, 179-80 (2002); *Airtran Airways*, 25 NMB 24, 30-31 (1997); *Frontier Airlines*, 24 NMB 635, 643-44 (1997). The IAM's application was filed three days after the merger was consummated; and while circumstances at that time may have reflected some as-yet unrealized expectations, many of these expectations have been realized during the course of the Board's investigation.

It is well settled that the Board's substantial integration of operations criteria do not require total integration of operations. Nor does the existence of "fence" agreements or separate FAA operating certificates preclude the Board from finding a single transportation system exists. *American Airlines, Inc./TWA Airlines, LLC*, 29 NMB 201 (2002); *Mountain Air Express/Air Wisconsin Airlines Corp.*, 26 NMB 185 (1999); *Continental Airlines/Continental Express*, 20 NMB 326 (1993); *USAir, Inc./Shuttle, Inc. d/b/a USAir Shuttle*, 19 NMB 388 (1992); *British Airways/British Caledonian Airw*ays, 16 NMB 17 (1988).

Indeed, if the Board were to require that operations be totally integrated prior to a single system finding, it would run the risk of creating a catch-22: operations cannot be totally integrated because of scope clauses in the CBAs in place; therefore, the carriers must negotiate transition agreements with the organizations on the property; the carriers can't negotiate transition agreements until the Board determines if/who the representative of the employees is; the representative cannot be determined until a system determination is made; and a system determination depends on the extent of the integration of operations. Such circular logic would be contrary to the RLA's purpose of promoting labor stability. *See generally, American Airlines, Inc./TWA Airlines, LLC*, *above; British Airways/British Caledonian Airw*ays, *above.*

Based upon the application of the principles cited above to the facts established by the investigation, the Board finds that East and West operate as a single transportation system.

CONCLUSION

The Board finds that East and West are operating as a single transportation system for representation purposes under the RLA. Accordingly, the IAM's applications in File No. CR-6886 are converted to NMB Case Nos. R-7077 (Fleet Service Employees); R-7078 (Mechanics and Related Employees); and

R-7079 (Maintenance Training Specialists). Pursuant to Manual Section 19.6, the investigation will proceed to address the representation of the proper crafts or classes. The IAM, TWU and IBT have 14 days from the date of this determination to file an application supported by a showing of interest of at least 35 percent of the single transportation system or to supplement the showing of interest in accordance with Manual Sections 19.601 and 19.603. The participants are reminded that existing certifications remain in effect until the Board issues a new certification or dismissal. Manual Section 19.7.

By direction of the NATIONAL MEDIATION BOARD.

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