



NATIONAL MEDIATION BOARD
WASHINGTON, DC 20572

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In the Matter of the
Application of the

AIRLINE CUSTOMER SERVICE
EMPLOYEE ASSOCIATION, IBT-
CWA

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. 27

CASE NO. R-7085
(File Nos. CR-6893
and C-6887)

FINDINGS UPON
INVESTIGATION

April 4, 2006

This determination addresses the application filed by the Airline Customer Service Employee Association, IBT-CWA (Association). The Association 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

At East, the Communications Workers of America (CWA) represent the Passenger Service Employees pursuant to Board certification in NMB Case No. R-6435, *US Airways, Inc.*, 25 NMB 1 (1997). The International Brotherhood of Teamsters (IBT) is the certified representative of Passenger Service Employees at West pursuant to NMB Case No. R-7011, *America West Airlines, Inc.*, 31 NMB 476 (2004).

On October 24, 2005, in response to the IBT's and CWA's joint request to transfer their respective certifications to the Association, the Board opened NMB File No. C-6887. On February 3, 2006, the Association filed an application alleging a representation dispute involving the craft or class of Passenger Service Employees.

The Association asserts that East and West constitute a single transportation system operating as US Airways. The application was assigned NMB File No. CR-6893 and NMB File No. C-6887 (the transfer request) was consolidated with this case.

The Board assigned Eileen Hennessey to investigate.

On February 6, 2006, the Investigator requested that the Carriers provide information regarding their operations. The Carriers jointly responded on February 17, 2006. The Association did not file a response.

ISSUES

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

CONTENTIONS

The Association

The Association states that the official merger of East and West took place on September 27, 2005. The Association states that it is the voluntarily recognized representative of the East and West Passenger Service Employees and requests that the Board initiate an investigation to decide whether a single transportation system exists for Passenger Service Employees, and, if so, to certify the Association as the representative of the consolidated, post-merger craft or class.

US Airways and America West

The Carriers jointly state that East and West comprise a single transportation system for the craft or class of Passenger

Service Employees. As of December 5, 2005, the Carriers voluntarily recognized the Association as the collective bargaining representative of East and West Passenger Service Employees and support CWA's and IBT's joint request to transfer their certifications to the Association.

FINDINGS OF LAW

Determination of the issues in this case is governed by the Railway Labor Act (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.

CWA and IBT 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 FACTSA. Joint Agreement for the Formation of the Association

On September 9, 2005, the IBT and CWA entered into a Joint Agreement for the Formation of the Association (Agreement). On or about September 22, 2005, CWA mailed out ballots and other information regarding the proposed Agreement to all East Passenger Service Employees. The ballot contained the following question: "Do you agree that CWA, the US Airways Passenger Service union, should form an association with the Teamsters, the America West Passenger Service union, to jointly represent the Passenger Service employees when the two airlines merge?" The ballot contained spaces in which to mark yes or no. On October 13, 2005, the ballots were counted. The count determined that a substantial majority of employees, who voted, voted in favor of the formation of the Association.

On September 15, 2005, the IBT sent letters to all West Passenger Service Employees announcing the formation of the Association, explaining its purpose and providing information on an internal union referendum to determine whether West's Passenger Service Employees would consent to a transfer of IBT's certification to the Association. On September 23, 2005, ballots were mailed out to West Passenger Service Employees along with the Agreement forming the Association and its Constitution. The ballot asked the following question: "Do you consent to a transfer of the International Brotherhood of Teamsters' certification as the designated representative of America West Airlines, Inc.'s Passenger Service Employees to the Airline Customer Service Employee Association – IBT and CWA?" On October 14, 2005, the ballots were counted by an independent election supervisor hired by the IBT. The count determined that a substantial majority of those voting consented to the transfer of the IBT's certification to the Association.

B. 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, 2005.¹ 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 February 17, 2006, the employee counts for the crafts or classes covered by the Association's applications are as follows:

East

Passenger Service Employees	4,955
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West

Passenger Service Employees	3,484
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C. 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 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.

1. Transition Agreements

The following collective bargaining agreements are currently in place at East or West and contain references to labor protection provisions:

- East-ALPA (Pilots)
- East-AFA (Flight Attendants)
- East-IAM (Mechanics and Related Employees)
- East-IAM (Fleet Service Employees)
- East-IAM (Maintenance Training Specialists)
- East-CWA (Passenger Service Employees)
- East-TWU (Dispatchers)
- East-TWU (Flight Simulator Engineers)
- West-ALPA (Pilots)
- West-AFA (Flight Attendants)
- West-IBT (Mechanics and Related Employees)
- West-TWU (Fleet Service Employees)
- West-TWU (Dispatchers)
- West-IBT (Stock Clerks)

On December 5, 2005, the Carriers entered into an Interim Transition Agreement with the 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 commenced on January 9, 2006 and are ongoing.

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. On January 18, 2006, the Carriers reached a transition agreement with AFA-CWA governing many merger related aspects of the parties' relationship. The Carriers and AFA-CWA commenced negotiations for a single agreement covering both flight attendant groups on February 21, 2006 and these negotiations are ongoing.

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. Michelle Carrigan-Galland and Yvonne Parsons Jackson both report to Hemenway, and are the management representatives responsible for third step grievances for Passenger Service Employees.

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. 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.”

D. 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

E. 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 is ongoing.

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.

F. 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.

G. 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.

H. 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 Philadelphia hub, and 30 percent of the Pittsburgh hub through elimination of unprofitable flying, downgrades 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 reeye flight; and reduced 13 frequencies from Las Vegas and 28 frequencies from Phoenix.

The Carriers have implemented a bilateral code share between East and West. The "US" code appears on all West domestic flights. All East or West tickets are sold under a single code. On February 9, 2006, the Carriers announced international service to three new destinations subject to government approval: Lisbon, Milan, and Stockholm.

I. 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 currently completing the Business Requirements Document for the development of the new Shares system. 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. An identical automated script is used for both East's and West's toll free reservation numbers. 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 April 30, 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 to 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.

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, was 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

The Carriers held meetings with union leadership during January 2006 to review “business casual” uniform designs. The uniform prototypes for Mechanics and Related and Fleet Service employees are displayed on internally accessed websites and the Carriers are soliciting on-line feedback from these employees. When the uniform prototypes for Passenger Service and Flight Attendants have been selected they will be photographed and be the subject of an on-line survey. Following the surveys the Carriers will request price quotes for the uniforms and will begin wear-testing the uniforms.

Distribution of new common identification badges to both East and West employees is scheduled to begin in March 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, “[t]he NMB is empowered to . . . decide representation disputes arising out of corporate restructurings.”

II.

Transfers of Certifications

In their request to transfer their certifications to the Association, the IBT and CWA argue that the RLA requires only that the Board investigate a request to transfer a certification based on a union merger or affiliation rather than mandating any procedures for such an investigation. *Continental Airlines, Inc., v. Nat'l Mediation Brd.*, 793 F. Supp. 330 (D.D.C. 1991), *aff'd mem.*, 957 F.2d 911 (D.C. Cir. 1992), *cert. denied*, 493 U.S. 974 (1992).

In most instances, the Board grants a transfer request based upon assertions contained in the transfer request letters. *Consolidated Rail Corp.*, 28 NMB 30 (2000); *Big Sky Transp. Co.*, 25 NMB 376 (1998); *Desert Sun Airlines*, 24 NMB 137 (1997); *Northwest Airlines*, 18 NMB 446 (1991); *Transtar Airlines*, 14 NMB 377 (1987).

There is no evidence of fraud or gross abuse in the affiliation or election process conducted by the IBT and CWA. Each organization conducted a secret ballot of its members. In each election a substantial majority of those who voted, voted in support of the formation of the Association and the request to transfer individual certifications to the Association. Based on its investigation, the Board finds that the IBT and CWA have affiliated for the purpose of representing Passenger Service Employees at the combined carrier. The Board's records are revised to reflect the transfer of the certification issued to CWA in NMB Case No. R-6435 to the Association and the certification issued to IBT in NMB Case No. R-7011 is also transferred to the Association.

III.

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).

The Board recently determined that East and West operate as a single transportation system for the crafts or classes of Fleet Service Employees, Mechanics and Related Employees, and Maintenance Training Specialists. *US Airways/America West Airlines*, 33 NMB 49 (2006). The Corporate merger of East and West is complete and substantial steps have been taken toward completion of the operational merger.

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.

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 for representation purposes for the craft or class of Passenger Service Employees.

CONCLUSION

The Board finds that East and West are operating as a single transportation system for representation purposes under the RLA. Accordingly, the Association's application in File No. CR-6893 is converted to NMB Case No. R-7085 (Passenger Service Employees). Pursuant to Manual Section 19.6, the investigation will proceed to address the representation of the proper crafts or classes. Any Intervenor has 14 days from the date of this determination to file an application supported by a showing of interest by a majority of the craft or class of the single transportation system in accordance with Manual Sections 19.601 - 19.603. The participants are reminded that existing certifications remain in effect until the Board issues a new certification or dismissal. See Manual Section 19.7.

By direction of the NATIONAL MEDIATION BOARD.



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