



NATIONAL MEDIATION BOARD
WASHINGTON, DC 20572

(202) 692-5000

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. 57

CASE NO. R-7100
(File No. CR-6906)

FINDINGS UPON
INVESTIGATION

August 22, 2006

This determination addresses the application filed by the International Association of Machinists and Aerospace Workers, AFL-CIO (IAM). 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 August 2, 2006, IAM filed an application alleging a representation dispute involving the following craft or class: Stock Clerks.

At East, IAM represents the Stock Clerks craft or class as part of its Board certification in NMB Case No. R-4593. The International Brotherhood of Teamsters, Airline Division, (IBT) is the certified representative of Stock Clerks at West pursuant to NMB Case No. R-6684, *America West Airlines, Inc.*, 26 NMB 499 (1999).

IAM asserts that East and West constitute a single transportation system operating as US Airways. The application was assigned NMB File No. CR-6906.

On August 3, 2006, the Board requested that the Carriers provide information regarding their operations, and assigned Norman L. Graber to investigate. The Carriers jointly responded on August 4, 2006. Neither IAM nor IBT filed a response.

ISSUES

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

CONTENTIONS

IAM

IAM notes the Board determined that East and West are a single transportation system for the purposes of the Railway Labor Act (RLA). *US Airways/America West Airlines*, 33 NMB 49 (2006) (involving Mechanics and Related Employees, Fleet Service Employees, and Maintenance Training Specialists). IAM also notes that the Board has made single transportation system determinations with respect to Passenger Service Employees, Flight Dispatchers, Flight Crew Training Instructors, and Flight Simulator Engineers. IAM states that it is the Board-certified representative of the East Stock Clerks, and that the IBT is the Board-certified representative of the West Stock Clerks. IAM requests that the Board initiate an investigation to decide whether a single transportation system exists for Stock Clerks.

IBT

IBT has not filed a response.

US Airways and America West

The Carriers jointly state that East and West comprise a single transportation system, for the craft or class of Stock Clerks 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 single branding, among other factors.

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 and IBT are a 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 August 3, 2006, the employee counts for the craft or class covered by IAM’s application are as follows:

<u>East</u>	
Stock Clerks	364
<u>West</u>	
Stock Clerks	66

* 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.

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. Management has been integrated so that all employees, East and West, in a department ultimately report to a single individual, in some cases an East employee and in some cases a West employee. 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

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 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/Communications 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. On June 1, 2006, the Carriers and the Association reached a Final Transition Agreement containing rules to transition the West Passenger Service Employees to the East-CWA.

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. Pursuant to the transition agreement, the Carriers are currently negotiating with ALPA for a single CBA.

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 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 Stock Clerks at both East and West is 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. However, the responsibility for processing grievances has been integrated under Ron Harbison, Managing Director, Labor Relations-Ground, who reports to Hemenway.

Grievance processing for Flight Dispatchers at both East and West is 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. However, the responsibility for processing grievances has been integrated under Beth Holdren, Managing Director, Labor Relations-Flight, who reports to Hemenway.

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."

C. Operations

1. Operating Certificates

East and West operate under separate Federal Aviation Administration (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 31 of those cities, the Carriers have moved to a single ticket counter. East and West have integrated its 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.

The Carriers 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, at least 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. As of August 3, 2006, 45 West aircraft have been repainted. All remaining West aircraft are scheduled to be repainted by May 2007.

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 commenced prior to 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," which has been implemented. As of April 4, 2006, four bonuses already had been paid out pursuant to the terms of the new incentive program.

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 using certain standardized employment application policies. 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. The Carriers filed one Form 10-K with the Securities and Exchange Commission (SEC) for the 2005 calendar year. The Carriers also filed with the SEC one Form 10-Q for the 2006 first quarter and one Form 10-Q for the 2006 second quarter. All of 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 by 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 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.

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 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 the Business Requirements Document for the development of the new Shares system has been completed. The cutover to a single ticketing and reservations system is targeted for March 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, beginning the week of May 8, 2006, the Carriers were scheduled to 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. Preferred and Elite members of both programs have access to 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 occurred on May 21, 2006.

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., beginning on the merger date, the Carriers were using co-branded East/West logos and the tagline "Joining together to create the world's largest low-fare airline." The rationale for the co-brand was 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. Effective January 4, 2006, the Carriers replaced the co-brand systemwide with a single US Airways brand, along with the new tagline “Fly with US.” This single brand appears in print marketing materials, the Carriers’ websites, reservations centers, airports, in-flight announcements and videos, outdoor billboards, and direct mail and e-mail to frequent flyer members. West flight attendants now use “US Airways” in all in-flight announcements; and the new US Airways magazine has replaced the former East and West in-flight magazines on all of the Carriers’ flights.

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. In keeping with their single brand strategy, the Carriers plan to eliminate as much West signage as possible at all stations where the Carriers operate. 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 merged 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 was 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 Maintenance employees, Fleet Service employees, and Pilots are displayed on internally accessed websites and the Carriers are soliciting on-line feedback from these employees. Based on employee feedback, the Carriers are reconsidering the uniform prototypes for Flight Attendants and Passenger Service employees that previously were displayed on-line. Employee roundtables were held in June 2006 for Flight Attendants and Passenger Service

personnel to share ideas with the new uniform designer retained by the Carriers.

Distribution of new common identification badges to both East and West employees began in April 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.

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, LLC and Trans States Airlines, Inc.*, 33 NMB 24 (2005); *Burlington N. Santa Fe Ry. Co.*, 32 NMB 163 (2005); *Huron & E. Ry. Co., Inc.*, 31 NMB 450 (2004); *Portland & W. 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's substantial integration of operations criteria does not, however, require total integration of operations. *Allegheny Airlines, Inc. and Piedmont Airlines, Inc.*, 32 NMB 21, 28 (2004).

The Board recently determined that East and West operate as a single transportation system for the crafts or classes of Flight Dispatchers, Flight Crew Training Instructors, Flight Simulator Engineers, Passenger Service Employees, Fleet

Service Employees, Mechanics and Related Employees, and Maintenance Training Specialists. *US Airways/America West Airlines*, 33 NMB 221 (2006); *US Airways/America West Airlines*, 33 NMB 151 (2006); *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; replaced the co-brand with the single US Airways logo; moved East and West to a single counter in 31 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 Stock Clerks.

CONCLUSION

The Board finds that East and West are operating as a single transportation system for representation purposes under the RLA. Accordingly, IAM's application in File No. CR-6906 is converted to NMB Case No. R-7100. Pursuant to Manual

Section 19.6, the investigation will proceed to address the representation of the proper craft or class. IAM, IBT, and any other interested organizations 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 - 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.

A handwritten signature in cursive script that reads "Mary L. Johnson".

Mary L. Johnson
General Counsel

Copies to:
E. Allen Hemenway
Robert Roach
Thomas Brickner
Carla Siegel, Esq.
Don Treichler
Andrew Marshall
Joshua McInerney, Esq.