

DRAFT MEMO RE. PAY FREEZE CASE

The union has received the decision in the arbitration case concerning our grievance challenging management's pay adjustments after the ending of our pay freeze. Unfortunately, arbitrator James Conway ruled in the company's favor.

The union argued that when the pay freeze was lifted in April of 2006, pay date seniority for USAirways customer service employees should have been returned to their original seniority dates. The arbitrator ruled that the contract gave management the right to maintain the adjusted pay date seniority dates even after the parties had agreed to "unfreeze" the pay freeze as part of the December 2005 Interim Transition Agreement.

The union put on evidence and testimony at the arbitration showing that the parties had agreed to pay parity between Airways employees and former America West employees, but that the company's action resulted in unfair and illogical pay discrepancies. Arbitrator Conway, however, rejected the union's argument, finding that, even though such an outcome might be unwise or even absurd, there was no proof that the parties had not intended such a result.

Needless to say, the union is disappointed in the decision. But like all other arbitration awards under the Railway Labor Act, it is final and binding and cannot be appealed to a higher court.

CWA – Ben Elliott