



December 2, 2007

5% Goodwill Introduction Letter

The 3 LOA's we got this summer greatly improved the duty regs. All those involved in those LOA's deserve the credit for securing them. Besides improving the contract themselves, they open the door to other contract improvements. The number one item on that list is cash – improved pay rates.

This resolution is designed to bring the company back to the table. But with the damage they have done to this pilot group, the disrespect they have shown for the most valuable human asset this company has, and the distrust they have created between the pilots and management, they must *buy* their way back to the table.

We are not asking. We are telling them, You Have a Problem! The pilots are not going to keep going forward as if everything is OK. It's not OK and we need something things changed now!

NWA pilots are never going to be being happy, productive employees under this draconian contract. The problems this contract has created and is creating are as devastating for NWA as they are the pilots. The only difference is the timeline. The pilots are experiencing that devastation now. If left unchecked the company will experience it next. If the company does not realize this, then they are short sighted, naïve or both. The problems created by this contract threaten the future financial health of NWA, which is damaging to all its employees, its customers, and its shareholders.

The company will address these problems sooner or later. It is in everyone's best interest to do it now. But to prove that the company is serious, that they recognize the problem, that they want to do more than just acknowledge it, they are going to have to make a goodwill gesture. They are going to have to buy back some goodwill before we can take them seriously. A 5% raise is this gesture.

Make no mistake about what statement this resolution makes. This is a take it or leave it offer. It is a line in the sand. The 5% is not to be negotiated up or down. This is not contract repair. This is a goodwill gesture. The company is either serious about contract repair or they are not. If they are serious, they will accept this offer, make an immediate 5% adjustment to the pay rates and schedule talks with the union to address other necessary changes. If they choose poorly, and reject this offer, then the pilots know where they stand. The pilots don't need to waist another day to find out if management's past statements about taking too much or wanting to repair the relationship are serious or just a ruse to keep us doing our above excellent work for draconian wages.

Make no mistake about this as well. The 5% does not offset what we gave up. It does not make everything OK. It simply starts the larger process of real, large, meaningful, and permanent contract repair.

Failure to accept this offer will only exacerbate the problems this contract is causing. Those problems will then come to a head, and in the long run cost the company dearly. If these problems are not dealt with until Section 6 time, there will be a colossal confrontation that will threaten the very existence of NWA.

There are 4 possible outcomes to this resolution.

1. Company accepts our offer. Pay rates increase 5%. Schedules are set to negotiate real contract repair.
2. The LEC fails to pass this resolution (Simple majority vote of pilots present at LEC meeting)
3. The MEC fails to pass this resolution.
4. The company fails to accept this offer.

In the case of number...

1. We keep doing our jobs with a nominal wage increase while real contract repair takes place.
2. The pilots that voted NO need to work with ALPAWatch, expressing their reasoning so a passable version of this resolution or other strategy can be developed.
3. We find out which union leaders are serious about contract repair and which ones are just saying they are. The membership will have to decide what best course of action to take.
4. We know where we stand. The company will have exposed their true position on contract repair. The pilots can accept our fate, plan our careers and attitudes toward this job accordingly –OR— the gloves come off. The pilots exercise all their legal rights and opportunities. They stop performing the above and beyond level of dedication and service that has been holding this operation together. Simply put, the pilots give all these problems back to the source of those problems, management.