

Delta Merger Proposal FAQs

November 15, 2006

General

What did US Airways do today?

We delivered a letter to Delta Air Lines proposing that both companies merge upon Delta's emergence from bankruptcy.

Why is US Airways trying to merge with Delta?

The US management team decided that it was in our stakeholders' best interests to position our carrier to withstand whatever challenges may face the industry in coming years. A merger with Delta would accomplish that goal by permitting the combined carrier to weather the different threats to our industry – energy prices, economic downturns and other factors.

Would this be a buy-out or a merger?

This would be a merger.

Are you guys out of your minds? I mean really, are you not aware that we have a lot of integration work going on and we really don't need to add this to an already taxing workload!?

Good question and an understandable reaction. To answer the obvious, no we are not "out of our minds!" Even though we are in the midst of our merger between HP and US, we believe this is the right opportunity for our airline and for Delta too. It would be much better if this were occurring a year from now given our integration work, but the world does not work on our timeline and we believe this is simply too compelling to ignore. In spite of the tremendous amount of work in short-term, this is the right step for our airline when looking at the long-term.

If this goes through, would we be the largest airline?

Indeed we would! We'd be the largest U.S. domestic carrier in several areas, with a market share (measured by Available Seat Miles, or ASMs) of about 18 percent (a little larger than the next competitor). Internationally, we would have flights to five continents (Europe, Asia, North and South America and Africa). We would be the number one airline across the Atlantic and have the second strongest position in the Caribbean.

Please tell me what the benefits of another merger are for me.

You'd be working for a much larger global airline with a broader domestic and international reach. That means more job security, as well as increased travel benefits aboard a worldwide carrier.

What about pay scales for line employees?

Our model assumes that we would move to the higher of the existing labor cost structures in every group.

And seniority integration?

As we did in the HP-US merger, we're committed to principles of fairness in seniority integration. It is way too early to speculate about how this might all work as it relates to representation, seniority, etc. but we know this is a major concern for employees.

Isn't it a little soon to be merging with another carrier? Doug has said that we're not running a very good airline and it seems like we have a long way to go before our own house is in order. How could we take on a THIRD airline?

We know how slammed everyone in the company is today just keeping on top of the HP-US merger and just how challenging another merger would be. But it's important to look at a larger, long-term picture. First, our current merger is going very well: we're profitable, we're on track to pay profit sharing, our revenue and cost pictures are very solid. We've hit some significant milestones: we've combined all but one of our common-use airport facilities, we've done big work on information technology and systems integration, we've lowered fares across the system from key markets, we're combining work forces, and on and on.

Even where we've hit problems, like with the integration of usairways.com or Employee Travel Center, we've solved those problems quickly. We also know where the challenges are because of our work with the US/HP merger. So while it is daunting, we are positioned well just by virtue of our experience in our prior merger. Most importantly, the

merger has created terrific benefits for customers (who have a larger network and lower fares to choose from) and for employees who have more job security and the benefit of working for a vibrant competitor.

Didn't Doug say a few months back that he talked with Delta but that was the end of it? Come on Doug, you're supposed to keep it real! Was he misleading us then?

Doug's been very upfront about the conversation he had with Delta and, as you can see, we've attached the letters that Doug and Delta Chairman and CEO Gerald Grinstein exchanged a few weeks ago. Doug's always said that he wanted US Airways to be at the table if Delta ever started looking for a merger partner. Keep in mind too, when Doug sent the letter in late September, it's not like he would, or should have for that matter, run out and made an announcement at that time. That was a request for a meeting to talk about what possibilities might be present. After hearing back from Delta that they were not interested in a meeting, more analysis compelled us to take today's action.

With the HP-US merger, we generated investor interest to finance the deal. Will we do that again with Delta?

Yes, we are proposing to use a combination of stock and cash; the cash will be raised through debt financing.

Why did we make this offer now? Why don't we wait until Delta emerges from bankruptcy? Also, I thought Delta said they didn't want to have anything to do with a merger with another carrier.

We're acting on our own analysis – and we've done a lot – that shows this is the best time to make this kind of move. As Doug has said many times, the HP-US merger is successful in large part because one of the carriers was in bankruptcy and had shed lots of costs. Our own take on Delta's situation is that if we wait for Delta to emerge from bankruptcy, it will be too late to maximize the synergies and we'll regret not acting now. We anticipate about \$1.65 billion in synergies if this merger is conducted while Delta is in bankruptcy -- about half of those go away once they are out of bankruptcy.

The press release and 8(k) include recent letters between Doug and Delta management, in which Delta Chairman and CEO Gerald Grinstein does say that Delta is not interested in a merger at this time. It's apparent to us, however, that Delta would be in a position to merge with another carrier even after emerging from bankruptcy, so we think it makes sense to get the offer on the table early. Our proposal is the best way to create expanded opportunities for both of the airlines, our employees, and the creditors and investors.

Is this a done deal? If not, what is the likelihood it will go through?

We're just at the beginning of this and there are a lot of variables. But we believe this merger would create tremendous benefits for consumers – more convenient service to lots of locations at reasonable fares; and for employees, who would be working for a large airline with huge domestic and international reach.

How long will this kind of transaction take?

That depends on a number of factors but it won't be immediate. First, Delta's management and creditors must agree that a due diligence process should occur. This is basically an invitation to come in and review Delta's numbers, assumptions and projections. It would also give Delta's creditors the ability to better understand how our alternative plan stacks up against Delta's standalone plan. Then, Delta's creditors must agree that our plan is better and recommend it to move forward. Finally, the transaction must be approved by the bankruptcy court regulatory agencies and US Airways shareholders. So it's hard to say today that we could close the deal on "such-and-such" date. At best, it wouldn't close for a number of months.

How long would it take for labor and operational integration?

Similar to the HP-US timetable, 24 to 36 months

Do our shareholders have to approve this?

Yes. Eventually our shareholders, if Delta's creditors accept our offer, would have to approve it.

Do labor contracts allow this transaction?

Labor approval is not necessary for this proposed merger.

Will you be meeting with labor groups?

Absolutely. We are briefing labor leaders today (Wednesday, Nov. 15) and will look forward to continued dialogue as this process unfolds.

What kind of regulatory approval do we need...DOT, DOJ?

In order for the merger to occur, we will need various types of approvals from the Department of Justice (DOJ), the Department of Transportation (DOT), the Federal Aviation Administration (FAA), and the Securities and Exchange Commission (SEC). We would also need approval from some foreign government regulatory bodies such as the European Union (EU). It's too early to say how long those approvals would take.

I can't imagine that other airlines won't jump in here and try and disrupt our plans through a variety of methods. Have we thought of that? And what would that mean?

That's entirely possible, and it's very hard to say what we will do about it until/unless it happens. We'll take these things as they come.

What about layoffs?

There's better news here than you might think by looking at our own merger. There were no furloughs of represented mainline or wholly owned subsidiary employees caused by the US Airways merger with America West. And since the merger, we've recalled 700 pilots, flight attendants and other employees (primarily from US), and hired 4,000 new employees!

The Delta merger model/projections assume no furloughs for mainline operating groups or for our wholly owned subsidiary groups, at this time. If there were layoffs in union-represented groups, they would occur as required by the labor agreements. Other layoffs would likely be accomplished similar to how they were in the US Airways-America West merger, which was not on the basis of seniority but depended on a variety of factors, including willingness to relocate.

Who would run the new company?

Doug Parker and a new management team, which would likely include senior officers and managers of the current Delta as well as US Airways' senior staff.

What would we call this new airline? DUSta? DeltUS? US Dairways?

We plan to operate under the Delta Air Lines name. As we evaluated the America West/US Airways name, we commissioned a major, well-known polling firm to conduct a survey with travelers from around the nation. Several strong themes emerged from this study, including the fact that Southwest Airlines has the strongest airline name brand, followed by American, Delta, and United, and that everyone else lags behind. The US Airways brand was chosen over America West largely because many more consumers recognized it.

The Delta Air Lines brand is a very, very powerful one on a global basis. To ignore the brand equity of Delta would be a mistake, irresponsible in fact, to our employees and other stakeholders.

If this merger fails to materialize then we are all still very happy to continue our good work of re-energizing the US Airways name. We've already made great strides and we're all proud to be called US Airways, the airline that's revolutionizing the idea of business casual travel -- full service at a low fare.

I've heard Doug say that the HP-US merger creates a secure, stable company. Does today's announcement negate this claim?

Regardless of what happens with the Delta transaction, we are still doing very well financially relative to the industry. The thought process behind this transaction is to make the airline even more financially stable and more competitive.

How will consumers benefit from the merger?

We would have a more competitive position throughout the United States with a greater presence and more travel options for many customers in spoke markets. This will help us attract greater numbers of corporate travelers, consumers and international travelers.

Would we still be an LCC?

Yes. The combined company would continue the model of “hybrid LCC,” that is, a low-cost carrier with all the amenities of traditional carriers. It’s what we are today, only this would be on a more global scale.

The workload is already staggering with the HP-US merger. If we’re going to be the biggest airline by all kinds of measures, are we going to hire more people? Or do you expect us to make do with the already barebones staff we’ve got?

Obviously, we need to have the right number of people to do the right kind of job at a much bigger airline, so we’ll be looking at these issues as they arise. But, given our low-cost carrier mantra, we’ll be careful not to get too top heavy.

How many employees does Delta have?

Their latest 10Q (quarterly report) puts employment at 51,000 full-time equivalent employees.

If we buy them, do we get to make all the rules?

We’ll do what we did in the HP-US merger: take a best practices approach and look at policies, procedures, systems – everything – and either choose US Airways’ procedures, Delta’s or a hybrid of the two. One thing the US/HP merger has confirmed and that is the process of taking the best of the best works and that would be the plan in the Delta merger as well.

What are the steps leading up to approval?

The first order of business is to sit with Delta’s creditors’ committee and management at Delta to reach agreement on the terms. If successful there, the transaction would be subject to the approval of the bankruptcy court and various regulatory approvals

Are Express carriers part of this deal?

PSA and Piedmont are wholly owned by US Airways and would move to the new airline under the new structure. The structure is similar to that of US. Delta brands their regional feeder operation as Delta Connection and it’s likely that that name will continue. Delta has one wholly owned regional airline, Comair that handles regional flying at CVG. Atlantic Southeast Airlines, ASA (also wholly owned by Delta until about 18 months ago), feeds the ATL hub while SkyWest Airlines (whose parent company bought ASA last year) feeds traffic at SLC. Delta also contracts with Freedom Airlines, Chautauqua and Shuttle America. Aircraft in the Delta Connection fleet include Embraer 120s, 135s, 145s and 170s; CRJ200s, 700s and 900s; Dash-8s; Aerospatiale 72-210s and Saab 340Bs.

Does this mean repainting every aircraft...again?

If we’re successful, yes, which sounds counter-intuitive but remember, we need to continue integrating our two airlines today. We’ve painted 117 airplanes in the new US Airways livery – 33 percent of our current fleet – so it wouldn’t be too problematic to paint the remaining in new livery and repaint the others as they come due. Again, there are many approvals needed so it makes good business sense to continue integrating US Airways and making that airline the best it can be.

Customers

Is my US Airways ticket still good?

Yes, absolutely. There are no changes at US Airways and it’s business as usual. Tickets, reservations, Dividend Miles, etc., are still good and will remain so. Even with today’s announcement, if our proposal were to be accepted and ultimately approved, it would be quite a while before anything would change that would alter how US Airways’ customers travel with us. So to repeat: It’s business as usual at US Airways.

Why would you merge with Delta?

We simply believe that our two airlines would create an even better airline for all our constituents, including our customers. This merger would create one of the largest and most viable airlines in the world and would offer customers unprecedented convenience and access to a large domestic and international route network.

Are my Dividend Miles going to go away if the merger happens?

As with our America West/US Airways merger, the plan would be to combine frequent flyer programs if this merger occurs, so keep flying and keep earning miles. Put another way, today you are a member of a great program that offers outstanding rewards. This program can only get better if our potential merger with Delta occurs (more places to fly, more redemption mile destinations, etc.).

Are you planning to pull out of any cities?

The plan for the new merged airline would be to continue to serve all of the existing U.S. destinations served today by both US Airways and Delta. This merger must be approved by both domestic and international regulatory agencies, and we look forward to working with them.

How can I find out more about the merger (financials, timeline, etc.)?

The most updated, reliable resource is the special merger section on our web site, www.usairways.com, and on Compass and theHub.

What does today's announcement mean for customers?

The announcement has no impact on customers at this point, although we're sure they'll be asking questions. US Airways will continue business as usual and we'll continue to integrate our two airlines.

Will customers continue to do business with separate airlines (US Airways and Delta)?

Absolutely. Until further notice, nothing will merge between US Airways or Delta and we will remain competitors, as much work lies ahead.

Customers will want to know if their US Airways ticket is still good.

The answer is yes, and we've distributed talking points for employees as well as put some questions/answers on our consumer web site. We're still operating business as usual, so tickets, reservations, Dividend Miles, etc., are still good and will remain so. It will be quite awhile before any of this would change, and quite awhile before we even know whether or not the proposed merger will take place. Of course, we will give our customers plenty of notice of when and how things might change but for now, it's business as usual.

Will Dividend Miles go away if the merger happens?

No. Customers will continue to accrue and use miles and if we merge programs with Delta (bringing the best of both into the new program), we will combine the miles, just as we did in the America West-US Airways merger. Put another way, today our customers belong to a great program that offers outstanding rewards. This program can only get better if our potential merger with Delta occurs (more places to fly, more redemption mile destinations, etc.).

How can customers find out more about the merger (financials, timeline, etc.)?

The most updated, reliable resource for customers is the special merger section on our web site, www.usairways.com. Employees have theHub or awaCompass and we encourage you to visit those often.

Why does US Airways want to merge with Delta?

We think the time is right to propose a transaction of this kind, which will bring unprecedented choice and convenience to the customers of US Airways and Delta Air Lines, along with value to the investors and creditors of both airlines, and stability and financial strength to the airlines' employees.

When is this merger going to happen?

We've taken the first step with the proposal to Delta's creditors today. If Delta's creditors believe a merger is a desirable course of action, the next steps would be to secure the approval of Delta's creditors and the bankruptcy

court, and also US Airways shareholders. This could all take several months so we wouldn't anticipate a close to this proposed transaction until sometime in the first half of 2007.

How will this impact ticket prices?

US Airways' ticket prices will remain competitive.

How is this merger a positive for the East Coast business travelers who are already experiencing high fares. Is competition reduced?

Competition is alive and well: low-cost competitors are big players in East Coast markets and across the country. Our combined carrier also would have the benefit of reducing costs, allowing us to continue a low-fare philosophy, which has seen significant fare reductions in hundreds of markets following the America West/US Airways merger. The East Coast business traveler and all customers will also have the benefit of a significant domestic and global network to destinations in North and South America, Europe, Asia, Africa, the Caribbean and Latin America.

US Airways is a member of the Star Alliance network and Delta is a member of SkyTeam. Which one would be used in a merged airline?

SkyTeam and the Star Alliance each provide outstanding value and convenience to customers of their participating airlines. It is too early to know which of these the new Delta might be part of, but with either alliance, customers can be assured that they will be a member of one of the industry's two top airline alliances.

Our customers have encountered some frustration online and at the airports because our reservations systems aren't synching up yet. Won't this just prolong these issues?

We aren't overlooking the operational challenges inherent with this kind of transaction. Using our experience with the America West/US Airways merger we will work hard to mitigate transition difficulties, particularly with technology online and at the airports. In the short term we know there will be challenges, but in the long run, we'll be creating one of the largest, most convenient airline networks in the United States.

Our own reservations system migration is going well and is expected to be completed during the first half of 2007.

Facilities

We just asked PIT, PHX and CLT for proposals for a new OCC. Is that in limbo now? Where would an operations control center be located under this system? How many OCCs can one airline have for Pete's sake (whoever Pete is)?

Every activity that we're doing for the America West/US Airways merger will continue as if this transaction weren't on the table. That means that we'll continue to talk with officials in PIT, PHX and CLT about their proposals to locate an OCC in their towns. We won't be making that decision until late January/early February of next year in any event, and a move, if any, wouldn't come until late 2008. Most airlines have just one OCC, but where we'd locate a new center is still very much up in the air (to use an obvious airline pun...sorry, we can't help ourselves sometimes).

Where would we have headquarters? Should I pack my things, dig out grandma's awesome peach cobbler recipe and move to Atlanta?

That hasn't been decided as yet. It's awfully early to be saying where our new airline's headquarters will be located and since there are a lot of hurdles to clear before we would even go before a bankruptcy court judge for approval, much less begin an integration plan, it's probably best to keep putting on your SPF 45 and enjoying the mild winter weather of Phoenix.

Are we putting a hold on merging our HP-US operating certificate?

Absolutely not – and this is critical. All the work that we're doing on the certificate, single contracts, a combined reservations system and all merger activities will continue as if this proposal didn't exist. This includes painting the airplanes, combining facilities, merging reservations systems and all of the integration work already under way.

Financials

How much would we pay for Delta and would that leave us with little or no money in the bank?

We're proposing to pay approximately \$8 billion in a combination of financing (cash, stock and debt) that we would raise in the financial markets.

Will we use our cash to pay for Delta?

We are planning to use a combination of stock and cash – the cash will be raised through debt financing.

How are the proposed synergies in the transaction achieved?

Of the total \$1.65 billion in synergies, we expect that \$935 million will be generated through rationalization of network overlaps, reorganization of hub activity and elimination of unprofitable flying. The other \$710 million comes from cost synergies, such as combining information systems, facilities, etc.

Where is Delta in the bankruptcy process?

Delta recently received an extension to file its bankruptcy reorganization plan. The airline now has until Feb. 15, 2007, to file a plan and until April 16, 2007, to solicit approval for the plan from creditors.

Does the fact that Delta's had three extensions to its reorganization plan mean that it's weak and ripe for the picking by other carriers?

No. Airline reorganizations are very complex; it's not at all unusual for airlines to request extensions. You shouldn't read anything into that at all.

Will we be taking on all of Delta's debt?

Yes. We would be assuming all of the debt, secured and unsecured, although because of the bankruptcy process the amount of debt would be far less than what Delta had before the bankruptcy. It is likely that the unsecured debt would be satisfied for stock in the new entity.

Does Delta have ATSB debt?

Delta does not have an ATSB loan.

Labor/Seniority

What kind of seniority do Delta people have? Does it out-rank US Airways?

Delta has many long-service employees, but we don't know exactly how their longevity compares to that of our own employees.

If we have layoffs, are the lower-seniority AWA folks the first to go?

Our Delta merger model/projections assume no furloughs for AWA/US mainline operating groups at the new combined carrier. If there were layoffs in union-represented groups, they would occur as required by the labor agreements. We anticipate that layoffs in administrative or management ranks would likely be accomplished similar to the way they happened in the America West/US Airways merger (which was not on the basis of seniority but depended on a variety of factors, including willingness to relocate).

Delta has a lot of non-union employees – will they be joining US Airways' unions? How would that work?

The question of representation would work in much the same fashion that it did in the HP-US merger. That is, once the National Mediation Board determined that the new airline constituted a "single carrier," (under the Board definition) the Board would decide whether to conduct a representation election in each of the groups. There are two unionized groups at Delta: pilots, represented by ALPA, and dispatchers, represented by PAFCA. At US Airways, pilots are also represented by ALPA; flight attendants by the AFA; fleet service workers by the IAM; mechanics/related and maintenance training instructors by the IAM; dispatchers, flight crew training instructors and flight simulator engineers are represented by the TWU.

Is there going to be a buyout for senior executives at all these carriers? What about a buyout or early retirement for senior non-management employees?

There would certainly be fewer executives at a combined US Airways-Delta than there are today at the separate airlines. How exactly the composition of the executive team is determined and what happens to those who are not a part of it have yet to be decided. The same is true for employees at other levels.

How many more heritage aircraft can we possibly paint? Does this mean we re-work the heritage logo to include Delta?

It's obviously too early to re-work the heritage logo or to create more heritage aircraft. But, our heritage remains an important part of who we are and that won't change if we merge with Delta. In fact, that airline also has a proud – and long – history, so we can count on a continuation of our proud heritage.

Will labor negotiations at US Airways continue or should we plan on further delays?

Labor negotiations will continue. Again, any work that we're doing on the HP-US integration will continue as if this transaction didn't exist.

How will seniority issues be handled at the new carrier?

The unions will work out those issues, but management will encourage fair and equitable solutions.

What does this mean for administrative folks? Will we see another “consolidation,” meaning my job is in jeopardy?

It's a little early to be talking about that or even to speculate about what might happen. Facts are that there will be some overlap of administrative and management roles and some jobs very well may be eliminated.

Marketing & Routes

What would this mean for the Dividend Miles program?

We would combine the mileage balances for Dividend Miles and SkyMiles program members. We would also open our US Airways Clubs and Delta's Crown Rooms to members from each airline.

What reservations system does Delta use and would this change our SHARES plans?

Delta uses the Worldspan reservations system. Our res migration to SHARES is set to be completed in the first half of 2007, and it's just a bit early to say where we would go after that.

Would we or Delta have to divest any international routes?

The two carriers have no identical nonstop international city pairs, so we are hopeful that there will not be any regulatory issues. The carriers might discontinue some international routes as part of any network rationalization but this merger would make the new Delta the carrier with the most service over the Atlantic to Europe.

With several hubs so close together (CLT and ATL; PHX and SLC; CVG and PIT), will you shut down some hubs?

We'll be evaluating the most efficient use of our hubs. We may shift some flying or reduce other flying, particularly to duplicate markets. It's probably too early to say what will happen to specific hubs but we can anticipate that some of it will be shifted or reduced. The good news is all destinations served today by both airlines will continue to be served by the new, combined airline.

What kind of route map is this? We're going to have to dump lots of service on the East Coast, aren't we? I mean, how many flights do some of these cities need?

Actually, capacity reductions overall won't be as onerous as the map might suggest. Again, we can't say today exactly how it will work until we have an opportunity to talk at more length with Delta management, but we're predicting capacity reductions in the range of about 9-10 percent for mainline flying systemwide. Every city being served by the two airlines today will continue to be served. And, the combined airline would be the number one airline at about 155 airports in the U.S. alone.

Which international alliance will the new carrier be a member of?

US Airways is a member of the Star Alliance; Delta a member of SkyTeam. Whichever alliance we end up with, our customers would have access to one of the top airline alliances in the world.

Operations

How many airplanes would we have to get rid of to make this work?

Delta currently has 457 mainline aircraft; US Airways has 357 mainline aircraft. We anticipate cutting systemwide capacity by about 9-10 percent, which translates to about an 11 percent reduction of the combined fleet.

What's the structure of Delta's express carriers?

The structure is similar to that of US. Delta brands their regional feeder operation as Delta Connection and it's likely that that name will continue. Delta has one wholly owned regional airline, Comair, that handles regional flying at CVG. Atlantic Southeast Airlines, ASA (also wholly owned by Delta until about 18 months ago), feeds the ATL hub while SkyWest Airlines (whose parent company bought ASA last year) feeds at SLC. Delta also contracts with Freedom Airlines, Chautauqua and Shuttle America. Aircraft in the Delta Connection fleet include Embraer 120s, 170s 135s and 145s; CRJ-100s, -200s, -700s and -900s; Dash-8s; Aerospatiale 72-210s and Saab 340Bs.

What will happen to our existing aircraft orders?

Nothing changes with the aircraft orders. Those remain intact.

What happens to flights at: PIT, CLT, PHL, CVG, ATL, PHX, LAS, SLC, MCO?

It's a little too early to talk about specific changes at specific hubs, but clearly we'd position the hubs in ways that bolster the new network as a whole. For example, we might think about shifting some PHX northbound flying to SLC and shifting southbound SLC flying to PHX although recognize, this is a plan at this point and nothing that is set in stone. Delta has East Coast hubs at Atlanta and Cincinnati and significant operations in Orlando; US Airways has East Coast hubs at Charlotte and Philadelphia and significant operations in Pittsburgh. Along the West, US Airways has hubs at PHX and LAS, and Delta at SLC.

Do we know how many airports have DL/US service? What would happen with these ticket counters and operations?

Delta and US Airways jointly serve 179 airports. As we did with the HP-US Airways merger, we will combine operations, gates, and staffs at these airports to better serve customers and gain synergies from the deal. It's possible that there will be some reduction of duplicative flying to and from some of these airports.

We just merged our cross-over airport operations. Will this mean another move?

It could – that would depend on where the US Airways and Delta operations are located in individual stations. And remember, the approval process would take some time so continuing our integration only benefits our customers who simply want less confusion, on-time service and reliable bag service...all delivered with a smile. Today's news should influence that last component (large smile) because it's great news about our future!

What happens to the Shuttle operation?

While we can't say for certain, it's possible that government regulators could ask us to divest assets to encourage competitiveness and new opportunities for other carriers. Since both US Airways and Delta operate East Coast shuttles, we expect that we will sell one of the shuttles.

Delta has a big JFK international operation. Would we be moving our international flights from PHL and CLT to JFK?

Those decisions are fairly far off, and will require much more detailed analysis. No matter where a combined US/DL operates from we have proven gateways to choose from, particularly with the growth that both carriers have had internationally over the past couple of years.

Would we be getting rid of airplanes or somehow rationalizing fleets/aircraft types?

Again, you can expect that there will be some fleet rationalization of the combined fleets. Here's how the fleets look today:

| Type | US Airways | Delta |
|------------------|------------|------------|
| A319 | 93 | 0 |
| A320 | 75 | 0 |
| A321 | 28 | 0 |
| A330-300 | 9 | 0 |
| Boeing 737-200 | 0 | 17 |
| Boeing 737-300 | 56 | 0 |
| Boeing 737-400 | 40 | 0 |
| Boeing 737-800 | 0 | 71 |
| Boeing 757-200 | 46 | 121 |
| Boeing 767-200 | 10 | 0 |
| Boeing 767-300 | 0 | 24 |
| Boeing 767-300ER | 0 | 59 |
| Boeing 767-400ER | 0 | 21 |
| Boeing 777-200 | 0 | 8 |
| MD-88 | 0 | 120 |
| MD-90 | 0 | 16 |
| Total | 357 | 457 |

*Source: Delta.com

**Source: OAG January 2007

Pay and Benefits

If we're the a larger airline, will we all make more money?

Part of our transaction involves moving all employees to the higher of the pay scale structures in every group. But again, it's too early to know answers to details like this although we recognize we need to provide answers as quickly as possible because these are important questions and on employees' minds.

Great – now I have to share profits with twice as many employees. What will happen to profit sharing anyway?

Same as happens today – we'll set aside 10 percent of the first dollar of profits for employee profit sharing, and employees will be paid before any management incentive or other compensation is paid out. Next year, in early 2007, the plan is that US Airways employees will receive profit sharing provided we are profitable for the full year 2006, and subject to how the unions plan to distribute those funds among their members.

Delta has non-rev boarding by seniority. I'm guessing that with US Airways employees and Delta employees on the seniority system. Guess that kind of seals it for the West's first-come-first-serve boarding, eh?

It's probably not a good idea to make predictions on this one. We're planning to have an announcement around the first of the year about where we're going with boarding priorities for the America West-US Airways employees and that plan will continue. The truth is that this is a question that has no right or wrong answer and also no matter what is decided, one group is going to be unhappy. We recognize that, and we're hopeful that trying out the other system might mean a broader understanding of how that system works.

When would flight benefits start on the other carriers if this goes through?

That's a detail we'd have to work through; we imagine we would have the ability to non-rev on both carriers in fairly short order after the necessary approvals are obtained and the transaction closes.

Does this mean our benefits will change again?

Again, it's very early to be discussing what might or might not happen with benefits or other programs, like travel. It is fair to say that there are real administrative cost savings from employees covered by one health program.