

## Business Meeting Minutes of the 43<sup>rd</sup> Soaring Eagles Reunion (Oct 27, 2019)

Before formally calling the Meeting to Order President Kernan suggested the Pledge of Allegiance to the Flag. After the Pledge, the meeting was formally opened at 09:35 and a moment of silence was observed for former First Vice President Dan Friel who died in early September 2019.

A motion was made to dispense with the reading of the minutes of the 42<sup>nd</sup> Annual Business Meeting as they had been published just before this year's reunion. The motion passed.

Officer reports were solicited and the following reports were given:

2<sup>nd</sup> Vice President Judy Schmidt reported that she had been busy with recruiting new members, and had good success.

Secretary Judi Todd did not give an oral report, but through the President stressed the importance of members keeping us updated on email, postal mail, and phone numbers so we can keep in touch with everyone.

Treasurer Paul Sturpe gave a comprehensive report, and most importantly stated that we are solvent. A copy of his report is available on request.

The President deferred his report until after the elections which were conducted by John Nagy on behalf of the nominating committee which had submitted a written report. The nominees for office were as follows: President Joe Kernan, First Vice President Judy Schmidt Colbath, Second Vice President Al Mondell, and Treasurer Paul Sturpe. Judi Todd is serving out the unexpired term as Secretary following Gerry Milburn's passing, and will not be up for election until 2020. Floor nominations were solicited. There being no nominations from the floor the slate listed above were elected by voice vote.

A request was made for a volunteer who had some computer skills to take over the functions of the Condolence or bereavement Committee. Paul Sturpe has been handling those activities, and we don't want to overload him.

Since the Reunion Jan Grieco has accepted responsibility for that Committee.

The President then gave his report which consisted of two statements which are provided below.

## The State of the Organization

In my judgement the state of our organization is good. At last year's business meeting we welcomed fourteen former Golden Wings flight attendants into full membership as Soaring Eagles. We also welcomed Captain Steve Flom of the Flying Floms as a member. Since that time we have added several new members including Captain Mike Grinnan, Captain Ron Friedhoff, and his wife Flight Attendant Ginny Friedhoff, along with Captain Doug Burke son of deceased Captain Ed "All Weather Burke", Pam Stepanian, Pat Riley, Jan Grieco, Pam Dunlap, Vicki Johnson, Jeannette Elliott, Barbara Gonzalez, Pam Orbe, Linda Friend, Gayle McGlinn, Laura Emrich, Malcom Devers, and Pam Murray. I apologize if I've left anyone out, but from a recruiting standpoint we're doing pretty well. We could do better. We need to keep up the good recruiting effort, with each of us being a recruiter.

2019 got off to a sad start with the death of my friend Gerry Milburn, as many of you know Gerry was not only a friend, but a tireless worker and advocate for the Soaring Eagles. It was during Gerry's tenure as President that the By-Laws were changed to open membership to the Flight Attendants, and two short years later we have two of those members serving on our Board. (Judy Schmidt and Judi Todd) Immediately following Gerry's death, I felt like I had lost my right arm, as Gerry and I had developed a close friendship, and he was a tremendous asset to the Eagles and to me personally. As you know Gerry had developed the website on his own, and was graciously allowing the Soaring Eagles to use it. Gerry was the webmaster, as I am only slightly computer literate. One of the first to lament the death of Gerry Milburn was Captain

Dan Friel, and now Dan has flown west. All is not lost; enter our excellent Treasurer Paul Sturpe, who has been a tremendous asset to me, and Julie Milburn. Since Gerry was the owner of the website, his daughter Julie had to authorize the transfer of the website to the exclusive use of the Soaring Eagles. That was done, and with a contact that Paul had in his HAM Radio organization we have a state of the art website. I urge all members to go there frequently as we put historical data there, as well as current events.

Prior to Gerry's passing he and I along with Charlie Pyles had embarked on the Membership Card program, and at this writing almost all of our members who paid their dues in 2019 have received their cards. Again Paul Sturpe has been a tremendous help in co-ordinating with the card manufacturer, and the embosser to make that program successful. I also need to thank my wife Donna for her assistance in placing the cards in the envelopes and getting them mailed out. Some have questioned why the cards did not have Captain or Flight Attendant on them before the member's name. It boiled down to money and time. The embosser was limited to a maximum number of characters, and since we wanted the cards out quickly we (Gerry and I) decided that the members name was sufficient. Everyone knew what they did for the Airline, as an example Ed Colodny's card reads Ed. Colodny, and Butch Schofield's card reads Seth Schofield.

We are making good use of our two primary communications tools (bulk email and website) to keep you informed in a timely manner on those that have flown west, down for maintenance and any other relevant information. In many cases the website will duplicate information in the email, especially related to obituaries. The website is also where the Aerie can be found in electronic form. Once again, a program instituted under Gerry Milburn's tenure after significant cost savings were pointed out by Ed

Dingivan who was the Treasurer at the time. Considerable monies have been saved by publishing the Aerie electronically. We mail the Aerie to seven members who do not have computers. Additionally we have begun to put historical data on the website dating back to the origins of the Airline. From time to time we get requests from members who have some problem with travel benefits. As an example we had two widows recently who needed to travel, and their husbands had not made the proper selections which had to be rectified. Using our contact in American Airlines benefits Administration (actually the head of that department) those issues were promptly resolved.

So although we're in good shape, we always strive to do better.

Family.....Heritage.....Legacy

Before Gerry Milburn passed he and I tried to ascertain when the Soaring Eagles of USAir had become the Soaring Eagles of USAirways. Despite our best efforts We/I have been unable to determine how or when that happened. I've spoken to the Soaring Eagles Presidents who were in office at that time and no one knows the answer. We think that whoever was in office at the time just assumed that when Wolf renamed the Airline that the Soaring Eagles should follow suit. Our gavel, membership cards, and lapel pins say USAir not USAirways, and finally our new banner is a depiction of the Edwin I Colodny in flight. (Usair)

### **Background Picture**

- **1991** – Edwin I. Colodny, CEO, retires from USAIR after more than 33 years of loyal service. Mr.Colodny's retirement package was modest and structured much like the pilots' pension package. After the bankruptcy, his pension was subject to being administered by the **Pension Benefit Guaranty Corporation or PBGC**. Yes, he took a hit, too. He had no golden parachute.
- **1995** – Seth Schofield, CEO, a 38 year veteran of USAIR announces that he will retire in January of 1996 . The story of Mr. Schofield's rise

through the ranks to become Chairman & CEO is the stuff of legends. When Mr. Schofield left the Company, he also took a modest retirement package similar to that of his predecessor Colodny. Despite having over 71 years of service between them, neither of these honorable men received “Golden Parachutes.” It wasn’t in their DNA to even consider it. They, just like the Pilots, had their retirement plans subjected to the capricious whims of the heavy handed PBGC.

## **Send in the Clowns**

- **1996** – Enter Stephen Wolf, former Chairman of United Airlines or UAL, where he was unsuccessful in breaking that company into pieces. The employees at UAL had an Employee Stock Option Plan or ESOP, and were able to prevent it. Coming to USAir, Mr. Wolf stayed at USAIR just long enough to change the name and set USAirways up for bankruptcy. After Mr. Wolf completed seven years with the Company, he left with \$35 Million in compensation paid right out of the Company Treasury. This was at the time when the Company was bleeding, and extracting concession after concession from the workers.
- **1998**- Rakesh Gangwal, who was part of the Wolf team, assumed the role of CEO. Rakesh also had some background in the Airline Industry, and after four years at USAirways, left with a hefty severance package of \$15 million, another Golden Parachute to ‘soften the blow’ of his departure from USAirways.
- **Lawrence Nagin** – came to USAir along with Wolf and Gangwal, and served as General Counsel. He received \$5 million as he exited USAirways after 6 years of service.
- **2002** - \$55 Million in exit payments have been made. Obviously, there was plenty of money to spend on exit payments for failed executives, but it did not end there.
- **March, 2002** – Enter David Siegle, formerly of Frontier Airlines, Continental Express, and Avis Car Rental. Although Mr. Siegle was thought to have a more conciliatory approach than Stephen Wolf and Rakesh Gangwal, who had preceded him, he was unable to turn the airline around. Given the way the Board was spending money, it would be hard to convince anyone that the company was nearing bankruptcy. It was especially difficult to convince the unionized

employees to give *more* concessions, especially to what appeared to be shakedown artists. It was during Mr. Siegle's tenure that the Pilot's Pension Plan was 'stress terminated' *with the unfathomable approval of the Air Line Pilots Association (ALPA)* and various Master Executive Council (MEC) members. After ALPA agreed to the stress termination the MEC Chairman ended up with a seat on the USAirways Board..... Interesting. Mr. Siegle departed the property after 2 years with a 'paltry' \$4.5 million severance package. Mr. Siegle also had hired Neal Cohen, who came to USAirways from Northwest Airlines. Mr. Cohen served as the CFO of USAirways and left after not quite 2 years on the job with a severance package worth \$2.5 Million.

- **2004** – By this point, five Airline Executives, who had less than 25 years of cumulative service with USAirways received a total of \$62 Million dollars for a fraction of the time accumulated by Messrs. Colodny and Schofield, who had 71 actual years of service with the Company and who left with plain, basic retirement packages.
- Once the **Bankruptcy Court** – accepted USAirways' bankruptcy, (*which was soon after shown to have been contrived and based on false and erroneous information*), the PBGC petitioned the court to be the trustee of the Pilot's Plan. From that day until the present time, the PBGC has failed to meet their **fiduciary duties** nor properly investigate the 1.5 billion pilot pension losses to the pensioners, **as required by statute.**
- **2005** – Wolf, Gangwal, Nagin, and Siegle had left USAirways ripe for a takeover. Enter Doug Parker, President of American West Airlines, who was able to merge USAirways with America West Airlines. That Airline operated as USAirways, strengthening its lower-cost domestic system until Dec. 9, 2013, when it merged with American Airlines which was mired in bankruptcy itself. With the strength of USAirways' gigantic domestic feed, American came out of bankruptcy as a result of the merger. Wisely, it was decided to retain the American Airlines brand and discard the USAirways brand, which had become synonymous with corporate greed and mistreatment of employees.
- **April, 2015** – Riding strong demand, falling fuel costs, and the incredible enormous strength of the USAir domestic feed, Fort Worth-based American Airlines reported in April that it had earned and incredible \$1.1 billion *in the fourth quarter alone* and **\$4.2 billion for all**

**of 2014 – the best quarter and best year in the combined histories of both carriers.**

This is the best year in the long, proud history of American Airlines, the best year by a long shot.” American Chairman and Chief Executive Doug Parker, said on a conference call with industry analysts and reporters. “We are extremely pleased to be reporting results like this just one year into our merger.”

*What he did **not** go on to say, was that these profits came on the back of the pilots who were directly responsible for bringing about the labor peace at the original American/Allied Pilot’s Union that made this turn-around possible.* **Nor** did he pledge to use just a part of the gigantic 2014 profits which would **easily repay all** of the retirement short fall of USAirways pilots which the ‘New American’ inherited, for the retirement benefits of the former USAirways contingent **whose merged presence and domestic feed made this all possible**, so that former USAirways pilots would be “made whole” in their retirements. (Fair is Fair!)

Much of the success of the current American Airlines can be attributed to the many pilots who, in most cases, had twenty to thirty years of service when they retired. Those pilots are not asking for anything that they did not earn. They simply want what they are contractually and legally entitled to receive in return for their many years of service, as opposed to the bad actors that came to the company only long enough to raid the corporate treasury. It must be pointed out that the benefits that the affected pilots seek were promised to them in lieu of actual money that they could have taken in collective bargaining. (Of course, *those negotiations were being conducted with men of honor* such as Colodny and Schofield.

A question and answer period followed with general discussion of this statement followed by adjournment at approximately 11:00AM

Secretary Judi Todd