



AIR TRANSPORTATION STABILIZATION BOARD
1120 VERMONT AVENUE, SUITE 970
WASHINGTON, DC 20005

July 22, 2005

Derek J. Kerr
Senior Vice President and
Chief Financial Officer
America West Airlines, Inc.
400 East Sky Harbor Blvd.
Phoenix, AZ 85034

Ronald E. Stanley
Executive Vice President and
Chief Financial Officer
US Airways, Inc.
2345 Crystal Drive
Arlington, VA 22227

Re: Proposed Merger of US Airways with America West
Airlines

Gentlemen:

This letter refers to (i) the request by America West Holdings Corporation ("AWA") that the Air Transportation Stabilization Board (the "Board") grant the waivers under its ATSB-backed term loan which are necessary to allow AWA to consummate the transactions contemplated by its May 19, 2005 Agreement and Plan of Merger with US Airways Group, Inc. ("US Airways") and (ii) US Airways' corresponding request that the Board consent to the reinstatement of its ATSB-backed term loan on terms necessary to effect the merger and US Airways' Chapter 11 plan of reorganization.

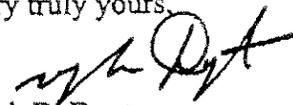
The Board has carefully considered these requests based upon extensive study and analysis of the proposed merger, with your assistance, by the Board's staff, counsel, financial advisor and industry consultants as well as the Department of Justice. The Board has also considered likely alternatives to the merger for both AWA and US Airways and the potential consequences of such alternatives to the Board's credit exposure under the two term loans.

The Board has voted unanimously to grant the necessary waivers under the AWA loan and to consent to the reinstatement of the US Airways loan subject,

however, to the terms and conditions set out in the term sheet attached to this letter. As you know, these terms and conditions have been negotiated by Board staff with your respective representatives. They are intended to facilitate the proposed merger while both preserving the Board's collateral and other credit protections under the US Airways loan and reducing the Board's credit exposure under the AWA loan by providing the benefit of a second lien on the merged company's assets.

The Board and Board staff look forward to working with you toward the successful completion of the merger and are prepared to devote the necessary resources to accomplish that end.

Very truly yours,



Mark R. Dayton
Executive Director

cc: Edward M. Gramlich
Timothy Bitsberger
Jeffrey N. Shane