



LEST WE FORGET!  
REQ READING

May 18, 2000

Dear SkyWest pilots,

In the past eight months we have been working with SAPA to make improvements to your policy manual in the non-compensation and quality of life areas. Many issues have been solved in these areas and it is now time to move on to the compensation and benefit issues. We began this process by making an interim fix to the per diem rate. The first per diem adjustment was effective April 7<sup>th</sup> and an additional adjustment is scheduled for October 6<sup>th</sup>. Following is a description of the areas we are working on for the next few months:

1. **Pay Scale:**

We realize the need to work together to develop an hourly pay scale that keeps you at the top of the industry with an opportunity for you to achieve compensation above the industry based on our company performance (the quarterly bonus). We also believe that the hourly pay scale should be adjusted annually to keep it at the top of the industry during the term of the agreement.

2. **Retirement Plan:**

You need a way to determine the future value of your retirement plan. You should be satisfied that it is at the top of the regional industry and that it provides you an excellent retirement after your career at SkyWest. If the pilot group is not convinced that our retirement plan is at the top of the industry, we will change the plan until it is.

3. **Work Rules:**

Scheduling, days off, vacation, etc. are "lifestyle" reasons why you stay at SkyWest and these areas will get increased emphasis.

4. **Longevity:**

We need to make sure we are adequately rewarding longevity. We must do what we can to ensure that we retain as many pilots as possible. It is important that we have your input in this area. We will consider any suggestions you have to help us achieve this goal.


5. **Benefits:**

We must also do an overall review of current benefits in comparison to our competitors and make changes as necessary.


Our goal is to get the pay scale changed by July 1, 2000. We will get information and tools to you concerning your retirement plan by late this summer and then evaluate where we are by September 30<sup>th</sup>. We will also continue to work with SAPA to solve as many scheduling issues as possible. As soon as an agreement is reached on hourly rates, we will solicit ideas from all work groups on longevity issues. We will work hard to come to agreement on some of them by the end of the year. We will also review all benefit issues at the same time we are reviewing the longevity issues.

Above all we want you to know that we are committed to working with SAPA to ensure SkyWest Airlines is the best regional in the business.

Sincerely,

  
Jerry Atkin President/CEO/Chairman

  
Ron Reber/Executive Vice President/COO

  
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