

United States Senate

WASHINGTON, DC 20510

May 22, 2010

Mr. D. Scott Davis
Chairman and Chief Executive Officer
United Parcel Service
55 Glenlake Parkway, NE
Atlanta, GA 30328

Dear Mr. Davis,

I was quite disappointed to read United Parcel Service (UPS) will begin to furlough over 300 pilots this week. It is my understanding 84 of these pilots and their families currently live in Alaska. The elimination of these positions will negatively impact Alaska.

Not only will these layoffs have a significant impact on the state's economy, this action threatens the livelihood of families in our community. These hard working Alaskans are faced with the unenviable choice of finding new employment and of potentially relocating their families out of state. I am especially concerned by reports UPS is not offering any severance pay or other support for these furloughed pilots.

I also understand the furloughed pilots will be replaced with more senior pilots, many of whom do not live in Alaska. I do not support the outsourcing of jobs from Alaska. These decisions have real life impacts on Alaskan families. The ramifications from these layoffs will be felt throughout the state.

In a recent interview on Alaska Public Radio, UPS spokesman Mike Mangeot stated, "We can't afford to keep expensive resources like pilots, who cost about \$185,000 a year to employ, on the payroll in the hopes that the economy may rebound."

This statement is troubling, especially as cargo has increased for the previous two quarters at Anchorage International Airport (ANC). In the first quarter of 2010, landed cargo weight is up nearly 32 million tons from 2009. The Anchorage Economic Development Corporation forecasts cargo volumes will continue to increase throughout 2010. This upward trend would seem to be substantiated by the 37 percent increase in first quarter earnings posted by UPS this year. Mr. Mangeot's statement does not seem to reflect the reality of the cargo situation in Anchorage.

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In stark contrast to UPS' decision, other cargo operators with substantial presence in Alaska have indicated they are increasing their in-state resources as the economy continues to improve.

Please provide answers to the following questions:

- What, if any, support is UPS offering furloughed pilots?
- What plans does UPS currently have to bring back furloughed pilots, especially as cargo volumes continue to increase at ANC?
- Is UPS decreasing the number of landings at ANC?
- To the best of your knowledge, how many of the senior pilots intend to relocate to Alaska?

I appreciate your company's desire to find efficiencies, however, I believe this will have a disproportionately negative impact on my constituents. Thank you for your attention to this issue, and I look forward to receiving your reply.

Sincerely,



Mark Begich
United States Senator