

**Local 514**

Important Bankruptcy Update

When American Airlines declared bankruptcy the TWU had three options for a response. The first option was mandatory under the bankruptcy code. We had to attempt to negotiate an agreement which provided the Company with the relief necessary for it to reorganize under Chapter 11 of the Bankruptcy Code. We could also litigate the issue of whether any relief from the TWU work groups was necessary for the Company to reorganize, as well as whether their demands for relief were beyond what was necessary and, in fact, were an overreach. Finally, we could seek a third party with a better reorganization plan – one that was not based on breaking the backs of labor on the property.

The TWU, both the International and this Local, decided that we had the best chance of limiting the damage to the careers and families of our members if we pursued all three of these options, and that is what we did. We have attempted to negotiate under the provisions of Chapter 11 of the Bankruptcy Code that require us to agree to those concessions necessary to permit the reorganization of the debtor, and allow the Company to move to reject our agreement if we do refuse to agree to such concessions without “good cause” --- “good cause” generally meaning that the concessions increase the possibility of a successful reorganization. As everyone knows, the Company has filed legal motions under this provision to reject all of its labor agreements, including those it has with the TWU. We are actively and aggressively resisting this motion. Finally, we have also looked for third parties with better and fairer business alternatives than American has presented. As everyone is aware, that third party is US Airways and it is now actively working with the TWU, APA, and APFA to gain support for a strategy with significantly less in employee sacrifice.

People should be clear about several points. First, we are not negotiating with American Airlines management as we used to in normal Section 6 negotiations. American Airlines is no longer being managed by its officials, it is now being managed by bankruptcy attorneys, and consultants who stand to make hundreds of millions off of these proceedings. The managers we are negotiating with are operating under the instructions of these lawyers and consultants and have no real power.

Second, Jim Little has promised that the membership will have the right to review and vote on the Company’s final offer. Everyone should be clear that whatever comes back, it will be nothing more than the Company’s final offer, as approved by the lawyers and consultants actually in control. This offer will be better than the term sheet they originally proposed and it will be better than what the Company will impose if our contract is rejected, but it will still be a grossly unfair and concessionary document.

Third, if we reject the Company’s final offer, the Company will pursue its case in front of the bankruptcy judge and seek to have him allow rejection of our contract. The judge is not going to go through AA’s final offer and decide which items he likes or doesn’t like or split the difference between the parties.

Thinking of Retiring?

Please contact Local 514's Retirement Counselor Mark Loeber for details. Contact details are listed below:

Mark Loeber
TWU, Local 514
Retirement Counselor
9175 S. Yale Ave.
Suite 200
Tulsa, Oklahoma 74137
918-491-0079

Bankruptcy Information

Information about the bankruptcy comes almost everyday for hearings etc. The informer only goes out weekly. The Informer is not the best way to keep up with daily information for the membership. We highly recommend that you go to the computer at home or at work and go to www.twu514.org and see daily up to the minute updates. This is the fastest and most reliable way to be informed. You can also sign up for updates at www.twu.org (the International TWU website).

Bankruptcy Update

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If he finds that the concessions demanded by AA are necessary for AA's reorganization and that the membership rejected them without good cause, he will then reject our contract and AA will be free to impose what it chooses. If the judge finds that AA is demanding more than is necessary to successfully reorganize he will not rewrite their proposal, he will simply deny their motion and they will have to honor the present contract, until they present a modified proposal to reject. Motions to reject Collective Bargaining Agreements are rarely denied, and no such motion has been opposed successfully in many years. In addition, the Court where AA filed this motion, the southern district of New York, is one of the most pro management in the country and rarely sides with the workers. That is why AA filed in New York. The point is that AA's final offer will almost certainly be completely unfair and regressive; however it will be better than what will be imposed if the contract is rejected. Moreover, any attempt by the Union to bargain to improve the terms imposed by the Company after contract rejection is subject to the entire Railway Labor Act process of negotiation, mediation, and release – a process which we all know can be delayed almost indefinitely.

American Airlines understands that the bankruptcy laws tilt the playing field in their direction and they have made maximum use of this leverage. The bankruptcy laws make it virtually inevitable that working people will be hurt when a company files for bankruptcy. Our job is to fight them on as many fronts as we can so we can preserve careers, pay, benefits and work.

Foot Care Clinic

The Visiting Nurses Association of Tulsa will be here May 2, 2012 from 9AM to 4PM. The clinic will be held at the Transport Workers Union, Local 514, 11945 E. Pine St. Please call (918) 695-5165 for an appointment at. The cost for this treatment \$30.00, for which you will receive the following: Warm Water Soak, Nail trim, File, Callus Care, and Massage. Just a reminder this is a clinic geared for Diabetics and their feet. It is recommended by the American Diabetes Association that Diabetics should not clip their own toenails because if not trimmed correctly a diabetic could get foot sores or ulcers. This is not the time for the nurses to treat or diagnosis foot problems that you may have right now.



TWU Local 514 Jackets

Black TWU, Local 514 jackets are on sale at the Union Hall Office for \$35 each, cash or check. Sizes available are S, M, L, XL, 2XL, 3XL, 4XL and 5XL.



Brown TWU, Local 514 jackets are also on sale for \$45 each, cash or check. Sizes available are M, L, XL, 2XL, 3XL, 4XL and 5XL.



Blue denim TWU, Local 514 jackets are on sale for \$25 each, cash or check. Sizes available: M, L, XL, 2XL, 3XL, 4XL and 5XL

Please bring the correct change or a check