

**TO: ALL TWU MECHANIC & RELATED AND STORES  
AMERICAN AIRLINES MEMBERS**

You have the opportunity to consider the full text of the proposed tentative agreement between the TWU and American Airlines covering our mechanic & related and stores membership. If the agreement is approved, the Company will withdraw its motion to reject our collective bargaining agreement now pending in Bankruptcy Court. If the proposed agreement is rejected, Judge Lane will issue his decision on, or around, August 15, 2012.

The Company offered the APA a contract that moderated its concession demands; the TWU work groups with ratified agreements were contractually entitled to the same treatment. After considerable discussion, the Company agreed to apply the same principles to all TWU represented work groups. Among other things, the tentative agreement you are now considering offers enhanced protection against outsourcing, better pay and better health care than the May LBO and is far better on all these matters than the "Ask" which the Company will be authorized to impose in the event our contract is rejected. The agreement also offers a wage adjustment based on industry standard after 36 months. This is not a wage "opener", but rather a contractually required adjustment based on wages paid by competing major carriers.

We would urge you to keep several facts in mind. First, this agreement was not the result of normal Section 6 negotiations under the Railway Labor Act. The negotiations occurred pursuant to Section 1113 of the Bankruptcy Code, which requires us to negotiate over those concessions necessary to permit the successful reorganization of the company in bankruptcy. Negotiations with bankrupt companies under this statute do not produce industry leading or industry standard contracts, nor will a Bankruptcy Court accept that the refusal of a bankrupt company to offer such an agreement is a reasonable basis for rejecting a consensual agreement.

Second, while the TWU hired highly qualified professionals to handle our case before the Bankruptcy Court, no professional working on the case believes that the Court will not grant the Company's motion to reject. There are numerous reasons for this, starting with the fact that such motions have been virtually uniformly granted by the courts over the last decade. It is also the case that the court only delayed its decision to give the various AA unions an opportunity to ratify consensual agreements. There would be no reason for this delay if the court were prepared to rule against the Company.

Rejection of our contract in court is almost inevitable if this proposed agreement is not ratified. We recognize that there are those who are urging that you absorb the pain associated with this rejection and imposition of the Company's "Ask" on the theory that, at some point down the road, the Company will be compelled to withdraw its concession demands and provide an industry leading agreement.

The theory that there will be either expeditious negotiations or a quick release in the wake of the rejection of our contract by the Bankruptcy Court is, at best, pure speculation. What is not speculation is that, while this process is playing out over the course of years the membership will be deprived of pay and benefits, work which could be saved will be outsourced, and people will be unnecessarily furloughed or downgraded. The bottom line is that no work group has ever fared better after having its contract rejected in bankruptcy and those advocating such strategy will be unable to point to a single instance in which it worked.

Airline bankruptcies typically produce mass outsourcing, job loss, and pension terminations. We will not hide the fact that this proposed agreement calls for more sacrifice from a Company that has demanded too much. However, the proposed contract protects the membership against the worst consequences typically inflicted on employees in bankruptcy. When voting, you should carefully consider whether you want to risk this protection to pursue a strategy that will inflict enormous pain without any realistic possibility of success.

Fraternally,

Garry Drummond  
Director Air Transport Division

## Tentative Agreement Meeting Schedule

To be certain that Local 514 members have their questions answered before the upcoming vote on the Tentative Agreement, your Local officers will be at the following locations to go over the T.A.

Wednesday, July 18.....Hangars 1 & 2  
Thursday, July 19.....Hangars 3 & 4  
Monday, July 23.....Hangars 5 & 6  
July 24<sup>th</sup> thru July 26<sup>th</sup>.....Special Membership Meetings – TWU Hall  
(7:45am, 11:45am, 3:45pm)  
Tuesday, July 31.....Wheel & Brake Shop, Hangar 80  
Wednesday, Aug 1.....CAM Bldg  
Thursday, Aug 2.....TEO  
Friday, Aug 3.....Composite Shop & APU

*Meetings will begin about 7:00am, except the Special Membership meetings as denoted above.*

## Tentative Agreement Vote

- Voting will begin at 12:01 am, Monday July 23, 2012
- Polls will close at 11:59 pm, Tuesday, August 7, 2012