



A Publication of the Transport Workers Union of America, Air Transport Division, Local 514, AFL-CIO



Local 514

Questions & Answers

Thinking of Retiring?

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

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Bankruptcy Information

Information about the bankruptcy comes almost everyday for hearings etc. The informer only goes out weekly. For the most current information, 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).

Question: How does the 4.8% equity stake pay out?

Answer: Depending on instructions from the Bankruptcy Court, a combination of stock and/or cash will be provided to the TWU for distribution to members, amongst the seven classes or crafts.

Question: What makes up the 4.8% equity stake?

Answer: The stake is equivalent to 4.8% of the value of the Company when it exits bankruptcy and is calculated for all work groups based on their concessions and fairness considerations. Keep in mind that AA is in the process of a merger with US Airways. The American Airlines portion of the total value of the merged airline is 72%, so the value the court assigns to the 'New American Airlines' our 4.8% would be based on 72% of the value, it is estimated that the combined value of the New American may be up to \$13 billion dollars.

Also as part of the discussions with the company on receiving the 4.8% equity there was a settlement of the International 29d's on the 757 outsourcing and medical cost increases. We agreed to settle both disputes \$10M for the overcharges in medical coverage and \$6.4M on the B757 outsourcing. In addition, there is a reimbursement to the locals for cost incurred in the 1113 negotiations for a total of ~\$680K.

Question: If another Union or organization were elected to represent the Mechanic and Related group, would they get the entire 4.8% equity stake?

Answer: The 4.8% equity is allotted by agreement to TWU as a fund from which TWU will distribute their appropriate shares to all seven of the classes or crafts represented by TWU. Mechanic and Related, as a class or craft, will receive an appropriate share of this equity. The responsibility of determining what that appropriate share is, must rest on TWU, since the equity agreement itself contains no formula as to how the equity is to be shared out among the seven classes or crafts.

Question: When will we get the company's portion of the pre-funding?

Answer: The retiree medical issue is handled thru the 1114 process in bankruptcy court, currently there is a motion that AA can change retiree medical without going thru the 1114 process. This has been heard in a summary judgment hearing and Judge Lane will rule on that motion sometime in the near future. At this time AA has not filed an official 1114 motion in the court. Our position is that once the retiree medical plan is terminated our active members must receive the company match to their prefunding contributions.

Question: If another Union or organization replaces the TWU, would we still get the 4.3% pay increase when the company exits bankruptcy?

Answer: Should there be a change of representative, the New American will have a strong argument that the increase is due only to the TWU represented groups, since the increase reflected—among other things--cooperation by TWU in facilitating the merger process, something that no non-AA union can be said to have provided.

See the pay charts below under the TWU for “topped out” members hourly base pay, showing current, with the 4.3%, and then the annual raise in September.

	Current	4.3%	9/12/13
AMT	28.02	29.22	30.10
OSM	22.68	23.66	24.37
Cleaner	19.68	20.53	21.15
PM Mechanic	28.02	29.22	30.10
MSP	21.16	22.07	22.73

See the pay charts below not under the TWU for “topped out” members hourly base pay, showing current, without the 4.3%, and then the annual raise in September.

	Current	9/12/13
AMT	28.02	28.86
OSM	22.68	23.36
Cleaner	19.68	20.27
PM Mechanic	28.02	28.86
MSP	21.16	21.79