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Stores Contract Negotiations Update

The Stores Negotiating Committee represents 1298 Stock Clerk members at American Airlines primarily their duties are in support of aircraft maintenance.

Stores Mediation Update - February 24, 2010

The Stores Negotiations Committee met in Tulsa on February 22nd and 23rd with AA Management and Federal Mediator Jack Kane.

As background in the November, 2009 Stores Mediation Session in Chicago comments were made to both the Company and the Union to hypothetically “build a wall” behind both the Company and the Union’s table position. This hypothetical wall would be to prevent either party from regressing on their current table position.

The Company, who had not passed a counterproposal to the Stores group since Mediation started over 1 year ago, finally passed the Stores Negotiating Committee a comprehensive proposal on Monday February 22, 2010. To view the February 22, 2010 Company comprehensive proposal to the Stores Committee it is posted on the TWU negotiations website at <http://negotiate.twu.org>

The Stores Committee had hopes that the Company would pass a proposal that would be worthy of consideration to send out to our members. Once again we were disappointed that American Airlines management passed a proposal that is regressive in nature.

A number of additional concessions were sought by the Company. One example is an even greater ASM Cap for Eagle. Initially, the Company had proposed an increase to 8%, now they want an increase to 21.3%. The Company described this need as a way “to keep us from being at an Industry disadvantage”.

Another example in this recent Company proposal would be in Article 8 – Vacations. The 3 D.A.T. (day at a time) vacation days that had been proposed in past proposals, is now off the table. The Company is now proposing that Stock Clerks with less than 5 years seniority would get an extra 5 days vacation. Basically, the Company withdrew an offer to give nearly 1,300 Stock Clerks an additional 3 D.A.T. days a year in order to give 26 Stock Clerks an additional 5 days additional vacation days.

The Company chose not to address any of the Union's needs in Article 4 – Compensation, Article 5 – Shift Differential, or Article 6 – Overtime. The Company proposed the duration of 4 years from the date of signing (D.O.S.). Therefore, the proposal which does not allow for any structured raises would have Stock Clerks working at Current Wages through the Year 2014.

The Company showed no reconsideration in their attempt to take away current employee's retiree medical. They also showed no desire to reconsider taking away the Defined Pension for New Hires. The Company's position is that "they are out of Lock Step with the rest of the Industry" and they are at a "competitive disadvantage".

Our current agreement has left us at the bottom of the industry in several areas. This proposal would not restore the following to our 2001 levels

- Sick Days per year – 5 days per year - Least in the Industry
- Holidays per year - 5 days per year – Least in the Industry
- Vacation Days per year – Stock Clerks gave up 5 days per year in 2003
 - Note In 2003 AA management did not reduce their sick days, holidays, or vacation.
- Shift Differential – \$0.01/ hour for Afternoon Shift and \$0.02/ hour for Midnights, the Industry Standards are \$0.51/ hour for Afternoon Shift and \$0.58/hour for Midnights

Other new concessions now being sought by the Company include:

- A TAESL Letter of Agreement which would allow TAESL Employees to be treated as a separate "Type Work" for RIF, Recall or Transfers. (red circle)
- A DWH Letter of Agreement which would add base work rules to the newly defined Maintenance Base.
- "Working Together Language" which would change the Voluntary process of Productivity Improvements, to a Mandatory process.
- And the list goes on.

After reviewing the latest Company Proposal, the Stores Negotiating Committee unanimously rejected American Airlines latest offer and restated our current table position as a formal response.

The Stores Negotiating Committee recognizes these are frustrating and difficult times. We appreciate your and support as we work towards an agreement.

As soon as another mediation session is scheduled we will update you.