



**"We Move America"**

December 8, 2011

**To: All TWU Local AA/AE Presidents and International Representatives Assigned**

**Re: TWU AA/AE Negotiations Structure**

Dear Sisters and Brothers:

Since the AA/AE bankruptcy filing on November 29, 2011, we have been working diligently to provide thorough information to you regarding the bankruptcy process, as our legal team continues to navigate through the various court proceedings. We will also continue to provide you up to date information on our newly created website: <http://aa.twu.org>.

The Company has announced that it will be presenting "new [CBA] proposals" to "seek further changes to its TWU agreements pursuant to Section 1113 of the Bankruptcy Code." (The Company will be employing the same approach in seeking changes to its other collective bargaining agreements with its other unions.) Section 1113 of the Bankruptcy Code governs whether a debtor company may reject a CBA and sets forth various substantive and procedural requirements. A Section 1113 motion to reject a CBA is ruled on by the Bankruptcy Judge.

Over the last week we have received a number of inquiries regarding bankruptcy negotiations. The International Administrative Committee (IAC) in consultation with our legal and consultant team are meeting with your Local representatives today in connection with the following announcement regarding TWU negotiations: Given the extraordinary circumstances presented, as well as the fact that the negotiations will be conducted under Section 1113, the following negotiation structure will be implemented by TWU -- your collective bargaining representative -- before a bankruptcy code 1113(c) motion filing and after an 1113(c) motion filing to assure that you receive thorough and expert representation (for example, to avoid procedural missteps under Section 1113 which could risk implementation of unnecessary concessions on employees).

**Pre-1113(c) MOTION FILING:**

TWU will appoint a negotiating committee which will be assisted by and utilize the entire current negotiations teams for both the AA and AE systems; International staff will be assigned to assist, along with our economist, and our legal team.

Following this initial process, if the parties cannot reach an agreement, the Company will (according to the information provided TWU) petition the court to reject TWU CBAs.

**Post-1113(c) MOTION FILING:**

JAMES C. LITTLE  
International President

HARRY LOMBARDO  
International Executive Vice  
President

JOSEPH C. GORDON  
International Secretary-Treasurer

GARY E. MASLANKA  
Administrative Vice President  
Railroad Division Director

JEFFREY L. BROOKS, SR.  
Administrative Vice President  
Transit, Universities, Utilities,  
and Services Division Director

JOHN M. CONLEY  
International Vice President  
Administrative Assistant to the  
International President

TRANSPORT WORKERS  
UNION OF AMERICA  
AFL-CIO

**International Headquarters  
& Offices of the Railroad  
Division & Transit Utility,  
Universities and Service  
Division**  
501 3<sup>rd</sup> Street NW, 9<sup>th</sup> Floor  
Washington, DC 20001  
202.719.3900

**Regional Headquarters Air  
Transport Division**  
1791 Hurstview Dr.  
Hurst, TX 76054  
817.282.2544

[www.TWU.org](http://www.TWU.org)



The TWU-appointed negotiating committee will be assisted by your International staff assigned, economist, and legal teams. In addition, both the AA and AE current negotiating teams will select one representative if applicable from the following to serve on an advisory negotiating committee to a maximum of thirteen members; one Fleet Service, one MCT, one Auto/Fac, one Line AMT, one Base AMT, one Stock Clerk, one Ground School Instructor, one Flight Dispatcher, and one Simulator Technician.

The TWU negotiating committee will be working under the relatively short Section 1113 time frame. The IAC is mandating that at the conclusion of these negotiations you will have the opportunity to vote on any final negotiated term sheet or the debtor's last offer.


The process of 1113(c) will likely move rapidly, but your International and your bargaining committee's intention will be, throughout this process, to protect your interests and to secure the best possible results in light of the circumstances. There is no guarantee that this process will result in an agreement that we can recommend to you or that you can accept. We will, however, make a good faith effort to provide a reasonable response to the Company's position and will seek to reach an agreement with the Company that affords you fair wages, benefits and working conditions.

In addition, if a retiree committee is appointed under Bankruptcy Code section 1114, we intend to seek to participate as a member of that committee on behalf of our retirees.

We will continue to apprise you of the proceedings in court and try to make the process as transparent as possible. As such, the International Secretary-Treasurers office has requested that all AA -AE Locals send in the most up to date contacts for our members in order that we can provide each one of you with the most direct communications during this process. And, again, visit our newly created website: <http://aa.twu.org>.

These are challenging times for you and your family. While no one can be sure how any bankruptcy case will eventually unfold, you can be certain of one thing: the TWU, your union, will meet these challenges head on. We will aggressively fight for you and your family in this case using an incredibly talented strategy and legal team. As I have said, our members have contributed much and sacrificed a lot to add value to this airline.

In solidarity,

  
James C. Little                      Harry Lombardo                      Joseph C. Gordon  
International President              Int'l Exec. Vice President              Int'l Secretary-Treasurer  
On Behalf of the International Administrative Committee (IAC)

JCL: HL: JCG: mo

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c: Gary E. Maslanka, Int'l Administrative Vice President  
Jeffrey L. Brooks, Sr., Int'l Administrative Vice President  
John M. Conley, Int'l Administrative Asst. to the Int'l President  
International Department Directors  
International Staff Assigned  
All AE/AA Local Presidents, Officers, Executive Boards  
David B. Rosen, Esq.  
Sharon Levine, Esq.  
S. Jason Teele, Esq.  
Nicole Stefanelli, Esq.  
Mark Richard, Esq.  
John Donnelly