1. If our contract is rejected by the Bankruptcy Court, what will be imposed, the Company's "ask" before the proceedings began on the Company's motion to reject, or the Last Best Offer (LBO) made after those proceedings began?

The law on rejection of collective bargaining agreements has evolved over the years in ways tha are not favorable to unions or working people. In 2007, in the Northwest bankruptcy, the Court rejected the contract covering the flight attendants after they rejected the Company's LBO. At that time, the Bankruptcy Court stated that the Company could only impose its LBO, not the Company's prior Ask. That ruling, which I commented on in writing at the time, has since been superseded (as has my comment on it), and is no longer the binding law on the issue in the Bankruptcy Courts of the Southern District of New York. The superseding case is the Frontier Airlines case, which was ruled on in 2009. There, the Federal District Court for the Southern District of New York (the district we are in, and the court which reviews all the decisions of the Bankruptcy Court handling AA's filing) ruled that proposals made after the beginning of the hearings on an 1113 motion are not admissible to establish the level of concessions necessary for reorganization. What the Court specifically held was that "under the regime established by Section 1113, proposals and supporting disclosures made by a party after the rejection hearing has begun may not form the basis for concluding whether the 1113 standard has been satisfied, except, perhaps, where the parties expressly agree they may be considered." In other words, absent an agreement to the contrary, the LBO, if it was made after the rejection proceedings began, is not even admissible into the hearings to decide whether to abrogate the contract, much less to define precisely what terms and conditions of employment the company may initially impose.

The Company's "ask" was made before the rejection proceedings began. The LBO was made after those proceedings began. The Company was obviously aware of the Frontier precedent and stated at all times that the terms of the LBO were without prejudice to its position before the Bankruptcy Court. Therefore, there was no agreement to allow the Court to consider the LBO. We, of course, will pursue all legal arguments should we face contract rejection, but the controlling precedent in New York is that the LBO is not even admissible into the 1113 proceedings and that the Company is not bound by the LBO and can impose its prehearing "ask" if the contract is rejected.

Sharon L. Levine, Lowenstein Sandler PC

2. If the Court permits the Company to reject our agreement will we be able to strike?

In 2007, the Northwest flight attendants sought the right to strike after their contract was rejected. The Second Circuit Court of Appeals ruled that NWA did not violate the status quo by imposing concessions on the flight attendants because the court had authorized NWA to reject their contract and also ruled in that case the flight attendants had no right to strike.

Sharon L. Levine, Lowenstein Sandler PC

3. When will the NMB release us or the other AA unions?

It is impossible to know how long we can be kept in mediation, but certain things are clear. The NMB is not quick to issue releases at major carriers. Amtrak workers were kept in mediation for close to ten years and other work groups in the airline industry have amendable dates which precede ours.. The point is that it is impossible to know when we will be able to strike, but it is very unlikely that it will be quick, and in that time much damage will be done.

Sharon L. Levine, Lowenstein Sandler PC

4. What happened during other airlines' bankruptcies, including Delta, United, Northwest, and US Airways bankruptcies?

In Delta, the pilots union and the company agreed to binding interest arbitration, which lead to a consensual agreement. (TWU asked AMR to do this and they refused). In almost all the other instances, the unions and the airlines reached agreements. In Northwest, no agreement was initially reached and the court rejected the contract.

5. When unions have gone forward with 1113 trials, how often have bankruptcy judges rejected their CBAs?

Well over 90 percent of the union cases are lost in major 1113 corporate cases. According to a 2010 American Bankruptcy Law Journal article, since 2001, all 32 CBAs were ultimately rejected by the courts.

6. I am confused, will the judge write our new contract terms?

NO, NO, NO. The judge will only grant or deny AMR's motion to reject our contracts. He will not rule on what is in the contract. If he grants AMR's motion we will have no collective bargaining agreements.

7. Will the judge care about the sacrifices we made in 2003?

No, regrettably that is not what the judge focuses on. The ultimate issue for the judge to decide is what it will take for American to successfully reorganize today, in 2012.

8. If we vote "no" and the judge rejects our contract, which term sheet has AA indicated it will put into effect?

The March 22 ask attached to the Company's 1113 filing.

9. If we vote "yes," will we have a contract?

If you vote "yes," you will be voting to accept the April 2012 last offer of the company. This will become our new binding contract, with a 6-year duration.

10. What is the difference between the March 22 ask (that will go into effect if we vote no and the judge grants the 1113 motion) and the last AA offer of April 2012?

The last AA offer (April 2012) saves about 1300 more Fleet jobs and about 1300 M&R jobs (plus about 700 more through reclass). There are many other differences. For an understanding of the differences, there are side-by-side comparisons and full text language available online for each of our contract groups. PLEASE REVIEW THESE MATERIALS.

11. Will this vote affect the US Airways deal?

No. This vote has NOTHING to do with a possible merger. Even a "yes" vote will not prevent the possible US Airways merger. The issues are legally unrelated. This vote is only about what conditions we will work under at AA, as there is no certainty a merger will take place.

12. If we vote "no," what happens next?

We will await the judge's ruling after the 1113 case is finished. Well over 90 percent of the union cases are lost in major 1113 corporate cases. Based on that track record, many expect we will have our contracts rejected. If this happens, we will have no contract. We will have to negotiate a new CBA (as if it were our first ever contract) While bargaining the new CBA, the carrier has indicated that the March 22 ask will be in place.

13. What is the legal status of our contract if the judge grants AA's 1113 motion to reject our CBAs?

We have no contract at all and we enter into negotiations for what is in essence a first ever contract. During this period, after we exit bankruptcy, there is no status quo protection. This means that while AA is bargaining, the Company may argue that under past court decisions, it can change anything it wants to change (AA has indicated that it will only impose the terms of the March 22 1113 ask—as we would expect. But there is no guarantee that will be the case.)

14. Why isn't the TWU telling us how to vote?

This is too important of a decision—you and your families have to live under these concessionary asks. This is for you to decide. As ugly as they may be, you need the facts. There is no good choice, but there are different options. A "yes" or "no" vote will result in different consequences. Given that this is a unique situation in the history of the TWU, we thought it best in this circumstance to put the last offer out for a vote.