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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 3rd Street NW, 9th Floor
Washington, DC 20001
202.719.3900

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

www.TWU.org



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TO: AA M&R and Stores Membership

Dear Brothers and Sisters:

These are extraordinarily difficult and unprecedented times for TWU/AA members. Never before has organized labor on the property at American Airlines been in such a challenging position. We are currently facing the the threat of abrogation of our contract in bankruptcy court, as well as possible mergers, acquisition, or other corporate transactions involving the carrier. Meanwhile, we also face the uncertainty of working for a management team which may not have the expertise to create a viable business plan, much less a successful strategy to convince investors to finance this airline.

I understand and also feel the frustration associated with the entire bankruptcy process. It is a process designed to ensure the reorganization of the debtor by facilitating concessions, rather than advance the interests of working people; unfortunately, that is how it has worked in every airline bankruptcy. It is far different than the bargaining process in Section 6 of the Railway Labor Act, a position that the bankruptcy judge reiterated several times in open court.

As we move into the final few days before the opportunity to vote on the tentative agreement expires, I urge all members to review the videos available from the professional experts who have represented us in the bankruptcy process, our lawyer Sharon Levine and our economist Tom Roth. While both of these individuals are paid by the Transport Workers Union for representation in the Company's ongoing bankruptcy, neither are on our union's staff and both supply service to other unions.

Ms. Levine and Mr. Roth have been involved with the majority of all airline bankruptcies in the last decade. They both have substantial experience in representing organized labor in court and have mitigated the negative impact on workers during the bankruptcy process. The International has provided their bios and work experience on the TWU website and has given all Local leaders the access to them to ask questions and to review the facts being used by the TWU in court. In spite of the explanation by Ms. Levine and Mr. Roth, a few leaders continue to refuse to accept their counsel. That is their right, but it is important for you to be aware that none of these leaders have supplied alternative opinions or strategies from professionals with comparable expertise.

It is also important for you to understand that the opinion of the TWU's experts is no different than the opinion of the experts hired by the APA Pilots and the APFA Flight Attendants. All professionals associated with this process have been clear that –in the absence of a consensual agreement-- it is very likely that the judge will grant the Company's motion to abrogate our collective bargaining agreement, that such a ruling will impose tens of millions of dollars in unnecessary concessions, and that negotiating a new agreement under these circumstances will be a very long and difficult process.

In addition, the leadership at both the APA and the APFA has also taken the same position as the TWU leadership: *“Approving this LBFO is a step in that process. Our colleagues at APA and TWU are in the same situation. Their leadership and I agree that the best path forward is to approve new contracts and allow American's management to complete their standalone plan”*. Laura Glading - APFA President

“This agreement is clearly not the industry leading contract we all want and deserve. However, it's also important to recognize that if AMR management were to exit bankruptcy before engaging in any potential consolidation activity, our conditional labor agreement with US Airways will sunset and AMR's stand-alone plan will have survived. The tentative agreement therefore represents a form of insurance that limits our downside risk while ensuring that we have a significant voice in the direction of American Airlines going forward. Let me be clear. We have two choices in front of us—we either accept a near-term agreement with AMR management, or we risk abrogation and a tremendous amount of uncertainty about our terms of employment”. Captain David J. Bates APA - President

In difficult situations such as this, one thing I have learned through the years is that when people cannot prevail in an argument on the basis of logic and fact they often turn to personal attacks. One of the latest misnomers circulating amongst the membership is that the Company is paying the TWU professional fees 'if this tentative agreement passes'. The Company has agreed to pay a certain amount of professional fees to the TWU, APA and APFA, which is customary during a bankruptcy process to offset the organizations' costs associated with the bankruptcy. The payment to the TWU and the other unions is not dependent on whether the Mechanic and Related and Stores tentative agreements pass or the substance of the views expressed by our professionals, which has frequently been highly critical of American.

As I stated in an earlier correspondence - In the end, the choice is between the March 22nd offer and the TA. It is the difference between losing 4,640 positions and 2,679, the difference between giving up \$210 million in annual concessions and \$156 million. If others ratify, there is zero chance to reduce the \$156 target without triggering the “me-too” for all groups and virtually no possibility American or its creditors would agree to this additional exposure.

There is no question that we are in a precarious position. Many investors believe that the present level of concessions and relief proposed by the Company is grossly insufficient to solve its financial problems. This view is not lost in the Creditors Committee; it is not sensible to believe that in this environment, if we reject the agreement, either the Company or the Creditors Committee will agree to further improvements. It is incredibly naïve to believe that if our contract is abrogated by the court that the company and its creditors would not take full

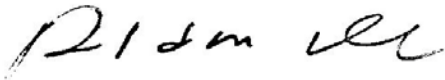
advantage of the opportunity to reduce costs in ways that go well beyond what our members are prepared to absorb, or should absorb. If this were only a nightmare, we could wake up and be back in Section 6. This is not a nightmare. It is a harsh reality that our members do not deserve, but it is a reality we must face, because if we do not matters will become significantly worse.

In 2001 I was approached by a member during a membership meeting and he stated “don’t tell us how to vote, give us all the facts and let us decide we are mechanics, we can make our own determination”. Pretty good advice – don’t tell us how to vote just give them the facts –the membership is a lot smarter than some give them credit.

Before finalizing your decision I believe it is in your and your family’s interest to evaluate the advice of professionals who have actually dealt with this process, particularly as to the likely results of the Company’s motion to abrogate our contract and the additional concessions which will be imposed on our members if the Bankruptcy Court grants AA’s motion. To access the advice of the bankruptcy professionals- Attorney Sharon Levine and Economic Advisor Tom Roth and review other important information go to <http://www.twubkfacts.org> and watch their videos.

In the end it is imperative that you consider the offer carefully before casting your vote.

Fraternally,

A handwritten signature in black ink, appearing to read "D M Videtich".

Donald M. Videtich
International Representative

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