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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



October 2, 2012

TO: AA TWU LOCAL MEMBERS

RE: LINE LOCAL REORGANIZATION

Dear Brothers & Sisters:

Since the filing of the AMR Bankruptcy, there has been a growing concern as to the ability of Locals to continue to properly represent their members. With the removal of the "Baker Letter" from within the M/E contracts, this has become a reality. The Baker letter was negotiated in 1993 (attached) to cover Local officers' salaries at a percentage of represented members on a per capita scale. During Self Determination in 1999, it was negotiated to include the newly formed line Local's Presidents in this formula. In the recent round of negotiations, the M/R negotiation committee decided to remove this provision of the contract.

Today at the Presidents Council in Texas, it was announced that the ATD and IAC believe with the removal of this provision that some Locals that are no longer covered by the LOA will lack the resources to properly represent their members. With this in mind, it has been determined to ensure the future representation of the membership that Locals 561, 562, 563, 564 and 565 will be merged to a single Local to be known as Local 591. In addition, due to the similarities of the workforce, Local 567 and the Dallas DWH maintenance base members will be moved into Local 514. This will create two M/E Locals with the size and resources to continue to represent its members and be financially viable for future contract negotiations.

The following points highlight the additional moves that are required to realign the proper members to the associated Locals:

- New Local 591 will incorporate all Title I and V from Locals 561, 562, 563, 564, 565, 510, 529, Title V 507

- Title II from Local 562 moves to Local 507
- Title II from Local 561 moves to Local 568
- Title II from Local 564 moves to Local 502
- Title II from Local 513 (DWH) move to Local 514

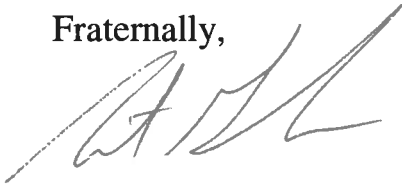
We are requesting that the Locals above receiving these new members take steps to ensure they are properly represented by creating Title Specific elected positions within their bylaws.

The timeline for elections for Local 591 officers will be; send out a notice of elections and an Officer Nomination letters around 10/29/12, close the nomination process on 11/15/12, ballots out between 11/26/12-11/30/12 and votes counted on 12/21/12.

We plan to work closely with all of the impacted Locals and offer assistance throughout this transition; International Executive Board member Richard Boehm has been assigned as the election chairman.

We believe that having two strong and financially viable M/E Locals, with the membership and resources to survive, will help to better represent the membership in the future.

Fraternally,



Robert Gless
Deputy Director Air Transport Division
AA System Coordinator

RFG: kla opeiu-153

CC: IAC
D. Rosen
G. Drummond
R. Boehm
ATD Staff

The TWU ATD at American Airlines

Where we stand today

October 2, 2012



TWU at American Airlines

Specific Issues That Require Immediate Attention

Changes to the CBA and the lack of adjustments to the Locals structure will cause a variety of problems

- Financial concerns and how will Locals be able to support themselves and represent their members both now and in the future
- Membership communication problems
- Current Structure drives disunity rather than solidarity

Baker Letter Elimination

Fiduciary Concern

The Baker Letter (since 1993) provided for Company paid union Officers (based on a membership headcount), this letter was eliminated per the September 12, 2012 CBA for M/R

- All Locals pay officer salaries and will now have to carry the added expense of UB or UBC (i.e. AA hourly wages plus benefits override of ~8%)
 - UBC annual cost for an AMT is ~\$100K each officer
- Declining membership at individual Locals will drive down dues revenue and therefore the ability to fund the added officer wage cost and existing representation costs will impact the representation the members receive

TWU at American Airlines

Executive Summary

The current structure of TWU Locals face contractual and systemic problems that pose a major risk to the future quality of representation

- The elimination of the Baker Letter regarding Company paid union representation will drive up UB costs beyond most Locals budgets
- Locals are not aligned with where their members are located and the Director or VP they report to (e.g. SJU within two hours flight time of MIA however represented by Local out of JFK)

TWU at American Airlines

Doing Nothing Is Not An Option

All TWU represented labor groups will be negotiating as soon as four years from now

- M&R will be changing dramatically in the coming months with over 2,000 Title I and 500 Title II leaving the company
- Realignment should provide for improved organizational communications and enhance commonality of regional interests

Timeline

- New Local 591 will incorporate all Title I and V from Locals 561, 562, 563, 564, 565, 510, 529, Title V 507
- Title II from Local 562 moves to Local 507
- Title II from Local 561 moves to Local 568
- Title II from Local 564 moves to Local 502
- Title II from Local 513 (DWH) move to Local 514

We are requesting that the locals previously mentioned receiving these new members take steps to ensure they are properly represented by creating Title Specific elected positions within their bylaws.

Timeline

- The current locals will remain in place until the new officers are elected, after that time a transition of assets, grievances and representation will be transferred to the new local.
- The recommended timeline for elections for Local 591 officers will be; send out a notice of elections and an Officer Nomination letters around 10/29/12, close the nomination process on 11/15/12, ballots out between 11/26/12-11/30/12 and votes counted on 12/21/12.
- The International Administrative Committee (IAC) has asked that any President with comments please submit to the IAC thru the International Secretary-Treasurers office (Attention- Joe Gordon) no later than 10/24/12.

The Future of the TWU ATD

New M&R Local Structure

The TWU must make changes to meet the needs of the membership for the present and the future

- Merge M&R Locals in to two Locals (Title I and V) *Title II at the Base Local
- Title II outside Base environment will be placed in Title III Locals
 - Title II per the new CBA will primarily support the airport services division of American Airlines which is where all Title III members work. It makes more sense organizationally to place them with Title III Locals, with the exception of Title II at the base.

Locals cannot financially support the cost of UB and salaries and merging is the only way to ensure quality representation for our members

Doing nothing is not an option, by 2015 M&R can initiate early opener clause of CBA and existing structure must be prepared