

January 4, 2013

**RESOLUTION OF THE INTERNATIONAL EXECUTIVE COUNCIL REGARDING  
RESTRUCTURING OF MECHANICS' LOCALS**

WHEREAS, TWU is the collective bargaining representative for various TWU-represented employee craft or class groups at American Airlines (“American” or the “Company” or “AA”), including for the Mechanics and Related craft or class (“M&R”); and,

WHEREAS, there are various TWU “Mechanic Locals”: there are currently eight (8) TWU Locals that include line mechanics (“Line Mechanics Locals”) and three (3) TWU Locals that include overhaul base mechanics; Local 514 and Local 567 are “Base Mechanics Locals” and Local 565 includes overhaul base mechanics among its members; and,

WHEREAS, the representatives of the TWU AA Air Transport Division and TWU examined the issues of whether and, if so, how to restructure the Mechanics Locals in order to: (1) create a more financially efficient Local structure for the Mechanic Locals, and (2) protect and/or enhance effective representation for the members, *see* Report and Recommendation of the TWU IEC Subcommittee Regarding Restructuring of Locals For ATD/Mechanics at American Airlines, and its Attachments (“Subcommittee Report”); and,

WHEREAS, the ATD determined that a restructuring of Mechanics Locals was necessary and developed a proposal for effectuating such a reorganization, *see* Subcommittee Report (the “ATD Proposal”); and,

WHEREAS, on or about October 23, 2012, the IEC established a Subcommittee to examine further whether and, if so, how to restructuring the Mechanics Locals in order to: (1) create a more financially efficient Local structure for the Mechanic Locals, and (2) protect and/or enhance effective representation for the members, *see* Subcommittee Report; and,

WHEREAS, the IEC has reviewed the ATD Proposal and the Subcommittee Report (which reviews comments from members and representatives of Mechanics Locals regarding a proposed restructuring); and,

WHEREAS, for the reasons set forth by the Subcommittee in its Report, the IEC has decided that the Local restructuring recommended by the Subcommittee should be adopted (including its recommendations for modifications of the ATD Proposal) ; and

WHEREAS, officer elections for the new single Line Mechanic Local 591 will be counted on the date as determined below (see paragraph 8(a)) (the “Closing Date”); and,

WHEREAS, President James C. Little, in accord with his authority under Article V, Section 1, provided an interpretation of the TWU Constitution dated January 4, 2013 (the “President’s Constitutional Interpretation”) (copy attached), by which he determined that the IEC has the authority to restructure TWU Locals, including a restructuring of the type described in the Subcommittee Report and this IEC Resolution, *see* below, and to provide for the officer election process described below; and,

WHEREAS, under Article VIII, Section 2 of the TWU Constitution, the IEC “shall be the supreme authority in the International Union,” except during an International Convention; and,

WHEREAS, in the judgment of the IEC, and based on the Subcommittee Report (including its attachments), the restructuring and consolidation of Mechanics Locals will likely in important ways operate more efficiently and effectively, in a financial and a representational manner, than would separate line mechanic Locals -- and therefore better protect TWU member interests; and,

WHEREAS, in the judgment of the IEC, and based on the Subcommittee Report (including its attachments), the restructuring and consolidation of Mechanics Locals will protect Mechanic Employee interests also because (1) protecting and enhancing representation will strengthen TWU's campaign against the current raids seeking to displace TWU as the bargaining representative for the AA M&R (and the current Local Mechanic structure, by weakening representation of members, will undercut such TWU campaign against the raids) and (2) enhanced representation will better safeguard members' dues money against claims that TWU breached a duty of fair representation; and,

WHEREAS, in the judgment of the IEC, and based on the Subcommittee Report and the President's Constitutional Interpretation, the recommendations of the Subcommittee Report should be implemented, and the IEC has the authority to order such restructuring and officer election process implemented, as described below.

NOW, THEREFORE, BE IT RESOLVED:

1. The IEC adopts the President's Constitutional Interpretation and thus concludes, for the reasons stated in the President's Constitutional Interpretation, that the IEC has the authority to implement the Local restructuring (as recommended in the Subcommittee Report) and officer election process set forth below.

2. For the reasons stated in the Subcommittee Report and for the reasons stated above (in the recital WHEREAS clauses, which are incorporated in this paragraph 2 by reference), the IEC approves and adopts the recommendations of the Subcommittee Report and hereby orders that these recommendations be implemented.

3. A charter of Local 591 as a TWU Line Mechanic Local is approved and authorized by the IEC to be issued on the Closing Date as part of the restructuring. The Local

591 Bylaws will be those drafted and provided to the IEC. The Local 591 Executive Board should review these Bylaws and considered proposed amendments, consistent with the TWU Constitution.

4. Locals 561, 562, 563, 564, 565, and 569 will be merged into and all TWU-represented line mechanic AA employees (except those located in Tulsa in Local 514)<sup>1</sup> will be transferred to Local 591 as of the Closing Date.

5. The monies and books and properties of Locals 561, 562, 563, 564, 565, 569 will become the monies and books and properties of Local 591 as of the Closing Date.

6. Locals 561, 562, 563, 564, 565, and 569 are dissolved and their charters will be revoked as of the Closing Date (the “Disbanded Locals”).

7. Further, and in accord with the Subcommittee Report recommendation:

(a) On the Closing Date, all DHW base overhaul mechanics TWU members currently in Local 565 will merge or join with base mechanics remaining in Local 567 into a new “Local 567” and each of these Local members shall on the Closing Date be granted all rights of membership in this new Local 567, as long as they meet all Local 567 membership obligations, except that these transferred members shall not be required to pay an initiation fee to become a member of Local 567 and Local 567 shall amend its Bylaws to provide for appropriate representation of these TWU members; and,

(b) Fleet Service members in San Antonio who are currently represented by Local 514 will be transferred to Local 513 on the Closing Date and each of these transferred Local 514 members shall on the Closing Date be granted all rights of membership in Local 513, as long as they meet all Local 513 membership obligations, except that these

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<sup>1</sup> The Tulsa-located Local 514 line mechanics will continue to be represented by Local 514.

transferred members shall not be required to pay an initiation fee to become a member of Local 513 and Local 513 shall amend its Bylaws to provide for appropriate representation of these transferring TWU members.

8. With regard to the election for Local 591 officers::

(a) The timeline and procedures for such election for Local 591 officers shall be determined by the IAC, including the date the votes will be counted (the Closing Date);

(b) The IAC shall also appoint an election committee to supervise this election;

(c) Any TWU members who will transfer to Local 591 (in accordance with paragraph 4) will be eligible for nomination to Local 591 officer position if he/she has been in continuous good standing in his/her current Local for a period of twelve (12) months immediately preceding nomination for Local 591 nomination; and

(d) Any TWU members who will transfer to Local 591 (in accordance with paragraph 4) will be eligible to vote for Local 591 officer positions if he/she is in good standing in his/her current Local as of one week prior to the last day for voting.

9. The IEC also adopts President Little's interpretation of Article XI Section 3 of the TWU Constitution (also attached hereto and dated January 4, 2013) and determines that this interpretation applies to Local 591. This means that this Local is not limited to fraternal delegates at the 2013 TWU Convention and as stated in President Little's interpretation, "the calculation of the number of delegates [such a local] is entitled to should be based on the number

of its members, when chartered, who have been paying dues to a TWU local for the three months prior to the call.”

10. This IEC resolution will be communicated by the ATD to all ATD Locals. In addition, the IEC resolution will be posted on the TWU and ATD websites and we strongly encourage the Mechanics Locals to communicate (by email postings and all other appropriate means) this IEC resolution to their members.

*Resolution is adopted January 08, 2013 by the International Executive Council.*