

The Association.



THE TWU-IAM ASSOCIATION

March 26, 2019

Brothers and Sisters,

If American Airlines wants to throw down their version of facts from two people who have never participated in a negotiating session, that's their prerogative, we'll throw down the **real** facts from those who **were actually there**.

Fact: The Mediators assigned by the NMB were informed by the lead Company negotiator that he was not permitted to reach any agreement on the most important outstanding issues. In an attempt to break the logjam, the Mediators made an attempt to involve higher ranking Company executives to meet with our Executive negotiating team, including the Association Director and Vice Director. The Association offered to meet where the Director and Vice Director could attend, in Chicago, IL. The Company Executives elected not to travel the next day to meet but have agreed to meet on an alternate future date. Instead of returning to the table to seriously negotiate, the Company negotiators and the Mediators wasted a day going to meet with AA Executives, anyway. Remember, the Company can talk to themselves anytime – they don't need to waste valuable negotiating time in non-productive, one-sided meetings among themselves.

Fact: The Company lead negotiator made it very clear on Tuesday, March 19, in front of the mediators, that AA refuses to bargain further unless the Association made concessions on healthcare and Scope provisions in all contracts. The Association made it clear that we were willing to negotiate on every aspect of the contract, but we were not going to negotiate concessions on healthcare, Scope, retirement and other areas that are **LESS THAN WHAT WE ARE STARTING WITH – WHAT WE HAVE TODAY!**

Fact: The Company's communication, actually signed by senior vice presidents, flatly distorts the proposals made by their negotiators and the positions of the Association negotiators. They are either lying or they are totally ignorant of what is going on at the bargaining table.

Fact: The Association is not divided – there are no IAM proposals and there are no TWU proposals. All of our positions are to benefit all Association represented members and to achieve the best contracts in the industry. We intend to achieve this without bowing to AA's bargaining threats to extremely diminish our livelihoods.

Fact: Every Association represented member has sacrificed through concessions and bankruptcies. We paid the price to save our companies and create the environment for the merger that formed the largest airline in the world. We will not sell out, we will not concede more. It is time for every

Association represented member to make American Airlines understand that they must get serious at the table to finish these negotiations. The Company must hear from you that their miscommunication garbage will not work.

Fact: If American were to have offered to “Guarantee” 15 mechanics per aircraft, into the future, we would sign that scope proposal tomorrow. With 962 aircraft, that would equal 14,540 mechanics. American has never “guaranteed the Association headcount in the future.” It is absolutely clear that AA is attempting to outsource huge swaths of our current scope, including offshoring maintenance work to foreign soil.

Fact: The NMB had ex-parte negotiations with American Airlines senior leadership and four members of senior management had agreed to, on less than 24 hours-notice, “make themselves available for two hours to meet with us, from 8am to 10am, Wednesday morning.” We did not believe 2 hours was enough time and offered to meet all day in Chicago. The Company proved they’re not interested in serious bargaining because they rejected that offer! The next morning, the mediators again met with senior AA leadership, and their negotiating team at Headquarters until 1 pm, which seemed odd since the Senior leadership could “only make themselves available for two hours for the Association Leadership.” More evidence of the company’s deceitfulness. We have now agreed to meet with the Company on April 3 in Washington, DC at a neutral location, in order to close out the agreement.

Fact: Jerry Glass made it very clear on Tuesday, March 19 in front of the mediators, that he had no room to move unless the Association made concessions on the Company’s medical proposal. The Association’s Committee made it clear that we were willing to negotiate on every aspect of the contract, but we were not going to negotiate against ourselves by making concessions on our medical proposal unless the Company agreed to move off their “take it or leave it” demand on our “Health & Welfare proposal” that goes well beyond the medical plan.

Fact: On the morning of Thursday, March 21 the Company explained that they may have something they can do regarding the “Health & Welfare” proposal but they would not know for a while if they would be able to do it. We agreed that we would be interested in fully understanding their “proposed concept” on a piece of the Health & Welfare proposal, but this was only a piece of the puzzle and they still needed to respond with the rest.

Fact: Our proposal is that all “Association Members” receive full retro, from the Company back to the amendable date.

To summarize, our position is based on sound logic that this membership has sacrificed in bankruptcy to save our work, pay for what we have and create the environment for USAir and American to merge into the largest airline in the world. There is absolutely no reason to give up any more! There is no basis for the Company to demand more in concessions because American is reaping record profits.

Let’s not forget that Doug Parker said, “We’re never going to lose money again.” Is this another play on words, and Doug actually meant the “We” as in only him and his leadership team? While negotiations are about give and take, American thinks they can fool us with hourly pay offers while they take everything else that matters. They call it the “Best Contract in The Industry?” Not by a long shot with their take-it-or-leave-it proposals.

The truth is AA is hell-bent on capturing massive concessions for each and every station and workgroup, leaving us with far less in real compensation and loss of security for the far fewer remaining jobs. Their promise of “you will have a job” doesn’t come with any promise of keeping

the work you do, replacing workers as they leave the workforce or advancing our seniority for shift, day off improvement or choice of other work as those workers leave the seniority list. What it does come with is a guarantee that your seniority will mean less in the future than it ever has in the past.

There are only three scheduled days of negotiations left with no additional dates scheduled by the mediators. Those dates are April 23-25 in Fort Lauderdale. It appears that we are headed for a very long and hot summer, remaining behind our peers in the industry.

Fraternally,

Your Association Negotiating Committees

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