

**Question part 3 of 3- Submitted via website for TWU Town Hall Call. (Questions as randomly written pertaining to chapter 11. Only employee numbers removed)**

**Christopher Sanchez**

My Name is Christopher Sanchez. My Question Is there a platform for members to present ideas which offer financial reward for it's participants?

No.

**Daryl**

With ObamaCare it is my belief that a lot of companies are taking drastic action to eliminate or reduce their costs because NOBODY knows the cause and affect relationship this bill will have done the road. Because the Caps on insurance have been removed AA has terminated our Supplemental Medical Insurance. Where did all this money go?

Supplemental medical is still available once you retire. The money is paying those claims.

Would it be feasible to get a REAL UNION Sponsered Retiree HealthCare Plan for those of us ages 55-65 administered by the TwU?

We are looking at all possibilities

If this outsourcing of jobs for Fleet Service is implemented my concern if an employee is injured there literally will be no light duty Jobs.. IE Encoding..... How can we insure that our members are protected if these light duty jobs go away?

Light duty jobs are not contractual

The November 2011 TA is a stark reality that AA was more than happy with that deal and NOW 60 days latter they WANT IT ALL. We have been duped in the past. Why should we believe now that they are telling the TRUTH? The court has to be provided with full disclosure. I do not see any BATTLE cries from AA this time" Share the Pain"!

**Kevin Harris**

Does the union, attorneys, and financial advisors for the union honestly believe there is anything they can do to change the number of layoffs and amount of outsourcing the company is asking for?

We are hoping to negotiate reduced layoffs and outsourcing.

**Dennis Herrig**

Are the courts going to look at all the concessions we made and the few our management made?

(Answered on call: "Yes and no. we need to understand the 1113 law and the harshness of the bankruptcy process – it is a math issue: what amount does the airline need to successfully emerge? Is the business plan viable and is our amount needed under that plan? Are classes of stakeholders being equitably treated? Here we can raise our concessions and undeserved management bonuses, but again, this is a business exercise moving forward.

Will they look at how top heavy our management is, as compared to say, Southwest?

No.

They always try to compare us with Southwest, but never themselves.

If they're really trying to save AA, why don't they reinvest their bonuses and give up wages, holidays, sick time, and vacation time like us.

I find it disgusting, that they take bonuses, while we're still giving concessions.

### **Jeff Fencik**

My name is Jeff Fencik (this is the only way American knows who I am). I am married and have 6 boys, three of which are identical. Their ages are 12, 10, 6, 3, 3, and 3. I am a fleet service clerk with 20 years of service and am 41 years old. I am a member of TWU513. This proposal will affect me and my coworkers through out the company directly in our pay and benefits and not Upper management. I am sorry if this is long but my question will be at the end. Please bear with me.

I have looked at American's Business plan and their proposed gutting of our contract. I don't see where we will have much left and am hoping we are going to "fight like hell" to preserve, as much as possible, what's left of our 2003 contract concessions (which management refuses to acknowledge). I do not see anywhere where American management is specific on where they are going to generate real revenue on their end except through the gutting of all labor contracts and hoping things work out for them economically. All money generated will come from union and non union concessions, productivity, and outsourcing. It's important to note that none of Management generated plan ideas have worked in the past (turn around plan, pull together win together, we know why you fly, and more) and we are now on yet another new one "The corner stone plan". Tom Horton and others of management have been apart of all of them. American lasted this long because of the 2003 concessions. They took our pay, they asked everyone from every department to submit cost savings ideas and took them too and rewarded themselves. They also supposedly did a top to bottom review back then as to how to turn American Airlines around. What were their results then? When we did post profits; they initially didn't want to pay us then too- just themselves. It took the board of directors to change the AIP plan.

My question: Is AA management going to be asked to be more specific where they are going to generate real revenue dollars minus labor savings and how they specifically are going to do that long term year over year without forward thinking or assumptions built in? **Yes. The business plan is being evaluated by our professionals.** I don't believe that new aircraft and vendor contract changes are going to do that. Will AA management be asked to lead and lead by example not in words but in action regarding pay, bonuses, retention bonuses, stock options, and their golden parachute? **AMR has not shared any specific details of management compensation, but will be subject to creditor and court approval.** Tom Horton was quoted in the local paper as stating his reputation on this plan. He should be asked to go all in and eliminate any and all compensation for failure to produce on his end. Although I know this is not how the corporate world works, its worth exploring in the end.

In closing, I would like to note that although management may devalue me, I do not. I never devalue what I and my coworkers do. We work hard for a company that is run 24 hours a day and 365 days a year (in all weather extremes) that includes weekends and holidays. I for myself am responsible for every facet of the ground operation and proud of it. We are the face of American Airlines and I love what I do. I feel this is a great airline that is grossly mismanaged. Ultimately, I understand painful decisions are going to be made- "Fight like hell" for every thing you can. We are in it together. I am proud to be TWU. I have included a photo of my family to put a face to a name, a union member, and dedicated employee of American Airlines.

### **Walter C Griffin**

Is American Airlines going to give our Prefunding back to its employees?2.Did the Company &the TWU International come to an agreement yet relating to the Company s proposal or the Company s Ask?3.What is the Company to do with the Retiree medical?4.If the employee doesn't retire ,Will he or she be covered by their medical?5.What happens if the employee retires before 55 years of age and after 55 years of age?6Which dept in JFK going to be outsource in a couple of month. How many Part timers&Full timers will be laid off from JFK station? Does it go by Seniority?How many Crew Chiefs?2.What happen to our pensions?

**The Negotiations Committees are meeting and discussing these issues. Nothing has been finalized at this time.**

### **Lenny DePalma**

I would like to know if the issue of AA compelling the foreign carriers to outsource their fleet service work at JFK is being addressed at the bankruptcy proceedings? It seems to me Mr. Little turned his back on this issue once before and now with the prospect of an impending RIF stemming from the bankruptcy, How do we justify TWU members going to the street while the likes of Swissport, CAS and ASIG remain on the ramp doing work that used to and still should be done by the TWU?

**Same answer as above.**

### **Perry**

Questions I have ... On SEC AMR form 8-k October 19,2011 file #1-2691 PAGE 10 it shows the average equivalent number of employees ...American Airline employees at 67,000 and OTHER at 13,700. News release at the time AMR reported the total American employees at 83,000. We would like to know what employee group is in the (OTHER) . Same page---Regional affiliates..excludes a \$800million and a \$676 million incurred related to regional affiliates sound like a sabre deal . FORM 10-Q AMR October 14,2011 page 17 AMR Eagle (spinoff) master purchase agreement We American Airlines purchased assets 47 CRJ700 and 216 Embraer / engines and other equipment. Purchased asset for Eagle/Excutive (ground operations). Page 23 GDS discussion: American Airlines court complaint against SABRE did we not build (pay) for SABRE? This sounds like what we are doing with AMR Eagle...We are giving them money and assets to build their company and it will end up like sabre... Page 7 prior to sell off...American Airlines entered into Air service agreement ...this agreement provides a wide range of services such as fleet services,baggage handling,aircraft cleaning,passenger ticking,skycaps,special services...Page 15 read Ground handling services---they have 7,100 aviation professionals and 6,400 ground handling employees...Page 33---Separation and Distribution agreement ...SPIN OFF...Transition services agreement and Information agreement ...nine year air service agreement,eight year ground handling services,16 year master facility agreement..page 58 Agreements with AA ..read it sound like sabre all over it...Page 128 Bussiness ground handling services-AA ground services will be gone. Page 140 ground handling industry..go back to Page 132 ground handling services broad geographic foot print they service delta, us air, and many other large airlines.....Page 144 our ground handling Business...Page 148 aircraft maintenance,training.Page 156 Maintenance hangers we gave back..... Page 173 Master Facility agreement there goes our buildings soc,fta,sro,hdq...Page 186 Executive pay. Page 265 notes to consolidated finanical statements. In the master facility agreement we will loose all facility,ground services, fleet services,baggage and other services to AMR EAGLE.. how is TWU going to back AA and EAGLE AT THE SAME TIME? **TWU intends to represent all of its members under the AMR umbrella – Period.** Thanks Mike Perry..Facility maintenance mechanic 26year GSW..... aLL this information I got came from SEC.gov ..... AMR EAGLE and AMERICAN AIRLINES,INC.

**John Kline**

Question Did Twu have an agreement with company during 2003 concessions that company would not ask for 1113 modifications if they filed bankruptcy?

Yes.

Follow up If so why is not still in effect since we are still working under those concessions.

It is not enforceable in bankruptcy court, as the company's financial condition further deteriorated.

Question. Can the international put a industry standard comparison for each item asked for in the 1113 ask. So members can see where company is coming from compared to Ual Delta Swa Usair.

Negotiations Committees and professionals are working on comparisons and counters to AA requests.

What is Twu Position on allowing non licensed mechanics {osm} into field operations?

We are not aware of any proposal, and cannot see any practical application in the field.

Is the Twu more interested in keeping as many jobs as possible even if low paying non A&P or keeping Pay and benefits and work rules Intact. {I.E} What will strategic be, there will be losses one way or another but what course will the twu choose?

What kind of economic value is changing recall rights to 5 years instead of 10? This seems to be personal attack against current employees.

(Same as above). Our Committees are doing all possible to maintain a quality of life for our members, but are faced with major concessionary asks. They know it is equally important to keep our compensation at the highest levels possible.

Is this a vaild letter and why is not in play?

Yes. It is not enforceable in bankruptcy court based on our experts and attorney review, as the company filing in chapter 11 submitted and excepted by the court indicated further deterioration in its financial condition.

**ATTACHMENT D Terms of Bankruptcy Protection Agreement**

American Airlines and AMR ("the Company") and TWU (the "Parties") expressly acknowledge and agree that the modifications to the TWU Agreements described have been negotiated in good faith by the Company and the TWU on the basis of the best information currently known to the Company, with the intent and goal of avoiding reorganization under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code"). The Parties currently hope that this goal can be achieved through, among other things, (1) the non-labor cost reductions identified and implemented by the Company to date and (2) the labor cost reductions provided in the AMR Restructuring Participation Agreements by all of the Company's union-represented labor groups, as well as by its management and non-union employees. The commitments in this letter shall not become effective unless and until all of the AMR Restructuring Participation Agreements have been ratified and become effective. Nonetheless, the Company agrees to the foresaid commitments during the ratification process, provided tentative agreements between the Company and the TWU on a restructuring agreement, are reached, and the TWU agrees to submit the tentative TWU Agreements to ratification by the membership, with the final ratification vote to be counted no later than April 14, 2003.

The Company agrees that if a petition for bankruptcy is filed with respect to either American Airlines or AMR Corporation, that neither the Company nor any affiliate will file or support any motion pursuant to

11 U.S.C. Sections 1113 seeking rejection or modifications of, or relief or interim relief from, the AMR Restructuring Participation Agreement (a "Motion") unless the Company's financial condition materially deteriorates, subsequent to the date of this agreement, from the financial condition projected in the Company's business plan provided to the TWU and to the other unions on February 19, 2003, during the negotiations of the AMR Restructuring Participation Agreement, whether because of general economic conditions or otherwise. The Company and its affiliates further agree to actively oppose any such Motion if filed by another party subject to same conditions as outlined above in this paragraph.

The AMR Restructuring Participation Agreement shall not terminate upon the filing by the Company of a bankruptcy proceeding. However, it is expressly recognized and agreed that if for any other reason the AMR Restructuring Participation Agreements are not completely and unconditionally ratified and effective, the above two paragraphs are inapplicable and shall have no force or effect, and the Company may make or refrain from opposing any such Motion with regard to the TWU's Agreements.

Upon the AMR Restructuring Participation Agreements becoming ratified and effective, the terms and conditions set forth in paragraphs 2 and 3 above shall remain in effect and apply.

In the event the Company determines that it is necessary to consider modifications to the AMR Restructuring Participation Agreement, or issues which may arise in the event of the Company's inability to implement other elements of the restructuring plan, or the status of the Company's current pension obligations, the Company and the TWU will meet promptly for this purpose.

In the event a petition for bankruptcy under the Bankruptcy Code is filed by or against AMR and/or American Airlines:

The Company will not object to the appointment of a TWU representative to the official committee of unsecured creditors.

AMR and/or American Airlines will endeavor, subject to the applicable provisions of the Bankruptcy Code, to propose a Chapter 11 bankruptcy plan of reorganization which provides TWU with; Equity securities in the reorganized AMR in the same proportion compared to those received by the other unions in the Chapter 11 bankruptcy plan of reorganization as the proportion of the total union equity securities TWU was to receive in the TWU Stock Option Plan described in Attachment C to the AMR Restructuring Participation Agreement and;

The corporate information review rights described in the AMR Restructuring Participation Agreement.

### **Victor J. Gonzalez**

Q1- If AA and the TWU come to terms on an agreement and as expected the terms affect the majority of fleet service workers, if we assume the agreement is voted down where does that leave us?

In a hearing in bankruptcy court, where the judge will rule on whether or not to abrogate the contracts and we would start over like agreements never existed (at-will employees).

(This question was on town hall and phrased as: If a majority of us turn down a TA if one is reached, what happens? Jim's answer: "Members own this union and run this union. That is why I have said that every TA, if reached, will be voted on. If no TA is reached, at some time before the judge rules on rejecting our entire contract I am putting that out for a vote. Before the judge's ruling is final I want direction if we should take the last offer (as oppressive as it will be) or take our chance in court (where other unions have not done well. It is a hard choice and TWU members will decide. As to your question, if we vote down a TA, then the judge rules on our pay, benefits and working conditions.")

Q2- Does Jim Little have authority to accept an agreement on behalf of the TWU or accept an agreement reached between our TWU negotiation team & AA or does an agreement have to be voted on by the membership per the Railway Labor Act?

The TWU International Administrative Committee has said that the final agreement will be voted on by the members regardless if we can reach a consensus.

Q3- Do we have or will we have a breakdown and value/cost of each requested giveback or agreed upon giveback such as what is the value of lifting the entire ASM cap?

Yes, the negotiations teams are reviewing and analyzing all this information.

Q4- If a vote is taken by the TWU will the voting be done by all the members?

Voting will be by each contract group.

Q5- At this point do we have any ideas or a plan that can keep all the jobs the company wants to outsource as Union jobs, being it doesn't look like the company wants to reduce its workforce but only replace the Union workers?

The negotiations teams are reviewing and analyzing all this information.

Q6- Can we make sure we have a snapback in place with any agreement as 6 year CBA would set us back another 20 years just like the 2003 cba did and expectations and reports say American Airlines should be showing a profit within a year or TWO form now?

The negotiations teams are reviewing and analyzing all this information, and has a similar proposal.

Q7- What will become of most our TWU Locals if American Airlines outsources all its stations but the 13 as reported?

This issue will be reviewed after the bankruptcy process is complete.

Q8- What will be the TWU International's recommendation to the members on how to vote if the majority of Fleet service clerks will be affected?

As we have stated before the members have that opportunity not the International. As our members know we have made recommendations in the past to avoid the Bankruptcy process. Each member of the respective contract group will have to make that decision, or the court will make the decision.

#### **Terry Grosshans**

How many AMT's in Tulsa will be reduced to OSM status. And will retirement attrition effect that number?

The negotiations teams are reviewing and analyzing these scenarios.

#### **Nancy Lulick**

How many AMT's in Tulsa will be reduced to OSM status. And will retirement attrition effect that number?

The negotiations teams are reviewing all information and analyzing these and other scenarios.

#### **Shawn Heaton**

Mr. Little, Thank you for your efforts on our behalf.

Most of us have different priorities on what we want the union to fight for. Nobody wants to take a pay cut. But I think the union's main responsibility is to fight for our jobs. We can get the money back but

once the jobs are gone, they usually stay gone. If we lose 4200 jobs, that is almost half of our fleet service members. Can you give us an idea of how the TWU is prioritizing our ask list? Are jobs the number one priority?

We believe every job is worth fighting for but at this time we are unable to answer until after negotiations are completed. (This was answered on call. The question was paraphrased: "Is saving jobs a priority?" Answered by Jim: "No thanks necessary-this is what a union is about. Yes we are trying on many fronts to mitigate all concessionary asks, but we know we are going to take a hit. That is the reality of bankruptcy and the reality of a mismanaged company that is losing billions of dollars and who squandered our 2003 concessions. YES, one of our top priorities is saving jobs. We are studying the issue every day.")

Being part-time is better than being on the street, but if the company lays off 4200 and then makes many of the remaining clerks part-time, we won't be able to make a living. Is the union fighting the elimination of the part time floor and the part-time overtime rules the company wants to change?

Is there any chance current TWU members will get to keep our pensions and not have them frozen or terminated? Is the union fighting to keep pensions active for current members?

The negotiations teams are reviewing and analyzing every possible scenario.

#### **Anonymous**

Will the International try to seek out some companies that may offer pre age 65 medical insurance to our members giving senior people a chance to retire rather than work till age 65?

Yes.

Is it still possible to retire at 55 and receive a check?

Not from AA at this time.

#### **Frank Slipper**

I would like to know why utility persons are not accruing seniority in fleet service after the company promised to move them before 1995 ? The company was supposed to put utility people in plant maintenance man positions or fleet service ! Why didn't the company fulfill that promise ?????????? Will they and did the union know about this ?

The original letter on page 260 of the 1995 Maintenance Agreement In review , only individuals that ever earned dual seniority while performing their normal duties were the Ground Service Men whose Title IV duties were being assimilated into Title III.

Here is the reference:

Page 309, Par. (A) Of the 1995 Maintenance Agreement states "Effective date of ratification, all Title IV Ground Service Employees will begin accruing Title III Seniority".

#### **Todd Seller**

Are any questions being raised as to why all groups except the pilots 401k will be at 5.5% match, but they (pilots) will be at a 13.5% company contribution (no matching required)?

The pilots presently have two pension plans – they negotiate these plans.

**David Edmiston**

What is being done to save facility maintenance jobs at headquarters? And, has there been any progress? If no progress is being made, when will lay off notices be issued with options?

The negotiating team is analyzing and reviewing the data at this time. (Answered on call: "Right now at AA's Flagship University outside of DFW, seven separate TWU bargaining teams are working around the clock. There are TWU lawyers and economists on site. We have asked for many documents and information to be produced so we can analyze what the company is demanding on facilities jobs and all the other jobs. We do not have direct answers from the company yet to all our questions, but your presidents are doing a great job, working through the weekend and as long as it takes to get the answers we need. We will not take any job for granted; we will fight like hell for all our members.")

**Charles Edmiston**

How many facility maintenance jobs will be kept at DFW? When will rif options be completed and posted?

The negotiating team is analyzing and reviewing the data at this time.

**Randall Totty**

Is there going to be any chance for a buy out offer from AA instead of just laying off people?

The negotiating team is analyzing and reviewing the data at this time.

**John Johnson**

Has the company made any specific plans for class II station aircraft mechanics staffing?

Not at this time however, the negotiating team is analyzing and reviewing the data at this time.

If a station is closed do to the 20 departure rule and it is opened at a later date, would the TWU represented employees that were laid off have recall rights before it is opened up for system bids?

We will nont know until the entire CBA is completed.

**Robert Megiel**

If the COMPANY/MANAGEMENT think it is necessary to outsource our jobs do to high labor costs, Can the UNION/CREDITORS make a proposal to OUTSOURCE MANagements JOBS? Why can't we get a Management Company to run AA? If it is a cost savings to outsource our jobs, then it has to be a cost savings to outsource theirs!!!! May be we can get a Management Company from China or India to manage AMR?

Anyway I think you understand my question.

What says that after these "NEGOTIATIONS", that the company just won't go to the judge and get everything they want anyway?

If consensual agreements are not reach AA will go to the judge. (Bankruptcy code covers agreements that are ratified)

Will we be able to "bump" / relocate if we have enough seniority?

That would be our position under the current CBA, but is subject to this process and the results could be devastating if the CBA is rejected by the court.

**Anonymous**

Will we be able to collect our pension at 55 years of age if the pension plan is terminated and turned over to the PBGC?

Yes, but at a reduced rate.

If two AA Clerks are being outsourced from a small station, both Full-time, but with 24yrs and 32yrs of seniority, will it be possible to be laid off at the same time, in case layoffs are done in waves. Would the senior of the two be able to wave seniority to go with the least senior? We have requested, but not sure if the company will accept a stand in- stead during the Bankruptcy process. (Hardship) Or is that just not possible anymore?

Not possible under our present CBA.