

TWU NEWSROOM

NEWS RELEASE

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TWU Members Reach Tentative Agreements at American Airlines

Maintenance and Related and Stores Workers Achieve Improvements from Previous Offers

Dallas – Members of the Transport Workers Union at American Airlines have reached new tentative agreements with the company for workers in the Maintenance and Related (M&R) and Stores bargaining units, the union said today.

“Our strategy to keep all of our options open and fight for fairness for all of our members is working,” said TWU International President James C. Little. “These two new agreements represent an improvement from the company’s previous offers and its motion to void our contracts pending before U.S. Bankruptcy Court. We will now present these tentative agreements to our membership for their final decision.”

TWU Local Union representatives on the M&R and Stores negotiating committees have been in difficult and protracted discussions over the last two weeks attempting to reach a tentative agreement.

The decision to accept the company's improved offers as tentative agreements concluded with a majority vote late today. This decision recognizes that these agreements improve the terms in the company’s motion before the judge under Section 1113 of the U.S. Bankruptcy Code, which is scheduled for a ruling on August 15.

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The tentative agreements announced today will be put to TWU members for a membership vote to conclude sometime around August 8. The results of the vote will be available before a ruling from the U.S. Bankruptcy Court on whether to void current collective bargaining agreements for M&R and Stores workers.

The agreements include a 3.0 % pay raise upon signing for M&R workers and 3.5% for Stores workers. Health insurance coverage has been improved from the previous company offer. The six-year agreement includes a market readjustment, based on industry compensation after 36 months and a full contract RLA Section 6 re-opener after four years.

AMR, the parent company of American Airlines, entered bankruptcy in November of 2011. The company had demanded hundreds of millions in cost reductions from TWU members and other workers. Contract offers based on these demands were rejected by M&R and Stores workers in May of this year.

Members of five other TWU work groups – fleet service clerks, dispatchers, ground school instructors, maintenance control technicians and simulator technicians – voted to ratify their respective agreements.

Following a new round of negotiations with the Allied Pilots Association which lessened by 15% the cost reduction demanded from AMR pilots, the five TWU work groups with ratified agreements negotiated new, improved agreements in June, based on “me-too” clauses in their contracts.

The M&R and Stores tentative agreements, if ratified by the membership, will also now contain "me-too" clauses. The parties also agreed to provide for equity claims to be negotiated between TWU and AMR based on the offer proposed to the APA pilots, subject to court approval. This mirrors the rights given to TWU's other five contract work groups who already have ratified contracts in place.

“We made the case very aggressively to the company, and now we have tentative agreements for review and action by our members. These are still concessionary and painful deals, but we continue to fight in real ways to lessen the impact of these changes on our members and their families.”

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Transport Workers Union of America (TWU) represents 200,000 workers and retirees, primarily in commercial aviation, public transportation and passenger railroads. TWU represents some 26,000 employees at AMR. The union is an affiliate of the AFL-CIO.