

The Association.



THE TWU-IAM ASSOCIATION

March 22, 2019

Brothers and Sisters,

This week, American Airlines not only continued to slow roll negotiations, **THEY ACTUALLY JUST STOPPED.** American's arrogance and obstinance at the table is a tell-tale sign of their mistaken belief that this membership is okay with them forcing massive concessions on us in Scope and several other Articles. Without Scope, all else in the CBA is of little consolation because our quality of life is further and forever diminished. Their reluctance to move beyond their current table position that eliminates thousands of more jobs, by obliterating our members' ranks, is directly correlated to this flawed belief that each of us is okay with letting American's Leadership Team stuff hundreds of millions of dollars into their pockets at our expense.

This week it was made clear that American's Negotiating Committee has been neutered and powerless in their ability to negotiate anything that is open. In fact, they had to take the entire Wednesday morning to go to headquarters and ask the top executives for permission to negotiate. It was clear they were denied permission since the only answer to any discussion was "NO." Neutered might even be to weak a word to describe their lethargic and disrespectful demeanor.

The Association and American's positions on the big issues that remain open are below:

ARTICLE	ASSOCIATION'S PROPOSAL	AMERICAN'S DEMAND	AMERICAN'S ANSWER THIS WEEK
SCOPE	Preserve the work we do today with minimum headcounts and grow as the company grows	Reduce the number of jobs on the seniority list by thousands and thousands	Not open for discussion. Our position is our position
WAGES	The best overall pay in the industry and guarantee industry-leading profit sharing	Delta plus 3% and keep current <u>AA</u> (1.4%) profit sharing	Not open for discussion. Our position is our position
	Annual industry wage comparator reset	No annual industry wage comparison reset.	Not open for discussion. Our position is our position

PENSION	Maintain the defined benefit pension plan, plus additional in 401(k) to be the best retirement in the industry. All paid by the company.	Abolish the defined benefit pension plan. Replace with 5% defined contribution plan with a 4% match	American isn't sure what they want to do. Our position is our position
MEDICAL BENEFITS	Maintain superior LUS medical plans with existing cost caps as added options for all Association members	Eliminate all LUS medical plans and restrict choice to the inferior LAA plan at uncapped cost	Not open for discussion. Our position is our position
RETIREE MEDICAL	A bridge for retirement utilizing accrued sick time and other retiree insurance benefits	Eliminate bridge to retire medical for all members and retirees left to fend for themselves	Not open for discussion. Our position is our position

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 American 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 23rd – 25th in Fort Lauderdale. It appears that we are headed for a very long and hot summer, remaining behind our peers in the industry.

The Time to Prepare for a Potential Lockout by American is Now!

Fraternally,

Your Association Negotiating Committees

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