


TWU NEWSROOM



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For further information contact:
Jamie Horwitz, 202/549-4921
jhdcpr@starpower.net

SHARE AND SHARE ALIKE – TRANSPORT WORKERS UNION TO NEGOTIATE NEW CONTRACT WITH AMERICAN AIRLINES

Citing a Return to Profitability, 800 Percent Increase in Share Price, Successful Labor/Management Partnership and Millions of Dollars in Executive Compensation, TWU Calls for a Return to the Bargaining Table

DALLAS – American Airlines’ largest union, the Transport Workers Union of America, representing more than 27,000 ground workers including Aircraft Maintenance Technicians (mechanics), today announced that it is reopening contract negotiations with the nation’s largest airline. Negotiations are expected to begin in November.

“American’s leadership has told us in recent years that workers and managers should ‘share the gain’ as well as ‘share the pain,’ ” said Transport Workers Union (TWU) International President James C. Little. “Profits are up, the share price is up and our members have improved the airline’s bottom line by in-sourcing work from other carriers and finding new ways to boost productivity. The gains are there, it’s time to share.”

Last week, the company announced that its 2006 profit was \$231 million. The stock price was trading near its 52-week high of \$41, an 800-percent increase over the share value of \$5 in 2003. Under the company’s executive compensation plan, roughly 1,000 company executives could end up splitting as much as \$218 million in stock payments in April based on today’s share price.

“We’re pleased the company is doing so well,” said Little. “We know that much of this success is directly tied to our highly profitable partnership with the company that has streamlined the maintenance process and brought more than 50 customers, including many foreign airlines, into American’s hangars for repairs.”

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Over the past three years, American Airlines' management and TWU members have partnered on a redesign of the airline's repair facilities. As a result, instead of 800 mechanics working the usual 25 days on a complete aircraft overhaul, the process is now completed in 13 days with just 450 personnel. The cost has been reduced by 55 percent.

American's repair facilities have become a major profit center for the airline. Many U.S. airlines send their planes to South America for major repairs. The opposite is true for American. South American airlines are flying their planes to American's facilities in the U.S. for maintenance because the partnership between TWU and American has resulted in new efficiencies and cost competitiveness. The partnership is expected to bring in \$100 million in revenue from outside sources in 2007 and a projected \$175 million in 2008.

The TWU/airline partnership also has produced significant improvements in Fleet Service as members working with local management have saved the company millions of dollars through shortened flight turnarounds and innovative scheduling enhancements.

"This is a real test for the partnership," said Little. "Our members tightened their belts, rallied around this airline and kept it out of bankruptcy, boosted productivity and put American's balance sheet in the black. Other union partnerships have not produced the same results. The gains need to be shared with the people who generate new revenue and keep the planes flying."

Gary Yingst, the director of TWU's Air Transport Division, will be the union's lead negotiator. Between now and May the union will solicit proposals from its local unions at American and communicate with members about bargaining strategies. The union is responsible for contracts covering seven work groups at American: Aircraft Maintenance Technicians and Related, Stores, Fleet Service and Ground Service, Technical Specialists, Flight Dispatchers, Flight Simulator Technicians and Ground School Instructors.

The Transport Workers Union of America represents 125,000 workers primarily in commercial aviation, public transportation and passenger railroads. More than half the union's membership works for commercial airlines. The union is an affiliate of the AFL-CIO.