



TRANSPORT WORKERS UNION OF AMERICA

AFL / CIO

LOCAL 562

**AIRCRAFT
MAINTENANCE / STORES
Rostons Title II**

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MEMBERSHIP UPDATE FROM THE VICE-PRESIDENT OF LOCAL 562

Brothers and Sisters;

In April of 2003, the unionized employees of American Airlines agreed to massive and unprecedented concessions in order to save American Airlines from bankruptcy. Management at that time promised that this would be a “shared sacrifice,” and that all employees would share in the burden of turning the Company around.

The TWU, APA, and APFA agreed in good faith to “work together” with the Company. Joint Leadership Teams and PLI teams were started and we were all encouraged to participate. Goals and targets were set to streamline the Company and improve efficiency. Our input was encouraged by management, with the promise of “shared sacrifice”. Admittedly, I was very hopeful that this process represented a change in Labor-Management relations at American Airlines. I freely embraced these ideas, especially since they had been proven successful at Boeing and Continental Airlines in improving the pay and compensation for the unionized workers. I had the opportunity to review the UAW contract at Boeing, and the IBT contract at Continental. I feel that those contracts are superior to what we have here. I felt that this was an attainable goal for us. Until now.

It was recently announced that senior members of American Airlines management will be granted significant bonuses for 2007. These bonuses are based on the performance of shares of AMR stock.

Current forecasts predict that these bonuses could amount to \$192 million dollars, to be split amongst senior management employees. These bonuses will be paid out in April of this year.

On February 7, 2007 John Iuliano, President of Local 562, along with other line Local Presidents will meet with Bob Reding (Senior VP Technical Operations). The outcome of that meeting will determine what, if anything we will get for our sacrifice.

The rank and file employees at American Airlines have not benefited from the success of American Airlines, which is due in large part to the sacrifices that we made. I continue to believe that labor-management relations can be improved, like at Boeing and Continental, but only if management does its part to share in the success that we have all contributed. The TWU has done its part. Contract negotiations are set to begin this November, but we should not have to wait that long. The Company can present a good faith effort to us now; that restores our contract to pre-concessionary levels.

Corporate America must be made to understand that the issue of excessive executive compensation will not go away. Excess executive compensation goes right to the heart of the survival of middle class America. All unions have an obligation to bring this issue to light, and to make credible attempts to correct the problem. As union members you can help by taking the time to contact your representatives in Washington, and let them know how concerned you are on this issue.

The Presidents of the Line Maintenance Locals (JFK, MIA, ORD, DFW, LAX) are working together to restore our contract. We must also continue to work together with the other TWU work groups, the APA, and the APFA. As unions, the key to our strength is working together.

**Fraternally;
Peter Corabi
VP Local 562**