



TRANSPORT WORKERS UNION OF AMERICA

AFL /CIO

LOCAL 562
AIRCRAFT
MAINTENANCE / STORES
Bostons Title II

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February 7th 2007

Mr. Reding,

I am here today speaking on behalf of the membership of my local (562), some of the members of my (culture/leadership/incentive) committee and also from the feedback I received from the officers/board members of the other locals and their membership that feel the same way. Much has been said since the announcement of the PSP payout. It is very serious on the shop floor and words alone cannot describe it.

Their should be a mutual recognition by both parties (union/management) and it must be well understood business performance/cost reductions that connects with incentives (rewards) creates a culture of achievement and ultimately leads to enduring organizational success. We all must know the value of employee involvement and how it translates into a better bottom line (profits).

Senior management assumes that there is a general level of satisfaction throughout our company. Nothing is further from the truth when it comes to the rank and file I represent.

I've been an employee with A/A 17 years and I question our culture that is if we have one, is it a rich culture? The employees of this company are your greatest asset. If culture is uniquely a creation of leadership, what has been created at our company?

I was invited by management to visit Continental Airlines operation at (EWR) and the Boeing plant in Long beach California last year which are frequently used as a benchmark for productivity and profitability. It is evident that they see value in having incentive plans that are closely aligned with

productivity improvements and revenue sharing. The Boeing plant has a plan called "gain sharing" that compensates workers based on improvements in the company's productivity. It rewards employees for instituting ways to save money with a payout and Continental Airlines also has a plan called "enhanced profit sharing". It pays out based on the company's profit and cost reductions. If this is truly a joint effort "pull together/win together", "share the pain, share the gain" then I now ask you to consider the list of incentives before you and meet with our leaders to make something happen.

You must know how our members feel. It will be a step in the right direction if some of these incentives are considered for approval until we get to negotiations.

When employees receive compensation for their input they become more trusting that "we're in this together", and that they aren't just working to fill the pockets of the executives.

Respectfully,

John Iuliano
President
TWU Local 562

cc. Jim Little
Gary Yingst