



Local 562

**TRANSPORT WORKERS UNION OF AMERICA  
AFL / CIO**

153-33 Rockaway Blvd Jamaica, N.Y. 11434  
PHONE# 718-978-5590 FAX 718-978-5651

JFK-LGA-EWR-PHL-SJU-BOS

[www.twu562.org](http://www.twu562.org)

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Dear Mr. Burdette;

This is in response to your reply to the NMB RE; NMB Case number A-13495.

Having recently read your letter to the NMB I have to wonder if AMR management has as much disrespect for the NMB as they do for their employees. I found Mr. Brundage's recent rant about how we need to accept that low wages and poor working conditions are the inevitable and permanent byproduct of 9-11 and volatile fuel prices was especially distasteful, especially when they've accepted bonuses despite claims of what the new reality is.

You admit that, despite the fact that we gave concessions, you somehow managed to lose \$10 billion in the last 10 years, and you cite that analysts project a significant loss this year. In the meantime the company recently announced that they were switching from "survival mode to success mode" in the Flagship News. I would think (hope) that you would have a better idea of what's going on with AMR than outside analysts.

We, the employees who have requested to be released, have gone above and beyond to try and help this company, we have made enormous sacrifices and have seen our real compensation diminish by 40% or more. As a result of the huge loss in pay many of us have been forced to hold down two jobs, this has made staying employed at AA a stressful undertaking, this stress is manifesting itself as a surge in ASAPs (often meaning that mechanics are realizing they have made errors, not a good thing), grievances (now 16 pages), whistleblower complaints, FAA fines and discipline cases (because stressed out exhausted workers are more likely to fall asleep at work and get into altercations over minor disagreements). I'll be the first to concede that you are more powerful than we are when it comes to the company's finances, no matter how hard we work and no matter what we give up you still have the power to make this company lose money, you have proven that since 2003. As revenue surged and labor costs plummeted you still managed to lose \$10 billion. Yes you are more powerful than we are when it comes to that. Congratulations, but you don't have the power to change the truth, you may be powerful enough able to conceal it but you can't change it.

I sincerely hope that the NMB exercises due diligence and looks into your claims. First of all this case, number A-13495 is for the M&R group, the majority of which is made up of Title 1 mechanics, holding A&P licenses working on heavy turbine aircraft. You boldly made the false assertion that "*our employees (that would mean M&R since this is in response to the M&R request for relief) have fared better than their colleagues in the rest of the industry. In almost every case, they are better compensated and have better benefits than exist at any other carrier.*" That sir is one word away from being an outright lie, on the company's own website it admits that the majority of workers in **this case** are near the bottom in wages and that comparison leaves carriers that carry cargo out because the wages there are much, much higher than AA. We are also at or near

the bottom in sick time accrual, paid vacation, IOD time, OT and several other parameters. In fact recently UPS, one of those carriers, as defined by the RLA, that operates heavy turbine aircraft similar to AA, that you missed, offered their guys a wage that's 30% higher than what you are offering us (UPS offered \$46.99 in 2012 while AA has offered \$32.75 in 2014).

Another area of deception is the insinuation that our labor costs are excessive. You admit that our unit costs are the among the lowest in the industry but fail to cite that the reason they are so low is because we do more work in house which gives the company more control over those unit costs. Obviously if you do work in house instead of paying someone else to do it, like most of our competitors, you will have higher labor costs because you use a lot more labor. That's why despite the fact that you pay up to 30% less for our labor you have higher labor costs, however your bottom line problems lie somewhere else.

You go on to claim that we haven't been in mediation that long, that may be true, but that's only because we made the mistake of not filing for mediation when it first became apparent that the company had no intentions of bargaining in good faith. If it was up to me we would have filed May 1, 2008, after all the 2003 agreement went from start to finish in just a few weeks, this time we initiated talks six months ahead of time with the hope that the company would recognize that our members need some relief and they would get some of the shared gain that the company promised in 2003, the gain that was instead sent to the banks, airports, Boeing, parts suppliers, oil companies and of course, Executive bonuses. In the 16 months that I've been a part of the process I've seen zero movement on anything of substance from the company, I see zero chance of us reaching a Tentative agreement I could recommend for ratification as long as the company feels that they can sit back and continue to extract our labor without any consideration for our needs.

The company hasn't moved from their zero cost contract since 2007, the same year we took our strike vote, which passed unanimously. In 30 days we will be ready, will you?

The Southwest Airlines M&R contract became amendable after ours but they have already struck an agreement that puts their mechanics at around \$12/hr higher than what AA is offering, not including benefits and work rules, which would put them much higher than that, in total the SWA mechanic has already as an agreement that gives them well over 30% more than what AA is offering their mechanics. Admittedly Southwest and UPS are at the top of the industry, like us, neither have visited bankruptcy, but we are not even close to them in pay, in fact we are pennies from the bottom while being dollars from the top, in many respects our work-rules and rates are even lower than some of those who went bankrupt.

AA is simply trying to abuse the RLA to delay the reality that the workers must see substantial restoration and economic relief. As I cited earlier, seven years of huge cuts to compensation is putting our workers and our customers at risk, the warning signs are there but you are failing to take heed, surges in ASAPs, grievances, terminations, whistleblower complaints, FAA fines and investigations all point to serious problems with our airline. Problems that we probably wouldn't see on this scale if the pay was more in line with the cost of living. In high cost areas our guys show up to work night shift, which is hard enough in itself, exhausted because we never had enough of a cushion in disposable income to be able to absorb the cuts we

took in 2003, so they must work a second job when they should be resting, the errors we are seeing are becoming more serious and if not corrected its only a matter of time before the results are catastrophic. The current and proposed company position is unsustainable and will only result in continued deterioration of our product. AA will slip from being "non-compliant" to being "unsafe" if it isn't already.

Stop trying to hide the facts from the NMB, facts such as since 2003 the company has paid off billions in debt, invested billions in upgrades and modifications to their fleets and facilities, and even made offers to provide up to \$1.4 billion in financial assistance to partner airlines while telling workers there's no money for them, the fact that we are paid much less than carriers in our revenue class that haven't gone bankrupt, paid less than some who've filed twice, the fact that the company has been able to further increase labor savings though the efforts of the union which allowed them to cut the overall number of mechanics by 35% while bringing even more work back in house, the fact that your current table position is completely unrealistic, everybody's costs go up, ours have gone up for the six years under the pay cuts of the 2003 agreement, to demand six more years on top of that is unprecedented anywhere, and of course the fact that despite all the woes of the company and the promise that management made of "Shared Pain, Shared Gain" to the employees that you and other executives have accepted, or rather extracted, hundreds of millions in bonuses for yourselves since 2003.

The fact is the company has made it clear that they don't want a new agreement, another month, another year, it won't make any difference, they haven't changed over the last three, and they won't as long as they know our hands are tied. That's why we must be released.

We're fed up, we want AA to succeed but we also have obligations to our families and the flying public. We need to do a better job for them, it can't be all about cutting costs and the shareholder equity.

Sincerely;



Bob Owens  
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Local 562

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