



Association of Professional Flight Attendants

Representing the Flight Attendants of American Airlines

The Office of the President

March 16, 2005

Dear Fellow APFA Members:

Today marks an unprecedented step for American Airlines and the three labor unions on our property. Together, we have agreed to a 'Joint Position Statement on Pension Reform Legislation.'

This position was formulated in the last several weeks in discussions involving APFA, APA, TWU and American Airlines. AMR CEO Gerard Arpey signed off on the paper. The statement is attached, along with a letter to all employees from Jeffrey Brundage, senior vice president of Human Resources for American Airlines.

These discussions were conducted with careful thought, and with the extensive exchange of ideas between all four parties. We have agreed:

- That we are mutually committed to the continuation of the American Airlines Defined Pension Benefit plan, and
- That we will work for pension reform legislation as outlined in this statement.

The pension position paper is also being sent to APA and TWU members and all American Airlines employees. At the same time this information is being shared with you, we are discussing this issue with the APFA Board of Directors at our Annual Convention in Chicago. Bradley Belt, Executive Director of the Pension Benefit Guaranty Corporation (PBGC) from Washington, D.C., will be addressing the Board, and the union leaders from APA and TWU as well as AA senior management will also attend the PBGC portion of our pension briefing today, March 16th.

What does this joint statement mean to you as an APFA member? It means in troubled times, when many of our industry competitors are trying to terminate their pension responsibilities through bankruptcy, the unions and management of American Airlines have pledged to walk another path: to work together to fight for pension reform that assists employers in meeting their pension commitments and provides promised pension funds for the AA employees.

This is a "first" for airline/labor relations in the United States. No other airline in history – be it a major airline or a low-cost carrier – has established a collaborative position on pension reform with its unions until today. With a pension, you have a career; without it, you have a job.

Shortly, we will send information on how all APFA members can support specific legislation. I know all of you will be anxious to join your fellow APFA members and the employees of American Airlines in this worthwhile effort.

In Unity,

Tommie L. Hutto-Blake
APFA President

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