



**American Airlines®**

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**AMERICAN AIRLINES, THE ALLIED PILOTS ASSOCIATION, THE ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS AND THE TRANSPORT WORKER'S UNION ISSUE JOINT STATEMENT REGARDING DEFINED BENEFIT PENSION PLAN LEGISLATION**

FORT WORTH, Texas – Today, American Airlines and the presidents of the three labor unions representing AA pilots, flight attendants, aircraft maintenance technicians, plant maintenance employees, fleet service employees, ground service employees, technical specialists, flight dispatchers, stock clerks, flight simulator technicians, ground school, flight simulator and pilot simulator instructors at American jointly issued a statement regarding defined benefit pension plan legislation:

“We support pension reform that does not discriminate based on the credit rating of the plan sponsor, and that better protects employees' retirement benefits by making it more flexible and affordable for companies to fund them, by:

1. Maintaining the flexibility to continue defined benefit plans as an effective means to provide retirement security.
2. Reasonably extending the number of years companies would have to make up the unfunded portions of their plans.
3. Setting reasonable interest rates to determine plan liabilities.
4. Providing simpler, better, and more timely disclosure of important pension plan data.
5. Providing an increase in permitted contributions.
6. Supporting the concept that benefit plans be charged risk adjusted premiums by the Pension Benefit Guaranty Corporation (PBGC).

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We support a ban on preferential funding of Supplemental Executive Retirement Programs while the minimum contributions are not being made to the corporate defined benefit plans.

We also support legislation that would provide pension relief to companies that freeze their plans through the collective bargaining process, in accordance with the principles above, rather than terminating them in bankruptcy.

When the men and women of American Airlines consensually restructured their wages, work rules and benefits in 2003 to deliver the savings needed to avoid bankruptcy at the time, they chose to do so in a way that allowed them to preserve their defined benefit pension plans. And, despite difficult economic challenges, the company continues to meet its pension funding obligations. These actions demonstrate that companies must try to protect the retirement benefits that have been promised to their people. To do this, American must continue to work collaboratively with all stakeholders under its Turnaround Plan to return to profitability. This also underscores the need for reasonable pension reform legislation that better and more fairly protects employee retirement benefits by making it more affordable and flexible for companies to fund defined benefit plans."



Gerard J. Arpey  
Chairman, President and CEO  
American Airlines



Captain Ralph Hunter  
President  
Allied Pilots Association



Tommie L. Hutto-Blake  
President  
Association of Professional Flight Attendants



James C. Little  
International Executive Vice President  
Director, Air Transport Division  
Transport Workers Union of America, AFL-CIO

**Information about APA**

Founded in 1963, APA is headquartered in Fort Worth, Texas. There are currently 2,819 American Airlines pilots on furlough. The furloughs began shortly after the September

11, 2001 attacks. Also, several hundred American Airlines pilots are on full-time military leave of absence serving in the armed forces. The union's Web site address is [www.alliedpilots.org](http://www.alliedpilots.org).

**Information about APFA**

The Association of Professional Flight Attendants (APFA) is the largest independent Flight Attendant union in the nation. It represents more than 25,000 Flight Attendants at American Airlines, including 4,240 Flight Attendants who have been on furlough following the events of 9/11. Visit online at [www.apfa.org](http://www.apfa.org).

**Information about TWU**

Founded in 1934, the TWU represents nearly 125,000 workers in the nation's transportation industries, including 55,000 workers in the airline and government service industry in virtually all Class and Crafts. The Airlines Division represents 42 Locals 59 labor contracts. The Airline Division website is [www.twuatd.org](http://www.twuatd.org).

**Information about AA**

American Airlines is the world's largest airline, with a fleet of over 700 aircraft serving more than 250 cities in over 40 countries with more than 3,800 daily flights. American employs over 85,000 people worldwide.

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