

THE TWU-IAM ASSOCIATION

December 13, 2019

Negotiations Update

The Association.

Sisters and Brothers,

Over the past several weeks, the Association, the NMB and American Airlines have been working to reach the tentative agreement our members have been promised and rightfully deserve. As most of you know, we also agreed to limit communications in a manner that would not create more rumor or inuendo from either side.

Management Negotiators are frequently absent from these negotiations which was the primary reason for not continuing face-to-face negotiations this week. We also had requested that the NMB allow us to negotiate the week of Thanksgiving, but the Company Negotiators passed on that opportunity as well. We have yet to see Robert Isom or Doug Parker, who we believe are calling the shots from Texas, engage in any negotiating session since the day negotiations started.

With that said, we felt it was imperative at this point to provide a fact-based update to our members about some of the key items that remain open. Below represents a few of the outrageous items Management Negotiators have not provided acceptable solutions to. Please keep in mind that while you may not see an issue listed, others are open, and we cannot agree to a Tentative Agreement until they are all resolved.

Compensation: Management negotiators have walked backwards from their previous public statements and are now only offering the Pay of Delta or Southwest, and with managements 2% out year raises, our members will fall behind in pay once again. This is something CEO Parker has stated would not happen.

Retro Pay: Company Negotiators have flat out insulted our members with their demand for a zero retro payout and have offered a "bonus" that will not cover the missing payday loan they are asking of nearly three quarters of the Association Membership. Remember, retro is a one-time payment to our members for the labor we provide that earns billions of dollars for this company. Our retro pay is no different than management's stock buy backs of 3.8 billion in 2015, \$4.5 billion in 2016, \$1.4 billion in 2017 and \$2 billion in 2018, except it is in the millions – NOT BILLIONS!

Payroll System: Management is also demanding our members who aren't paid two weeks in arrears agree to a self-funded Company payday loan demand, so they can switch payroll systems. Obviously, we are fighting this demand since they must pay members weekly by law in some locations. We know the system will accommodate the way our members are currently paid, it just takes more effort on Management's part to do. Management Negotiators have not offered any other solution to their payroll problem, other than demand our members accept

the change to two weeks' pay in arrears. Just this past week, they made another insulting attempt to convince us the switch was not as bad as we say. Later, Management finally admitted they are demanding TWU members, who are paid biweekly, would be funding an 80 hour payday loan to themselves in order for American to make the payroll change.

Scope Protection: We also remain apart on Scope Protection for our members. Management Negotiators continue to make demands that we accept their proposal that we do significantly less work in the future than we do today. These open items are Scope provisions that we currently have, and are fighting to protect, not additional items.

Vacation: Finally, we are so significantly apart on Vacation that every member should be disgusted with how American views us compared to Management. Their proposal insults all of us by demanding a 5th week of vacation at 25 years and a 6th week of vacation at 30 years, even though management enjoys a 5th week of vacation at 17 years "right now." Our members have earned the 6th week of vacation at 25 years through the sacrifices made in the work we do.

We are in ongoing discussions with the NMB to solidify additional days and continue negotiations in person or by phone. We remain willing to meet anytime and anywhere, for as long as it is necessary, to achieve the long overdue JCBA our members deserve.

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