



APA

Where We Are Today

- Since 2003, the pilots of American Airlines have invested more than \$2.6 billion in pay and benefit cuts to keep AMR out of bankruptcy.
- AMR executives continue to claim huge bonuses for themselves while sharing nothing with their employees.
- Allied Pilots Association (APA) pilots and other employees ask only a fair reward for the sacrifices that have made management bonuses possible.

How We Got Here

2003

- In April, with bankruptcy looming, all employee groups chose to sacrifice pay and benefits to keep American Airlines solvent, saving AMR \$1.8 billion annually.
 - *Organized labor, including pilots, invested 35 percent of their pay and benefits.*
 - *Management invested just 15 percent of their pay and benefits.*
- AMR announces its Turnaround Plan, with four tenets:
 - Lower costs to compete
 - Give customers what they value
 - Pull Together, Win Together
 - Build a financial foundation for the future

2004-2005

- APA made a joint commitment with management and other unions to find a better, cooperative way to operate the airline and to remain out of bankruptcy.
- Other airlines, pursuing traditional methods, fell into bankruptcy.

2006

- January: AMR announces that senior management alone will receive nearly \$100 million in bonuses (due solely to the rise in AMR's stock price). AMR executives' refusal to include any other employees effectively eradicated enthusiasm for working together.
- July: Despite having lost a grievance over bonuses filed by all three unions, AMR executives institute yet another year of management-only bonuses.
- September: American Airlines opens contract negotiations with APA.
- December: AA executives reject APA's low-cost offer on super long haul flying, thereby destroying AA's bid for DFW-Beijing flying.

2007

- April: Senior executives receive bonuses making their compensation more than seven times what it was in 2002, while pilots and other employees still labor under large pay cuts.
- Nearly 3,000 pilots have lost their jobs, 1,500 saw their pay cut in half and all the other pilots took at least 25 percent cuts *while senior executives get 700 percent pay raises.*