



AA Flow-through Pilot annual pay compared to next junior former TWA Pilot.

Seniority 6,700	\$14,239 Less
Seniority 7,000	\$17,431 Less
Seniority 7,500	\$20,600 Less
Seniority 8,000	\$23,723 Less
Seniority 9,400	\$94,791 Less

November 5, 2013

Dear APA BOD member,

There is currently a pay inequity occurring on the AA property that is even more insidious and unfair than the previous B scale, which the APA vigorously fought to eliminate in the negotiations leading up to and following the 1997 strike; a strike which resulted in a Presidential Emergency Board.

This de-facto B scale affects the 365 pilots who have transferred to AA under the terms of **Supplement W** of the AA/APA Collective Bargaining Agreement.

The above 365 Flow-through pilots do not include the 824 American Eagle pilots that may have new-hire preferential hiring rights under some other agreement made subsequent to the expiration of Supplement W.

The chart above graphically depicts the annual pay differential between Flow-through pilots currently working at AA, and the next former TWA pilot junior to them on the AA

seniority list, for doing the same job, flying the same equipment. It is computed based on the 1/1/2014 pay rates and the 14% company retirement contribution.

A Flow-Through pilot in the 6,700 seniority number range makes **\$14,239 less** annually than pilots of equal seniority, a pilot with a number in the 7,000 range makes **\$17,431 less**, in the 7,500 range makes **\$20,600 less**, and a pilot with a number in the 8,000 range makes **\$23,723 less** than pilots junior to him. The difference in pay becomes exponentially greater in the 9,400 range when a Flow-through pilot who comes over on probation pay is paid **\$94,791 less** than the pilots he should have been paired in class with if Supplement W had been allowed to function properly and these pilots assigned to class at the required 1 to 2 ratio with the de-facto new-hire TWA pilots¹.

While it is fair that the TWA pilots be granted LOS for the time spent on furlough, if this occurs the pay disparity between the Flow-through pilots and the TWA pilots becomes even greater.

Supplement W was a Four Party **Agreement** between APA, AA, Eagle, and ALPA-Eagle. Under Supplement W the AE Flow-through pilots were placed on the AA Seniority List when they completed IOE on the RJ. The 4 Party Agreement required that the Flow-through pilots be withheld at AE for 2 years to repay their RJ transition training cost to the corporation. When the Flow-through pilots eventually transferred to AA, after being withheld, they were placed into AA training classes with new-hire pilots off the street, even though they had already been on the AA Pilot Seniority List for a minimum of 2 years. Although Supplement W allows that, “length of service for pay purposes.... will be based on the date such pilot is entered on the AA payroll”, which sounds simple enough, as a result of the TWA purchase, the actual withholding incurred by the Flow-through pilots averaged 10 years, much longer than the 2 years contemplated in Supplement W.

Had this extended withholding of 10 years not occurred, and even with the built-in two-year withholding period before transferring to AA, all of the Flow-through pilots would now be at the 12th year pay step at AA.

The AA purchase of TWA resulted in AA and APA negotiating Supplement CC. Supplement CC contained language that amounted to substantial and material changes in the function of Supplement W, however, the AE pilots, with the concurrence of the APA were denied a seat at the table for the Supplement CC negotiations, and as such never agreed to the sweeping changes to the function of the four-party Supplement W agreement that were incorporated in Supplement CC.

¹ LaRocco,-FLO-0903 stated “(TWA) Pilots who did not commence active employment at AA in conjunction with merger are equivalent to new hires...”

² Both pilot groups, the TWA LLC pilots, and the Flow-through pilots, held the same status, which was that both groups held AA pilot seniority numbers but neither group had transferred to AA. In FLO-0108 as well as several other arbitrations, FLO-0903 for example, APA was overtly working to benefit the former TWA

After purchasing TWA, AA was forced to furlough, and more than 500 pilots, including hundreds of former TWA pilots that had never even worked at AA or AMR before, “flowed back” to American Eagle, some for as long as 12 years, taking the highest paying AE jet Captain jobs paid at the Eagle 18 year LOS pay scale. The “flow-back” collectively cost American Eagle pilots millions in direct financial harm.

When AA resumed training classes in 2007, even though the American Eagle pilots had the AA seniority to be placed in those classes, more junior TWA pilots were placed into those training classes ahead of the more senior American Eagle pilots, in violation of Supplement W, this with the concurrence of APA. APA defended its preferential treatment of the former TWA pilots at the expense of the AE Flow-through pilots in several arbitrations², culminating in an arbitration opinion and award that found that the AE pilots’ AA seniority rights had been violated. The APA was a party to this violation.

Through multiple arbitrations, during which the APA overtly represented the former TWA pilots to the detriment of the Flow-through pilots, APA abandoned the basic requirement of the “1 out of every 2 new hire positions”, of Supplement W. To remedy the violation a further 154 AE pilots were ordered to be placed on the AA Pilots Seniority List.

The continued violation of Supplement W, including the wrongful withholding, resulted in the American Eagle pilots losing pension credited years of service at AA for which they have never been made whole, causing additional financial harm to these pilots.

There is no objection to the former TWA pilots accruing YOS at AA for their time at TWA. The fact of the matter is that a Flow-through pilot with a 7,000 seniority number has been working at AMR for 27 years and is on 5th year pay, while the next junior TWA pilot has been at AA only 5 years, and is on 12th year pay. In fact, the Flow-through pilot started working for AMR many years before his TWA counterpart even started working at TWA.

To remain consistent, Flow-through pilots should have their time at American Eagle count toward LOS at AA just as pilots transferred from other airlines.

Conclusion – Most of the Flow-through pilots are paid at a significantly lower rate for doing the same job at AA than other pilots of equal seniority. Additionally, in contrast to pilots that have transferred to AA from other airlines, who were given credit for their length of service at those carriers, none of the Flow-through pilots have been issued LOS credit for their time served working for AMR, in support of American Airlines, at American Eagle.

² Both pilot groups, the TWA LLC pilots, and the Flow-through pilots, held the same status, which was that both groups held AA pilot seniority numbers but neither group had transferred to AA. In FLO-0108 as well as several other arbitrations, FLO-0903 for example, APA was overtly working to benefit the former TWA pilots at the expense of the Flow-through pilots by attempting to eliminate, and/or delay the transfer of the Flow-through pilots to AA.

What is indefensible, in its efforts to benefit the former TWA Pilots at the expense of the Flow-through Pilots, the APA engaged in multiple negotiations in an attempt to delay or eliminate the transfer of Flow-through Pilots to AA. The delays caused by the APA's actions have resulted in significant financial harm to this group of 365 AA pilots.

The anticipated merger and planned JCBA negotiations will afford the APA a window of opportunity to ameliorate the continuing harm going forward by the APA negotiating to have the Flow-through pilots LOS brought to parity with fellow AA pilots.

Greg Cordes

AA Flow-Thru Pilots Coalition