AMERICAN AIRLINES, INC.

March 1, 1950

To: Supervisory Personnel - Maintenance & Supply Department

From: Personnel Director

Subject: Additional Facts on TWU-CIO - Company Relations

American Airlines, Inc.
MAR 3 1950
MANAGER OF OPERATIONS
FORT WORTH, TEXAS

BENEFITS CONTAINED IN THE TWU-CIO AGREEMENT

A. List of Present Contract Benefits

1. 40-hour week.

2. Overtime rates.

   (a) Time and one-half for all hours worked in excess of 8, up to 12 on a daily basis.

   (b) Double time for all hours worked in excess of 12 hours on a daily basis.

   (c) Time and one-half for work on first day off.

   (d) Double time for work on second day off.

3. Shift differential - 5¢ per hour for employee working on afternoon shift - 10¢ per hour for employee working on midnight shift.

4. Holidays - 7 paid holidays. Employees required to work on a holiday receive double the regular rate for all time worked.

5. Vacations.

   (a) Two weeks paid vacation for employees with one or more years' service.

   (b) Three weeks paid vacation for employees with 14 or more years' service.

   (c) Vacation termination pay for employee who resigns with two weeks' notice to the Company or who is laid off through no fault of his own.

6. Termination notice - 2 weeks' notice of layoff.

7. Higher capacity pay.

   (a) Employee performing duties of higher classification for one full day or more entitled to the rate of pay of the higher classification for all time so worked.

8. Pay for all time spent in training classes.

9. Recall pay guarantee of four hours pay for employees called in to work after they have left the premises.

10. Grievance and System Board of Adjustment procedure - a procedure for the disposition of disputes arising during the life of the Agreement.

B. Additional Benefits to be Included in Agreement on Basis of Company's Final Offering

1. Severance allowance plan with a maximum of 8 weeks' benefits.

2. Increased afternoon shift differential from 5¢ to 7¢ per hour.

3. $1.00 meal allowance for employees required to work more than two hours of overtime.

4. 60 days sick leave accumulation.

5. Personal emergency leave as set forth in Company Regulations will be extended to the employees covered by the Agreement.

6. Employees granted a leave of absence for National Guard or other reserve duty shall accrue length of service for pay purposes up to a maximum of two weeks.

7. Jury duty as set forth in Company Regulations will be extended to the employees covered by the Agreement.

8. Check cashing facilities to be provided at Tulsa at Company expense.

9. A provision to be included in the Agreement providing for the designation of an arbitrator to dispose of cases deadlocked before the System Board of Adjustment provided that such grievances are within the jurisdiction of the Board, i.e., involving an interpretation or application of the provisions of the Agreement.

10. Vacation allowance increased to 10 days for one year's service, 11 days for 11 years' service, 12 days for 12 years' service, 13 days for 13 years' service and 15 days for 14 years' service and thereafter.

C. Additional Benefits Available to Employees Represented by TWU-CIO through Company Policy

1. Retirement plan - contributory, exclusive of social security.

2. Group life insurance plan - contributory.

3. Hospitalization benefit plan - contributory.

4. NRSA transportation - free transportation on Company aircraft based on the employee's length of service with the Company.

COMPARISON OF AA RETIREMENT PLAN
WITH THOSE OF OTHER INDUSTRIES

AA Retirement Plan	Ford or Steel Retirement Plan
Date of initiation - October 1, 1941	
Eligibility - all employees of Company (union and non-union).	
Nature of plan - contributory. (Advantage of this is that a larger annuity is provided on retirement.)	
Benefits - Average maintenance employee after 30 years of service with the Company and age 65 receives a monthly benefit of $142 per month.	The Ford or Steel retirement plan provides an annuity of $100 per month inclusive of a primary social security benefit. There-

COMPARISON OF AA RETIREMENT PLAN
WITH THOSE OF OTHER INDUSTRIES (Contd.)

AA Retirement Plan	Ford or Steel Retirement Plan
This includes a primary social security benefit of $52 per month. The retirement annuity from the Company therefore amounts to $90 per month.	fore, the annuity from the Company in the case of Ford or Steel amounts to $48 as compared to the $90 it was in American Airlines.
Additional benefits under the American plan are life insurance in the amount of the employee's annual salary. Upon separation from the Company the employee may withdraw all of his contributions to the retirement plan.	Since plan is non-contributory, employee does not have any vested interest in the plan.
If social security benefits increase, total received by worker increases.	If social security benefits increase, the total sum of $100 received by worker remains the same.

ROUNDS OF INCREASES GRANTED TO MAINTENANCE AND STORES EMPLOYEES

1st Round .20 per hour average for changeover from 48 to 40 hour week, (1/1/46)
.10 per hour weighted average increase (7/14/46)

2nd Round .08 per hour weighted average increase
Dates (9/15/46 to 6/30/47)

3rd Round .10 per hour weighted average increase
.06 per hour weighted average increase
Dates (7/1/47 to 12/31/47 and 1/1/48 to 12/31/48)

4th Round .08 per hour weighted average increase
Dates (1/1/49 to 12/31/49)

TOTAL .62 per hour

Percent increase in wages from 1st to 4th round. 63%

Percent increase in cost of living (Consumers Price Index) from 1/1/46 to 12/31/49. . . . . 28%

HISTORY OF NEGOTIATIONS - MEDIATIONS

December 12, 1949 - Commencement of negotiations.

December 13, 14, 15, 16, 19, 20, 21, 22, 23, 27, 28, 29, 30, 1949 - Negotiation conferences.

December 30, 1949 - Request for mediation.

January 24, 1950 - Commencement of mediation. Separate meetings.

January 25, 1950 - Mediation meeting. Separate meeting.

January 27, 1950 - Commencement of joint mediation sessions.

January 30, 31, February 1, 2, 3, 6, 7, 8, 1950 - Mediation sessions, separate and joint.

February 9, 1950 - Request for recess in mediation sessions by TWU-CIO until February 20, 1950.

HISTORY OF NEGOTIATIONS - MEDIATIONS (Contd.)

February 20, 1950 - Resumption of mediation sessions.

February 21, 22, 23, 24, 1950 - Mediation sessions.

February 24, 1950 - Receipt of notice by Company that employees would strike the Company March 1, 1950. Mediator continued mediation and asked for meeting with TWU and Company representatives for February 27, 1950.

February 27, 1950 - Mediation session with representatives separately.

February 28, 1950 - Mediation session until 7:15 a.m. of March 1, 1950.

MAJOR ITEMS CONTRACTED OUT

Pacific Airmotive Corporation Linden, N.J.	-	Boeing engines R-4360. Power plant installation, overhaul and repair. 8 engines per month.
Aviation Maintenance Corp. Van Nuys, Calif.	-	Standardizing 14 DC-4 Airfreighters. Conversion of 4 DC-4's to high density passenger coaches.
Wright Aeronautical Corp.	-	Overhaul and repair of R-3350 Constellation engines.
Curtis Electric Propellers Caldwell, N.J.	-	Boeing propellers and assembly.
Lockheed Air Service Sayville, L. I.	-	Boeing components, aft of firewall.
Sperry Gyroscope Corporation Lake Success, N.Y.	-	All Sperry parts used in Boeing.

MAINTENANCE POLICY

Extract from "Maintenance Policy" dated September 15, 1949 - AA Organization Book

7. Constant Workload

We have learned that under ordinary conditions we can do the best job with a constant number of employees. We will determine the manpower and equipment needed at each base to perform jobs which recur often enough to provide a constant workload. Meeting operating problems and making our service better will also create work on the equipment; we will estimate how much of that workload will be reasonably constant and provide capacity for that also. Under normal conditions, jobs over that capacity which will not provide a constant workload will be done outside the Company. Safety work in an emergency will be done the quickest way.

PROVISIONS OF THE RAILWAY LABOR ACT

1. Negotiation	-	Obligatory for carrier to meet and negotiate with the designated bargaining representative of the employees, upon thirty days' notice from either party.
2. Mediation	-	If the parties (Union and Company) cannot reach an agreement in direct negotiations, either party may request the National Mediation Board to assign a mediator to assist the parties in arriving at an agreement.

PROVISIONS OF THE RAILWAY LABOR ACT (Contd.)

3. Arbitration - (1) If the mediator is unsuccessful in getting the parties to conclude an agreement in mediation, the next step is to proffer arbitration. Arbitration under the Act is not compulsory. Either party has the right to refuse a proffer of arbitration by the National Mediation Board.

(2) If arbitration is refused by either party, the Board through the mediator notifies both parties that its mediatory efforts have failed and that for thirty days from the date of the notification from the Board, unless in the intervening period the parties agree to arbitration or an emergency board is created under the Act, no change shall be made in the rates of pay, rules, or working conditions or established practices in effect prior to the time the dispute arose. This is known as the thirty-day cooling off period.

4. Emergency Board - If a dispute between the Company and its employees is not settled through negotiations, mediation or arbitration and should, in the judgment of the Mediation Board, this dispute threaten to substantially interrupt interstate commerce, the Mediation Board shall notify the President of the United States, who may thereupon create a board to investigate and report respecting such dispute.

If such Board is appointed by the President, it will promptly investigate the facts and make a report to the President within 30 days from the date of its creation. The recommendations of the Board to the President are not binding on either party.

After the Board has made its report to the President, no change, except by agreement, shall be made in the conditions out of which the dispute arose for a period of 30 days. This is known as the second cooling off period.

J. G. Deater

cc: Regional Operations Directors
Regional Personnel Managers
Managers of Operations