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**ALLIED PILOTS ASSOCIATION EXPRESSES DISAPPOINTMENT OVER  
BREAKDOWN IN NEGOTIATIONS OVER FLOW-THROUGH/FLOW-BACK  
PROVISION, CITES MANAGEMENT “UNDERHANDEDNESS”**

**‘AMR management unwilling to bargain in good faith’**

Fort Worth, Texas (November 8, 2007)—The Allied Pilots Association (APA), representing the 12,000 pilots of American Airlines (NYSE: AMR), cited management’s “unwillingness to bargain in good faith” as the reason for this week’s breakdown in negotiations over a provision of the pilots’ contract.

APA had been participating in four-party negotiations to resolve issues related to Supplement W of its collective bargaining agreement, commonly referred to as the flow-through/flow-back agreement involving pilots from American Airlines and commuter affiliate American Eagle. The recently reached tentative agreement would have provided career progression for a significant number of American Eagle pilots to American Airlines while providing seniority protection for American Airlines’ pilots.

The negotiating sessions, which spanned a four-month period, included representatives from the American Eagle Master Executive Council of the Air Line Pilots Association (ALPA), American Eagle and American Airlines management and APA.

“After the negotiations concluded, management attempted to insert language into the Supplement W agreement to establish their right to purchase an additional 25 70-seat CRJ-700 aircraft for operation at American Eagle,” said APA President Captain Lloyd Hill.

According to Hill, management has been unable to document that they have the right to purchase these aircraft under the pilots’ existing contract. He also noted that the 25 additional CRJ aircraft are completely unrelated to the Supplement W negotiations.

“AMR management has, again, demonstrated their unwillingness to bargain in good faith,” Hill said. “APA has expended an enormous amount of time, effort and union resources in pursuit of a mutually beneficial agreement, only to have it unravel as a result of management’s underhandedness.

“Despite the unfortunate outcome, we commend our fellow pilots at ALPA for their willingness to work with us in crafting an agreement that would have been mutually beneficial for both pilot groups,” he said.

Hill noted that the Supplement W issues will now be decided in arbitration.

“If this failure is any indication, management appears determined to make the negotiating process as difficult as possible,” he said. “I am hopeful that they will rethink their approach. Otherwise, our ongoing Section 6 negotiations—in which we are discussing a range of contractual areas—will likely prove more painful than necessary for all concerned.”

*Founded in 1963, the Allied Pilots Association—the largest independent pilot union in the U.S.—is headquartered in Fort Worth, Texas. APA represents the 12,000 pilots of American Airlines, including 2,246 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).*

*American Airlines is the nation’s largest passenger carrier and fifth-largest cargo carrier.*