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ALLIED PILOTS ASSOCIATION REACTS TO ANNOUNCEMENT OF “JOINT BUSINESS AGREEMENT” BETWEEN AMERICAN AIRLINES AND TWO OTHER CARRIERS: “PROBLEMATIC ON SEVERAL FRONTS”

Fort Worth, Texas (August 14, 2008)—The Allied Pilots Association, certified collective bargaining agent for the 12,000 pilots of American Airlines (NYSE: AMR), reacted to American Airlines’ announcement of a “joint business agreement” with British Airways and Iberia by describing the news as “problematic on several fronts.”

Today’s announcement further noted that American Airlines, British Airways, Iberia, Finnair and Royal Jordanian would be filing for worldwide antitrust immunity from the U.S. Department of Transportation.

“Although we have not yet seen the text of the joint business agreement, today’s announcement is problematic on several fronts,” said APA President Captain Lloyd Hill. “For example, the scope clause in our current collective bargaining agreement does not include an exception for a joint business agreement between American Airlines and another airline. Management therefore needs APA’s consent before this joint business agreement can go forward.”

The contract’s scope clause embodies management’s promise that if a flight generates revenue for AMR Corp., an American Airlines pilot must be at the flight controls. The clause contains a variety of exceptions for code-sharing agreements, commuter affiliate operations and other situations where an American Airlines pilot is not in control of an aircraft that generates revenue for the corporation.

“Today’s announcement illustrates that American Airlines management can negotiate complex agreements on a timely basis when they want to do so,” Hill said. “It’s indicative of management’s misplaced priorities that they aren’t willing to apply the same sense of urgency toward negotiating new collective bargaining agreements with their employees.”

APA has been in full-scale contract negotiations for nearly two years. American Airlines management is also involved in negotiations with the Association of Professional Flight Attendants and Transport Workers Union, the other major unions at the airline.

“Moreover, it seems to us that management should focus first on running a more reliable operation before embarking on a new venture of this magnitude and complexity,” Hill said. “Our airline unfortunately continues to lag the industry to an embarrassing degree in key customer service metrics such as on-time performance.

“That said, we understand clearly why the other carriers would want to link up with American Airlines. The U.S. aviation market is the world’s largest and most lucrative,” he said. “And that’s precisely why we have such serious concerns. APA agrees with both John McCain and Barack Obama—we oppose any scheme that jeopardizes American jobs.”

In recent remarks on the campaign trail, both major party presidential candidates have been criticizing U.S. corporations that outsource American workers’ jobs to overseas companies.

Hill noted that APA representatives met last week in Washington, D.C. with their counterparts from the British Airways and Iberia pilot unions to explore common interests and identify areas of concern. The meeting was prompted by the previously announced plans by American Airlines and the other two carriers to pursue antitrust immunity. He also noted that APA’s board of directors will convene next week to discuss the joint business agreement and antitrust immunity application.

“Make no mistake, we want American Airlines to succeed, but that success cannot come at the expense of the employees,” Hill said. “We have serious job-security concerns that must be addressed as part of any revenue-producing agreement with another airline.”

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 1,970 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. American Airlines is the nation’s largest passenger carrier and fifth-largest cargo carrier.