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## **AFA-CWA TESTIFIES ON NEED FOR BANKRUPTCY REFORM AT CONGRESSIONAL HEARING**

*Washington, DC* – The Association of Flight Attendants-CWA (AFA-CWA) today testified before the House Subcommittee on Commercial and Administrative Law on the need for reform to the current corporate bankruptcy process that often rewards executives at the expense of workers. AFA-CWA Northwest Airlines President Janette Rook implored the committee to consider the importance of bankruptcy reform and support a bill currently before Congress, H.R. 4677, that would help to protect employees and retirees in the bankruptcy process.

“Many of our flight attendants, as well as other airline workers, have had their lives destroyed by these bankruptcies, and by management’s use of the law to force devastating cuts on employees,” said Rook. “We must end this practice and restore fairness and trust, as well as provide the framework for an orderly restructuring and reorganization when a company, and most importantly its employees, face bankruptcy.”

There have been over 150 airline bankruptcies since the industry was deregulated in 1978, with at least 21 since September 11, 2001. These most recent rounds of bankruptcy have been especially devastating to flight attendants. In 2007, Northwest Airlines flight attendants sacrificed pay cuts, work rules and benefits while their management team pocketed lucrative compensation packages.

“Left unchecked, airlines can once again use the laws of our land to destroy careers and cause chaos to families. We must put an end to allowing corporate executives and consultants excessive pay packages by the bankruptcy court, while slashing and burning employee wages and benefits. A huge bonus for executives of a bankrupt corporation is simply wrong in light of the enormous sacrifices made by the workers during the course of the bankruptcy.”

The Protecting Employees and Retirees in Business Bankruptcies Act of 2010, or H.R. 4677, introduced earlier this year by House Judiciary Chair John Conyers (D-MI.), seeks to spread the burden of corporate bankruptcy more evenly, and not just on employees. Part of the bill’s language states that when workers are forced to accept wage and benefit cuts, creditors can take the same percentage in labor cost savings from compensation paid to certain members of the board of directors. It also bars companies from leaving pension plans or retiree health benefits intact for executives if these have been cut or eliminated for rank-and-file workers.

*For over 60 years, the Association of Flight Attendants has been serving as the voice for flight attendants in the workplace, in the aviation industry, in the media and on Capitol Hill. More than 50,000 flight attendants at 22 airlines come together to form AFA-CWA, the world’s largest flight attendant union. AFA is part of the 700,000-member strong Communications Workers of America (CWA), AFL-CIO. Visit us at [www.afanet.org](http://www.afanet.org).*

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