

Legislative Hearing on the Domestic Partnership Benefits and Obligations Act of 2009

Statement of Carolyn E. Wright
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before the

Subcommittee on Federal Workforce, Postal Service, and the District of Columbia
Committee on Oversight and Government Reform

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Chairman Lynch, Members of the Subcommittee, my name is Carol Wright and I am Vice President of Corporate Human Resources for American Airlines, based in Fort Worth, Texas.

As requested, I have submitted my testimony for the record, and will keep my remarks brief.

Speaking for the more than 80,000 employees of American Airlines and our partners at American Eagle, we are honored to be here today and to address relevant issues in your consideration of Representative Tammy Baldwin's legislation, H.R. 2517, The Domestic Partnership Benefits and Obligations Act of 2009.

As you can appreciate, we are by no means experts on the federal workforce, or the specific human resource and benefits equity questions you are raising with this legislation. We have not had the opportunity to study it in detail nor do I believe we can competently offer recommendations on all aspects of the bill.

Instead, you have encouraged us to share with you our experience as a corporate leader in the private sector and to share our views on best employment practices and inclusion – which speak to the overall goals of this legislation.

First, let me provide just a brief overview of our company. American, American Eagle, and the AmericanConnections® airlines serve 250 cities in 40 countries with, on average, more than 3,400 daily flights. Our combined network fleet totals approximately 900 aircraft. American Airlines is also a founding member of the global oneworld® Alliance, and together with oneworld members, we serve nearly 700 destinations in over 150 countries, with 8,500 daily departures. We also transport approximately 500,000 tons of cargo around the world each day.

At a glance, those statistics highlight our mission for the past 75 years. American recognizes that being a global airline means we are in the business of connecting people and cultures from around the world. Our company will only be successful if the experience we deliver, and the environment we create, is safe, welcoming and respectful of everyone. American also recognizes the relationships among its customers, employees, business partners and suppliers,

and the communities that we serve. We must embrace the diversity that exists within each of our key constituencies, and operate in an inclusive manner, for all of these groups to thrive.

As a company that bears the name “American,” we also know that much is expected of us, and we hold ourselves to a high standard. From hiring the industry’s first African-American flight attendant in 1963, to the first female pilot in 1973, to the creation of our supplier diversity program in the 1980s and our multicultural sales teams in the 1990s, American has a long history of leadership. We also know that promoting diversity is a journey, and American is committed to making further progress as we weave it into the very fabric of our company.

Beginning in 1993, we were the first major airline to include sexual orientation in our Equal Employment Opportunity policy and we added gender identity in 1999. In 1994, we also recognized our lesbian, gay, bisexual and transgender employees as our first official Employee Resource Group. Last month, we celebrated their 15th anniversary.

We saw first-hand how these inclusive steps translated into enhanced loyalty and morale among our people, and gave evidence throughout the company that our words and our actions were aligned. In fact, last September, American wrote a letter to Congress supporting passage of the proposed Employment Non-Discrimination Act – which mirrors our own inclusive recruitment, hiring and retention practices.

Building on these first steps, in the late 1990’s, we decided to examine benefits parity for all of our employees, and to identify any gaps in our soft and hard benefits, including health and other insurance coverage, travel companion privileges, and other options that customarily were available to legally married heterosexual spouses.

Philosophically, we have always tried to recognize employees as individuals with their own families’ needs, talents and ambitions. All deserve equal respect and acceptance for the true worth and unique experiences and skills they bring to their jobs. We determined that treating employees in committed relationships with same-sex partners as a family, rather than as single people, was consistent with that philosophy. So, in 2000, we became the first major airline to offer benefits to the same-sex partners of our employees as we had long done for married spouses.

I am not able to disclose proprietary financial details about the costs or fiscal implications of our policies, but I can readily report that the actual impact on overall human resource budgets is proportionally modest and manageable.

What are the upsides? In the past decade, we see a stronger workforce in every sense. We are instilling a more enduring sense of loyalty and commitment, and helping to motivate our LGBT employees to be all they can be and to bring their whole identity to work. We never saw this as a special case or privilege, but simply doing the right thing in a business setting that underscores fairness, equity and inclusion.

In our diverse segment marketing strategies, we now can tell a more complete story to all customers about our welcome that is authentic and meaningful. There is no question that it helps

us to be a much stronger contender as a world-class marketing organization during this very difficult economy. We know all of our customers consider service, value, convenience and comfort. However, in a very competitive market, we have learned that many appreciate inclusion and equal respect, too.

What are the implications for the federal government and your extraordinarily diverse workforce – which dwarfs so many corporations? We cannot safely predict with any certainty the future market conditions for employment and worker retention. But we can report that America’s top corporations are showing the way on best practices. According to research from the Human Rights Campaign, roughly 80% of the Fortune 100 now offers equal, same-sex partner benefits, and the same can be said of 57% of the Fortune 500.

Last year, in a national survey commissioned by Out & Equal Workplace Advocates, and conducted by Harris Interactive with Witeck-Combs Communications, 64% of all American adults agreed that job benefits should be extended equally to committed same-sex partners that are available to legally married spouses.

Mr. Chairman, in closing, I also have a recently-updated document titled “Diversity and Inclusion—A Way of Life at American Airlines” that I would like to submit for the official record.

Again, thank you for inviting American Airlines to be here today, and to report on our past decade experience on this topic. We continue to work hard to sustain and build our commitment to diversity leadership, and hope our testimony reflects some of the lessons we have learned and are proud to share with you.

Thank you and I will be happy to respond to any questions.

Diversity and Inclusion: A Way of Life at American Airlines

Overview

American recognizes that being a global airline means we are in the business of connecting people and cultures from around the world. The company will only be successful if the experience it delivers, and the environment created, is welcoming and respectful of everyone. American also recognizes the relationship among its customers, employees, business partners and suppliers, and the communities it serves. They are all connected, and diversity and inclusion must be evident across these groups for all of them to thrive.

As a company that bears the name “American,” much is expected of us, and we hold ourselves to a high standard. From hiring the industry’s first African American flight attendant in 1963, to the first female pilot in 1973, to the creation of our supplier diversity program in the 1980’s and our multicultural marketing teams in the 1990s, American has a long history of leadership. American knows promoting diversity and inclusion is a journey, and the company is committed to making further progress in weaving it into the very fabric of the company so it is evident every day.

At American Airlines, diversity means acknowledging different perspectives, ideas and various cultures and backgrounds. It means promoting inclusion, creating an environment where all differences are valued, and where employees can develop to their full potential. At American, diversity means creating a good workplace and fostering good corporate citizenship in the community.

American Airlines is proud of its tradition of diversity, the heritage it bespeaks, and the future opportunities it represents. At American Airlines, diversity is a way of life and everyday part of doing business.

Employee Diversity

American believes the company is strengthened through the diversity of its people. American understands that each employee is unique and the company strives to provide an environment that encourages and values individual experiences, perspectives and ideas. It strives to be a business where employees can respect and value each other regardless of race, gender, age, ethnicity, religion or sexual orientation.

American has been recognized for using the cultural differences among its employees in a way that advances the airline’s business priorities while also developing employees’ business and leadership skills. Consistently recognized as a leader in its employee policies for inclusiveness and fairness, American’s policies have helped the company attract and retain high performing, creative employees.

- Today American Airlines has several officers who are African-American, Hispanic, Asian-American and female, and the number of women officers is among the top in the industry.
- Of American’s U.S.-based employees, 40 percent are female and 31 percent are ethnic minorities.
- American has the distinction of being the first major airline to hire a female pilot (1973) and the first to have a female captain (1986).
- The number of female engineers employed by AA exceeds the national average.
- For more than a decade, American Airlines has been a pioneer in implementing fair-minded policies and practices for its gay, lesbian, bisexual and transgender customers and employees. The first major airline to implement same-sex domestic partner benefits (2000), American also offers equal health, pension and travel benefits to same-sex partners of gay and lesbian employees. American was the first major airline to implement both sexual orientation (1993) and gender identity (2001) in its workplace

nondiscrimination policies, and the first major airline to have a recognized GLBT employee resource group – GLEAM.

- In 1963, American hired the industry's first African American flight attendant, Joan Dorsey. And in 1964 American hired its first African-American pilot, Captain Dave Harris. Both worked the remainder of their careers with American and each retired with more than 30 years of service. In 2008, American honored Capt. Harris and Dorsey at a special ceremony to celebrate their places in aviation and company history.
- American is one of the few corporations to voluntarily form a Board of Directors Diversity Committee which provides oversight of American Airlines and American Eagle diversity initiatives.

Employee Resource Groups:

American currently has 16 Employee Resource Groups (ERGs). As a major international airline, ERGs play a particularly important role because they promote a positive, productive work environment while creating avenues for employees to contribute their ideas to the business - helping American develop products and services for its global customer base. In addition, the ERGs play a vital role in connecting American to the communities it serves.

These groups have not only helped American better understand and work with its own employees, they've also helped American tailor its products and services to better meet customers' needs and desires:

- The Indian and Asian/Pacific Islander ERGs provided cultural guidance and helped with menu planning and promotional activities in support of Delhi and Shanghai service introductions.
- The Human Rights Campaign (HRC) Buyer's Guide lists American, in part because of the efforts of the Gay/Lesbian/Bisexual/Transgender ERG in assisting Human Resources with its responses to the HRC's annual survey.
- The African American ERG helped to conduct focus groups with African American customers and employees, to generate ideas on how to make American's marketing, products and services more appealing to the African American consumers.

American's 16 ERGs include: 40+ Employee Resource Group (40+ ERG); African American Employee Resource Group; Asian/Pacific Islander Employee Resource Group; Caribbean Employee Resource Group; Christian Employee Resource Group; Employees with Abilities; Generation Now; Gay, Lesbian, Bisexual and Transgender Employees (GLEAM); Hispanic/Latin Employee Resource Group; Indian Employee Resource Group; Jewish Employee Resource Group; Muslim Employee Resource Group; Native American Employee Resource Group; Parents AA at Work; Veteran Military Employee Resource Group; Women in AA aviation.

Community Involvement

The people of American Airlines have long understood that serving a community means more than just flying there — it means contributing to a range of nonprofit organizations and community events and encouraging and facilitating employee volunteerism and donations. From national partnerships to local initiatives, American Airlines strives to make a positive impact on the lives of its customers, its employees, its families, its shareholders, and the communities where they live.

- In 2007, American provided more than \$28 million of in-kind and cash support to hundreds of nonprofit organizations in all of the countries it serves.
- American Advocates, launched in 2004, has 10,000 volunteers for various initiatives. Employees and departments have consistently volunteered for community events such as Something mAAgic, the Susan G. Komen Race for the Cure and the American Cancer Society's Relay for Life. Employees also contribute generously to disaster relief efforts, including the tsunami and Hurricane Katrina relief efforts.

- Airline Ambassadors organizes relief missions to areas ravaged by natural disasters, to distribute food, medicine, school supplies, wheelchairs, clothing and toys to orphanages, clinics, especially in Latin America.
- American is a long-term supporter of the United Negro College Fund (UNCF) and its initiatives to provide students in the African American community with opportunities they might not have under other circumstances.
- American Airlines sponsored an Aviation Youth Summit in 2008, in conjunction with the C. R. P. Future Pilots Flight School in Dallas. Named for legendary pilot and original Tuskegee Airman Claude R. Platte, the organization seeks to celebrate the history of the Tuskegee Airmen and continue the legacy of these pioneering heroes. Eagle Senior Vice President – Technical Operations David Campbell was among the featured speakers, sharing with young future aviators the opportunities that exist and tips for pursuing a career in aviation. American also sponsored a performance by legendary actor, James McEachin in Feb. of 2009 to raise funds for the C.R.P. Future Pilots Flight School.
- In 2008, American Airlines announced an expanded relationship with Susan G. Komen for the Cure, and the airline's new role as Komen's inaugural Lifetime Promise Partner. American pledged to raise \$8 million and is the first funder of Komen's new category of grants, Promise Grants. The first American grant is funding a five-year study of inflammatory breast cancer (IBC) at The University of Texas M. D. Anderson Cancer Center.

Supplier Diversity

Established in 1989, the mission of American's Diversified Supplier Program is to afford qualified minority, women-owned and small businesses the opportunity to participate as potential suppliers of products and services to the airline. Administered from the Corporate Purchasing Department, the program is represented throughout the corporation by supplier diversity advocates, who are responsible for supporting supplier diversity within their respective departments on a day-to-day basis. Each department establishes annual goals for its supplier diversity spending, and progress is measured to ensure that each department is on track to realize its supplier diversity objective.

Success depends on the supplier's ability to be price competitive in the marketplace, to provide a quality product and/or service, and to deliver that product or service in a timely manner. American attempts to match potential suppliers with customers within the American Airlines organization, to establish a line of communication between the supplier and the customer.

- Since initiation of the Diversified Supplier Program, total expenditures with minority-owned and women-owned suppliers have exceeded \$3.6 billion.
- The Diversified Supplier Program focuses on ethnic minority (African American, Hispanic, Native American and Asian Pacific) and women-owned businesses.
- American was the first airline to invite certified LGBT suppliers to participate in our supplier diversity program.

Customer Diversity

American also embraces diversity to better understand its customers, suppliers and the community as a whole. By utilizing the perspectives of various ERGs and the large number of diverse employees, American is able to successfully enhance the customer experience through understanding the different expectations, experiences, and backgrounds of its customers. A number of initiatives are in progress to enhance the overall customer experience for travelers who fly with American, and a series of marketing programs are under way that specifically appeal to key diverse customer segments.

- In January 2008, American developed a robust diversity and inclusion page on aa.com. The link promotes American's diversity efforts in supplier diversity, employees, diversity leadership, awards and recognition, corporate citizenship and on-going marketing initiatives.

- American has dedicated sales teams that focus solely on diverse customer groups, such as the African-American, Hispanic, and Lesbian, Gay, Bisexual and Transgender (LGBT) communities. These sales teams support and partner with many community organizations such as the NAACP, The Thurgood Marshall Scholarship Foundation, and Paul Quinn College. In the Hispanic community, American supports the Hispanic Women's Network of Texas; the League of United Latin American Citizens (LULAC); National Council of La Raza (NCLR) and National Association of Latino Elected and Appointed Officials (NALEO) National Conventions; and the Latina Style 50 Best Practices on Diversity Conference. The LGBT team supports organizations such as Human Rights Campaign, Gay and Lesbian Alliance Against Defamation, Lambda Legal, and amfAR. American Airlines uses specialized and diverse advertising, marketing, and public relations agencies to develop insightful programs that best serve its needs.
- American uses the web to generate revenue and loyalty among its diverse customers as well as educate and inform them of travel-related or company-related information at www.AA.com/rainbow. AAVacations.com now has a microsite, www.AAvacations.com/rainbow, aimed at serving American's loyal LGBT customers who are eager to explore the vacation destinations on this popular Web site. American was the first U.S. airline to launch a vacation package site for LGBT travelers. Additionally, approximately half of American's travelers are women, and American was the first airline to publicly state its commitment to female travelers. www.AA.com/women offers destination information, travel tips, lifestyle and business related events for women consumers.
- American has also established two external advisory councils: one focused on women travelers, the other on LGBT travelers. Advisory Council members provide ongoing and ad hoc market feedback on American's position within their respective communities and offer input on market trends, community concerns and program concepts that promote growth within these customer groups.
- American Airlines leads the industry in African American advertising and is the only airline with a specialized African American advertising manager and budget. American has a dedicated African American advertising agency, which guides the strategic placement of ads – to date, largely in American's most competitive markets such as New York and Chicago.

Awards

Many organizations and publications have recognized American's diversity efforts. The company leads the airline industry in its commitment to diversity initiatives and has been recognized with numerous awards, including:

- In 2009, American Airlines was the sole airline to be named one of the "50 Best Places for Diverse Managers to Work" by DiversityMBA Magazine.
- American Airlines was the only airline to be named one of the nation's "Top 50 Employers" by readers of Equal Opportunity Magazine in 2009.
- Perfect 100 score on Human Rights Campaign's Corporate Equality Index for seven years in a row (2001-2008).
- 2008 Employer of Choice Award – Minority Corporate Counsel Association.
- DiversityInc.'s "Top 25 Noteworthy Companies" – 2008.
- Hispanic Business Magazine's Elite 60 – 2008.
- Latina Style Top 50 Companies for Latinas – 2008.
- American Airlines wins prestigious Cannes Lion award for commercial "Team Building" featuring a diverse workforce - July 2008.
- Black Enterprise Top 15 Companies for Marketing Diversity - July 2007.
- eWomenNetwork Foundation International Femtor® Industry Innovator Award - June 2007.
- Named among DFW Minority Business Council's inaugural Top 20 "Buy Those That Buy Us" award - June 2007.