International
Association of
Machinists and
Aerospace Workers



9000 Machinists Place Upper Marlboro, Maryland 20772-2687

Area Code 301 967-4500



OFFICE OF THE INTERNATIONAL PRESIDENT

July 24, 2012

RE: Hawker Beechcraft

Dear Senator,

On July 16 we sent your office a letter concerning the Hawker Beechcraft (Hawker) bankruptcy in which Superior Aviation Beijing Co., Ltd (Superior), a Chinese company 40 percent owned by the Beijing municipal government, is attempting to buy Hawker Beechcraft while dumping the pensions of 17,000 Hawker employees on the Pension Benefit Guarantee Corporation (PBGC). Essentially, Superior is attempting to fund its takeover of a U.S. company with critical dual use aerospace technologies on the backs of Hawker employees and the American taxpayer.

Since our letter of July 16, Hawker has filed a motion in U.S. Bankruptcy Court to pay bonuses to the CEO and the top seven executives of the company. These bonuses could exceed \$5.3 million. Additional bonuses to other management personnel could total \$1.9 million. Also, the General Counsel would be promoted and given an \$80,000 raise. This is at a time when Hawker is now estimated by the PBGC to have over \$750 million in pension liabilities, up from \$500 million, that, if the sale is approved, will become the burden of the American taxpayer through the PBGC. While Hawker is taking care of its executives, no monies are being set aside for the thousands of hourly and salaried employees who will have their pensions frozen.

Additionally, our earlier letter neglected to indicate that Homeland Security is one of many U.S. government agencies currently flying Hawker aircraft.

If you have any questions, please contact Legislative and Political Director Mathew McKinnon at (301) 967-4575.

Sincerely,

R. Thomas Buffenbarger International President

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