AA PROPOSALS

Sections 7, 8, 14, 20, Supp H (2), Letter Y (LOA 05-03) and New (Computer Stipend)

December 3, 2008

The Company proposes the following Sections, Supplements and Letters as an all-inclusive package proposal (modifications to previous proposals in bold):

Section 7: Crew Meals

- The Company proposes to incorporate the crew meal requirements in LOA 05-08 for duty time > 16:00 hrs and duty time > 13:30 hours.

- The Company proposes to incorporate the following sentence from LOA 05-08 to Section A. 5. a. (1):

  "The Company and the Association commit to jointly and carefully evaluate four-pilot long haul flying layover transportation, rest and nutrition facilities on an ongoing basis."

- The Company proposes to amend Section 7.B.5.a.(2) by replacing "after" with "within" in the first sentence, to correct the error in the 2003 contract language.

- **The Company shall make every effort to ensure there is sufficient bottled water on board the aircraft for in-flight use. Upon request by the Association or an individual pilot, the Company shall investigate in a timely manner any situation where there was insufficient bottled water on board the aircraft for in-flight use**.

Section 7: Hotels (includes OSO Transportation and Hotel TA reached 04/08/2008)

- **The Company will take into consideration internet availability and cost when making hotel selection decisions**.

Section 8: Moving Expenses **(**AA proposal 05/15/2008)

- The Company proposes the following changes to Section 8:

  - Increase mileage reimbursement to $0.41 per mile.

  - Increase direct moving expense allowance to $1,000.00.

  - Increase the maximum shipment weight for household effects to 18,000 pounds.

- Provide for the ability to self-move, with reimbursement of fifty (50) percent of the estimated cost obtained from the Company-authorized relocation company; receipts required.

- Transit insurance maximum up to $36,000 ($2.00 per pound on 18,000 pound maximum).

- Company will provide up to 2 roundtrip business travel passes per family member for house hunting purposes, in accordance with the Company Travel Policy.

- House hunting expenses will be reimbursed up to $600.00.

- Move must be completed within 18 months of the effective date of the bid award. Extension requests will be considered on an individual case basis.

- Home sale expenses will be reimbursed up to $1,200.00.

- In lieu of automobile mileage expense, a pilot may elect to have 2 automobiles shipped at Company expense.

Section 14: Probation

- The Company proposes no change to Section 14.

Supplement H (2): CRAF

- The Company proposes to include Stage 4 to Supplement H (2) A.1.

Letter Y (LOA 05-03): Staff Travel

The Company proposes no change to LOA 05-03).

New: Computer Stipend

- APA agrees to withdraw proposal on computer stipend.