AA SCHEDULING PROPOSAL

January 9, 2008

Sequence Protection for Lineholders

- The Company proposes to delete Section 4.E. of the Agreement (Cancellation of Last Trip of the Month).
- The Company proposes to rename Section 4.F. (Marketing / Route Award Cancellation Protection) to Sequence Protection, and amend as follows:
    - Sequence protection will apply to all sequences on a regular pilot's trip selection, including trips picked up during the month but excluding trips dropped at the initiative of the pilot.
    - Sequences dropped as a result of an illegality will be pay protected provided the pilot was originally legally scheduled to within a one hour buffer for all contractual rest break legalities and FAR duty aloft limits. A pilot may pick up a sequence that provides less than the one hour buffer, however, such pilot will not be pay protected for any subsequent illegality that may result.
    - To qualify for sequence protection, a pilot must be on the make up list on all days which have no scheduled flying and which are not scheduled as duty free periods, until the pilot has either made up the time lost or the contractual month ends.
    - To enhance a pilot's ability to recover lost flying in a timely manner, the Company will provide a daily Sequence Protection SEP run. Pilots will be eligible to participate during the first five (5) calendar days following the termination of any disrupted sequence, in advance of the regular daily SEP run.

- The Company may reconstruct affected trip sequences, including the addition and/or substitution of flying not contained in the original sequences, provided such reconstructed sequences remain within the footprint of the originally scheduled sequence.

- Once signed in for a sequence, a pilot must remain on duty for a reasonable amount of time following any disruption to such sequence (AA and APA to discuss and mutually agree on the length of such period of availability)

- Fatigue occurrences do not qualify for sequence protection

Definitions:

- Sequence Footprint is defined as the period of time from sequence origination to the end of the last calendar day of a sequence or, if unable to return the pilot to base, the first available flight the following day.

- Reschedule is defined as any modification to a pilot's schedule associated with a disruption to the pilot's original schedule. Reschedules outside the footprint of a sequence will be paid at a rate of 1.5 times the applicable hourly rate.

- Reassignment is defined as any modification to a pilot's schedule not associated with a disruption to the pilot's original schedule. Reassignments outside the footprint of a sequence will be paid at a rate of 1.5 times the applicable hourly rate.

  NOTE: Reassignments that increase a pilot's scheduled projection (SPROJ) above the monthly maximum will not result in pay max removals, but will be pay matched at the greater of the monthly maximum plus 5 hours, or the pilot's highest projection at the time of any reassignment/ reschedule.

Scheduling: Hours of Service and Trip Selections

- The bidline monthly maximum for regularly scheduled pilots will be eighty-two (82) scheduled hours (SPROJ), and adjusted as necessary in accordance with the following:
    - For bidline construction quality and flexibility, up to 25% of the bidlines in any bid status may exceed the monthly max by ≤ 3 hours.
    - A Bidline Maximum Adjustment (BMA) ≤ 3 hours/month, by bid status, not to exceed 6 months in any calendar year
    - The Company proposes no change to Section 4.A. (64 hour guarantee).
- On a voluntary basis, a regularly scheduled pilot may be scheduled to fly above the monthly maximum. The number of hours a pilot may volunteer for each month will be designated by the Company for each contractual month. In no case will the minimum hours available be less than five (5) hours, nor will it exceed fifteen (15) hours above the monthly maximum for any contractual month.
- The Company shall implement a daily SEP run to facilitate seniority preferences in the awarding of open time.
- Deadhead time and E, F and G time will be paid but not credited.
- To reduce the overall percentage of pilots on reserve and to minimize the reassignment potential for lineholders in the overlap period, the Company proposes development of alternative scheduling methods to eliminate month-to-month conflicts.
- To provide greater flexibility in the line construction process, the Company proposes to remove all limitations on Domestic sequences in International lines contained in Supplement I.1.D. All such Domestic sequences that are part of International lines shall be paid at International rates.
- Align the current AA Operations Specifications for Domestic Operations to Certain Airports with the definitions of International Operations contained in Supplement I.

International Long Haul Flying

- In order to accommodate future Long Haul flying opportunities, the Company proposes to modify the Scheduled, Rescheduled and Actual On-Duty Time limits found in Supplement "I", Section 7 (Hours of Service), Paragraphs C. 1. and 2. for basic crews augmented by two (2) pilots. Specifically, the proposal is to incorporate the provisions of LOA 05-08 ORD-DEL into Supplement I for all international flying:

  - Scheduled, Rescheduled and Actual On-Duty Time limits found in Supplement "I", Section 7 (Hours of Service), Paragraphs C. 1. and 2. for basic crews augmented by two (2) pilots will be changed to a maximum of 18 hours scheduled on duty time, 18 hours maximum rescheduled on duty time, and 20 hours maximum on duty time. Additionally, at the discretion of the Captain, the twenty (20) hours maximum on duty time may be extended up to 3 hours in the event of an en-route diversion.
  - Expenses Away From Base, Section 7.A.5.a.(1) will be modified to include the following sentence: "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."
  - Expenses Away From Base, Section 7.B.5.c. ("Minimum Meal Guarantee") will be modified to read: "Depending on the length of the duty period, the total number of crew meals plus sufficient ground time opportunities to eat will be at least:

    (1) Duty time > 16:00 3 meals

    (2) Duty time > 13:30 2 meals and 1 snack

    NOTE: This meal minimum will also apply to all Far East flying.

Reserve Flying

- The Company proposes to modify the current reserve system to provide for a First In, First Out (FIFO) reserve assignment system, by days of availability, as follows:

  For assignments used for long call domestic, pure international assignments, and long call international with domestic flying in first duty period, the following shall apply:

  - Trips will be assigned to pilots grouped by days of availability, with the earliest trip being assigned to the First In pilot based on the arrival time of the last trip or training assignment..
  - Days of availability will run from 1 to 7.
  - FIFO will be determined by the arrival time of the last trip or training assignment.
  - Previous Reserve Availability Period (RAP) terminations will not impact FIFO standing.
  - Sequences will be covered in the order of shortest to longest. One day sequences are covered first. If any trips remain open they will be rolled over to the two day block, two day sequences to three day blocks, etc.

  For assignments using RAP start times, the following shall apply:

  - Used for all short call domestic flying and short call international flying with domestic legs in first duty period.
  - Trips will be assigned to pilots grouped by days of availability, with the Pilot on the earliest RAP being assigned first.

- When two or more reserve pilots are required to fly, open trips will be awarded to those pilots in seniority order, to the extent possible.

- Current reserve rest procedures will be modified to align with the new FIFO reserve assignment system.

- Open sequences may be split, transferred, or re-allocated at the Company's discretion.

Training and Supervisory Flying

- Distance Learning
    - Defined as required training or required activities that are accomplished without a classroom, instructor in a classroom, flight training device, simulator or aircraft.
    - Distance learning lessons that are independent of scheduled training or related activities may be accomplished on a pilot's scheduled time off within a specified completion period (due date) for each lesson.
    - Includes training material the Company requires a pilot to complete that cannot be completed in conjunction with the normal course of preparing for flight.
    - Will not include informational materials such as manuals updates, flight crew bulletins, flight operations bulletins or review of any materials directly associated with the preflight planning, briefing, or operation of a flight.
    - Pilots will be paid on the basis of one (1) minute of pay for every three (3) minutes of distance learning, based on a pre-determined lesson length.

- Company access to open time
    - Open time will be available for Company use following daily SEP run

Miscellaneous:

Reinstatement Rights – at date of signing, all existing re-instatement rights shall be grandfathered. Subsequently, all future reinstatement rights shall terminate at the point where less than a full training course is no longer possible (currently 3 years).

Training Displacement – a pilot, upon notification of displacement for training from a scheduled trip, shall be released from further obligation no later than 12 hours prior to the scheduled sign-in of such trip. Upon release, such pilot may elect to have the time uncredited.

Flying While on Union Leave - any pilot on full time union leave may, for the purpose of maintaining proficiency and/or currency, displace at any base, any flight.