

AGREEMENT

between

AMERICAN AIRLINES

and

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

MAINTENANCE CONTROL TECHNICIAN
EMPLOYEES
OF AMERICAN AIRLINES, INC.

Effective Date: May 5, 2010

PREAMBLE

THIS AGREEMENT, entered into this 5th day of May, 2010 by and between AMERICAN AIRLINES, INC (hereinafter sometimes referred to as the "Company") and TRANSPORT WORKERS UNION OF AMERICA AFL-CIO (hereinafter sometimes referred to as the "Union"), as representative of the employees within the United States in the classifications listed herein, pursuant to the terms of the Railway Labor Act, as amended, in the mutual interests of the employees and of the Company to promote the safety and continuity of air transportation, to further the efficiency and economy of operations, and to provide orderly collective bargaining relations between the Company and its employees, a method for the prompt and equitable disposition of grievances, and for the establishment of fair wages, hours and working conditions for the employees covered hereunder. In making this Agreement, both the Company and the employees hereunder recognize their duty to comply with the terms hereof and to cooperate fully, both individually and collectively, for the accomplishment of the intent and purpose of this Agreement.

TABLE OF CONTENTS

PREAMBLE	1
TABLE OF CONTENTS.....	2
NOTICE OF INTENT	4
ARTICLE 1 - RECOGNITION AND SCOPE	5
Attachment 1.1- Seat Miles Scheduled by Commuter Air Carriers	9
ARTICLE 2 - DEFINITIONS.....	10
ARTICLE 3 - HOURS OF WORK.....	12
Attachment 3.1 - Optional Hours of Work.....	13
ARTICLE 4 - COMPENSATION.....	15
ARTICLE 5 - SHIFT DIFFERENTIAL AND TEST HOP BONUS.....	17
ARTICLE 6 - OVERTIME	18
Attachment 6.1 - Overtime Assignments	20
ARTICLE 7 - HOLIDAYS	21
ARTICLE 8 - VACATIONS.....	22
Attachment 8.1 - Injury on duty when a vacation period is scheduled	25
ARTICLE 9 - PROBATIONARY PERIOD	26
ARTICLE 10 - SENIORITY	27
ARTICLE 11 - CLASSIFICATIONS AND QUALIFICATIONS	29
ARTICLE 12 - FILLING OF VACANCIES	31
Attachment 12.1 – Transfer Process	34
ARTICLE 13 - SYSTEM SENIORITY LIST	35
ARTICLE 14 - LOSS OF SENIORITY.....	36
ARTICLE 15 - REDUCTION IN FORCE	37
ARTICLE 16 - RECALL.....	39
ARTICLE 17 - LEAVES OF ABSENCE.....	41
ARTICLE 18 - MILITARY LEAVE.....	47
ARTICLE 19 - TERMINATION OF EMPLOYMENT	48
ARTICLE 20 - BULLETIN BOARDS	49
ARTICLE 21 - ROTATION OF SHIFTS	50
ARTICLE 22 - REGULAR AND RELIEF ASSIGNMENTS	51
ARTICLE 23 - ATTENDANCE AT HEARINGS, INVESTIGATIONS OR TRAINING CLASSES	52
ARTICLE 24 - ABSENCE FROM DUTY	54
ARTICLE 25 - RECALL AND CALL-IN WORK	55
ARTICLE 26 - FIELD WORK	56
ARTICLE 27 - GENERAL	57
Attachment 27.1- Personal Days Off	61
ARTICLE 28 - NO DISCRIMINATION, AND RECOGNITION OF RIGHTS AND COMPLIANCE	62
ARTICLE 29 - REPRESENTATION.....	63
ARTICLE 30 - GRIEVANCE PROCEDURE FOR DISMISSAL/CORRECTIVE ACTION	66
Attachment 30.1 - Time Limits - Article 30 - Grievance Procedure for Dismissal/Corrective Action.....	68

ARTICLE 31 - GRIEVANCE PROCEDURE.....	69
Attachment 31.1- Time Limits Article 31-Grievance Procedure.....	71
ARTICLE 32 - BOARDS OF ADJUSTMENT	73
ARTICLE 33 - NO STRIKE - NO LOCKOUT	78
ARTICLE 34 - SICK LEAVE.....	79
Attachment 34.1 - Compensation Claim (ID) Panel.....	82
ARTICLE 35 - TEMPORARY EMPLOYEES	83
ARTICLE 36 – MEAL PERIODS.....	84
ARTICLE 37 - SEVERANCE ALLOWANCE	85
ARTICLE 38 - UNION SECURITY	87
ARTICLE 39 - FITNESS FOR DUTY	92
Attachment 39.1 - Accommodation Review Board	94
ARTICLE 40 - RETIREMENT BENEFITS.....	96
Attachment 40.1 - Pre-Retirement Survivor Benefit Charge.....	100
ARTICLE 41 - GROUP INSURANCE CONTRIBUTIONS.....	102
ARTICLE 42 - JOB SECURITY.....	115
ARTICLE 43 - PART TIME EMPLOYEES	116
ARTICLE 44 - MOVING EXPENSES/OPTIONAL SEVERANCE FOR PROTECTED EMPLOYEES.....	117
ARTICLE 45 - ONE STATION AGREEMENTS	118
ARTICLE 46 - EFFECT ON PRIOR AGREEMENTS.....	119
ARTICLE 47 - DURATION OF AGREEMENT	120
Attachment 47.1 - Wage Adjustment Provision	122
LETTERS OF MEMORANDA	124
LETTER OF MEMORANDA #1 - COPE Deductions.....	125
LETTER OF MEMORANDA #2 - ATAB	126
LETTER OF MEMORANDA #3 - ATBTs.....	127
LETTER OF MEMORANDA #4 - Letters of Agreement	128
LETTER OF MEMORANDA #5 - Enhanced Profit Sharing Plan.....	129
LETTER OF MEMORANDA #6 - TWU Labor Protective Provision “Me Too Clause”	131
LETTER OF MEMORANDA #7 - Retiree Medical - VEBA	132

NOTICE OF INTENT

This Agreement between the parties was modeled upon the 1995 Aviation Maintenance Technician, Plant Maintenance and Ground Service Employees Agreement. The intent, in 1998, when the first Technical Specialist agreement was entered into, was to mirror the spirit and application of the Basic Maintenance Agreement as much as possible. Some Articles and Letters of Memorandum were adopted verbatim from the Basic Maintenance Agreement. In other circumstances, where provisions of the Basic Maintenance Agreement were determined to be not applicable to the Technical Specialist classification, an "N/A" designates such; in other cases items deemed to be not applicable have been deleted in their entirety. In subsequent versions of Technical Specialist agreements, most articles, as well as most articles in the Aviation Maintenance Technician, and Plant Maintenance Agreements, were rewritten. Furthermore, the application of this agreement has diverged from the 1995 Aviation Maintenance Technician, Plant Maintenance and Ground Service Employees Agreement. Additionally, sufficient time has passed and sufficient interpretation of this agreement has occurred so this agreement has developed its own application and intent.

This revised notice of intent is incorporated into this agreement in order to preserve the historical perspective in which the original agreement was negotiated while making notice that the intent has changed to reflect the Technical Specialist spirit and application that has been evolving since the original agreement was entered into on December 9, 1998.

ARTICLE 1 - RECOGNITION AND SCOPE

(a) Pursuant to the Agreement between the Company and the Union, dated November 7, 1997, the Company recognizes the Union as the exclusive and sole collective bargaining agency, with respect to rates of pay, rules and working conditions, for all employees within the United States or its territories covered under this Agreement in the classification set forth in this Agreement, and who performs work as described below:

Provides technical direction to Aircraft Maintenance Organization. Analyzes aircraft structural, mechanical, electrical, electronic, avionics, and power plant system problems, and makes recommendations for corrective actions by providing oral and written instructions through Action To Be Taken (ATBT) entered into Field Maintenance Reliability (FMR). Debriefs flight crews and maintenance on in-flight and post-flight discrepancies. Coordinates technical information to flight crews during in-flight operations utilizing ARINC, SATCOM, ACARS, Company Frequency, or other approved means. Reviews aircraft log records, and analyzes all available information for the performance/condition of an aircraft system component, or the On Wing management programs or Engines and Auxiliary Power Plant Units (APU). Recommends that functional tests are conducted for indications and causes of equipment malfunctions. Coordinates findings with appropriate personnel to resolve maintenance problems. Coordinates parts movement and the manpower required for field trips to facilitate the timely repair of out-of-service aircraft. When necessary, travels to the aircraft or station to provide on-site assistance and guidance in the detection and recommended repair action to be taken to return the aircraft to service. Interprets, issues, closes, and assists in controlling the use of the Minimum Equipment List (MEL), Configuration Deviation List (CDL), Nonessential Equipment Furnishings (NEF). Monitors to ensure compliance with procedures prior to the dispatch of an aircraft. Monitors fleet reliability through Field Maintenance Reliability (FMR) and any automatic (or manual) aircraft fault monitoring system such as the AHM (Aircraft Health Management) system or any such similar system designed and implemented by American Airlines or any third party provider. Monitors aircraft engine performance through any automatic (or manual) engine performance or fault monitoring system such as the GE (General Electric) SAGE system or the RR (Rolls Royce) EHM (Engine Health Monitoring) system any such similar system designed and implemented by American Airlines or any third party provider. Detects and eliminates repeat aircraft discrepancies through Repeat Control and issues oral instructions and written instructions as defined in the appropriate manuals. Receives assignments from management. Works according to FAA and Company Regulations and complies with procedures in all applicable manuals. Communicates with other Company personnel as required in a manner designated by the Company. Only Maintenance Control Technicians will write and update all ATBTs for all MEL, CDL, TAC, TFIs, TILs, and NEF items. Maintenance Control Technicians will serve as a liaison between field maintenance and engineering.

Field placarding will only be allowed for flight crew placardable items. Additionally, field placardable MELs will be audited twice annually by management and a TWU representative.

It is recognized that in the conversion from management/specialist work to this bargaining unit work numerous related job functions (those being performed as of December 9, 1998) have been and may continue to be performed by other work groups such as, but not limited to, Supervisors, Engineers and Aviation Maintenance Technicians.

(b) It is understood that in an emergency, supervisors, flight crews, and other employees may perform or assist in performing any work that may be necessary to complete a particular operation. Where employees are reasonably available in point of time adequately to handle a situation on a regular, overtime, or field work basis, this situation will not be deemed to be an emergency within the meaning of this paragraph.

(c) It is further agreed that as other stations are established during the term of this Agreement, the Union will be notified prior to the opening and conferences will be held between the parties regarding the staffing of these stations. The Company retains the right to staff such stations at its discretion.

(d) It is agreed that the Company will not contract out work of the type which is currently being performed by the Maintenance Control Technician classification as described in this article and it is understood that nothing in this Article requires the maintenance of the present volume of work.

The time limit for grievances filed under Article 29(d) involving contracting out will be six (6) months from the date on which such contracting out commenced or, in the case of a substantial expansion of prior contracting out, six (6) months from the date of such substantial expansion.

(e) Merger, Purchase or Acquisition of Another Company:

In the event of a merger, purchase or acquisition of another company involving the entire company or a substantial portion of the company, by the Company, the TWU and the Company will meet to discuss the merger, purchase or acquisition. The Company will provide the TWU with information concerning the proposed merger, purchase or acquisition at the earliest feasible time to allow for the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, or acquisition upon the TWU represented employees.

(1) The integration of the seniority lists of the respective employee groups will be governed by the provisions of Sections 3 and 13 of Allegheny-Mohawk, 59 CAB 22 (1972), provided that no employee on the master seniority list will be adversely impacted in rates of pay, hours, or working conditions by the integration.

(2) The rates of pay, rules, and working conditions contained in the Basic Agreement, as amended, will not be changed in any way absent agreement of the TWU and will not be open for collective bargaining in the event of a merger, purchase or acquisition of another company nor will the TWU or the Company have any obligation to bargain upon changes thereto, except as provided in Article 47 – Duration of the Basic Agreement.

(3) The parties agree to submit to final and binding arbitration by an arbitrator approved by the National Mediation Board all disputes between the TWU and the Company which are not settled in the meetings provided above within six (6) months of the effective date of the merger. The costs of the arbitration will be shared equally by the parties and there will be only one such arbitration proceeding which will be the sole and exclusive remedy for all such disputes.

(4) It is understood that the provisions of Article 1(e)(1), (e)(2), and (e)(3) will not apply to the Company's purchase of assets of another airline which does not result in the integration of employees.

(f) Merger, Purchase, or Acquisition by Another Company:

In the event of a merger, purchase or acquisition of the company, by another company, the TWU and the Company will meet to discuss the merger, purchase or acquisition. The Company will provide the TWU with information concerning the proposed merger, purchase or acquisition at the earliest feasible time to allow for the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, or acquisition upon the TWU represented employees.

(g) Labor Protection Provisions:

In the event of a merger, purchase, or acquisition of the Company, by another company, the integration of the seniority lists of the respective employee groups will be governed by the provisions of Sections 3 and 13 of Allegheny-Mohawk, 59CAB22 (1972). The employee groups of each carrier will remain separated until such time as the seniority lists are integrated in accordance with this paragraph.

(h) Successorship:

In the event of any merger, purchase acquisition of the Company, or of substantially all of the equity securities and/or assets, of the Company by another company, person or entity or subsidiary or corporate affiliate of the Company (Successorship Transactions), the following will apply.

(1) This Agreement will be final and binding upon any company, person or entity that acquires control of, purchases or acquires the Company or substantially all the equity securities and/or assets of the Company ("Successor"). The Company will not bring a single step or multi-step Successorship Transaction to final conclusion, unless the Successor agrees, in writing, to:

(a) recognize the TWU as the representative of employees on the TWU System Seniority lists consistent with the Railway Labor Act, as amended;

(b) employ the employees on the TWU System Seniority list in accordance with the provisions of this Agreement;

(c) assume and be bound by this Agreement.

(2) If the Successor is an Air Carrier or an affiliate of an Air Carrier, the Company will, at the option of the TWU, require the Successor to agree to integrate the pre-transaction System Seniority list of the Company and the Successor in a fair and equitable manner within twelve (12) months of the Successorship transaction pursuant to Sections 3 and 13 of the Allegheny-Mohawk LPPs. The requirement of this provision does not apply to the Company's acquisition of all or part of another Air Carrier in a transaction, which includes the acquisition of aircraft and employees.

Other Labor Protective Provisions In Substantial Asset Sale

(i) In the event that, within any 12 month period, the Company transfers (by sale, lease, or other transaction) or otherwise disposes of facilities operated by the Company for the maintenance of its aircraft ("Aircraft Maintenance Facilities") which, net of Aircraft Maintenance Facilities purchased or otherwise added by the Company during the same 12 month period, constitute 20% or more of the value of the Aircraft Maintenance Facilities of the Company, to an entity or a group of entities acting in concert that is either (i) an air carrier or that will operate as an air carrier, or (ii) is a repair station under 14 CFR Part 145 ("Repair Station") or that will operate as a Repair Station, following its acquisition of the transferred Aircraft Maintenance Facilities (any such entity or group the "Aircraft Maintenance Transferee; any such transaction, a "Substantial Aircraft Maintenance Transaction"):

(1) the Company shall require the Transferee to proffer employment to that number of Employees on the master seniority list in strict seniority order (the "Transferring Employees") equivalent to the reduction by the Company in the number of Employees resulting from the Substantial Aircraft Maintenance Transaction. [The number

of Transferring Employees shall be no fewer than the average monthly staffing over the prior 12 months for the Aircraft Maintenance Facilities transferred to the Transferee in connection with the Substantial Aircraft Maintenance Transaction]; and

(2) the Company shall not finally conclude a transaction under this subsection unless the Transferee agrees to integrate the Transferring Employees into the Transferee's seniority list pursuant to Sections 3. and 13. of the Allegheny-Mohawk LPPs.

(j) If the TWU believes that a violation of the provisions of sections (e) through (i) has occurred, an expedited arbitration may be invoked.

(k) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement:

Attachment 1.1- Seat Miles Scheduled by Commuter Air Carriers

DOS

Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

RE: Seat Miles Scheduled by Commuter Air Carriers

Dear Robert,

This will confirm our discussions leading to the signing of the agreement dated DOS in which we discussed provisions for the future schedules of commuter air carriers relative to American Airlines.

It is agreed that as of DOS, and measured each the twelve (12) month period from July 31 to August 1st of the following year, the total number of available seat miles (ASM's) which may be scheduled by all commuter air carriers owned by AMR or feeding American may not exceed ten (10) percent of the total ASM's scheduled by American. This limitation will not apply to ASM's scheduled by such commuter air carriers on new service on a route, which American has not served since March 1, 1993. In addition, the following markets are excluded from the ASM cap:

- BNA, RDU, SJC, STL Eagle routing
- Eagle pre-1993 ASM's
- Markets in which AA & AE both fly

The above listed markets excluded from the ASM cap total, based on historical data, represented an additional 2.4% increase to the cap.

No aircraft type currently in the American Airlines fleet or inactive aircraft type previously in the American Airlines fleet and still under the Company's control, and no current orders or options for an American Airlines aircraft type will be transferred to or operated by a commuter air carrier either owned by AMR or feeding American Airlines.

If you are in agreement, please indicate by signing below.

Sincerely,
{Original Signed on file}

Agreed to:
{Original Signed on file}

James B. Weel
Managing Director
Employee Relations
American Airlines Inc.

Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO

ARTICLE 2 - DEFINITIONS

(a) The word "employee" will mean an employee in the classification covered by this Agreement.

(b) "He" or any other masculine pronoun will be understood to designate any employee whether male or female.

(c) The term "qualifications" will mean all requirements which may be deemed necessary by the Company for the classification of Maintenance Control Technician as stated in Article 11 of this Agreement.

(d) The term "work unit" will mean a group of employees covered by this classification assigned to any particular operational desk or other location. The Company and the Union will have meetings to discuss the establishment of any new work unit prior to implementation of that work unit.

(e) (N/A)

(f) The term "department head", "chief operating officer", or any other management title referred to in the Agreement will mean the person or any other person properly designated and appointed by him to act in his stead. References to the titles of Union officials will mean that person or any other person properly designated and appointed by him to act in his stead.

(g) The term "on call" will mean an employee's status who has been instructed to remain or stand by at a station, shop, hangar, or other location, in order to begin work, immediately upon the work becoming available.

(h) The term "protected employee" will mean all employees covered by the job security provision of Article 42. The term "unprotected employee" as used in this Agreement will mean all employees not covered by the job security provisions of Article 42.

(i) The term "chart rate" will mean those regular hourly rates of pay appearing in Article 4.

(j) "Base hourly rate", "regular hourly rate", "regular pay", or "pay as if working" will mean the employee's hourly rate as shown in Article 4 plus any applicable longevity pay, differentials, license premium, skill premium, and other premiums. When "base hourly rate", "regular hourly rate", "regular pay", or "pay as if working" is compounded, it will include license and all other premiums.

(k) "Pay seniority" (pay seniority) will govern pay raises and/or placement on the appropriate pay scales in Article 4. This seniority is governed by the applicable Articles of this Agreement.

(l) "Company seniority" will be the time based on the employee's hire date with the Company. This seniority is governed by Company policy.

(m) "Occupational seniority" will be the Occupational Group Title seniority referred to in Article 10 of this Agreement.

(n) "Emergency" will mean a sudden, unexpected occurrence or situation urgently requiring prompt action.

(o) The term "Company" as used in this Agreement will mean American Airlines, Inc.

(p) The term "Successor" as used in this Agreement will include, without limitation, any assignee, purchaser, transferee, administrator, receiver, executor and/or trustee of the Company or of all or substantially all of the equity securities and/or assets of the Company.

(q) The term "Successorship Transaction" as used in this Agreement will mean any transaction, whether single step or multi-step, that provides for, results in, or creates a successor.

(r) The term "Affiliate" as used in this Agreement will mean (a) any entity that controls the Company or any entity that the Company controls, and/or (b) any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in (a) of this paragraph.

(s) Maintenance Control Technician and Technical Specialist refer to the same position in this agreement and in any other document or manual in use by the company or the Union.

(t) The Term "Specialized Tech Service Training" will include any training conducted at any manufacturers location.

ARTICLE 3 - HOURS OF WORK

(a) The workday will consist of a twenty-four (24) hour period beginning at 12 o'clock midnight and work schedules will be drawn up on the basis of eight (8) hours consecutive on-duty hours (inclusive of meal periods). The work week and the pay week will consist of seven (7) consecutive days beginning on Saturday at 12:01 AM and the regular weekly work schedule will consist of five (5) workdays of eight (8) hours each within the work week.

(b) The regular work schedule will consist of five (5) days on followed by two (2) days off.

(c) Each employee will be scheduled for two (2) days off during each work week. The Company will make every reasonable effort to arrange work schedules so that, whenever practicable, those days will be Saturday and Sunday. When an employee's days off are other than Saturday and Sunday, they will be two (2) consecutive days. Nothing will prohibit the Company from scheduling Friday and Saturday as the two (2) consecutive days off (except per the provisions of Article 21(b)).

(d) At each work unit where employees are required to maintain continuous operation of departments or assignments, shift assignments may either be fixed, bid, or rotated in accordance with the preference of a majority of the employees involved, consistent with the requirements of the service in accordance with Article 21. Shift rotations will occur on a twenty eight (28) calendar day basis. An employee assigned to training will be paid as if working for no less than all regularly scheduled hours per pay period. An employee's days off may only be changed to accommodate jury duty per Article 27, Military Leave per Article 18, or training of five (5) or more consecutive days. Relief employees will be assigned to a regular shift when not being utilized in a relief capacity.

(e) All time worked in any continuous tour of duty, including overtime, will be considered as work performed on the workday within which the tour of duty is started.

(f) (N/A)

(g) (N/A)

(h) Except in emergencies, employees will be given at least seven (7) days notice of all scheduled shift changes. If such notice is not given, the employee will receive no less than one and one-half (1.5X) his regular rate of pay for the first day worked after the schedule change.

(i) The attachment on the following page is agreed to by the parties and is incorporated as part of the agreement:

Attachment 3.1 - Optional Hours of Work

American Airlines
October 28, 2004

Mr. Gary Yingst
International Vice President AA System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Dear Gary,

Recently the Technical specialists and operating management have requested that we amend Article 3 of the Agreement between American Airlines and the Transport workers Union of America, AFL-CIO covering Technical Specialists Employees to include a "4/10" work schedule. We have agreed that the additional work schedule will be added to Article 3 as described below:

(b) The regular work schedule will consist of five (5) days on followed by two (2) days off. Where the Company maintains a seven (7) day operation, individual work units may be scheduled in whole or in part on schedules of four (4) days of ten (10) hours each, when mutually agreed between the Company and the Union. This agreement must be approved by the Director of the Air Transport Division and the Vice President overseeing the work unit or their designees. When a 4/10's schedule is adopted it will be subject to the provisions outlined below.

(1) It is understood there are few locations where a 4/10s schedule will meet the needs of the service, and that this alternative schedule will be approved only when it involves no anticipated increased expense for the Company and no anticipated loss of productivity or any other recognizable degradation of performance.

(2) It is understood and agreed that either party will have the right to cancel a 4/10s schedule with thirty (30) calendar days of written notice to the other party.

If a 4/10 work schedule is approved for any Technical Specialist work unit, the rules pertaining the application of the applicable Article of the Agreement will be those mutually agreed upon the by the Company and the Union as embodied in the guidelines approved by the TWU (locals 514 and 567) dated October 2004.

Disputes arising out of this new application will be reviewed by a panel consisting of the International Transport Workers Union Director and the Vice President Line Maintenance representing the Company, or their respective designees. The panel will issue a binding decision on such question of interpretation or application. In the event the panel is unable to resolve the issue, the case may be submitted to the system Board of Adjustment for final and binding resolution.

If the above accurately reflects our understanding, please indicate by signing below. In addition your signature will validate that the Local Guidelines as referenced above are not in conflict with the basic Agreement and can only be changed by mutual agreement between the Locals and operating management, approved by the TWU International and Employee Relations.

Sincerely

(original signature on file)

James B. Weel
Managing Director
Employee Relations

Agreed to:

(original signature on file)

Gary Yingst
International Vice President
AA System Coordinator
Transport Workers Union

ARTICLE 4 - COMPENSATION

(a) During the period of this Agreement, the rates of pay for the classifications of work covered in this Agreement will be in accordance with the Wage Schedules shown in this Article.

The Hourly Rate for the Technical Specialists will be as follows:

MAINTENANCE CONTROL TECHNICIAN

	5/5/2010	5/5/2011	5/5/2012
1st 12 Mos	\$26.66	\$27.06	\$27.46
2nd 12 Mos	\$27.09	\$27.50	\$27.91
3rd 12 Mos	\$27.49	\$27.90	\$28.32
4th 12 Mos	\$28.05	\$28.47	\$28.89
Thereafter	\$32.02	\$32.50	\$32.99

(b) For employees hired into the Maintenance Control Technician classification progression from one step to the next will be based on twelve (12) months of service in the classification in each step. These rates of pay and the progression are subject to the provision of paragraph (c) below.

(c) Flexible Starting Rates

(1) In the event that the Company, in its sole discretion, finds that any or all of its starting pay rates (Step 1) as specified in paragraph (a) above, are non-competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in the classification at any station/base/location at rates of pay higher (Step 2 through the maximum hourly rate in the applicable pay scale) than those starting rates specified in paragraph (a) above. As market conditions change, the Company may, in its sole discretion, change its designated starting rate. The designated starting rate may be higher or lower than previous designated starting rates. The starting rate may not be lower than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.

(2) In those stations/base/locations where higher starting rates of pay are designated in accordance with paragraph (c)(1) above, all employees in that classification at that station/base/location who are receiving less than the new designated starting rate of pay will have their rate of pay concurrently increased to the new designated higher starting rate for that classification in that station/base/location.

(3) An employee who transfers to or from a station/base/location which has an adjusted starting rate of pay for his classification will have his rate of pay adjusted upward or downward to conform to the rate of pay received by an employee with the same classification seniority as his at his new station/base/location. The adjusted rate may not be less than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.

(4) It is understood and agreed that the effective dates of step increases and other changes in pay rates are determined by the employee's classification seniority as defined by Company policy.

(d) LONGEVITY PREMIUM

Each employee in a job classification under this Agreement will have longevity premium added to his regular rate per hour following completion of the years of accredited service as indicated below:

17 years	.21 cents
18 years	.24 cents
19 years	.27 cents
20 years	.30 cents

Longevity premiums will be effective the date the employee completes the required amount of accredited service. Longevity premiums will be compounded in the calculation of overtime rates and will be part of the employee's base pay calculations for pension purposes.

Accredited service with the Company, for determining longevity premiums will be defined as: active service on the Company's payroll in any capacity, except the service prior to resignation, discharge, or layoff when recall rights have expired; the entire duration of Military or Union Business Leave of Absence; and Injury-on-Duty Leave of Absence, up to a maximum of five (5) years; for those employees with over six (6) months of service with the Company, a Sick Leave of Absence up to a maximum of five (5) years, and Family, Personal, or Maternity Leave of Absence up to a maximum of ninety (90) calendar days.

(e) LICENSE PREMIUM

(1) Employees in the Maintenance Control Technician classification will receive the following license premium for holding both FAA Airframe and FAA Power Plant Licenses:

(a) Effective March 01, 2003, the employee will receive \$5.00 per hour.

(2) Effective March 01, 2001 License premium pay will be compounded in the computation of overtime rates and for those employees retiring, license premium pay will be included in the pensionable earnings of those employees.

(f) LINE PREMIUM

Effective May 5, 2010 all Maintenance Control Technicians will receive a line premium of \$2.55 per hour, which will be compounded in the computation of overtime rates. The Line premium will also be included in the pensionable earnings of retiring Maintenance Control Technicians.

(g) MAINTENANCE CONTROL TECHNICIAN (MCT) PREMIUM

Effective May 05, 2010 all Maintenance Control Technicians will receive a premium of \$1.55 per hour, which will be compounded in the computation of overtime rates.

ARTICLE 5 - SHIFT DIFFERENTIAL AND TEST HOP BONUS

(a) An employee assigned to a shift, which begins at or after 12:00 noon and before 5:00 p.m. will receive a shift differential of one (1) cent per hour.

An employee assigned to a shift, which begins at or after 5:00 p.m. and before 6:00 a.m. will receive a shift differential of two (2) cents per hour.

No shift differential will be received by an employee assigned to a shift which begins at or after 6:00 a.m. and before 12:00 Noon.

Example:

(1)	12:00	noon	4:59 p.m.	1¢
(2)	5:00	p.m.	5:59 a.m.	2¢
(3)	6:00	a.m.	11:59 a.m.	None

(b) An employee will receive the shift differential applicable to the shift to which he is regularly assigned. The applicable shift differential will be included with the employee's hourly rate in the calculation of pay for overtime, vacation, holiday, sick leave benefit and benefits paid for absence due to an occupational illness or injury compensable under the applicable Workmen's Compensation law.

(c) An employee may be required to rotate on shifts during a work week in which event he will receive two (2) cents per hour shift differential, if he rotates through a shift to which a one (1) cent per hour shift differential would otherwise be applicable and a shift for which no shift differential is applicable; or three (3) cents per hour shift differential if he rotates through a shift to which a two (2) cents per hour shift differential is applicable and any other shift or shifts. Rotating shifts will be filled first by seniority among qualified employees who volunteer for the shifts. In the event that an insufficient number of employees volunteer to fill the necessary rotating shifts, the unselected shifts will be filled by assignment of the most junior qualified employees.

(d) An employee who is required by the Company to fly on a test hop will receive one (1) hour's pay at his base hourly rate in addition to the regular pay for each hour or fraction thereof spent on the test hop. The Company will provide a maximum of \$200,000 Test Flight and Observer Aviation Accident Insurance under the conditions outlined in the American Airlines liability policy for employees covered by this agreement.

ARTICLE 6 - OVERTIME

(a) Daily Overtime: Overtime rates will be paid on a daily basis as follows:

(1) One and one-half times (1.5X) the regular hourly rate for each hour or fraction thereof worked in excess of eight (8) and less than twelve (12) hours.

(2) Two times (2X) the regular hourly rate for each hour worked in excess of twelve (12) hours.

(3) An employee will not be required to suspend work during his regular shift to avoid the payment of overtime nor will he be entitled to overtime rates until he has worked eight (8) hours in the work day.

(4) When an employee works overtime, he will be compensated for actual time worked.

(b) Weekly Overtime: Time worked on an employee's regularly scheduled days off will be considered overtime and will be paid as follows:

(1) First day off at one and one half times (1.5X) the regular hourly rate of pay for the first eight (8) hours worked and two times (2X) the regular hourly rate thereafter. Two times (2X) the regular hourly rate for time worked on an employee's second day off, provided he has worked his first day off.

(2) When an employee works on his second scheduled day off without having worked his first scheduled day off, he will be compensated for the day as though it were the first scheduled day off in accordance with subparagraph (1) of this paragraph (b).

(3) When an employee is required to work on his scheduled day or days off, he will be entitled to at least eight (8) hours of work unless he consents to less time.

(c) Shift differentials will be compounded in the calculation of overtime rates.

(d) Overtime work will be distributed among the employees eligible to perform the work necessitating overtime within the appropriate work unit as equitably as practicable.

(1) An employee, when available, who is lowest on overtime and does not work the overtime, will be charged with the overtime missed for equalization purposes, as though it had been worked.

(2) In the event of an emergency and when there are insufficient available employees, the Company may then assign employees who are lowest on overtime to perform the work.

(3) The supervisor's record of overtime worked, or charged to employees for equalization purposes, will be made available to the employees affected by posting or other appropriate methods.

(4) Except in emergencies, employees who are to work overtime will be given two (2) hours notice of the overtime.

(5) (N/A)

(e) (N/A)

(f) An employee whose overtime working period continues into the following day will continue to receive overtime rates for all overtime worked.

(g) If any work period continues so that its termination is less than seven and one-half (7.5) hours prior to the commencement of the employee's regular shift in the succeeding workday, he will receive pay for all time worked during his regular shift and up to twelve (12) hours at the rate of one and one-half times (1.5X) his regular hourly rate.

(h) No overtime will be worked except by direction of the proper supervisory personnel of the Company, except in cases of emergency and when prior authority cannot be obtained.

(i) Overtime compensation will be computed on the basis of the nearest six-minute unit of work.

(j) If overtime on any workday or any workweek is due to an authorized exchange of days off or shifts by employees, (which must be approved in advance by the appropriate supervisor), that time will be compensated for at straight-time rates; provided, however, any continuous work, in excess of eight (8) hours on any shift or tour of duty, will be paid for at the overtime rates provided in paragraphs (a) and (b) of this Article.

(k) In no event will any employee receive more than two times (2X) the regular hourly rate under this Agreement.

(l) (N/A)

(m) The existing Overtime Guidelines currently in use at TUL/AFW on March 1st, 2001 (or as revised) will be used unless the Union and the Company agree otherwise. A copy of the Guidelines will be distributed to each employee for his personal reference.

(o) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement:

Attachment 6.1 - Overtime Assignments

MEMORANDUM

Re: Overtime Assignments

During the negotiations, which led to the signing of the Agreements between the parties effective September 16, 1956, considerable discussion took place regarding administrative and procedural application of the rules governing overtime assignments under Articles 6(d) of said Agreements.

It is recognized that in selecting and assigning employees to overtime, strict equity cannot be maintained on a daily or individual assignment basis. Therefore, in the assignment of overtime, the Company will initially go to the employees relatively lowest on overtime, i.e., the lowest within a sixteen-hour spread. The Company may offer the overtime to employees actually on duty, on day off, or by recall, at its option.

The parties will make an effort to apply these procedures in the application of Articles 6(d). The parties further agree that upon the request of either party they shall review the overtime distribution practices about six (6) months from the date hereof. If changes are suggested or desired, the parties will discuss same and incorporate any changes as an amendment to this Memorandum, if by mutual agreement.

Dated: September 15, 1956

James F. Horst
Int'l. Vice President
Transport Workers Union
of America,
International-AFL-CIO

A. Di Pasquale
Director-Labor Relations
American Airlines, Inc.

ARTICLE 7 - HOLIDAYS

(a) The following holidays with pay will be granted:

Holiday	Observance
New Year's Day	January 1st
Good Friday	Friday Preceding Easter
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Friday following Thanksgiving
Christmas Day	December 25th

(b) An employee required to work on any of the above holidays will receive two (2.0X) his regular hourly rate for at least eight (8) hours, except when an employee requests and is granted fewer hours in which event he will receive two (2.0X) times his regular hourly rate for all hours actually worked and straight time for the difference between the hours actually worked and eight (8) hours. If the employee works more than 8 hours on the holiday he will receive two times (2X) his base hourly rate for all hours in excess of eight (8) hours.

(c) If any of the above holidays fall on an employee's day off, his next workday will be observed as the holiday. The Company may designate the employee's last workday before the holiday to be observed as the holiday with his consent.

(d) If any of the above holidays fall within an employee's vacation period, his next workday following the vacation period will be observed as the holiday. An employee required to work on that day will be paid in accordance with paragraph (b) above.

(e) Payment for a holiday will not be made to an employee on a leave of absence in excess of thirty (30) calendar days or to an employee scheduled to work on the holiday who is not excused from work and who fails to report to work as scheduled.

(f) All employees will be required to report for duty on a paid holiday unless on scheduled days off or on vacation. In the interest of providing employees the opportunity to have the holiday off, the Company may provide a volunteer process whereby employees can identify their interest in having the holiday off. If the Company chooses to provide a volunteer process, it will do so at least seven (7) calendar days in advance of the holiday. Holiday off will be awarded in seniority order according to shift/start time and will be based on operational requirements. Employees will receive three (3) calendar days notice of their holiday off award, except in cases of emergency. An employee awarded holiday off will receive eight (8) hours pay at straight-time rates.

(g) (N/A)

ARTICLE 8 - VACATIONS

(a) Employees covered by this Agreement will become entitled to and receive vacation allowance in accordance with the following:

- (1) As used in this Article the term "year" means a calendar year.
- (2) The following vacation allowance will apply:

Length of Service As of Dec 31 of any Year	Accrual Rate Per Month During the Year Ending Dec. 31	Maximum Vacation Accrual
Less than 10 years	1 work day	10 work days
10 years but less than 17 years	1 ½ work days	15 work days
17 years but less than 25 years	2 work days	20 work days
25 years but less than 30 years	2 ½ work days	25 work days
30 years and over	3 work days	30 work days

- (3) In computing vacation eligibility under this Article:

In any calendar month, an employee on active payroll for fifteen (15) calendar days or more with the Company, will be credited with a full month, and less than fifteen (15) calendar days will not be considered.

Fractions of one-half a day or more of earned vacation will be considered as entitling the employee to a full day's vacation and fractions of less than one-half a day will not be considered.

(b) Vacation pay will be at the employee's regular rate of pay at the time the vacation is taken.

(c) Preference for the period in which an employee will be permitted to take his vacations will be granted within the work unit in the order of Company seniority, provided, that vacation schedules may be so arranged within each work unit to not interfere with the requirements of the service. The Company will post requests for vacation preference for the following year on Company bulletin boards not later than October 15th of each year, and an eligible employee will list his preference not later than November 15th. The vacation awards will be posted on Company bulletin boards by December 1st, whenever possible. Any employee not expressing a preference will be assigned a vacation, if eligible.

(d) Vacation allowances will not be cumulative. Vacation time to which an employee becomes entitled on December 31 of any year will be forfeited unless taken during the following year. However, if an employee is requested by the Company in writing to forego his vacation during the year in which it is to be taken and has not received it by the end of that year, the employee will be entitled to pay in lieu of his deferred vacation. Subject to the requirements of the service, the employee may be allowed to take his deferred vacation during the succeeding calendar year.

(e) An employee who takes a leave or leaves of absence, the total of which exceeds sixty (60) calendar days during any calendar year, will have his vacation allowance to which he becomes entitled on December 31 of that year reduced by his monthly accrual rate as outlined in (a) above for each thirty (30) calendar days of leave or the total of such leaves which exceeds sixty (60) days. However, no deduction from vacation allowance will be made for leaves of absence granted due to injury sustained while on duty.

(f) In the event of termination of employment with the Company, an employee who has completed six (6) months of service with the Company will be paid for vacation not previously taken to which he became entitled as of the preceding December 31. All vacation accrued since December 31 of the preceding year will be paid as follows:

Months of Svc in year of Term.	Accrual Rate	1/2 Day	1 Day	1 ½ Days	2 Days	2 ½ Days	3 Days
	Rate = X of Days Pay	X= 5/12ths	X 5/6ths	X=1 1/4ths	X=1 2/3rds	X=2 1/12ths	X=2 1/2
1		.5	1	1	2	2	3
2		1	2	3	3	4	5
3		1.5	3	4	5	6	8
4		1.5	3	5	7	8	10
5		2	4	6	8	10	13
6		2.5	5	8	10	13	15
7		3	6	9	12	15	18
8		3.5	7	10	13	17	20
9		4	8	11	15	19	23
10		4	8	13	17	21	25
11		4.5	9	14	18	23	28
12		5	10	15	29	25	30

An employee who fails to give two (2) weeks' notice of resignation in writing, and such notice is not waived by the Company in writing, or who is discharged for confiscation of Company funds or property, will not be paid for any vacation not yet taken.

(g) An employee who has completed six (6) months of service with the Company, has been laid off, has been paid for all vacation due him at the time of termination, and who is subsequently recalled to work will accrue vacation allowance from the date of his reemployment in accordance with paragraph (a)(2).

(h) An employee who has not completed six (6) months of service at the time he is laid off and who is therefore not entitled to vacation termination pay will, if reemployed within a period of time from layoff not exceeding his previous service, be granted vacation credit for service prior to the layoff. In no case will the vacation to which the employee becomes entitled on December 31 of that year exceed ten (10) workdays.

(i) An employee who has been awarded a vacation period will not have his vacation dates changed without his consent, unless he is notified of the change in writing thirty (30) calendar days in advance of the starting date of his vacation. This will not apply in case of an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, and airworthiness reasons which may threaten grounding of aircraft in the fleet.

(j) An employee may request a paid personal vacation day(s) of up to five (5) days per year. The Company will grant the days if manning permits. Days used for personal vacation days will be deducted from the vacation day accrual to be awarded in the subsequent year's vacation. Requests for personal vacation will be granted in order of seniority within the work unit/group, however, requests for a personal vacation day will not be granted on a scheduled holiday. An employee terminating employment during a calendar year will have the number of personal vacation days taken during that year deducted from any terminating monies due him. This provision will not be applicable at any location where deduction of vacation days or monies is prohibited by law.

(k) The Vacation Selection Guidelines currently in use by TUL/AFW Maintenance Control Technicians on March 1st, 2001 (or as revised) will be used unless the Company and the Union agree otherwise. These Guidelines will be distributed to each employee for his personal reference.

(l) The attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement:

Attachment 8.1 - Injury on duty when a vacation period is scheduled

March 29, 1982

Mr. H. J. Leonard
International Vice President
Transport Workers Union of America, AFL-CIO
5128 E. Lancaster Avenue
Suite 18
Ft. Worth, TX 76112

Dear Mr. Leonard:

This will confirm our agreement concerning employees off work on disability due to an injury on duty when a vacation period is scheduled.

The Company will, if an employee requests in writing prior to the scheduled vacation period, attempt to reassign vacations scheduled during an uncontested lengthy IOD to the extent the operation permits; that is, the employee should be allowed to choose from open vacation periods if any exist or, if none exist, assigned with at least 7 days notice, a rescheduled vacation slot unless the operation cannot afford his absence. Such vacation deferral will be permitted only if the vacation can be rescheduled during the calendar year in which it was originally scheduled. Pay in lieu of vacation is not available to an employee in these circumstances.

Whenever such a vacation reschedule has been denied, the employee may request the Local Union President/Station Chairman to meet and review the vacation reschedule request with the General Manager/Chief Operating Officer at that location. If his vacation reschedule is not resolved at that level, he may utilize the procedures of Article 31 of the Labor Agreement.

H. J. Leonard S. L. Crosser

ARTICLE 9 - PROBATIONARY PERIOD

(a) New employees hired into the Maintenance Control Technician classification as of this date of signing will be considered on probation for the first three hundred and sixty five (365) calendar days. An employee hired into this classification will be required to demonstrate proficiency within the first three hundred and sixty five (365) calendar days or will be subject to dismissal. An employee released during his probationary period will have no right of appeal to the Area Board of Adjustment.

(b) An employee selected for promotion into the Maintenance Control Technician classification under applicable provisions of all other AA/ TWU Agreements, who fails to demonstrate the required technical proficiency prior to the end of the first three hundred and sixty five (365) calendar days will be returned to his previous classification and station, notwithstanding the provisions of Article 10(i) of this Agreement. During this period, the employee may elect to return to his previous classification and station provided he retains seniority in his previous classification. The start of the three hundred and sixty five (365) calendar days will begin on the date the employee is awarded the Maintenance Control Technician position.

An employee who is demoted or voluntarily returns to his previous classification under this provision will be prohibited from bidding on another Maintenance Control Technician vacancy for a period of twelve (12) months from the date of return to the former classification.

(c) An employee entering the Maintenance Control Technicians Classification will be evaluated by his immediate supervisor at least twice, prior to the completion of his three hundred and sixty five (365) calendar days in the Maintenance Control Technician Classification.

(d) Upon initial assignment into the Maintenance Control Technician Classification, the employee will be considered on an initial training assignment, for the purposes of overtime distribution, for a period not to exceed sixty (60) calendar days.

(e) If any probationary employee is terminated during his probationary period and then reemployed within a period not exceeding his previous service, he will be credited with such prior service for purposes of Company, Occupational, and Classification seniority as well as for the purpose of completing his probationary period.

ARTICLE 10 - SENIORITY

(a) Company Seniority will commence with the effective day of placement on the payroll and accrue in accordance with Company policy.

(b) Pay seniority will accrue in accordance with the terms of this agreement.

(c) All references in this Agreement to seniority will mean Occupational Title Group Seniority, also referred to as Occupational seniority, except where specific reference is made to Company or Pay Seniority.

(d) Employees entering this classification, from other Title groups, will begin to accrue Occupational seniority and Pay seniority from the date the employee accepts the Maintenance Control Technician position. Laid off employees, who are retaining recall and transfer rights, will begin to accrue Occupational seniority and Pay seniority from the date the employee accepts the Maintenance Control Technician position. For newly hired employees Occupational seniority and Pay seniority will commence with the effective day of placement on the payroll and accrue in accordance with the applicable provisions of this Agreement. For employees from outside TWU bargaining units Occupational seniority and Pay seniority will commence with the effective day of placement on the payroll and accrue in accordance with the applicable provisions of this Agreement.

(e) If an employee is transferred from one station to another, his seniority will not be broken.

(f) Occupational Seniority will govern all employees hereunder in the case of transfer, retention in case of reduction in force, and reemployment after release due to reduction in force, provided that the employee's qualifications are sufficient for the conduct of the work in the classification to which he is to be assigned.

(g) An employee who accepts a regular position with the Company outside the bargaining unit, and holds seniority, will retain, but not accrue, his seniority for a period not to exceed one hundred and eighty (180) calendar days. No employee can exercise this option more than once in a two (2) year period. The two (2) year period will begin with the day the employee returns to the bargaining unit.

The employee must continue to pay union dues and may return to his former classification and station provided that he elects to return within one hundred and eighty (180) calendar days from the date he left the bargaining unit. In no event will the return of an employee directly result in the displacement of another employee in the classification to which he returns. If the employee is less senior than the most senior employee (in that classification, at that station) on layoff, he will be placed on layoff status.

An employee who exceeds one hundred and eighty (180) calendar days in a regular position outside of the bargaining unit will forfeit all Occupational seniority.

(h) An employee who accepts an acting assignment as a manager, supervisor, planner, or any special assignment outside the scope of this Agreement with the Company (MPR) will not exceed a period of three hundred and twenty (320) actual hours for all time worked in any calendar year in such assignment, either successive or cumulative. No two acting assignments of three hundred and twenty (320) hours can be made successively, i.e., within ninety (90) calendar days. The total number of hours worked, including overtime, will be included for the purposes of this section.

Any extension will be made only by agreement between the Company and the Union.

(1) Time in a temporary or acting assignment in any calendar year will be counted toward the one hundred and eighty (180) calendar days retention period if a regular assignment is accepted in that calendar year. These applications will be subject to review by a panel composed of one AA and one TWU designated representative.

(2) An employee who exceeds three hundred and twenty (320) hours in any calendar year will forfeit all Occupational seniority.

(3) The Company will provide to the Local TWU President a monthly report of those receiving MPR, or who have received MPR since the last reporting period, which will include accumulated hours.

(i) A Maintenance Control Technician having Occupational seniority who permanently transfers at his own request to another classification of work in another AA /TWU Agreement will retain seniority in the classification from which he transferred for a period of time not exceeding his service in the former classification. Such retained seniority may be exercised only in the event of a reduction-in-force pursuant to the provisions of Article 15 (b).

(j) In the event that two or more employees have the same Occupational seniority date, placement on the seniority list will be determined by the following tie breakers:

- (1) Earliest previous AA/TWU Occupational seniority date.
- (2) Earliest current Company seniority date.
- (3) Birthday.

ARTICLE 11 - CLASSIFICATIONS AND QUALIFICATIONS

(a) Employees covered by this Agreement will be assigned to the classification of Technical Specialist (Maintenance Control Technician).

Qualifications: An applicant for the position of the "Maintenance Control Technician" will possess the F.A.A. Airframe and Powerplant Licenses, and will have worked for the Company as an Aviation Maintenance Technician, Overhaul or Line, a minimum of five (5) years or have equivalent experience as defined below:

Selection Criteria: Applicants will be interviewed based on seniority. Selections will be made based on the applicant's skills and knowledge of the following:

(1) Aircraft technical experience commensurate with the job description as described in Article 1.

(2) Knowledge of, and ability to use, all applicable maintenance publications.

(3) Knowledge of Minimum Equipment List (MEL) and its application; Extended Twin Operations (ETOPS); Field Maintenance Reliability (FMR); log book procedures; Lower Minimum Program (LMP); General Procedures Manual (GPM).

(4) Ability to exercise sound judgment in stressful situations, independently problem-solve, and effectively communicate with a wide variety of personnel.

(5) Flexibility to work shifts and weekends, and work overtime and participate in field trips with short notice.

An employee selected to fill a Maintenance Control Technician position, who has not previously been considered qualified as an Aviation Maintenance Technician or who has been previously qualified as an Aviation Maintenance Technician, will be considered qualified as an Aviation Maintenance Technician for the purposes of transferring under the provisions of Article 12 (m) of the Maintenance and Related Agreement and will be subject to the applicable qualifying test according to the QAM.

(b) (1) The classification description contained in Article 1 has been established by the Company and the Union for the purpose of determining which specific work and duties will be assigned to an employee so classified. In establishing this classification description, the parties recognize that the description is not necessarily all inclusive.

(2) In the interest of cleanliness and safety, employees working in this classification will be expected to perform, as they always have performed, those housekeeping functions as they pertain to the job, work area and equipment.

(3) (a) The Company or the Union may propose in writing to the other a specific change in the established classification description. A proposed change will be discussed by the parties and if agreed upon the classification description will be changed in accordance with the arrived at agreement. Any agreement made will be expressed in the form of an amendment.

(b) There may be times when, as a result of new work or a change in work process, the Company will reassign work and duties that have been performed by this classification to another classification, contained in other AA/TWU Agreements and so notify the Union, if the work and duties are

consistent with the majority of the work and duties of the latter classification and not an action requiring a change in a classification description. If the Union considers otherwise, the Union may protest the action in writing, setting forth its reasons, and the matter will be discussed between the Company and the Union within thirty (30) calendar days from the date the written protest was received by the Company. If the protest is not resolved through such discussion, the Company may place the change in effect and the Union may then appeal to the System Board of Adjustment in accordance with the provisions of Article 29(e).

ARTICLE 12 - FILLING OF VACANCIES

(a) ELIGIBILITY

Vacancies in the Maintenance Control Technician classification will be filled in the following order by Occupational Seniority provided:

- (1) the employee has to have completed probation,
- (2) the employee has submitted a request for transfer as specified in this Article,
- (3) the employee has not completed a voluntary transfer within the twelve (12) month period preceding the transfer date.

(b) TRANSPORTATION

When existing employees transfer, the Company will furnish positive space transportation for initial badging requirements for the affected employee and space available transportation for the employee and members of his immediate family, to the extent permitted by law, from the station from which he is transferring, to the location/station to which he is transferring. Other expenses incidental to the transfer will be borne by the employee.

(c) ORDER OF FILLING VACANCIES

When vacancies are approved, Maintenance Control Technician positions will be filled in the following order:

(1) SURPLUS/SHORTAGE WITHIN THE SAME STATION

In the event there is a surplus of Maintenance Control Technicians within a desk/work unit and there are vacancies within the station at other desks/work units, the following will apply:

(a) The Company will solicit volunteer(s) from the desk/work unit in which the overage exists.

(b) Vacancies will be posted at the station for a minimum of seven (7) calendar days.

(c) Volunteers will be selected based on Occupational Seniority.

(d) In the event there are insufficient volunteers, the shortage will be filled by inverse seniority from within the desk/work unit in which the surplus exists.

(2) SYSTEM SURPLUS

An employee who is subject to layoff, provided the employee is senior to any Maintenance Control Technician retaining recall rights to that location.

(3) RECALL

An employee who retains recall rights to that location.

(4) STATION-TO-STATION / DESK-TO-DESK TRANSFER

(a) An employee may file a standing request for transfer to another Maintenance Control Technician station/desk/work unit by submitting a transfer request on-line via JetNet. A standing request for transfer from one

station/desk/work unit to another station/desk/work unit will be valid until January 1 or July 1 of each year. An employee may request to renew his standing transfer within the thirty (30) calendar days preceding January 1 or July 1. A request for renewal received after the first of either month (January or July) will require a fifteen (15) calendar day waiting period in order to become valid.

(b) Management is not obligated to fill, by local transfer, any vacancy resulting from a "desk-to-desk" transfer.

(5) TRANSFERS FROM LAYOFF

An employee on layoff status in the Maintenance Control Technician classification who has a valid transfer request on file (subject to the filing procedures outlined in paragraph 4 of this Article).

(6) INTERNAL TRANSFERS (FROM OTHER AA/TWU CONTRACTS)

A qualified employee in any other AA/TWU labor agreement subject to the provisions of Article 11.

(7) INTERNAL TRANSFERS (FROM OTHER AA/TWU CONTRACTS) ON LAYOFF STATUS

A qualified laid off employee in another AA/TWU represented labor group classification with a valid transfer request on file (subject to the provisions of Article 11).

An employee on layoff status who refuses a vacancy for which he has submitted a transfer request under these procedures will not be eligible to transfer to another vacancy during the remaining period of the layoff and will retain his recall rights to his station.

(8) NEW HIRES

(d) TEMPORARY VACANCIES

In the case of a vacancy not expected to exceed six (6) calendar months the Company may select a qualified Aviation Maintenance Technician, Inspector, Crew Chief, or Technical Crew Chief to fill the vacancy. An employee filling a temporary vacancy will be returned to his original job at the end of the assignment. If the vacancy is expected to exceed six (6) calendar months, the vacancy will be filled through the application of this Article.

(e) TRANSFER TO OTHER AA/TWU AGREEMENTS

Qualified Maintenance Control Technicians will be given consideration for vacancies in all other AA/TWU agreements prior to filling those vacancies with new hires.

(f) CONSIDERATION FOR OPERATIONAL STABILITY

In the event that the filling of vacancies at new stations or new desks (work units) within a station would result in more than three (3) Maintenance Control Technicians from leaving any one (1) existing desk (work unit), the Company and the union will mutually agree as to when additional affected Maintenance Control Technician(s) will be allowed to assume the new assignment. The twelve (12) month waiting period, in Article 12(a)(3), will not apply for Maintenance Control Technicians who bid for the new positions.

(g) LABOR LOAN PROVISIONS

In the event of a temporary manpower shortage not to exceed 90 consecutive calendar days per year within one desk/work unit a Maintenance Control Technician from another desk/work unit may be used to cover such shortage. Volunteers will be selected based on occupational seniority, where available within the station. A qualified Maintenance Control Technician from another desk/work unit may volunteer to cover the shortage. In the event there are insufficient volunteers, the shortage will be filled in inverse seniority by a Maintenance Control Technician from another desk/work unit, within the station. At no time will a Maintenance Control

Technician being labor loaned be asked to perform recon work. The Maintenance Control Technician being labor loaned will issue MEL, CDL, and NEF items. If, during the labor loan period, there is a need for an SMMR or ARINC to be handled, such work will be deferred to a Maintenance Control Technician regularly assigned to the desk/work unit, if available. It is further understood that this labor loan provision will not be used to reduce desk manning levels.

(h) All applicants that meet the basic qualifications under Article 11 will be interviewed prior to being awarded the position of Maintenance Control Technician. The Transport Workers Union is invited to participate on each interview panel in accordance with procedures to be decided upon by the parties.

(i) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement:

Attachment 12.1 – Transfer Process

DOS

Robert F. Gless
Assistant ATD Director
AA System Coordinator
1791 Hurstview
Hurst, Texas 76054

Dear Robert,

During the 2008/2009 AA/TWU Negotiations, the parties have agreed to implement changes to the transfer process under Articles 12 and 46 of the agreement that will provide greater flexibility on eligibility and notification. In addition the process provides a window of opportunity that will allow the employee to accept or refuse the vacancy through the ability to add or remove his name from the transfer list. The revised process eliminates the fifteen day waiting period and the ineligibility restriction for refusing. It also allows the employee the opportunity to set standing transfer requests with assigned preferences in real time via the web based application. The online transfer system will be available 24 hours a day from any Company or non-company location.

The process will be conducted on a weekly cycle as follows:

- On Saturday of each week at 0001 CST, the Company will post an online notification list of the stations/locations declaring vacancies for that week.
- The transfer list for those listed vacancies will be closed on the following Friday at 2359 CST and a snapshot of the list will be taken at that time.
- The employee may add or remove his standing transfer request or change his order of preference anytime up to that Friday at 2359 CST.
- Any employee whose name appears on the list after that Friday at 2359 CST may refuse the transfer by removing his name from the list by Sunday at 2359 CST.
- The employee will be notified via the online tool of the final award the following Monday.
- Once an employee is awarded the vacancy, he will be notified of the report date which will be two (2) weeks from the date of the award.
- The employee must report to the station awarded on the specified date unless mutually agreed to by the Company and the local TWU.

The Company and TWU will jointly develop an implementation plan to include the effective date, communication (including a process for telephonic support), an appropriate grace period and training so that all TWU represented employees may benefit fully from the enhancement. Following implementation, the Company and TWU will meet quarterly [or as mutually agreed] to discuss and develop resolutions to issues pertaining to the new process.

Sincerely,

Agreed to:

James B. Weel
Managing Director
Employee Relations

Robert F. Gless
Assistant ATD Director
AA System Coordinator

ARTICLE 13 - SYSTEM SENIORITY LIST

(a) A System Seniority list of the employees covered by this Agreement listing name, personnel number, Occupational seniority date, Company seniority date, job classification and station will be posted and maintained on the Company Website and will be updated daily to include any personnel transaction request (PTR) that has been processed.

(b) An employee or the Union may protest any omission or incorrect posting affecting an employees seniority by use of a "system Seniority Protest Form," also referred to as "Protest Form." There will be no time limit to protest any omission or incorrect posting affecting an employee's seniority.

(c) Procedures for filing of a protest form are as follows:

(1) The employee will forward the Protest Form to the Local Union office. The Local Union will forward a copy of the Protest Form to the appropriate Human Resource office. Protest Forms must be accompanied by supporting documentation.

(2) The Local Union and appropriate Human Resources office will investigate the protest.

(3) The Local Union office will forward the protest and their recommendation to the TWU ATD office.

(4) The TWU ATD will advise the Company if a change is required. The Company will forward a final resolution to the protest to the Local Union, the appropriate Human Resource office and the affected employee.

(d) In the event of an adjustment to occupational seniority from a transfer bypass Occupational Seniority and Pay Seniority will be simultaneously adjusted.

(e) Parties agree to form a subcommittee with equal number of representatives from the company and the TWU to discuss and explore ways to improve the seniority protest process.

ARTICLE 14 - LOSS OF SENIORITY

(a) An employee, once having established seniority, will not lose seniority except as provided in this Agreement.

(b) An employee who is discharged for just cause will forfeit all seniority accrued to the date of such discharge. An employee who resigns from the service of the Company will forfeit all seniority accrued to the date of such resignation. An employee who is directly affected by a reduction in force and exercises his seniority, either at the time of layoff or after accepting layoff, and later resigns will retain recall rights pursuant to Article 16 by notifying the Company at the time of resignation. Such notification must be in writing, dated and specify all recall rights he wishes to retain. The written notice will be signed by an appropriate member of management who will then place a copy into the employee's personnel file and provide a duplicate copy to the employee and Talent Services.

An employee who resigns and retains recall rights pursuant to Article 14(b) will continue to accrue seniority in accordance with Article 16(a) for the Title Group(s) for which the employee retains the recall rights.

Example:

Emp. A. Title III FSC – SAT – Occ. Date: 5/2/2002
Holds recall rights to Title I AMT – TULE (Occ. 9/6/2000) and Title III FSC – TULE

Emp. A. opts for Article 14(b) and provides a written notification to retain recall rights to Title I AMT – TULE and Title III FSC TULE;

Since the notification included retention of recall rights in both Title Groups, then upon effective date of his resignation, Emp. A will continue to accrue Title I and Title III Occupational seniority for up to three (3) years and will retain thereafter up to ten (10) years or until forfeiture (i.e. refuse recall or expiration of ten (10) years).

An employee who exercises his rights under Article 14(b) as outlined above, does not have rights to transfer.

(c) If an employee who has been laid off is offered the opportunity to return to service, in other than temporary work, and such offer of recall is to employment of the same status as when laid off, and such employee elects not to return to service, or who fails to comply with the provisions of Article 16 (a) or (e), his seniority right of preference in reemployment will at that time terminate, and his seniority with the Company will be forfeited.

ARTICLE 15 - REDUCTION IN FORCE

(a) All reductions in force due to lack of work will be handled in accordance with seniority, as provided for in Article 10(f).

(b) An employee having Occupational Seniority (one who has completed his probationary period per Article 9(a)) and who is directly affected by a curtailment of work requiring a reduction in force, may, at his option:

(1) exercise his seniority to displace another employee at his station in his own classification, or

(2) he may exercise his seniority to fill a vacancy at another station in his classification, in which event he will have preference over employees who otherwise might qualify under the provisions of Article 12(c) (4), or

(3) if he has two (2) or more years of seniority, he may exercise his seniority to displace the employee or employees with the least system seniority in his own classification, or

(4) if he is retaining seniority in another Title Group, he may exercise such retained seniority, but only at his own station. If the Title Group and appropriate classification does not exist at the station where the reduction in force occurs, the employee may request a transfer to any existing vacancy in the system in the appropriate classification, in either a full time or part time position, in which event he will have preference over employees who otherwise qualify under the provisions of Article 12(c) (4). If no such vacancy exists, he may exercise this retained seniority to displace the employee with the least system seniority in his former or lower classification within the appropriate Title Group, in either a full time or part time position.

In the application of (2) and (4) above, the employee will be advised of and, in order of his Occupational seniority, offered his choice of the stations where the appropriate vacancies exist.

In the application of (3) and (4) above, the employee will be advised of and, in the order of his Occupational seniority, offered his choice of the stations where appropriate vacancies exist and the location or locations of the least senior employees in his classification in the system. The number of least senior employees in the appropriate classification selected for displacement will correspond to the number of laid off employees who elect to exercise their seniority to a job in their own classification.

The number of least senior employees exposed to displacement under this procedure will not be changed because of failure of a laid off employee to move to a job previously allocated. An unprotected employee displaced as a result of an employee exercising option (3) or (4) above will have displacement rights provided he has the requisite Occupational seniority.

In the event of a planned reduction in force where a substantial number of employees or a substantial number of stations will be involved, the Company will notify the International Vice President, Transport Workers Union of the number of employees by classification and station to be affected by the reduction in force, a list of known vacancies in the same classifications by location and a list of the least senior employees by classification and location in the system who will be subject to the exercise of seniority of those employees notified of layoff.

(c) An employee who desires to exercise his seniority as outlined above must notify his immediate supervisor of his intention to exercise his seniority within five (5) days (exclusive of his regular days off) of receipt of notice of layoff and must within ten (10) calendar days (exclusive of his regular days off) of receipt of notice of layoff prove that his qualifications are sufficient for the classification and type of work for which he desires to exercise his seniority.

(d) Unless the reduction in force is the result of any reason set forth in Article 37(c), an employee who changes base stations under Article 15(b), will be reimbursed by the Company for all moving and travel expenses in accordance with Company regulations. Space available transportation for the employee and for members of his immediate family to the extent permitted by law will be furnished by the Company to an employee changing his base station under the provisions of this Article.

(e) A protected employee who is directly affected by a reduction in force at his station will be afforded the benefits of Article 44(a).

(f) Any disputes regarding the Reduction In Force application or administration must be appealed, within seven (7) calendar days, to the Reduction In Force (RIF) review panel composed of a representative of the TWU International and the Vice President, Employee Relations, or their respective designees. All decisions of the panel will be final and binding. In the event of a deadlock the Union may petition the grievance to the System Board of Adjustment.

ARTICLE 16 - RECALL

(a) An employee who has completed his probationary period and who is laid off by the Company due to a reduction in force will continue to accrue occupational seniority during his layoff and retain recall rights indefinitely.

(b) A laid off employee will only have recall rights for the period indicated in paragraph (a) above to a job in the classification and stations from which he was laid off.

(c) An employee who, in lieu of layoff, exercises his seniority to displace the employee on the system in his own classification with the least Title seniority, or an employee who in lieu of layoff accepts a vacancy in his own classification at another station at the time of layoff or before the expiration of his recall rights, or an employee who in lieu of layoff accepts a part time vacancy or displaces a part time employee will retain recall rights in accordance with paragraph (a) to the full time classification and station from which he was first laid off.

(d) An employee who, in lieu of layoff, exercises his seniority to displace an employee in another classification and Occupational Title Group in which he holds seniority, or accepts a vacancy in any other Occupational Title Group at time of layoff or before the expiration of his recall rights, will accrue seniority in the Occupational Title Group to which he transferred in accordance with Article 10 of all other AA/TWU Agreements, in addition to accruing and retaining seniority in accordance with paragraph (a) of this Article and retaining recall rights in accordance with paragraph (b) of this Article. Further, should an employee bump through one or more classifications and eventually be laid off, he will retain recall rights to each classification and Title Group.

An employee having multiple recall rights will have the option of accepting or waiving recall rights to each classification and Title Group in which he holds seniority. If the employee waives recall rights to a classification, he will forfeit all recall and seniority rights to that classification.

(e) All employees laid off by the Company due to a reduction in force will maintain a current address with the Company. Any change in address must be filed promptly, in writing with Employee Services and sent to the following address: Employee Services, P. O. Box 619616; Mail Drop 5141; DFW Airport, Texas 75261. For change of address inquiries contact Employee Services at 1-800-447-2000.

All notices of recall will be made (telephonic notifications are okay if confirmed in writing) in writing via overnight mail/express (for example: U.S. Post Office, Federal Express, or equivalent) return receipt requested. All employees must notify the person whose name is signed on the recall letter, within ten (10) calendar days of the date of the mailing postmark of the recall letter, the date he will report for duty. Any employee who fails to notify the Company or who fails to return to duty within twenty-one (21) calendar days of the date of the mailing (or equivalent) will be considered to have refused recall and will lose all rights to recall and his seniority will be forfeited, unless the period is extended by the Company for an additional period not exceeding fifteen (15) additional calendar days. The Company will furnish the ranking Local Union Representative a copy of all the recall letters.

(f) An employee recalled to the position of Maintenance Control Technician will be required to complete required training, as outlined by the Company, upon return to active payroll. The Manager of the desk to which employee will be assigned, will meet with the local Union President or his designee to discuss the amount and type of training which will be required of the employee. The length of time the employee has been on layoff as well as the type of work he has

performed during this period will be considered when determining the type of training which will be required.

ARTICLE 17 - LEAVES OF ABSENCE

(a) When the requirements of the operation will permit, an employee may be granted an unpaid Personal Leave of Absence, referred to as "PLOA", for any period of up to one (1) year. A request for PLOA must be submitted to the Company in writing. The request will state the reason for the leave and the duration of the leave. An approved PLOA will be granted in writing and will specify the expiration date of the leave. When a PLOA is granted, the employee will retain and continue to accrue seniority during the entire period of the leave.

(1) If the initial leave is requested for less than one (1) year and the requirements of the operation will permit, a PLOA may be extended for additional periods such that the total leave does not exceed one (1) year. A request for an extension of a PLOA must be submitted and approved prior to the expiration date of the current leave.

(2) An employee on a PLOA may submit a request to terminate his leave prior to the expiration date of the leave. The request must be in writing. The Company's response to the request will be in writing.

(3) Based on the requirements of the operation, the Company may cancel any PLOA at any time prior to the expiration date of the leave. In the event the Company elects to cancel a PLOA, the affected employee will be notified in writing, not less than fourteen (14) calendar days prior to the effective date of the cancellation.

(4) An employee elected to a full-time governmental office (Federal, State) will be granted a Government Leave of Absence (GLOA) not to exceed the term of office, or subsequent re-election. The application for a GLOA must be made in writing to the Company, with a copy to the Union. An employee granted a GLOA will retain and accrue occupational seniority for the period of the leave, however, no other Company benefits or privileges will be granted or accrued, nor will time on a GLOA constitute continuous service for pension plan benefits. Employees granted a GLOA must give thirty (30) days notice of intent to return.

(b) An employee, holding a position as an International TWU Representative, an International TWU Officer, or a full time position with the International Union or any of its locals, may request through the International Union a Union Business (Pay) Continuance Leave of Absence, referred to as "UBC". The request for a UBC will be in writing from the International Union. The request will be sent to the Vice President – Employee Relations. If approved by the Company, the UBC will not exceed twelve (12) calendar months or the term of office in the event of an elected position. The written approval will state the expiration date of the leave. An employee on a UBC will continue to retain and accrue seniority throughout the leave.

(1) A UBC may be extended in the same manner as stated in Article 17(a). A request for an extension of a UBC must be submitted and approved prior to the expiration date of the current UBC.

(2) If the UBC is extended, the employee will continue to retain and accrue seniority.

(3) If an employee is on a UBC, there will be no interruption to the employee's pay and benefits, but the Company will bill the Local Union or the International Union, as applicable, for the employee's salary plus a percentage override for tax and benefit related expenses. Failure of the responsible party to pay the billing will result in the termination of the UBC for the affected employee.

(c) Leaves of absence for bona fide Union business will be granted if a written request is submitted to the employee's supervisor in advance to accommodate the request. In the case of an employee holding a position as an International Representative, an International Officer of the Transport Workers Union or an employee holding a full time position within the International Union or any of its locals, the written request must be submitted by the Director Air Transport Division of the Transport Workers Union to the Vice President – Employee Relations. During this leave for Union business, known as “UB”, the employee will maintain his benefits.

(d) In lieu of a planned Reduction in Force, the Company will, to the extent possible, make Overage Leaves of Absence (OL) available to a TWU represented employee who has completed his probationary period. Requests for leaves under this procedure must be submitted to the Company in writing. Approved leaves will be granted in writing and will not result in the involuntary transfer of any other TWU represented employee.

(1) Prior to the authorization of any Overage Leave of Absence (OL), the Senior Vice President, Airport Services or the Senior Vice President of Maintenance and Engineering, as appropriate, will review implementation plans with the Director of the Air Transport Division.

(2) The number of such leaves of absence granted at each station will be determined by the Company.

(3) When an Overage Leave is declared an employee, who is on a leave of absence other than an Overage Leave, may request to have his leave converted to an Overage Leave. It is the employee's sole responsibility to request such conversion.

(4) Upon proper application to the Company, leaves of absence under this procedure will be granted by job skill/work unit, in order of Occupational seniority, for periods of not less than one (1) week and no more than one (1) year. Extensions may be granted if there are no other Overage Leave requests on file.

(5) Overage Leaves, once granted, may not be refused and must be accepted by the employee requesting the leave.

(6) Due to the requirements of the service, the Company may cancel Overage Leaves granted under this procedure any time prior to the expiration date of the leave. In the event the Company wants to cancel a portion of the number of Overage Leaves, the cancellations will be in inverse seniority order.

(7) An employee who has been granted a leave of absence under this procedure must submit his current address of record to the Department Manager approving the Overage Leave in writing. Thereafter, an employee on an Overage Leave must advise the Department Manager, in writing, within ten (10) calendar days of any change in address.

(8) In the event the Company elects to cancel the leave of absence, the affected employee will be notified, in writing, by certified U.S. Mail, or equivalent carrier, return receipt requested, at the last address of record on file with the Department Manager.

(9) An employee granted a leave of absence under this procedure will not be entitled to employment and will forfeit his seniority with the Company if:

(a) he fails to return to work on the specified date at the expiration of the leave or

(b) he declines, in writing, his intention to return to work or

(c) he does not indicate, in writing, his intention to accept or reject employment within seven (7) calendar days after receipt of notice of cancellation of the leave of absence or

(d) he does not return to work on the date specified in the notice of cancellation of the leave of absence. The return date will not be less than seven (7) calendar days after receipt of the notice.

(10) An employee, granted a leave of absence under this procedure, will continue to accrue Company, Occupational, and Pay seniority for all purposes during the leave of absence for a period not exceeding his previous service to a maximum of one (1) year.

(11) An employee, returning to duty at the expiration of an Overage Leave, will return to the work unit where a vacancy exists and will, thereafter, be permitted to exercise his seniority on the next available shift selection.

(12) An employee on an OL will receive benefits under the conditions provided below:

(a) While on an OL, the basic coverage of Medical, Dental, and Basic Life Insurance will continue for the employee. The employee must pay his portion of the costs in accordance with Company policy. If the employee is enrolled in any optional coverage, he must make payments for those benefits to remain in effect during the OL. Payments for optional coverage will be in accordance with Company policy. An employee should contact the Employee Services for the appropriate forms to calculate his individual costs.

(b) The time on an OL will be considered as time worked for purposes of vesting and credited service for retirement benefits.

(c) An employee must continue to prefund for retiree medical coverage in order to receive credit toward the ten (10) year requirement in accordance with Company policy. An employee should contact the Employee Services for the appropriate forms to complete before the Overage Leave begins.

(d) The time on an OL will be considered as time worked in determining vacation accrual and paid sick leave accrual.

(e) Holidays that occur during an OL will not be paid.

(f) An employee may keep all Company identification cards/badges during his OL. An employee retains full travel privileges during the OL, except for travel on other airlines which is not permitted. When traveling on an OL, the employee must prepay travel service charges at the ticket counter.

(g) Premiums for the TWU LTD Insurance Plan must be paid for in advance of the OL and for the duration of the OL. An employee should contact his Local Union for the appropriate forms and information.

(h) Benefit coverage and application not specifically provided in this Article will be applied in accordance with Company policy.

(e) When an employee is placed on an unpaid leaves of absence on account of sickness or injury, the continuation of the leave is contingent upon review and approval by AA Medical. Employee Services will send the employee a personal information package within ten (10) calendar days from the start of the leave including a letter advising of his unpaid leave status, benefit information, and notice of the requirement for medical substantiation. The employee must provide medical substantiation for the leave to AA Medical within fifteen (15) calendar days of receipt of the package. Should AA Medical need further clarification, the employee and/or the treating physician/provider may be asked to provide additional information. The Approval of the leave is contingent upon receipt of sufficient medical documentation from the employees treating physician/provider. Approvals will be granted in writing and will specify the expiration date of the leave. The employee will retain and continue to accrue his seniority until he is able to return to duty or is found to be unfit for duty; except that in no case will a leave for the same sickness or injury exceed a total continuous period of five (5) years. The Company will provide one hundred and eighty (180) calendar days written notification prior to the expiration date of the five (5) year period. The notification will be made via certified U.S. Mail, return receipt requested, or equivalent carrier, to the employee's last known address.

(1) Application of SKLOA is referenced in Company policy.

(2) To extend the LOA beyond the initially approved leave period, an employee must provide updated medical information from his treating physician/provider to AA Medical at least ten (10) calendar days prior to the expiration of the leave in order for AA Medical to make the determination that a continuation of a leave is substantiated. The approval of the continuation of the leave is contingent upon receipt of sufficient medical documentation from the employees treating physician/provider.

(3) An employee, who is returning from a leave granted for reasons of sickness or injury will be permitted to exercise his seniority in resuming his classification or any lower classification at the station to which he has previously been assigned.

(f) An employee granted a leave of absence under the provisions of the Family Leave Act, referred to as a Family Leave of Absence or "FMLLOA" will retain and continue to accrue seniority during the leave, not to exceed ninety (90) calendar days.

(g) An employee on any leave of absence will physically report to his station on his first scheduled work day following the expiration of the leave. It is the responsibility of the employee to contact the Company prior to the expiration of his leave of absence to ensure that he knows his schedule and assignment. Failure to report or to secure a renewal of a leave of absence will terminate the leave of absence and his employment. It is the responsibility of the Company to inform the employee of the expiration date of any approved leave of absence. The Company will also inform the employee of the procedures regarding any benefits while on his leave.

(h) Any written communication, required by this Article, between the Company and an employee on a leave of absence will be via US mail, return receipt requested, or equivalent carrier, Certified Mail, to the employees last known address.

(i) Any change in address must be filed promptly by the employee through Employee Services. Employee Services may be contacted via e-mail to Employee.Services@aa.com, or by sending correspondence to Employee Services; P.O. Box 619616; Mail Drop, 5141; DFW Airport, Texas 75261, or by calling Employee Services at 1-800-447-2000.

(j) If any employee is on any leave of absence and he is affected by a reduction in force, his leave of absence will be terminated, and the provisions of Article 15 will be applied to the affected employee.

(k) The rights of an employee on a leave of absence under the provisions of this Article and Article 18, in regard to the maximum duration of a leave, Company seniority accrual, Occupational seniority accrual, Pay seniority accrual, vacation accrual, sick leave accrual, credited service for pension, and reinstatement rights are listed in the chart that follows:

ARTICLE 18 - MILITARY LEAVE

(a) The reemployment and seniority status of any employee, who, while in the active service of the Company, entered the armed services or the Merchant Marine of the United States, will be governed by the provisions of the Selective Training and Service Act of 1948, as amended, now known as the Uniformed Services Employment and Reemployment Rights Act or other applicable law.

(b) Time spent on military leave will count as time worked for purposes of seniority, wage rates within the employee's classification, and vacation.

(c) An employee granted a leave of absence to go on a tour of duty with the National Guard or other reserve unit will accrue length of service for pay purposes for the period of the leave. The employee, if he so desires will be able to use any accrued or unused vacation and available personal vacation days (PV) during this leave.

(d) The provisions of Article 42(a) will apply if the employee was subject to lay off while on military leave. Provided however, the employee must have seniority to exercise options either at his own station or the system and subsequently exercises those options upon return to active payroll. Under this circumstance, no adjustments will be made to his seniority (i.e. Company, Occupational and Classification). The Article 44 special moving/optional severance allowance will apply.

An employee on military leave at time of lay off, lacking sufficient seniority to exercise options, will be placed on lay off status. The military leave will be terminated until the employee is recalled at which time the employee will be reinstated to military leave, if applicable. Appropriate adjustments will be made to Company, Occupational and Classification seniority.

Employees having sufficient seniority to exercise options at time of lay off (while on military leave), but who subsequently choose the lay off option (upon return from military leave), will be placed on the recall list with any adjustments to Occupational and Company seniority as applicable.

ARTICLE 19 - TERMINATION OF EMPLOYMENT

(a) An employee laid off through no fault of this own will be given two (2) weeks notice in writing, or, at the option of the Company, two (2) weeks of pay at straight-time rates, including his base hourly rate plus any applicable license and longevity premium, in lieu of the notice.

This requirement of notice will not apply to a layoff caused by an Act of God or by a strike of the employees of the Company without giving the notice required by the Railway Labor Act, as amended.

(b) An employee who resigns will give the Company two (2) weeks notice of resignation in writing. The Company may, at its option, give the employee two (2) weeks of pay at straight time rates, including his base hourly rate plus any applicable license and longevity premium, in lieu of working the notice period.

(c) In the event an employee under this Agreement is laid off, the Company will provide the following continuation of benefits to the employee and his dependents on the same basis as if he were still an active employee:

- (1) Current life insurance coverage for a period of thirty-one (31) calendar days.

ARTICLE 20 - BULLETIN BOARDS

The Company will provide secure and locked bulletin boards at each station where employees are employed, marked Transport Workers Union of America, AFL-CIO, and the appropriate Local number, for the posting of official notices of Union activities not inconsistent with the Railway Labor Act. Such notices will bear the signature of an officer of the Union and will not contain anything of a defamatory or personal nature attacking the Company or its representatives.

The Company will provide bulletin boards as specified and agreed to by the Joint Safety Committee for safety related issues.

ARTICLE 21 - ROTATION OF SHIFTS

(a) Whenever and wherever shifts are necessary, the shifts will be selected on a one (1) year basis. Employees required for shift work will be rotated on the various shifts at regular intervals in a manner as to provide substantially equal time on all shifts for the employees except as otherwise provided in paragraph (b) of this Article. It is understood that this provision will not require the rotation of employees assigned to specialized work not subject to shift work, nor will it bar employees from voluntarily accepting steady work on afternoon or midnight shifts.

(b) Subject to the requirements of the service, shifts will be rotated (hours and days off through the entire work schedule), fixed (hours and days off of a particular shift line) or bid (hours and days off subject to periodic rebid) in accordance with the preference of a majority of the employees at a particular station or work unit. Days off will rotate in accordance with the preference of a majority of the employees at a particular station or work unit. Bid shifts will be selected on an annual basis in the month of September. The schedule will become effective at the start of the first Saturday in January. When rotating or fixed shifts are selected, seniority will determine shift work.

(c) Except as provided in this Article, when an employee works more than eight (8) hours in any twenty-four (24) hour period as a result of rotation of shifts, the employee will receive only straight-time for the second eight (8) hours or portion thereof worked during the twenty-four (24) hour period.

(d) An employee who is required to report for a regular tour of duty less than seven and one-half (7-1/2) hours after the completion of the previous regularly scheduled tour of duty, including overtime, will be paid at the applicable overtime rate for all time worked during the second regular work period.

(e) Except in emergencies, employees will be given at least seven (7) days notice of all shift schedule changes. If notice is not given, the employee will receive one and one-half times (1.5x) his regular rate of pay (excluding CS hours) for up to twelve (12) hours on the first day following the short turn described in this paragraph.

(f) Upon request, and subject to local operating conditions, one Maintenance Control Technician Union representative, per location, will, upon request, be assigned to a fixed shift and days off. The arrangements will be worked out at each station by the designated Union local representative and the local manager.

(g) Relief shift assignments will be permitted, provided no more than one third (1/3) of the work unit is on a relief assignment.

(h) The existing Shift Selection Bidding Guidelines currently in use at TUL/AFW on March 1st, 2001 (or as revised) will be used unless the Union and the Company agree otherwise. The Guidelines will be distributed to each employee for his personal reference.

ARTICLE 22 - REGULAR AND RELIEF ASSIGNMENTS

(Intentionally Left Blank)

**ARTICLE 23 - ATTENDANCE AT HEARINGS, INVESTIGATIONS OR
TRAINING CLASSES**

(a) When an employee is required by the Company to attend hearings or investigations, he will be paid for the time required to be spent at the hearing or investigation in the same manner as though the time was spent at his regular work at the applicable rate of pay.

(b) ATTENDANCE AT TRAINING

(1) Any employee who is required by the Company to attend training classes during regular working hours will be paid for time spent in attendance at the classes at his regular hourly rate and the time will be deemed as time spent at his regular work for all purposes; provided, however, any time spent after regular work hours will be classed as overtime and will be compensated for, when attendance is required by the Company, at the employee's appropriate overtime rate.

(2) An employee required to attend training on any scheduled day off will be compensated for the training at the rates provided in Article 6(b), Weekly Overtime.

(3) An employee who is regularly assigned to a shift, which entitled him to shift differential, will continue to receive shift differential for time spent in training, as long as he remains assigned to his regular shift. Where a training period results in less than seven and one half (7 1/2) hours rest prior to the employee's regular shift in the succeeding work day, the employee will be paid in accordance with the provisions of Article 6(g).

(c) TRAVEL TO TRAINING

(1) An employee required to travel on any scheduled work day in conjunction with training away from his station, before, during, or after his regularly scheduled shift will be compensated in accordance with Article 6(a).

(2) An employee required to travel on any scheduled day off in connection with training away from his base station will be compensated for the travel time at the rates provided in Article 6 (b), Weekly Overtime, but in no event less than four (4) hours nor more than eight hours. Travel time referred to in this Article will begin sixty (60) minutes before the scheduled departure of the flight actually taken by the employee (or any earlier flight for which he stood by) and will end thirty (30) minutes after gate arrival at the destination airport, on the way to training, and at actual gate arrival at the destination airport, for the return trip.

(d) When the Company provides training within the work unit, training priority will be determined by seniority, to the extent of the number required, where the training is deemed necessary for a regular work assignment unless otherwise agreed to by the Company and the Union.

(e) In the event a senior employee is not assigned to training because it was deemed unnecessary to his regular work assignment, or as provided in (d) above, his rights under the Agreement will not be affected.

(f) Training normally will be scheduled to provide at least seven (7) calendar days of notice to the employees affected; except in the event of training required to meet unanticipated conditions such as airworthiness directives, fleet campaign directives and vendor instructions.

This provision will not require notice to employees exercising seniority under Article 15 of this Agreement.

To the extent that work requirements permit, training will be accomplished during the employee's regular working hours.

(g) During a training assignment, the employee will, while away from his base, be paid actual expenses for meals, lodging, and transportation not to exceed, without the approval of the Company, the maximums established by the Company for such expenses in its regulations.

ARTICLE 24 - ABSENCE FROM DUTY

(a) An employee unable to report for duty will, unless prevented by reasons beyond his control, notify his immediate supervisor or other central point set up for reporting purposes by the Company as far in advance of the scheduled starting time of his shift as possible. Notwithstanding the above, an employee may flex the starting time (FRL), up to fifteen (15) minutes without pay or penalty to his attendance record, twice per calendar year.

(b) The Company acknowledges the right of an employee to use his sick leave benefit for the purpose intended in this Agreement, as set forth in Article 34. Accordingly, no employee will be disciplined for the use of his sick leave benefit for such purpose.

ARTICLE 25 - RECALL AND CALL-IN WORK

(a) RECALL

An employee who has been relieved from duty who is recalled to duty to perform work not continuous with his next regular work period will be paid for not less than four (4) hours at the applicable overtime rate, but in no event will he receive less than four (4) hours compensation at one and one-half times (1.5X) his regular hourly rate.

(b) CALL-IN

When an employee is called to duty to perform work which is continuous with his next regular work period, he will be paid at the applicable overtime rate for all time from his actual report time up to the beginning of his regular shift.

(1) Provided the employee reports at the designated time, he will receive a minimum of two (2) hours at the applicable overtime rate.

(2) In the event an employee is on premises in advance of his scheduled shift and the supervisor needs the employee to start early, the employee is entitled to the two (2) hours minimum referred to in (1) above.

(3) The employee will be paid the applicable overtime rates (for early call in) in the event that the employee does not complete his regular scheduled shift (e.g. SK, CS off, TL, etc).

ARTICLE 26 - FIELD WORK

(a) When an employee is required to perform work away from his base station on his regularly scheduled workdays, he will be paid at least eight (8) hours at his regular hourly rate for each regularly scheduled workday while away from his base station, whether traveling, on call or working.

(b) When an employee is required to perform work away from his base station on his scheduled day off, he will be paid at least eight (8) hours and compensation at applicable rates of pay, whether traveling, on call or working.

(c) An employee will be compensated for all hours incurred while traveling for a field trip starting sixty (60) minutes prior to the normal departure time of the first trip the employee is scheduled to take. An employee so compensated must be available for trips as designated by management. This provision will include International trips and will be considered as time worked.

(d) When an employee performs work away from his base, all continuous time, whether traveling or working, will be computed as time worked for all purposes.

(e) A period of seven and one-half (7 1/2) hours or more during which an employee is not traveling or working will break the continuity of paid hours for overtime purposes.

(f) During an assignment, the employee will, while away from his base, be paid actual expenses for meals, and actual expenses for lodging, and transportation not to exceed, without the approval of the Company, the maximums established by the Company for such the expenses in its regulations.

(g) The existing Field Trip Guidelines currently in use at TUL/AFW on March 1st, 2001 (or as revised) will be used unless the Union and the Company agree otherwise. The Guidelines will be distributed to each employee for his personal reference.

(h) An employee while on a 40 hour or greater training assignment either at or away from his home base will be considered ineligible for field trips. He will not be asked to go on a field trip during his training assignment or the Saturday and Sunday prior to the training assignment when the days off are changed per Article 3(d).

(i) When an employee is on a field trip he may perform work on multiple aircraft within a station.

(j) After a MCT has gone on a field trip to fix a specific problem and the same problem repeats on the same aircraft the company may ask for a volunteer who is not lowest in hours on the field trip list to perform field trip work on that aircraft. If the selected volunteer does not accomplish a positive fix, the company will revert to the field trip list for selecting the next MCT on the next field trip. Any employee proffered a field trip under this paragraph will be so notified at the time of the proffer. The Company will maintain a list of field trips proffered under this paragraph and provide that list to the Union upon request.

ARTICLE 27 - GENERAL

(a) All orders to and requests from an employee involving transfers, promotions, demotions, layoff, reemployment, leaves of absence, or anything affecting his pay or status, will be in writing.

(b) An employee who permanently transfers at his own request to another classification of work as provided in any other AA/TWU Agreement that has similar reciprocating language will continue to receive his same hourly rate but, in no event, will his hourly rate exceed the maximum rate for the classification to which he transferred.

If his hourly rate at the time of the transfer is not the same as any regular rate per hour for the classification to which he transferred, he will immediately receive the nearest higher regular rate per hour for such classification. Thereafter, the employee will progress on the normal progression scale in the new classification. In the case of a transfer from a higher to a lower classification caused by a reduction in force under this Agreement, the above rules will apply.

(c) An employee in the Maintenance Control Technician classification will be required to wear First Class dress attire, as described in the Trip Book dated January 1, 2001, during normal business hours, day shift only, and reasonably suitable and safe clothing for the type of work he is assigned on all other shifts. An employee may wear the standard TWU insignia on any work clothing or hat.

(d) (N/A)

(e) The Company agrees to furnish first aid kits, good drinking water and sanitary fountains. The floors of the toilets and washrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Shops and washrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available. The Company will provide supplies necessary for employees to maintain telephone and keyboard equipment. Well maintained, suitable office chairs will be provided. The Company will provide a lockable file cabinet at each Maintenance Control Technician location for use by the union. Individual lockers will be provided for all employees where adequate space and facilities are reasonably available. Every effort will be made, as early as possible, to provide space and lockers for employees at the field stations. Additionally, the Union will have the right to confer with the designated Company official on transportation to and from field stations. No employee will be required to work under unsafe or unsanitary conditions.

(f) In order to eliminate, as much as possible, accidents and illness a Joint Safety Committee composed of an equal number of Union representatives, not more than five (5), and Company representatives, not more than five (5), will be established at each location in the system where employees are stationed. It will be the duty of the Joint Safety Committee to:

(1) Receive and review Company accident, injury and job related illness reports pertinent to the Safety Committee investigation, and make recommendations to prevent recurrence (Safety Committee members will receive copies of available monthly summaries of employee accidents and injuries and have access, upon request, to specific Company reports resulting from employee on the job accidents or injuries);

(2) Receive and investigate complaints regarding unsafe and unsanitary working conditions and make recommendations to resolve the hazards and complaints;. The Employee/Union Representative should first notify and discuss any safety complaint with his immediate supervisor/manager. Management will address the safety concern in a reasonable time frame and will advise the Employee or Union Representative of the

action taken. If the action taken is not satisfactory to the Employee or Union Representative, it will be forwarded to the Joint Safety Committee (JSC) for further review.

(3) See that all applicable sanitary and safety regulations are complied with;

(4) Make recommendations for the maintenance of appropriate sanitary and safety standards.

Joint Safety Committee meetings will be scheduled a minimum of once per month by mutual agreement between the Company and the Union.

In the event that the Joint Safety Committee is unable, within sixty (60) calendar days, to resolve an issue which has been brought to its attention, either the Company or the Union may submit the issue to the System Joint Safety Committee which will constitute a board to review the issue(s). In cities where an APC (Accident Prevention Council) exists, the TWU Local President will appoint a representative(s) to participate on the APC. Prior to sending an issue to the System Joint Safety Committee, all safety issues will be first submitted to the APC for resolution.

The System Joint Safety Committee will consist of a representative of the Transport Workers Union-International and a representative of the Company's Safety office. If the issue(s) is (are) not resolved by the System Joint Safety Committee, either representative may submit the issue(s) on appeal to the System Board of Adjustment in accordance with the provisions of Article 29(d) of this Agreement.

(g) Each employee is responsible for performing his job safely, including but not limited to, the use of all Personal Protective Equipment (PPE) as required. In order for employees to comply the Company will furnish all necessary PPE. The Company will promptly notify the employees and the Union of the use of any material, equipment or procedure known to be hazardous to employees exposed, and the known procedures to control the hazards. The Company will promptly provide the Union with the results of any management or government health and safety survey concerning the employees represented by the Union. When the Company is made aware by the manufacturer or distributor of a product recall or equipment recall, the Company will take appropriate action to ensure the safety of its employees. The Company will also notify the Union of the issue as soon as possible and of any subsequent action that is taken.

(h) Three (3) personal emergency (PE) days with pay for death in the immediate family will be extended to the employees covered by this Agreement. Immediate family includes mother, father, spouse, eligible domestic partner, sister, step-sister, brother, step-brother, child (dependent and non dependent) mother-in-law, domestic partner's mother, father-in-law, domestic partner's father, step-mother, step-father, employee's grandparents, employee's grandchildren, legal guardian or documented former legal guardian, or relative who is a resident of the household. To the extent that Company policy provides more expansive personal emergency leave benefits, those benefits will be applied to all employees covered by this Agreement.

Upon request, the option of up to two (2) Personal Vacation (PV) days or up to two (2) days of personal emergency (PEU) days without pay will be extended to an employee, in conjunction with PE days. If an employee does not have PV days available, up to two (2) days of PEU will be extended to an employee in conjunction with PE days.

(i) Employees called for jury duty will be paid as if working for all scheduled hours less the fee received for jury services for actual days served. The employee will promptly show his supervisor the jury summons and also show the court's validation of jury service when completed.

(1) An employee assigned to jury duty for five (5) or more consecutive days during day time hours will be assigned to the day shift with Saturday and Sunday as his scheduled days off, effective for the workweek in which jury duty starts. An employees assigned to other types of jury duty, (e.g. telephone standby, single day jury duty, etc.) will have his work schedules adjusted only to the extent necessary to accommodate the actual jury service requirement. If it is necessary to adjust days off, it should always be adjusted prior to the scheduled jury duty.

(2) If there is a question regarding the application of this provision, the employee's supervisor will contact Employee Relations who will establish a telephone conference with the TWU International and the Local President to resolve the matter.

(j) The Company will provide each employee with a pocket-size copy of this Agreement.

(k) The Company will forward to the Director of the Air Transport Division of the Union copies of Company regulations, manuals, publications, and all subsequent revisions expressly referred to in this Agreement.

(l) The Company will forward to the ranking Local Union Representative a copy of the regular crew list schedule for the station. The crew list schedule will include scheduled shift hours and scheduled days off.

(m) No employee will be required to participate in a definite bomb scare investigation, as declared by Company SOC, against his wishes.

(n) The Company will provide death and permanent disability insurance coverage for an employee, as set out below, applicable if a bomb explosion or hazardous material incident in or about American Airlines facilities or aircraft on the ground is the proximate cause of death or disability:

Death	\$500,000
Total Permanent Disability	\$500,000
Total Loss of Two Members	\$500,000
Total Loss of One Member	\$250,000

Member, as used in this Article, is defined as arm, leg, or eye.

Bomb explosion/hazardous material incident insurance will be handled by blanket coverage, and employees covered will not have to sign individual application forms, except for designation of a beneficiary.

(o) In the event free parking facilities for employees are not available at airport locations, the Company will assume the monthly parking charge assessed by the appropriate authority (airport, port, etc.) for parking in an area designated for employees. This provision will not apply to original or replacement charges to employees for parking decals, stickers, gate keys, or similar items. Also, where bus transportation to and from employee parking facilities is recognized by the Company as an integral part of the employee parking arrangements, that transportation will be at Company expense.

(p) Maintenance Control Technicians will be eligible to participate in the ASAP Program or any similar future program.

(q) The attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement:

Attachment 27.1- Personal Days Off

Robert F. Gless
AA System Coordinator
Assistant ATD Director
International Representative
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Re: Personal Days Off

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on _____ (DOS). During these discussions, the Company agreed to provide two (2) PDOs (Personal Days Off) to be effective immediately following ratification. These days are provided as a means to address the interest of TWU represented employees to increase paid time off, while granting greater flexibility.

The paid time off will be granted in such a way that minimizes any disruption to the operation and/or has an adverse impact to staffing for any particular day. Therefore the following application will apply:

- PDOs must be requested in writing a minimum of seven (7) days in advance, a maximum of thirty (30) day(s) in advance of the day(s) desired. Emergency requests will be handled on a local basis.
- PDOs will be requested by AOI, company email, or other locally agreed upon method.
- PDOs cannot be taken on the employee's scheduled holiday or after December 16th each year.
- PDOs will be granted based on Occupational seniority
- Employee must have one year of company service as of December 31st for use in the following year.
- Unused days will be paid out as eight (8) hours, or ten (10) as applicable, for full time and four (4) hours for part time as determined by the employee's status as of 12/31 of each year. Payment for unused PDOs will be made the first pay period after January 31st of the following year.

Additional procedures may be jointly developed within ninety (90) days from date of signing.

Sincerely,

Agreed To:

Mark Burdette
Vice President
Employee Relations

Robert F. Gless
AA System Coordinator
Assistant ATD Director
International Representative
Transport Workers Union of America, AFL-CIO

ARTICLE 28 - NO DISCRIMINATION, AND RECOGNITION OF RIGHTS AND COMPLIANCE

(a) The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees regardless of sex, color, race, creed, age, religious preference, status as a veteran or military reservist, disability or national origin.

(b) The Union recognizes that the Company will have sole jurisdiction of the management and operation of its business, the direction of its working force, the right to maintain discipline and efficiency in its hangars, stations, shops or other places of employment, and the right of the Company to hire, discipline and discharge employees for just cause, subject to the provisions of this Agreement. It is agreed that the rights enumerated above in this Agreement will not be deemed to exclude other preexisting rights of management not enumerated which do not conflict with other provisions of this Agreement.

(c) Any decisions or agreements relating to the interpretation or application of this Agreement made jointly by the Company and the Union will be binding on every individual employee claiming or entitled to the benefits of this Agreement.

(d) Except as otherwise provided in this Agreement, all letters of discipline, whether warning or suspension will be removed after a period of two (2) years from date of issuance, unless the Company and the Union agree to a shorter period.

However, it is agreed that any letters of discipline properly assessed in the event of a sitdown, walkout, or stoppage, strike, slowdown or curtailment of work will not be subject to the two (2) year provision.

(e) Copies of the Peak Performance Through Commitment (PPC) Program will be available to all employees upon request. Any changes to the PPC Program will be provided and explained to the Union prior to implementation.

(f) If the Company documents records of discussion or counseling held with an employee, the documentation will be on a form designed to ensure that the record accurately reflects the facts and nature of the discussion or counseling held with the employee. The employee will indicate his acknowledgement of the discussion or counseling in the actual record, or, at his option, he may place a rebuttal or statement in the actual record. The employee will be provided a copy of the final actual record.

(g) Each employee will have a right to meet with his Supervisor at a mutually agreeable time to discuss his performance and to review his personnel file. At that time, the Supervisor and the employee will review the personnel file to ensure that the provisions of this Article have been complied with. Should the Supervisor and employee agree to modifications or deletions to the counseling records, their request and recommendation will be forwarded to the Supervisor's immediate manager, who will review the matter and respond to the Supervisor and the employee.

(h) If there is an investigation of sexual harassment and the charged employee is exonerated of the charges, no entry regarding the charge or investigation will be made in the counseling records. Any entry previously made will be deleted from the counseling records. In other cases, a counseling record entry, if any, will reflect only the nature of the discussion with the employee. As always, the employee has the right to review the counseling record entry and provide any additional information desired.

ARTICLE 29 - REPRESENTATION

(a) The Union may select and designate such representatives in the respective fields, stations, shops, and other working units as may be necessary for the purpose of representing the employees under the terms of this Agreement, or in accordance with the Railway Labor Act, as amended. The number of representatives that confer with management at any one time on any issue, including meetings convened under the provisions of Article 29(f), will not exceed the number of management employees present plus one (1) additional representative to act in the capacity of a scribe.

(b) The Union may designate a System Coordinator for the employees covered by the Agreements between the Company and the Union.

(c) The Union will notify the Company in writing of the names of its Accredited Representatives designated in paragraph (a) and (b) above and of any subsequent changes in to those Representatives. The Company will inform the Union, in writing, of the supervisors with whom these Accredited Representatives will deal and of any subsequent changes to those supervisors.

International Officers, Local Union Officers and Local Union Representatives will, at any time during regular working hours, have access to the premises of the Company where employees covered by this Agreement are located, for the purpose of investigating grievances or other matters directly connected with the operation of this Agreement and its procedures for the settlement of any dispute. Notice of an intended visit will be given the ranking Company official or his designated representative. A visit will be subject to such reasonable regulations as may be made from time to time by the Company, but the Company will not impose regulations that will render ineffective the intent of this provision nor impair the privacy of any conference necessary to accomplish the purpose of the visit.

(d) An International Representative of the Union or designated Company official who believes that any provision of this Agreement has not been or is not being properly applied or interpreted and which has not yet become the subject of an actual grievance, will have the right within ten (10) calendar days after the alleged misapplication or misinterpretation has been ascertained to protest such violation, in writing, to the other party, who will evaluate such protest and render a decision in writing within fifteen (15) calendar days. Disputes in respect to actual grievances will be handled exclusively according to the provisions of Article 31, Grievance Procedure.

This provision will also apply to a Local President with respect to improper application or interpretation of this Agreement affecting a group of employees within the jurisdiction of his Local Union. The protest will be filed with the appropriate Chief Operating Officer of the Company.

When an actual grievance has been filed other than under this paragraph, the International or Local President may rescind the grievance and initiate a protest under this paragraph within ten (10) calendar days after the decision to rescind.

(e) If no settlement is reached under Article 29(d) an appeal may be made, in writing, within thirty (30) calendar days to the System Board of Adjustment established under Article 32 of this Agreement.

(f) The Union does not question the right of the Company supervisors to manage and supervise the work force and make reasonable inquiries of employees, individually or collectively, in the normal course of work. In meetings for the purpose of investigation of any matter which may eventuate in the application of discipline or dismissal; or when written

statements may be required; or of sufficient importance for the Company to have witnesses present; or to necessitate the presence of more than one Company supervisor; or during reasonable cause or post accident drug/alcohol testing as provided in Article 29(h), the Company will inform the employee of his right to have Union representation present. The supervisor's record will reflect if the employee does not desire Union representation.

(1) When the Company convenes a meeting under the provisions of Article 29(f), it will, except for rare or compelling reasons, indicate the purpose of the meeting and then provide the opportunity for an employee and Union representative to confer, for a reasonable period of time. Once the Article 29(f) meeting reconvenes it will continue until concluded by the supervisor.

(2) Before written notification of discipline or dismissal is given an employee, he will be afforded the opportunity to discuss the matter with his supervisor. If he so desires, he will have a Union representative in this discussion. Nothing in this Article will be construed as preventing the Company from holding an employee out of service pending an investigation, provided the employee will be paid as if working for all regularly scheduled hours while held out of service, except when he is withheld for:

(a) Action constituting a criminal offense, on or off duty.

(b) Refusal or adulteration of an alcohol/drug test or verified positive drug or confirmed positive alcohol test from the date on the letter of verification/confirmation.

(c) Failure to cooperate with an investigation.

(g) An employee covered by this Agreement who is interviewed by a Company Security Department representative as part of a Security Department investigation may, upon request, have a TWU representative present during the interview. If a local TWU official is not readily available after a request, the Company's Security Department will not be required to wait for his availability before conducting the interview. However, the employee may request the presence of another TWU represented employee (peer witness) during the interview. The role of the TWU representative or peer witness will be that of a silent observer only. The representative or witness may in no way interfere nor impede the Security Department's investigation and/or interview.

(h) Employees who are required to take a reasonable cause or post accident drug/alcohol test by the Company may, upon request, have a Union Representative present as a witness during those parts of the specimen collection process indicated below:

(1) In those stations where a Local Union Representative is not readily available, the Company will delay the test for up to one (1) hour from the time the employee requests or is notified of this right to Union representation, whichever occurs first, in order to allow the first available representative to be present at the medical facility.

(2) If normal travel time to the medical collection facility exceeds one (1) hour, then the one (1) hour waiting period will be extended by the amount of travel time in excess of one (1) hour. This is in accordance with the FAA's directive of July 1990, which prohibits the presence or absence of a Union Representative from in any way hampering or delaying the collection process.

(3) Only one (1) Union Representative will be allowed to accompany an employee to the medical collection facility and into the area where the medical collector opens the drug testing kit, completes the relevant paperwork and secures the kit after completion of the collection process. The Union Representative will be allowed to witness

the opening of the collection kit by the collector, the documentation of the chain of custody procedure by the collector and the employee, and the packaging and sealing of the kit for shipment following the collection. The Union Representative will not be allowed to accompany an employee or collector into a restroom.

(4) In accordance with the FAA's directive of July 1990, no Union Representative will engage in any activity, which disrupts the collection process. Should the Union Representative engage in disruptive activity, the Union Representative will be required by the Company's Supervisor to wait in the employee/patient waiting area until the collection process and paperwork has been completed. This is pursuant to the FAA's directive.

ARTICLE 30 - GRIEVANCE PROCEDURE FOR DISMISSAL/CORRECTIVE ACTION

(a) An employee who has passed his probationary period will not be dismissed from the service of the Company or be issued corrective action without written notification of that action. The notification will include the reason or reasons for his dismissal or corrective action.

An employee who believes that he has been unjustly dealt with as a result of dismissal or corrective action, may submit his written grievance in person or through his representative within seven (7) calendar days of receiving the notification. Such grievance must be submitted to the Chief Operating Officer or his designee, with a copy to the appropriate Human Resources Office or representative. The Chief Operating Officer will fully investigate the matter and render his written decision as soon as possible, but not later than twelve (12) calendar days following the receipt of the appeal, unless mutually agreed otherwise. A copy of the written decision will be provided to the Union.

The inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration, within the time limits prescribed in 30(b). For grievances related to corrective action, this will result in a monetary penalty of eight (8) hours additional pay, as if working, to the grievant. For dismissal cases, this will result in a monetary penalty equivalent to four (4) hours of pay as if working per day until the decision is issued. Any monetary penalty paid does not cancel or render any judgment regarding the merits of the grievance.

(b) If the decision of the Chief Operating Officer is not satisfactory to the employee, the dismissal/corrective action and decision will be appealed in accordance with (c) below, provided, however, the appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(c) An appeal from the decision of the Chief Operating Officer will be submitted to the appropriate Board of Adjustment in accordance with Article 32. The System Board of Adjustment will docket the case and, if the procedural requirements for the appeal have been satisfied, promptly transmit the appeal papers to the appropriate Area Board of Adjustment in accordance with Article 32. Any dispute as to whether all of the procedural requirements for the appeal have been satisfied, or whether the case is within the jurisdiction of an Area Board, will be determined by the System Board of Adjustment, except as provided in Article 32(c)(5).

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the grievant authorizes his representative to handle his grievance for him, the submission of the grievance or appeal will be accompanied by the statement signed by the employee fully authorizing his representative to act for him in the disposition of his grievance.

(e) If any decision made by the Company under the provisions of this Article is not appealed by the employee affected within the time limit prescribed for appeals, the decision of the Company will become final and binding.

(f) If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, all related corrective action records will be removed from the employee's personnel file. In addition, if he has been held out of service, he will be reinstated without loss of seniority and he will be paid at regular rates for his regularly scheduled hours as if working.

(g) When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it

is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested will be borne equally by both parties to the dispute.

**Attachment 30.1 - Time Limits - Article 30 - Grievance Procedure for
Dismissal/Corrective Action**

DOS

Mr. Robert Gless
International Vice President
AA System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Time Limits – Article 30

Dear Dennis,

This letter will serve to interpret the time limits referenced in Article 30 of this Agreement. Specifically, what constitutes the meaning of seven (7), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 30 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his hands or the postmarked date if the answer is mailed. The following examples of the grievance process will clarify our understanding:

1. 1st Step Answer – A grievance is filed on October 18, 2007 with the Chief Operating Officer (COO). The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 29, 2007. (12 days to render a decision – October 18 counts as Day one) Note: If the COO does not answer the 1st step appeal in a timely manner, monetary penalties as outlined in Article 30 will be incurred.
2. System Board Appeal – The employee receives his 2nd step answer on October 29, 2007. If the employee is not satisfied with the COO's answer, he must appeal his grievance to the System Board no later than November 17, 2007. (20 days to appeal to the System Board from the date of his receipt or the post marked date, if mailed – October 29 counts as Day one)

Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time when he first has knowledge or should reasonably have had knowledge that they have been unjustly dealt with (discipline and/or discharge).

In addition, Article 30 does afford the Chief Operating Officer (COO), with agreement from the local TWU, an extension of time limits.

If the above accurately reflects our understanding, please indicate by signing below.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to:

Robert Gless
International Vice President, AA System Coordinator
Transport Workers Union, AFL-CIO

ARTICLE 31 - GRIEVANCE PROCEDURE

(a) An employee who believes that he has been unjustly dealt with, or that any provision of this Agreement has not been properly applied or interpreted, may submit his grievance in person or through his representative within seven (7) calendar days. The grievance will be presented to his immediate supervisor, who will evaluate the grievance or complaint and render a written decision as soon as possible, but not later than seven (7) calendar days following his receipt of the grievance. Inability of the immediate supervisor to complete the investigation and render his written decision within the respective time limits will permit the Union to move directly to the next step of the grievance process.

(b) If the written decision of the immediate supervisor is not satisfactory to the employee whose grievance is being considered, it may be appealed within twelve (12) calendar days to the Chief Operating Officer, with a copy to the appropriate Human Resources Office or Representative. The Chief Operating Officer will fully investigate the matter and will render a written decision as soon as possible, but not later than twelve (12) calendar days, following his receipt of the appeal. An extension may be granted by the local TWU official if requested by the Chief Operating Officer. A copy of the written decision will be provided to the Union.

Inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration within the time limits as prescribed in Article 31(c) and result in a monetary penalty of eight (8) hours additional pay, as if working, to the grievant. Any monetary penalty paid does not cancel or render any judgment regarding the merits of the grievance.

(c) If the decision of the Chief Operating Officer is not satisfactory to the employee, the grievance and the decision may be appealed to the System Board of Adjustment, as provided for in Article 32. The appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the aggrieved employee authorizes his representative to handle his grievance for him, the submission of the grievance or appeal will be accompanied by a statement, signed by the employee, fully authorizing his representative to act for him in the disposition of his grievance. Two (2) copies of all grievance answers will be given to the Local Union.

(e) An employee who has a grievance may present his grievance to his immediate supervisor during regular work hours. An Accredited Representative of the Union may investigate, discuss, and present a grievance of an employee or employees during regular work hours without suffering loss of pay for time so spent.

(f) If any decision made by the Company under the provisions of this Article is not appealed by the employee affected within the time limit prescribed for appeals, the decision of the Company will become final and binding.

(g) When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested will be borne equally by both parties to the dispute.

(h) Upon the request of an Accredited Union Representative, the Company will inform the Union of its decision on any grievance involving a formal hearing or investigation at which the aggrieved employee was not represented by his Accredited Union Representative.

Attachment 31.1- Time Limits Article 31-Grievance Procedure

Date of Signing, 2008

Mr. Robert Gless
International Vice President
AA System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Time Limits – Article 31

Dear Robert,

This letter will serve to interpret the time limits referenced in Article 31 of this Agreement. Specifically, what constitutes the meaning of seven (7), twelve (12), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 31 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his hands or the postmarked date if the answer is mailed. The following examples of the grievance process will clarify our understanding:

1. 1st Step Answer – A grievance is filed on October 3, 2007.
The response from the supervisor must be in the employee's hands or postmarked, if placed in the mail, no later than October 9, 2007. (7 days to render a decision – October 3rd counts as Day one)
2. 2nd Step Appeal – The employee receives an answer on October 9, 2007. If the employee is not satisfied with the supervisor's answer, he must appeal his grievance to the Chief Operating Officer (COO) no later than October 20, 2007. (12 days to appeal to 2nd step from the date of his receipt or the postmarked date, if mailed – October 9th counts as Day one)
3. 2nd Step Answer – A grievance is appealed on October 20, 2007.
The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 31, 2007. (12 days to render a decision – October 20 counts as day one) Note: If the COO does not answer the 2nd step appeal in a timely manner, monetary penalties as outlined in Article 31 will be incurred.
4. System Board Appeal – The employee receives his 2nd step answer on October 31, 2007. If the employee is not satisfied with the COO's answer, he must appeal his grievance to the System Board no later than November 19, 2007. (20 days to appeal to the System Board from the date of his receipt or the post marked date, if mailed – October 31st counts as Day one)

Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time when he first has knowledge or should reasonably have had knowledge of the alleged contractual violation.

In addition, Article 31 does afford the Chief Operating Officer (COO), with agreement from the local TWU, an extension of time limits.

If the above accurately reflects our understanding, please indicate by signing below.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to:

Robert Gless
International Vice President
AA System Coordinator
Transport Workers Union, AFL-CIO

ARTICLE 32 - BOARDS OF ADJUSTMENT

(a) Boards of Adjustment

(1) Pursuant to the provisions of the Railway Labor Act, as amended, the parties establish a System Board of Adjustment, and Area Boards of Adjustment for employees covered by this Agreement.

(2) The Boards will have jurisdiction only over disputes between the Company and the Union or any employee or employees governed by this Agreement growing out of grievances involving interpretation or application of this Agreement including disputes over the content of an employees personnel file, whether hard copy or electronic, to the extent such information can be used for discipline. The Boards will have no jurisdiction, whatsoever, over proposals or disputes relating to general changes in hours of work, rates of pay, rules, or working conditions. Proposals relating to general changes in hours of work, rates of pay, rules, or working conditions will be handled in the manner provided for in Article 47 of this Agreement. Board Hearings may be postponed, in writing, by mutual agreement of the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees.

(b) System Board of Adjustment

(1) The System Board of Adjustment will be composed of a Company member, a Union member, and a neutral referee, the latter to serve for an indefinite term; however, either party may cause the services of the neutral referee to be terminated, except as to cases already submitted to him pending a decision, by giving written notice to the other party and to the neutral referee.

(2) If a neutral vacancy occurs and the Company and the Union cannot agree on a successor within fifteen (15) calendar days unless extended by mutual agreement, the American Arbitration Association will be requested to select a neutral in the manner described in Rule 12 of its Voluntary Labor Arbitration Rules, as amended.

(3) The System Board will meet in the city where the general offices of the Company are maintained, unless a different location is agreed upon by the Union and the Company.

(4) The System Board will hear and determine all disputes properly before it, which are not within the jurisdiction of the Area Boards.

(5) Postponements must be submitted and approved in writing by both the Company and Union board members at least seven (7) calendar days prior to the scheduled hearing, unless the board members agree otherwise. Failure to appear for a case when a postponement request has not been approved, will result in forfeiture of the case by the party who failed to appear.

(c) Area Boards of Adjustment – Discipline and Dismissal Cases

(1) Area Boards of Adjustment will be maintained in other locations where Local Unions are based or as mutually agreed by the Company and the Union. The jurisdiction of each Board will be limited to discipline and dismissal cases arising in the area in question.

(2) Each Area Board will be composed of one member appointed by the Company, one member appointed by the Union, and a neutral referee as Chairman. However, by mutual agreement of the parties, an additional neutral referee may be selected to hear Area Board cases scheduled in cities other than those designated in the above paragraph. Members of the Area Boards appointed by the parties will serve at the pleasure of the party making the appointment, except that a board member will continue to serve until his successor has been appointed. Each neutral referee will serve for an indefinite term; either party may cause the services of the neutral referee to be terminated (except as to cases already submitted to him pending a decision) by giving written notice to the other party and to the neutral referee.

(3) If the position of neutral referee of an Area Board becomes vacant, and the Company and the Union cannot agree on a successor within fifteen (15) calendar days, unless extended by mutual agreement one will be selected in the same manner as the filling of a vacancy under Article 32(b)(2).

(4) Each Area Board will hold hearings at a location in its city, mutually agreed upon by the Local Union and the appropriate Human Resources Office.

(5) In order to expedite Area Board hearings, the parties may agree to hear procedural issues, such as alleged 29(f) violations, timeliness issues, or jurisdictional issues, prior to the presentation of the merits of the case.

(d) Procedures Generally Applicable to the Boards

(1) All disputes referable to the Boards will be sent to the appropriate Board based on the primary issue in dispute for hearing and decision. Any disagreement as to which Board is the appropriate Board will be determined by the System Board.

(2) If the designated Company representative and the designated Union representative for any Board jointly consider a case of sufficient urgency and importance to warrant an expedited hearing, a hearing will be scheduled within fifteen (15) calendar days, unless shortened or extended by mutual agreement, of their decision to expedite the case.

(3) An appeal to a grievance decision arising out of Articles 29, 30, and/or 31 will be submitted in writing, as provided below, and includes the following information:

(a) the name, personnel number, job classification, and the number of the Local Union for the employee(s) involved;

(b) a statement that the provisions of Articles 29, 30, and/or 31 have been exhausted;

(c) a statement of the nature of the dispute, including the articles in question, and whether the dispute involves discipline/discharge or a contract interpretation or application;

(d) the position or contention of the party filing the submission;

(e) the remedy sought.

(4) The written appeal will be sent to the International TWU in the form of a petition. The International TWU will assign a case number and forward the appeal and two (2) copies, with the case number noted on each, to the Employee Relations

Department. The scheduling of cases to be heard before the Boards is an administrative matter addressed by mutual agreement between the Union and the Company.

(5) A petition will be served upon the other party, who will have the right, within fifteen (15) days after receipt to file a written answer.

(6) Employees and the Company may be represented at Board hearings by any person or persons as they may choose and designate. Evidence may be presented either orally or in writing or both.

The advocates will exchange all documents they may enter and the names of witnesses they may call in their direct case no later than ten (10) calendar days prior to the date set for the hearing. Nothing in this paragraph will require either advocate to present the documents or the witnesses provided above during the course of the hearing. The advocates will not be restricted from entering documents or calling witnesses that become known subsequent to the ten (10) calendar day exchange, provided a minimum of forty-eight (48) hours notice is provided to the other advocate and copies are submitted to the other advocate prior to the presentation of the direct case. The advocate receiving the late document or witness name has the option to postpone the hearing in light of the new document or witness.

(7) Upon the request of either party to the dispute, or of two (2) Board members, a Board will summon witnesses to testify at Board hearings. The Company will cooperate to ensure that all witnesses summoned by the Board will appear in a timely fashion. Reasonable requests by the Union for employee witnesses will be honored. The requests for witnesses will normally not exceed those who can be spared without interference with the service of the Company. Disputes arising from this provision will be immediately referred to the Director of the Air Transport Division and the Vice President of Employee Relations, or their respective designees, for resolution.

(8) A majority vote of all members of a Board will be sufficient to make a finding or a decision with respect to any dispute properly before it, and the finding or decision will be final and binding upon the parties to the dispute. The Union and the Company will at all times have their respective Board members available at the convenience of the various neutral referees, and alternate members will be provided by the Union or the Company, as the case may be, whenever its regular Board member is not available. If an alternate member is not provided within a reasonable period of time, the neutral referee will proceed with the hearing and decision of the matters before the Board without participation by the absent member. In that case, the decision of the neutral referee will constitute the decision of the Board.

(9) The failure of a Board to decide a dispute under the procedure established in this Article will not serve to foreclose any subsequent rights or procedures which the Railway Labor Act, as amended, may provide with respect to the settlement of those disputes, and nothing in this Agreement will be construed to limit, restrict, or abridge the rights or privileges accorded to either the employees, or to the employer, or to their duly Accredited Representatives, by said Act.

(10) Board findings and decisions will be stated in writing and will be rendered within thirty (30) calendar days from the close of hearing, unless the period is extended by agreement of the parties to the dispute. In each case a copy of the finding or decision will be furnished the Company, the Union, and the employee or employees that are parties to the dispute. If a dispute arises as to the interpretation of the finding or decision, then, upon request of the Company, the Union, or the employee or employees that are parties to the dispute, the Board will interpret the finding or decision.

(11) The System Board and each Area Board will keep complete and accurate records of all matters submitted to it and of all findings and decisions made. A stenographic record at all Boards will be taken if requested by either party to the dispute. In that case, the cost of the record will be borne by the requesting party. The other party, upon request, will be furnished a copy of the record, in which case the cost of that record will be borne equally by both parties to the dispute.

(12) Each party will assume the compensation, travel expense, and other expenses of its Board members and the witnesses it summons.

(13) So far as space is available, witnesses who are employees of the Company will receive free transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

(14) Each Board, upon agreement of a majority of its members, will have the authority to incur expenses necessary for the proper conduct of the business of the Board. Those expenses, as well as the expense of each neutral referee, will be shared equally by the parties. Union Board members who are employees of the Company will be granted necessary leaves of absence for the performance of their duties as Board members. So far as space is available, the Board members will be furnished free transportation over the lines of the Company for the purpose of attending Board meetings to the extent permitted by law.

(15) Every Board member will be free to discharge his duty in an independent manner, without fear that his individual relations with the Company, the Union, or with the employees covered by this Agreement may be affected in any manner by any action taken by him in good faith in his capacity as a Board member. Each party will specifically instruct each Board member selected that he will at all times, while serving in that capacity, act not as a partisan or advocate of a partisan group or cause but will act and serve solely to render impartial findings and just decisions.

(e) Procedures for Finalizing Awards

The following procedures are provided in order to standardize the arbitration process and avoid any controversy regarding the deliberations and discussion associated with the publication of System and Area Boards of Adjustment awards:

(1) Executive sessions for every case should take place at the conclusion of the hearing, or at such time as agreed upon by a majority of the Board at the conclusion of the hearing. This postponed executive session may be necessary due to the submission of briefs or other post-hearing issues and should be the exception, not the rule.

(2) An arbitrator's draft decision, distributed to the Board unsigned, may be changed to any extent agreeable to a majority of the Board. A written decision, once executed and signed by the neutral arbitrator, may only be modified as to content by agreement of all Board members.

(3) The Board members are not to discuss the decision of the Board with anyone other than the Board members prior to the publication of the award by the Administrator of the System Board.

(4) No ex-parte communication concerning the case (that is, discussion held without the presence of the full Board) is permitted at any time.

(5) The details of the Board's deliberations must be held confidential by virtue of the Boards intended neutrality. No Board member should divulge the nature or content of the discussions held between the Board members in reaching their decision.

(f) Automated Grievance Tracking System.

In the interest of simplifying and streamlining the grievance tracking process, the parties agree to discuss and explore an automated grievance tracking system.

ARTICLE 33 - NO STRIKE - NO LOCKOUT

It is the intent of the parties to this Agreement that the procedures in this Agreement will serve as a means of amicable settlement of all disputes that may arise between them, and, therefore:

(1) The Company will neither cause nor permit a lockout during the life of this Agreement, and

(2) Neither the Union nor the employees will engage in a strike, sitdown, walkout, stoppage, slowdown, or curtailment of work for any reason during the life of this Agreement.

ARTICLE 34 - SICK LEAVE

(a) An employee who completes six (6) months of service with the Company will be credited with four (4) days of sick leave for the calendar year in which the six (6) months' period is completed.

(b) Upon being credited with the applicable four (4) days of sick leave, an employee will thereafter accrue two thirds (2/3) day of sick leave for each calendar month of service with the Company, up to a maximum of ~~five (5)~~ eight (8) days in any calendar year. Sick leave accrued during a calendar year will not be used prior to January 1 of the following year.

(c) Unused sick leave will be cumulative up to a maximum of two hundred and fifty (250) days.

(d) Except as specified in this Article, only days absent due to illness or injury of the employee which are not compensable under the applicable Workmen's Compensation Laws will be paid for from his allowed sick leave. Payment will be based on the employee's regular hourly rate.

(e) The intended purpose of the sick leave benefit is to protect the earnings of the employee during necessary absence from work due to illness or injury, and to aid the employee in meeting bills when sickness or injury have temporarily taken away his ability to work. The parties acknowledge that the statements in the booklet entitled, "Attendance Control Guidelines and the Sick Leave Benefit", originally distributed in August of 1969, do not conflict with the rights of employees under this Agreement. Accordingly, the Company will take the following actions before issuing a disciplinary notice for unsatisfactory attendance to an employee with a sick leave balance when such disciplinary notice considers occasions of absence involving sick leave.

(1) The supervisor will conduct a full discussion with the employee concerning his attendance record.

(2) If abuse of the sick leave policy referred to in Article 34 is suspected, the employee will be so advised of the reasons for suspected abuse. The employee may request those reasons in writing.

(3) Requiring the employee to provide a doctor's slip stating he was treated for an illness or injury for sick leave eligibility in accordance with Article 34.

(4) A disciplinary notice issued subject to these conditions and actions will include the charge of suspected abuse of sick leave in connection with the involved absence(s).

(5) These procedures will not apply to any incident where an employee is charged with the fraudulent abuse of the sick leave benefit.

(f) When the employee has a sick leave balance, it will not be the policy of the Company to require a slip from his doctor stating treatment for an illness or injury for all absences of one (1) to three (3) days in order for an employee to be eligible for sick leave pay, however, the Company reserves the right to require such doctor's slip whenever circumstances indicate suspected abuses of the sick leave policy.

(1) Any employee suspected of abusing sick leave and therefore may be required to furnish a doctor's slip stating that he was treated for an illness or injury will first have the circumstances leading to the suspicion fully discussed with him. He may, if

he so desires, have a Union representative present during such discussion. Subsequent to this discussion, if the Company decides that a doctor's slip is required, he will be given written notice of this requirement. Upon request of the employee, the specific reasons for the suspected abuse will be supplied to him, in writing. The requirement for this slip from the doctor will expire ninety (90) calendar days from the effective date of the written notice.

(2) Upon request of the Local Union President, any employee claiming harassment as a result of being required to furnish a doctor's slip will have the opportunity to present his written claim for relief to a panel composed of the Vice President – Employee Relations and the Director of the Air Transport Division or their respective designees.

(3) In the event the employee's claim is determined to be valid, the employee will have eight (8) hours of sick pay added to his sick leave account. In the event it is determined to not be valid, the employee will forfeit eight (8) hours of sick pay from his sick leave account.

(g) When employees, including probationary employees, are absent due to illness or injury, pay seniority will continue to accrue for a period not to exceed thirty (30) calendar days for any period of absence.

(h) During an employee's absence due to an occupational illness or injury compensable under the applicable Workmen's Compensation Law, he will receive from the Company the following benefits:

(1) for the first ten (10) workdays absent, the difference between his base pay (including shift differential) and Worker's Compensation payments;

(2) at the conclusion of the period referred to in (1) above, a disabled employee drawing Workmen's Compensation may, at his option, draw upon his accrued sick leave up to the extent of his accrual at the rate of up to one-half regular pay (including shift differential). Provided, however, the sum of such Workmen's Compensation weekly payments plus such sick pay benefits will not exceed the employee's regular base weekly pay (including shift differential). Corresponding deductions will be made from his available sick leave accrual. Deductions will be to the nearest 0.1 of a day up to a maximum of one-half day of sick leave.

(3) These benefits will be in lieu of any other payment provided for in this Article for all absences due to the same illness or injury.

(i) In the event that the Company challenges the payment of benefits under paragraph (g) above, occurring during the statutory waiting period under the applicable state Workmen's Compensation Laws, the employee will receive pay continuance (base pay, including shift differential) from the Company up to the maximum days provided in the waiting period. The challenged payment by the Company will be resolved in the following manner:

(1) The Company, or the employee, may within seven (7) calendar days, appeal through a review panel composed of a representative of the TWU International and the Vice President-Employee Relations or their respective designees which will hear and resolve the case. The panel will be limited to determining whether the pay continuance, made to the employee under this provision, will be considered a benefit under Article 32(d) or 32(g), or whether the employee should return to the Company the benefit he received under this provision. In the event the panel is unable to resolve the issue, the case may be submitted to the System Board of Adjustment for final and binding resolution.

(2) If the Company or the employee fails to appeal the challenged payment, the pay continuance benefit will be considered payment under Article 32(d) and will be charged to the sick leave benefit.

(j) The employees and the Union recognize their obligations to prevent absence for reasons other than illness or injury, or other abuse of the sick leave privilege, and pledge their wholehearted cooperation to the Company to prevent abuse.

(k) For current employees age fifty (50) or older as of December 31, 2010 a lump sum payment for unused sick leave days, if any, will be made to each employee entitled thereto upon the employee's effective date of retirement as defined in American Airlines regulations. If an employee dies prior to retirement the employee's beneficiary or estate will receive a lump sum payment for all unused sick leave. A day or days of unused sick leave referred to in this paragraph will mean those days credited or accrued in each calendar year and not used by the employee up to the date of retirement or death.

(1) For each day of unused sick leave up to a maximum of two hundred fifty (250) days, the Company will pay an employee covered by this Agreement, twenty-five dollars (\$25.00). For example: An employee retires on January 1, 2003. He has a total accumulation of two hundred fifty (250) days of unused sick leave. On that date, said employee will receive a lump sum payment of six thousand two hundred fifty dollars (\$6,250).

(2) A day or days of unused sick leave referred to in paragraphs (a) and (b) above will mean those days credited or accrued in each calendar year and limited to the cumulative maximum in the manner set forth under the provisions of Article 34 of this Agreement effective December 9, 1998 and not used by the employee up to the date of retirement.

(l) The attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement:

Attachment 34.1 - Compensation Claim (ID) Panel

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, New York 10017

February 18, 1978

Mr. Ernest M. Mitchell
Director-Air Transport Division
Transport Workers Union, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Compensation Claim (ID) Panel

Dear Mr. Mitchell:

Procedures for the Company and employees to follow on occasions when injury-on-duty payments during statutory waiting periods are challenged, as outlined in Article 34(h), are as follows:

1. The Company will notify the employee in writing that payment for alleged injury on duty is being challenged.
2. The employee may appeal by a written protest jointly addressed to his supervisor and the local union ranking official.
3. The appeal may be submitted to the Special Injury On Duty Panel provided under Article 34 within thirty (30) days of notice of protest to the supervisor. If the issue is not resolved by the Special Injury On Duty Panel, it will be submitted to a designated permanent referee who will render an immediate decision, without a written opinion within twenty-four (24) hours of the hearing
4. Expenses for the hearing before the special designated referee will be borne in the same manner as for grievances under the Agreement.

Very truly yours,
Charles A. Pasciuto
Vice President
Employee Relations

Agreed:
Ernest M. Mitchell
Dated: February 18, 1978

ARTICLE 35 - TEMPORARY EMPLOYEES

(Intentionally Left Blank)

ARTICLE 36 – MEAL PERIODS

(Intentionally Left Blank)

ARTICLE 37 - SEVERANCE ALLOWANCE

(a) Any employee with one (1) year or more of service who is laid off for reasons other than those in paragraphs (b), (c) and (f) will receive severance allowance as provided in paragraph (e), subject to the limitations in this Article.

(b) Severance allowance will not be paid for layoffs of less than four (4) months duration which are due to seasonal schedule reductions.

(c) Severance allowance will not be paid if the layoff is the result of an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, dismissal for cause, resignation, retirement, or a strike or picketing causing a temporary cessation of work.

(d) At the time of layoff, the Company will advise the employee in writing of the reasons for his release and whether it is for reasons outlined in paragraphs (a), (b) or (c) above. If the employee is released for reasons in (a) above, he will be eligible for the immediate payment of the severance allowance as provided in this Article. If the employee is released for reasons set forth in paragraph (b), and if at the expiration of four (4) months from the date of layoff he is not offered reemployment in other than a temporary job in accordance with Article 16, his layoff will be presumed to have been caused by factors covered in paragraph (a) above, and he will become entitled at that time to severance allowance, as provided in this Article. Temporary work which does not exceed a continuous period of forty-five (45) days will not be considered as breaking the four-month period of layoff.

(e) The amount of severance allowance payable under this Article to employees eligible is contained in the following table and will be based on length of compensated service with the Company from date of employment and will be in addition to all other benefits in this Agreement.

(1) (NA)

(2) A week of severance allowance will be computed on the basis of the employee's regular straight-time hourly rate at the time of layoff, multiplied by forty (40) hours.

If employee has completed:	Severance Allowance:
1 year of service	3 weeks
2 years of service	3 weeks
3 years of service	4 weeks
4 years of service	5 weeks
5 years of service	6 weeks
6 years of service	7 weeks
7 years of service	8 weeks
8 years of service	9 weeks
9 years of service	10 weeks
10 years of service	11 weeks
11 years of service	12 weeks
12 years of service	13 weeks

(f) If the employee is not reemployed by the Company within four (4) months from the effective date of his layoff, and he has at least one year of seniority as of the date of layoff, he will be entitled to an additional two (2) weeks severance allowance. In the event the employee is

recalled to work under Article 16 before the expiration of four (4) months from the date of his layoff and is again laid off, he will be entitled to the additional two (2) weeks severance allowance if he is not reemployed by the Company within four (4) months from the effective date of such subsequent layoff.

(g) Severance allowance will not be granted when (1) the employee elects to exercise his seniority to remain with the Company in his own or a lower classification in accordance with Article 15; (2) he has, within four (4) months of layoff, been offered a job in accordance with Article 16, and has refused such job; or (3) he accepts any other employment offered by the Company prior to the expiration of four (4) months from the date of layoff.

(h) An employee recalled to work under the terms of Article 16, who is again laid off under conditions that would entitle him to severance allowance, will be entitled to the amount specified for his years of compensated service with the Company in accordance with paragraph (e) of this Article, less the dollar amount received on the occasion of the previous severances, provided that the dollar amount deduction will not be made if the employee completes at least one (1) additional year of compensated service with the Company from the date on which he reported for duty upon the occasion of the prior recall.

(i) An employee who has been given severance allowance at the time of layoff and who is rehired in less than the number of weeks covered by the severance allowance (plus an additional two (2) weeks if he also received two (2) weeks pay in lieu of notice) will have the amount of overpayment deducted from his subsequent earnings.

(j) An employee who has been reemployed under the conditions outlined in Article 37(h) and (i) will retain all seniority and length of service credit for pay and other purposes accrued prior to the date of his severance.

ARTICLE 38 - UNION SECURITY

(a) All employees covered by this Agreement will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation fee and membership dues (not including fines and penalties), or agency fees in accordance with applicable law. An employee may have his membership dues deducted from his earnings by signing the form "Assignment and Authorization for Check-Off of Union Dues", also referred to as "Check-Off Form," or, if no such authorization is in effect, he must pay his initiation fee and membership dues directly to the Union.

(b) All new employees of the Company hired on or after the effective date of this Agreement will become members of the Union sixty (60) calendar days after the date of employment with the Company and will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying initiation fees and membership dues, or in lieu of maintenance of membership, agency fees in accordance with applicable law. The Company will supply each Local Union with the name, personnel number, and work location of any new employee or transferee covered under this Agreement within fifteen (15) calendar days of the actual report date of said employee. The Company will allow the Union an opportunity during local orientation to meet with new employees and transferees regarding Union matters.

(c) If any employee who has resigned from the Company or has been laid off is reemployed or recalled, he will be considered as a new employee for the purposes of this Article and will be governed by the provisions of paragraph (b).

(d) Employees who are or become members of the Union under paragraphs (a) or (b) above will pay membership dues as set forth in this Article, except that payment for membership dues will not be required as a condition of employment during leaves of absence without pay or during periods of transfer to a classification or position not covered by this Agreement.

(e) "Member of the Union", for the purpose of this Article will mean any employee who is a member of the Union and is not more than sixty (60) calendar days in arrears in the payment of the initiation fee and membership dues as specified herein or agency fee payer not more than sixty (60) calendar days in arrears in the payment of his fees.

(f) When an employee who is a member of the Union becomes delinquent within the meaning of paragraph (e) above, the following procedure will apply:

(1) The Director of the Air Transport Division of the Union will notify the employee in writing, certified mail, return receipt requested, that he is delinquent in the payment of the initiation fee and membership dues or agency fees, as specified herein, and accordingly, is subject to discharge as an employee of the Company. The letter will also notify the employee that he must remit the required payment within fifteen (15) calendar days of the date of mailing of the notice, or be subject to discharge. This provision will be deemed to be complied with if the Union sends, but the employee refuses the above mailing.

(2) If, upon the expiration of the fifteen (15) calendar day period, the employee still remains delinquent, the Director of the Air Transport Division of the Union will certify, in writing, to the Vice President-Employee Relations of the Company, copy to the employee, that the employee has failed to remit payment within the grace period allowed and is therefore to be discharged. The Vice President-Employee Relations, after

being presented with the appropriate documentation, will then take proper steps to discharge such employee from the services of the Company.

(3) An employee discharged by the Company under the provisions of this paragraph will be deemed to have been discharged for cause within the meaning of the terms and provisions of this Agreement.

(g) Any discharge under the terms of this Article will be based solely upon the failure of the employee to pay or tender payment of initiation fee and membership dues or agency fees, as specified in this Article, and not because of denial or termination of membership in the Union upon any other ground.

(h) Any grievance by an employee concerning the interpretation or application of the provisions of this Article will be subject exclusively to the following procedure:

(1) An employee who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied may submit his request for review, in writing, within five (5) calendar days from the date the grievance arises, except that a grievance arising under paragraph (f)(1) must be filed within the fifteen (15) calendar day period specified in that paragraph. The request will be submitted to his immediate supervisor who will review the grievance and render his decision, in writing, not later than five (5) calendar days following the receipt of the grievance.

(2) The immediate supervisor will forward his decision to the employee with a copy to the Local Union Accredited Representative. If the decision is not satisfactory to both the employee and the Union, then either may appeal the grievance directly to the System General Board of Adjustment, established under Article 32 of this Agreement, within ten (10) calendar days from the date of the decision. The terms and provisions of such Article will be applicable, except as otherwise specified in this Article.

(3) If the Union should appeal the decision to the System General Board of Adjustment, it will prepare a joint submission of the grievance setting forth the Union's and the employee's position and forward copies to the employee, the Vice President-Employee Relations of the Company and to the members of the System Board of Adjustment. If the employee should appeal the decision, he may request the Vice President-Employee Relations to prepare the submission papers on his behalf for the System Board of Adjustment. In this event, the request will be made by the employee, in writing, to his immediate supervisor who will transmit, through the local City Manager all facts, data and information concerning the grievance, together with a copy of the decision from which appeal is taken. The Vice President-Employee Relations will forward copies of the employee's separate submission to the employee, the local City Manager, the Director of the Air Transport Division of the Union and to the members of the System Board of Adjustment.

(4) During the period a grievance is filed under the provisions of this paragraph and until after final award by the System Board of Adjustment, the employee will not be discharged from the Company because of noncompliance with the terms and provisions of this Article. In the event the employee's grievance is denied because he has not tendered dues owed under this Article, he will be considered discharged for cause. In any proceeding under this Article, the employee, the Company, and the Union will be allowed to present any facts or arguments supporting their positions concerning proper application of this Article.

(i) The Union agrees that it will indemnify the Company and save the Company harmless from any and all claims which may be made by the employee or employees against the Company by virtue of the wrongful application or misapplication of any of the terms of this Article.

(j) The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it, by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union.

(k) The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work, the proper exercise, performance, or implementation of his duties and responsibilities with the Company or in respect to Union activity or membership. Further there will be no solicitation of employees for Union membership on Company time. The Union further agrees that the Company may take disciplinary action for any violation of this provision.

(l) During the life of this Agreement, the Company agrees to deduct from the pay of each member of the Union and remit to the Union membership dues uniformly levied in accordance with the Constitution and By-laws of the Union and as prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes the following agreed-upon Check-Off Form. This form will be prepared and furnished by the Union.

ASSIGNMENT AND AUTHORIZATION
FOR CHECK-OFF OF UNION DUES

To: Internal Mail Address:
Manager – Payroll Customer Service
M.D. 790 TUL

U.S. Mail Address:
American Airlines, Inc.
Manager – Payroll Customer Service
7645 East 63rd Street Suite 600
Tulsa, OK 74133-1275

I, _____,
(Name: Initials and last name)

hereby assign to the Transport Workers Union of America, AFL-CIO, my Union dues from any wages earned or to be earned by me as your employee. I authorize and direct you to deduct the flat sum of _____, which is the bi-weekly equivalent of my monthly membership dues, or such bi-weekly equivalent as may hereafter be established by the Union as my membership dues, from each bi-weekly paycheck and to remit the same to the Union.

This assignment, authorization, and direction may be revoked by me, in writing, after the expiration of one year from the date hereof, or upon the termination date of the labor agreement in effect at the time this is signed, whichever occurs sooner.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with the existing Agreement between the Union and the Company.

Employee Signature	_____
Employee Address	_____

Personnel Number	_____
Cost Center	_____/_____
Location	_____
Department	_____
Local Union Number	_____
Date	_____

(m) When a member of the Union properly executes such "Check-Off Form", the Director of the Air Transport Division of the Union will forward an original copy to: American Airlines, Inc., Manager – Payroll Customer Service: 7645 E. 63RD ST, Suite 600, Tulsa, Oklahoma 74133-1275. Any Check-Off Form which is incomplete or improperly executed will be returned to the Director. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and delivered by certified mail, addressed to their respective Local Union office. Each Local Union office will forward a copy to: American Airlines, Inc.: Manager – Payroll Customer Service: 7645 E. 63RD ST, Suite 600; Tulsa Oklahoma 74133-1275 for future Union dues withholding. Check-Off Forms and notices received by the Manager- Payroll Customer Service will be stamp-dated on the date received and will constitute notice to the Company on the date received, and not when mailed.

(n) When a Check-Off Form, as specified in this Article, is received by the Manager-Payroll Customer Service on or before a given payday, deductions will commence with the first regular paycheck following said payday, and will continue thereafter until revoked or cancelled as provided in this Article. The Company will remit to the Union a check in payment of all dues collected on a given payday, on or as soon after the payday as possible. These remittances will be subject to normal accounting practice with respect to adjustments necessary because of the methods involved in the deduction procedure. The Company remittance of Union membership dues to the Union will be accompanied by a list of names, personnel numbers and station numbers of the employees for whom deductions have been made in that particular period, arranged in order of their personnel numbers. Additionally, the Company will supply in duplicate to the office of the Union a listing of those employees who are on leave of absence; have accepted a position outside the bargaining unit; or have terminated employment with the Company.

(o) No deductions of Union dues will be made from the wages of any employee who has executed a Check-Off Form and who has been transferred to a job not covered by the Agreement, or who is on leave without pay. Upon return to work within a classification covered by this Agreement, deductions will be automatically resumed provided the employee has not revoked the assignment in accordance with this Article, and provided it is in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

(p) An employee who has executed a Check-Off Form and who resigns or is terminated from the employ of the Company for reasons other than layoff will be deemed to have automatically revoked his assignment and if reemployed, further deductions of Union dues will be made only upon execution and receipt of a new Check-Off Form. Provided, however, that upon return from layoff, leave of absence, or reinstatement from disciplinary discharge to work within a classification covered by this Agreement, deductions will be automatically resumed. In cases where Check-Off is not reinstated by the Company due to mechanical or software errors, the Company will collect the back dues at a maximum of fifty (50) dollars per month and remit to the Union, provided the employee has not revoked the assignment in accordance with this Article, and such deductions are in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

(q) Collection of any back dues owed at the time of starting deductions for any employee, and collection of dues missed because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, will be the responsibility of the Union and will not be the subject of payroll deductions.

(r) Deductions of membership dues will be made in a flat sum from each paycheck provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee or required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect dues will not extend beyond the bi-weekly period in which his last day of work occurs.

ARTICLE 39 - FITNESS FOR DUTY

(a) If two or more members of management determine there is a serious question as to an employee's physical fitness to perform his assigned work, one or more of the following may be required of the employee. The employee will be notified in writing which will include an explanation of the reason(s) for the evaluation.

(1) If he is currently under the care of a physician, he may be required to provide medical documentation regarding such treatment.

(2) If he is not currently under the care of a physician or does not provide medical documentation to AA Medical from his own personal physician in timely manner, management may request a fitness for duty evaluation through the Company Medical department.

(3) As soon as the medical information is received either from the employee's treating physician or the company provided medical evaluation, it will be reviewed by an AA physician or the AA Medical Review Board (hereafter referred to as the MRB) at the next scheduled MRB (normally within two (2) weeks). The Company physician or MRB will consider the information provided by the treating physician or the medical evaluation as well as the employee's AA Medical file.

Note: During any time the employee is absent from work due to these situations, he will be compensated from his existing sick bank unless he is on "withhold with pay" status.

As a result of the Company physician and/or MRB review, one of the following will apply:

- (a) The employee may be cleared to full duty;
- (b) Temporary restrictions may be assigned;
- (c) Permanent restrictions may be assigned.

(b) Temporary Restrictions

A temporary restriction is a restriction assigned by the employee's treating physician or AA Medical, until the employee's fitness for full duty can be established. If temporary restrictions are assigned, AA Medical will notify local management of the temporary restrictions, who will determine if the restrictions can be accommodated in the workplace. AA Medical will work with the employee and his treating physician to address the temporary restrictions. (In some cases, the temporary restrictions may become permanent restrictions.)

(c) Permanent Restrictions

A permanent medical restriction is a work restriction that is based on the presence of a medical condition which is unlikely to change substantially in the immediate or foreseeable future. If the employee is assigned permanent restrictions, AA Medical will notify the employee in writing of the permanent restrictions. (A form will be included in the MRB letter.) An employee who has been assigned permanent restrictions by the MRB is encouraged to seek local accommodation in his existing job with local management. If local management is unable to accommodate the restrictions, the employee may file an appeal as stated below, or request a broader accommodation or job search assistance from the Accommodation Review Board (hereafter referred to as the ARB). In the event that the employee's treating physician disagrees with the permanent restrictions that have been assigned by the MRB, the employee and his treating

physician may appeal the MRB's decision within fifteen (15) calendar days of the date of written notification. The employee will be permitted to exercise his seniority in resuming his classification or any lower classification in work which he is qualified to perform or, at his option, have a review of his case in the following manner:

(1) Once AA Medical has been notified of the appeal the Company will, at the written request of the employee or his Union representative, ask that the two medical examiners, the employee's treating physician, and the AA Medical physician agree upon and appoint a third qualified and neutral medical examiner for the purpose of conducting a further medical evaluation of the employee. AA Medical will research the qualifications and credentials of physicians qualified as medical examiners for the appropriate medical condition and/or restrictions to be reviewed. AA Medical will provide a written list of medical examiners to the employee's treating physician with a copy to the employee. AA Medical will also review a list of qualified medical examiners provided by the employee's treating physician if provided.

(2) The employee's treating physician should notify AA Medical of the choice of medical examiner within fifteen (15) calendar days of the date of the letter. The employee must provide a medical release to AA Medical prior to the scheduling of an appointment with the medical examiner. Provision and disclosure of the medical records will be in conformity with applicable government regulations. AA Medical will schedule the appointment, will notify the employee in writing and will provide all appropriate Company medical records to the medical examiner. Additionally, if the employee or the employee's treating physician has additional medical information, it must be submitted to AA Medical along with the medical release for forwarding to the medical examiner prior to the appointment.

(3) The three (3) doctors, one representing the Company, one representing the employee affected, and one as the neutral medical examiner (approved by the Company doctor and the employee's doctor), will constitute a board of three (3), the majority vote of which will decide the case.

(a) The expense of the third medical examiner will be borne by the Company including all expenses related to travel such as airfare and hotel. Copies of the medical examiner's report will be furnished to AA Medical and the employee's treating physician. If the employee fails to show for the scheduled appointment and has no justifiable reason, he will be responsible for any no-show fee.

(b) If the majority opinion of the Board of three (3) medical examiners upholds the employee's case, he will be restored to his former job. Back pay will apply from the date the employee files his Article 39 appeal. The employee will be compensated at his regular rate of pay, less any amount he may have received as compensation during the interim period. If the employee used sick leave or vacation allowance, his sick leave or vacation allowance will be replenished.

(c) Should the third party medical examiner agree with the permanent restrictions assigned by AA Medical, the employee may request accommodation through the ARB.

(d) The decision of the third party medical examiner is final and binding on all parties.

Note: This process will not supersede the Company's Alcohol/Drug Policy, FAA, or DOT rules.

(d) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

Attachment 39.1 - Accommodation Review Board

DOS

Robert Gless
AA System Coordinator
Air Transport Division
Transport Workers Union of America, AFL-CIO

Re: ACCOMMODATION REVIEW BOARD

Robert,

In follow up to today's conversation I am providing information on how your field representatives should handle employee requests regarding the process of the Accommodations Review Board and how it relates to their permanent medical restrictions.

If permanent restrictions are assigned, AA Medical will notify the employee and the TWU ATD Designees in writing of the permanent restrictions. Once an employee has exhausted the provisions of the contract and is still restricted from performing his job, the employee should forward to HR, in writing, with a copy to the Local Union President, a request for review by the ADA System Accommodations Committee.

HR is the designated contact point for such accommodation review requests. Employees who have been assigned permanent restrictions by the MRB are encouraged to seek local accommodation in their existing job with their local management. If local management is unable to accommodate the restrictions, the employee may request a broader accommodation or job search assistance from the Accommodation Review Board.

The ARB will consist of:

- Human Resources (Chairperson)
- Employee Relations
- TWU ATD Designees
- Legal
- Medical
- Local Management
- Local Union Representative – Designated by the Local President

The function of the ARB is to discuss all aspects of the employee's request, his restrictions and ability to perform his essential job functions, and whether the Company can reasonably accommodate the restrictions without undue hardship, in an attempt to return the employee to his previously held position. The ARB works with management, union representatives and Human Resources prior to making a recommendation. If the employee is unable to return to his previous position, a job search within AMR is recommended.

If a job search is recommended, the ARB Chairperson will assist the employee in an attempt to identify other open positions within all of AMR in which the employee will be able to work, with or without a reasonable accommodations, and for which he may be qualified (may include non-TWU represented positions). This assistance may include coordinating access to internal Company postings; resume writing techniques and skill assessment.

The ARB will do all possible to work with local management to implement the recommendation of the board.

Sincerely,

James B. Weel
Managing Director
Employee Relations

ARTICLE 40 - RETIREMENT BENEFITS

(a) The Company has maintained a retirement plan for the employees for a number of years. The full text of "The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO" ("Plan") is on file with the Company and is available to the employees in accordance with government regulations. "The Plan" has been amended to enhance and clarify benefits over time. The following provisions apply to those employees covered by this agreement with respect to their participation in the Plan as of DOS, except where otherwise specifically excluded.

(b) The following changes to the Plan were made by Letter dated 08/09/80.

(1) For an employee member who was first eligible to join the Plan prior to January 1, 1956, credited service will be counted from the January 1st or July 1st following his or her completion of one year of Company service.

(2) For the employee member who was first eligible to join the Plan between January 1, 1956 and April 1, 1978, credited service will be counted from the January 1st or July 1st following his or her completion of one year of Company service and the attainment of age twenty-five (25).

(3) For the employee member who was first eligible to join the Plan April 1, 1978 or later, credited service will be counted from the first of the month coincident with or next following his or her completion of one year of Company service.

(4) After December 31, 1976, credited service will not include periods of unpaid hours in excess of one hundred eighty (180) hours in a calendar year. A leave of absence for Union business for which the employee member has been paid by the Union will be counted as credited service for the Plan.

(c) The following changes to the Plan were made by Letter dated 08/01/85.

(1) Effective for employees who are on the active payroll on September 1, 1985, Credited Service under the Retirement Benefit Plan will include any periods of employment during which an employee would have accrued Credited Service if the age 25 eligibility restriction had not existed in prior years. Credited Service will be counted from the January 1st or July 1st following completion of one (1) year of Company service.

(2) For purposes of the preceding paragraph, "on the active payroll" means actually at work. It will also include employees who retire from the active payroll in the calendar month preceding September 01, 1985, those who are on a paid sick or vacation period, on an overage leave, or on a Union leave on September 01, 1985. It does not include employees who are on a personal leave of absence, unpaid sick leave, or other unpaid absence from work on September 01, 1985, unless they actually return to work.

(d) The following changes to the Plan were made by Letter(s) dated 05/05/89.

(1) A new vesting schedule will apply to employees who perform at least one hour of service for which they are paid on or after January 1, 1990.

(2) The new vesting schedule will provide that such employees will become 100% vested after completing five years of vesting service as defined in the plan. Prior to completing five years of vesting service, employees will have 0% vested benefits.

(3) Rules for counting vesting service and for applying breaks in service remain unchanged from the current plan.

(4) The Company agreed to retroactively credit all pensionable hours worked past age 65 for TWU represented employees who retire from the active payroll after January 1989.

(e) The amendments covered in Article 40(e) will be applicable only for those members classified as "Aviation Maintenance Technician and Related Employees", who are on active payroll or on an approved leave of absence with recall rights as of 03/01/01 and whose benefits commence on or after the first day of the month following 03/01/01.

(1) Final Average Compensation

The compensation used for calculating a member's retirement benefit will be the average of the highest forty eight (48) consecutive months of pay out of the one hundred and twenty (120) consecutive months of pay preceding the date of retirement. The definition of the compensation used to determine the forty eight (48) and one hundred and twenty (120) month periods is unchanged. Various formulas exist for benefits, e.g., $1.667 \times \text{Final Average Earnings} \times \text{Years of credited service}$, which are also unchanged.

(2) Eligibility For Benefits – Early Retirement

A member will be eligible for early retirement on or after attaining the earlier of:

- (a) age 55 and fifteen (15) years of credited service; or
- (b) age 60 and ten (10) years of credited service.

(3) Early Retirement Benefits

Pension benefits determined as of early retirement will be reduced 3% for each year that the member is less than age 60.

(f) For employees externally hired by American Airlines, Inc. and employees who transfer directly from a position as an American Airlines Agent, Management, Support Staff employee who have an Election or Default Election on file or an employee who transfer directly from a Related Employer, into the Maintenance Control Technician positions after the DOS, the Company will enroll them in the Super Saver – A 401(k) Capital Accumulation Plan for Employees of Participating AMR Corporation Subsidiaries (“Super Saver Plan”), a defined contribution plan (DC).

(1) Employees stated in paragraph (f) will not be eligible to participate in “The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO”.

(2) Employees stated in paragraph (f) will be eligible to participate in the Super Saver Plan, or equivalent plan, in effect on the date of ratification of this Agreement. Such Super Saver Plan shall remain in effect and the benefit levels shall not be reduced during the term of this Agreement. However, the provisions of such Super Saver Plan may be modified from time to time to comply with applicable Federal law; and may also be amended at the Company’s discretion, provided no discretionary amendment shall reduce the benefit levels stated below in subsection (f)(2)(a) and (f)(2)(b) during the term of this Agreement or be inconsistent with the terms of this paragraph (f) or its subparagraphs. The Company will provide the Union with a copy of any amendment. The Company, subject to any laws limiting the amount of benefit which can be contributed to or accrued under a plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time and its regulations, will:

- (a) after one year of Eligibility Service, will contribute for each Plan Year as an Employer Contribution 2.5% of an eligible

Employee's Compensation (as defined in the "The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO") to the Super Saver Plan on a pre-tax basis, and

(b) after one year of Eligibility Service, will contribute for each Plan Year as an Employer Matching Contribution 100% of the aggregated amount of the eligible Employee's Employee Before-tax Contributions and eligible Employee's Employee Designated Roth Contributions over 2.5%, not to exceed a total amount of 5.5% of an eligible Employee's Compensation.

(3) Capitalized terms in this subsection (f) not otherwise defined in this Agreement, but defined in the Super Saver Plan or "The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO" will have the same meaning as set forth in the Super Saver Plan.

(g) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

Attachment 40.1 - Pre-Retirement Survivor Benefit Charge

From: Mark Johnson
To: John Orlando
Re: Pre-retirement Survivor Benefit Charge

Revised March 1, 2001
October 19, 1995

This letter follows up our conversation of today regarding the charge for the pre-retirement survivor benefit.

The Retirement Equity Act of 1984 mandated that pension plans provide a benefit for the surviving spouse of an employee who dies vested, but prior to retirement. This is known as the Qualified Pre-retirement Survivor Annuity (QPSA). Because this requirement adds to pension costs, employers are allowed to recover the cost by reducing the employee's pension at retirement. The AA reduction at retirement for QPSA coverage does not fully cover the cost of providing this benefit. QPSA coverage is still heavily subsidized by American.

QPSA coverage is mandatory and automatic unless the employee and spouse sign a waiver. The benefit and how the charge is calculated are explained in detail in the Summary Plan Description. The calculation is based upon a percentage by age for the number of years coverage was in effect. There is no charge for providing the coverage past age 65, although the employee is charged for those years under age 65. Once an employee is at least age 55 with 15 years of credited service or age 62 with 10 years of credited service, the charge also stops accumulating. The charge is based only on the mandatory 50% survivor benefit. Employees who have elected a larger survivor benefit are not charged more.

Since the actual QPSA calculation is complex and can only be done accurately when a exit date has been established, for estimate purposes only we show a uniform \$20 monthly reduction. We use \$20 because we rarely see a QPSA reduction of \$20 or more, for simplicity in preparing estimates, \$20 is shown on all estimates, even for employees who never had the coverage, or will not be charged this exact amount.

At retirement those employees who never had coverage will, of course, have no reduction. For those who were covered, the reduction will be individually calculated based on their age and years of coverage.

As we discussed, normally about 300 TWU members retire each year. However with the early out, we may be asking as many as 7,000 TWU members to take a close look at their pension plan. Although the QPSA explanation has been in the

Summary Plan Description, with this kind of scrutiny we are learning that we can improve how we communicate very important, but unfortunately often very technical pension information.

Thank you for bringing this issue to my attention and I hope this explanation is helpful. Please let me know if you have any questions.

(Signed original on file)

ARTICLE 41 - GROUP INSURANCE CONTRIBUTIONS

(a) The TWU recognizes that controlling the spiraling costs of health care has become a national priority and a critical mutual objective for both the Company and TWU represented employees. In order to provide maximum flexibility and choice for individual employees, while helping to assure the Company's continued financial strength, effective January 1, 1990, the Company implemented a flexible benefits program which limits the impact of future health cost increases for both the Company and TWU represented employees as follows:

(1) The Company will provide "benefit dollars" which will allow each employee in 1990, to "purchase," at no cost beyond those "benefit dollars," the basic Group Life and Health Benefits Plan. The employee may also contribute a portion for other plans at his option.

(2) An employee may spend his "benefit dollars" to buy that combination of benefits that best meets his individual needs, for example, more life insurance, but less health coverage.

(3) An employee may select a more limited benefit plan, such as a plan with a higher deductible, and receive cash in exchange for unused "benefit dollars." This cash payment will not increase other benefits, e.g., pension accruals or life insurance, and is subject to income and Social Security taxes.

(4) The number of "benefit dollars" provided by the Company to each employee will increase by the percentage increase in the Company's average annual cost per covered employee, for the period July 1 through June 30 immediately preceding the enrollment year over the previous period July 1 through June 30 up to a maximum of 5%. In this way, the Company pays for the first 5% of cost increases.

(5) If American's average annual cost per covered employee for providing the benefit package rises by more than 5% during the measurement period, an employee who desires to maintain an identical level of coverage will share the additional costs by making monthly contributions to cover the increase in cost over the first 5% paid by the Company, up to an additional 5% increase in costs year over year.

(6) An employee who does not choose to contribute will be able to elect a less costly alternative package of benefits, such as a plan with a higher deductible.

(7) The TWU and the Company have agreed that a review committee will be established to review planned administrative changes to the negotiated Medical Plan, and for planned changes in the Point of Service Plan contribution rates, so long as Point of Service Plan continues to be offered. This committee will have the right of appeal to the Sr. Vice President – Human Resources in the event of a dispute.

(8) The TWU and the Company will participate on a joint committee to develop programs and procedures which will reduce the rate of increase in costs in order to minimize the impact on employees.

(b) The annual deductible under the Major Medical Plan will be \$150 per individual per calendar year. The family deductible will be satisfied in any calendar year after a total of \$400 in deductible charges have been paid for any three (3) or more family members. No one family member may contribute more than \$150 toward the satisfaction of this family deductible.

(c) The Major Medical Expense Benefits lifetime maximum for each active employee and eligible dependent(s) will be \$5,000,000. An employee and his eligible dependents, who retires early under Article 41(l) will remain under the \$300,000 lifetime maximum until the retired employee reaches the earlier of age 65 or Medicare eligibility.

(1) Inpatient hospitalization charges will be reimbursed at 80% of the first \$5,000 in covered expenses and 100% of the remaining covered expenses. The out of pocket maximum is \$1,000 per person.

(2) The Group Life and Health Benefits Plan for retirees provides that 100% of the first \$5,000 in covered inpatient hospitalization charges, 80% of the second \$5,000 in covered inpatient charges and charges for other medical service combined, and 100% of the remaining combined charges in a calendar year will be reimbursed.

(3) When the Company's Group Life and Health Benefits Plan is providing secondary coverage for dependents, the total combined benefits paid by the primary plan and the Company will not exceed what the Company's Group Life and Health Benefits Plan would have paid had it been the primary plan.

(d) Effective March 3 2001, a newly hired employee will be subject to a one (1) calendar month service waiting period before the employee may be covered under the American Airlines Group Life and Health Benefits Plan as described in Article 41. The employee may not purchase coverage under the Group Life and Health Benefits Plan for the first month of employment with American Airlines, Inc. After one (1) month of service, the employee will automatically be placed in the American Airlines Group Life and Health Benefits

Plan with contributions in accordance with Article 41. Coverage will begin on the day that the employee has completed one (1) month of service with the Company, provided he is actively at work on that day, or on vacation, or on a scheduled day off. Otherwise, the employee will be covered on the date he returns to work.

(e) Dental Plan

Expenses under the Dental Plan 1, excluding Orthodontic and Preventive Expenses will be covered at 80% of reasonable and customary charges, after the deductible is met. Preventive Dental Care will be covered at 100% with no deductible for a maximum of two (2) annual visits per calendar year, subject to reasonable and customary charges. The annual individual plan maximum will be \$1,500. In addition, adult orthodontia will be added with a lifetime maximum of \$1,500.

(f) Life Insurance

The Company will provide several options regarding life insurance.

(1) For an employee whose base monthly salary is \$1,500 or over, his basic life insurance coverage will be two times his base annual salary taken to the next higher multiple of \$100, but not more than \$70,000.

(2) Coverage for an employee under Contributory Plan I will be 50% of his Basic Coverage.

(3) Coverage for an employee under Contributory Plan II will be an amount equal to his Basic Coverage, plus one times his base annual salary taken to the next higher multiple of \$100.

(4) In addition to the above Company provided plans, the TWU will offer an optional Whole Life Insurance Plan for its members. The Company will provide payroll deduction of premiums for employees electing this coverage.

(g) Optional Short Term Disability

The Company provides an Optional Short Term Disability Plan (OSTD). The OSTD plan provides salary replacement of 50%, except where a statutory plan meets or exceeds 50% of salary replacement. The OSTD plan is 100% employee paid. If the employee does not elect to participate when first solicited during open enrollment, evidence of insurability may be required by the carrier providing the coverage.

(h) Hearing Aid Coverage

Expenses incurred at the direction of a physician for hearing aids and examinations in connection therewith are covered under the Major Medical Expense Benefits portion of the Plan.

(i) Vision Plan

The Company is reviewing a proposal submitted by the TWU for a vision insurance plan. The Company agrees that the TWU will make the selection upon review of their proposed vendor (Spectera) and one other competitor vendor with a comparable proposal. The Company will contribute the current vision discount card program cost per employee per year towards the new program.

(j) Donor Expenses

Expenses incurred for a donor and/or recipient in a transplant operation are covered under the Major Medical Expense Benefits portion of the Plan.

(k) Dependent Coverage

Dependent coverage is subject to the rules established by the Insurance Carrier and published in Company Regulations.

(l) For employees covered under this agreement and who are ages 50 and older as of 12/31/10, the terms outlined in provisions Article 41(l) through 41(n) relative to retiree medical will apply.

An employee, who retires from the Company at Early Retirement Date or on the basis of disability, will receive the same medical expense coverage as active employees, except as noted in Article 41(c), for themselves and eligible dependents until the retired employee reaches the earlier of age 65 or Medicare eligibility.

(1) Thereafter the retired employee and spouse only are each covered for \$50,000 under the Retired Employee Major Medical Expenses Benefits Plan. This post 65 benefit (\$50,000 lifetime maximum, \$150 deductible) for the retiree and spouse will also apply to employees who retire from the Company at their Normal or Late Retirement Date.

(2) Upon the death of the retired employee, coverage for the surviving spouse only is continued for six months or until the spouse is eligible for Medicare, whichever is later. Coverage for dependent children, if any, ceases upon the retiree's death, and the spouse's lifetime maximum is reduced to the lesser of \$50,000 or the unused balance of the spouse's coverage at the time of retiree's death. Employees must meet

the requirement of Article 41(m) regarding prefunding as well as plan eligibility requirements.

(m) Prefunding Retiree Health Care

(1) Should the Company's cost per covered retiree during the immediately preceding period July 01, through June 30, increase above the Company's cost per covered retiree during the previous period July 01, through June 30, then, effective January 1, of the following year, the monthly contribution rate for employees described in Article 41(m) will increase in accordance with the formula specified in the April 02, 1992 Trust Agreement incorporated below in this Article.

(2) Retiree health care coverage under Article 41 will commence after the employee retires from the Company after having met all the eligibility and prefunding requirements. Coverage will be the same level of coverage provided to active employees except that retiree health care coverage will reimburse 100% of the first \$5,000 in covered inpatient hospitalization charges, 80% of the second \$5,000 in covered inpatient charges and charges for other medical service combined and 100% of the remaining combined charges in a calendar year and will be subject to a \$300,000 (remainder of active coverage maximum if less) major medical maximum if retirement is at or after age 55 and before the earlier of age 65 or Medicare eligibility.

(3) An employee, age 50 or older as of 12/31/10, who elected not to participate when first eligible will be offered, during an annual enrollment period, the opportunity to begin prefunding his retiree health coverage. The employee will pay the applicable age based contributory rates set forth in Article 41(m)(4) and will be required to pay the \$250 late enrollment fee.

(4) Age Based Rates Table

Monthly plan contribution rates for employees referred to in Article 41(m) will be in the table below. Also refer to the annual escalator formula in Article 41(n)(3). The contributions below were effective as of January 01, 2001, based on the Escalator formula in the April 02, 1992, Trust Agreement.

Age Employee Begins Prefunding	Monthly Employee/Employer Contribution
Incumbent employees on active payroll as of 12/31/89, who enrolled when first eligible	\$ 12.96
30	\$ 15.54

31	\$ 16.97
32	\$ 18.66
33	\$ 20.41
34	\$ 22.13
35	\$ 24.60
36	\$ 27.06
37	\$ 29.78
38	\$ 32.90
39	\$ 36.20
40	\$ 40.40
41	\$ 44.81
42	\$ 49.59
43	\$ 54.57
44	\$ 60.17
45	\$ 66.33
46	\$ 77.81
47	\$ 86.59
48	\$ 96.84
49 & older	\$ 110.56

(5) Employees must continuously participate in this prefunded retiree health plan for at least the ten (10) years immediately preceding retirement to receive retiree medical coverage on date of retirement.

(6) Employee contributions made to prefund retiree health care coverage will be held in trust exclusively for the purpose of providing retiree health care. If an employee dies or is terminated prior to retirement, the employee or his beneficiary will receive the value of his contributions plus a pro rata share of trust fund net earnings.

(7) An employee making his contributions so as to prefund his retiree medical coverage will cease making such contributions upon retirement from the Company.

(8) Employees making contributions so as to prefund their retiree medical coverage must continue such contributions during all leaves of absence except unpaid sick and unpaid IOD. Any employee who commences prefunding of his retiree health coverage, subsequently discontinues such prefunding, and later decides to again prefund his retiree health coverage, will be required to pay the rates in the Age Based Rate Table set forth in Article 41(m)(4), based on the age prefunding is restarted. Additionally, he must prefund continuously for at least ten (10) years immediately preceding retirement and pay the \$250 late enrollment fee.

(n) Prefunding Trust (Memorandum of Understanding Between American Airlines, Inc. and Transport Workers Union of America AFL-CIO, April 02, 1992)

Article 41(n) expresses the understanding of the parties regarding the amendments to the Trust Agreement and Plan effective January 01, 1993, governing the health benefits provided to active TWU represented employees of American Airlines, Inc. at retirement and the health and other welfare benefits provided to retired employees of American Airlines, Inc. who were represented by the TWU at the time of retirement. Article 41(n) will not be construed to modify or alter an employee's eligibility for retiree welfare benefits under the collective bargaining agreement or the Plan.

(1) The Trust Agreement and the Trust which holds Plan assets is established for the exclusive benefit of TWU represented active employees and retired employees who were represented by the TWU at the time of retirement.

(2) The Trust will maintain a separate account to hold reserves equal to the Participants' prefunding contributions, Employer prefunding contributions, and investment earnings attributable thereto reserved for retiree welfare benefits due to Participants under the terms of the Plan and to pay administrative expenses associated with such Program. In the event of termination of the Plan and/or Trust, the balance of the reserves will be distributed as provided in Article 41(n) (8). In no event will these reserves be used for payment of any expenses associated with the active employee's medical benefits program or for any other purpose except those identified with respect to retiree welfare benefits in Article 41(n), the Trust Agreement, and the Plan.

(3) An employee participating in the Retiree Prefunded Benefits Program will make a monthly contribution to the Trust Fund. If an employee was an active employee of American Airlines on December 31, 1989, and elected to prefund when first eligible, his contribution was \$10.00 per month in 1992, and such contribution amount is subject to the Escalator, described in Article 41(n)(5), in all future years. If an employee was not an active employee of American Airlines on December 31, 1989, or was an active employee of American Airlines on December 31, 1989, and declined participation when first eligible, his contribution amount is determined based on the age at which he begins participation in accordance with the Age Based Rates Table in Article 41(m) (5), and that amount is subject to the annual Escalator formula described in Article 41(n) (5).

(4) American Airlines will make a monthly matching contribution on behalf of each employee contributing under the Retiree Prefunded

Benefits Program. That contribution amount is identical to the amount required to be contributed by each participating employee in accordance with Article 41(n) (3).

(5) Contributions made by participating employees and by American Airlines are subject to an annual Escalator formula. American Airlines will calculate the impact of the annual Escalator on contributions, subject to review by the TWU in accordance with the provisions of Article 41(n) (6) below, by comparing the percentage increase in the cost of medical benefits for covered retirees during the year ending June 30 immediately preceding the effective date of the Escalator to the cost of medical benefits for covered retirees in the year ending the previous June 30. Such percentage increase is divided equally between the participating employee and American Airlines in order that each pays 50%. The resulting percentage increase will be applied to the amount of the then current Employee and Employer monthly contribution. However, in no event will the participating employee's or American Airlines' contributions increase from one year to the next by more than the amounts stipulated in the Escalator Cap Table below.

Employees affected.	Maximum Monthly Increase over Prior Year
Incumbent employees on active payroll 12/31/89 who enrolled when first eligible	\$1.00
Others – based on age when prefunding begins	
30-34	\$1.50
35-39	\$2.50
40-45	\$3.50
46-48	\$5.00
49 or older	\$5.50

(6) The increase in contributions as calculated by American Airlines is subject to review by the TWU, provided the TWU's request for review is received within thirty (30) calendar days of notification. While no individual's claims history will be available for review, data in the aggregate, upon which the Escalator calculation was based, will be made available by American Airlines to the TWU on request. The TWU may contest the Escalator calculation within sixty (60) calendar days of receipt of the data. If the TWU contests this calculation, an independent accounting firm, as agreed to by both parties, will be retained to verify the amount. In the event that the independent accounting firm determines

that contributions should change by a different amount, any increase or decrease will be retroactive to the first of the year to which the new Escalator calculation applies. Any decrease in the contribution will be credited to the Employees' future monthly contributions within sixty (60) calendar days, barring unforeseen circumstances. Any increase or decrease will be applied to the Participants' contributions and Employer's contributions in accordance with Article 41(n) (5).

(7) At retirement, an eligible participating retiree's own contributions, the matching Employer contributions made on his behalf to the Retiree Prefunded Benefits Program, and investment earnings attributable thereto are drawn down in ten equal annual installments for the purpose of providing retiree medical coverage. However, exhaustion of the funds in a retiree's account under this provision does not waive or modify the retiree's entitlement to continued medical coverage under the Agreement or the terms and limitations of the Plan. Should an eligible retiree die during the ten year draw down period, any remaining contributions continue to draw down for the period of the surviving spouse's medical coverage, if any. After the surviving spouse's coverage terminates, or if the spouse dies before the balance of the Account is drawn down, the balance of the employee's contribution is paid to the spouse's estate. If there is no surviving spouse, the balance of the employee's contribution is paid to the designated beneficiary.

(8) In case of death or termination of employment by a participating active employee, employee contributions to the Retiree Prefunded Benefits Program plus investment earnings attributable thereto will be distributed as a severance or death benefit, as applicable, to the employee or the employee's designated beneficiary(ies).

(9) In the event of Trust termination, retirees participating in the Retiree Prefunded Benefits Program will receive any balance of their own contributions to the Program and investment earnings attributable thereto which have not been drawn down during the ten year draw down period described in Article 41(n)(7). Conditioned on Internal Revenue Service approval, active employees' contributions to the Prefunded Retiree Benefits Program and investment earnings attributable thereto will be distributed to active employees. Should the Internal Revenue Service disallow the distribution of active employees' contributions, the parties agree to establish a mutually satisfactory alternative regarding the disposition of active employees' contributions in the event of Trust termination. Employer contributions and investment earnings attributable thereto in the Retiree Prefunded Benefits Program Account will be used for the exclusive benefit of participating employees and retirees in the event of Trust termination. That includes the use of the assets for the

purpose of continuing retiree health coverage under an alternative program as may be agreed to by the parties.

(10) In the event the Internal Revenue Service disapproves a particular provision or benefit expressed in the Trust Agreement, any provisions or benefits which are approved or unaffected by the disapproval will remain in force, and the TWU will not contest the obligation to prefund in court or under the collective bargaining agreement. However, the TWU reserves all legal and contractual rights in the event the Internal Revenue Service rules that the Trust may not hold funds in reserve for retiree welfare benefits, or that the earnings attributable to Participant contributions held in trust for this purpose or the Employer matching contributions (plus earnings) are currently taxable to the Participants.

(11) Counsel for the parties will review the amended Trust Agreement to ensure that it expresses the principles of this Agreement. Neither the Plan nor the Trust Agreement may be amended or modified in a manner inconsistent with the principles set forth in this Agreement, except to conform to the requirements of Federal law and regulations, provided, however, that the TWU waives no rights stipulated in Article 41(n) (10).

(12) American Airlines will revise, in a timely fashion after the date of ratification, the Plan to fully reflect the amendments made to the Trust Agreement and the provisions of this Memorandum. The revised Plan will be subject to review by the person(s) designated by the TWU.

(o) For employees covered under this agreement and who are less than 50 years of age as of 12/31/10, the terms outlined in provision Article 41(o) relative to retiree medical will apply.

Each employee covered by this provision who retires on or after the DOS, shall be eligible to participate in a retiree bridge medical plan which shall allow such retirees to elect to continue pre – age 65 retiree medical coverage under the following conditions:

1. Participants must be active, on an approved leave of absence or hold recall rights as of DOS.
2. At the time of retirement, the balance in an employee's sick bank will be used as credits towards pre – age 65 retiree medical coverage on a basis of twenty (20) hours of sick leave per month.
3. The twenty (20) hours of sick leave per month will provide pre – age 65 retiree medical coverage for the employee, the employee's spouse and all eligible dependents.
4. If a retiree has insufficient sick leave credits to bridge retiree medical coverage until age 65, then the employee, if so desires, can continue

- retiree medical coverage by paying a monthly premium at a rate no less favorable than that of management retirees that are post funding for retiree medical coverage.
5. Retiree medical coverage terminates at age 65 for the employee. Medical coverage for spouse and eligible dependents terminates when the spouse reaches age 65.
 6. If under 5. above, the spouse is under age 65 at the time the retiree reaches 65 or the retiree dies, the spouse and eligible dependents may continue medical coverage by utilizing sick leave credits, if available or pay premiums in accordance with 4. above.
 7. For employees covered under this provision, the \$25 per sick day payout pursuant to Article 34(k) will not apply and is deemed forfeited.
 8. Plan design for the retiree medical coverage will remain as current, however, will be modified to include a network and preventive care.
 9. Medical maximum coverage will be \$500,000.
 10. Employees who are less than age 45 as of 12/31/2010 will have the option to roll the prefunding refund into a 401(k) account or take a cash payout.
 11. Employees who are 45, 46, 47, 48 or 49 years of age as of 12/31/10 will have the same options as outlined in 10. above or the option to not receive a prefunding refund and have sick leave credits added to the employee's existing sick leave bank, at the time of retirement, for retiree medical as follows:
 - a. Age 49 as of 12/31/10: 840 hours of sick leave credits
 - b. Age 48 as of 12/31/10: 720 hours of sick leave credits
 - c. Age 47 as of 12/31/10: 630 hours of sick leave credits
 - d. Age 46 as of 12/31/10: 540 hours of sick leave credits
 - e. Age 45 as of 12/31/10: 480 hours of sick leave credits
 12. Prefunding balances in the form of a cash payout pursuant to 10. or 11. above will be on an after-tax basis.
 13. Any investment income related to the cash payout amounts refunded under 10. or 11. above that is distributed to the employee will be reported separately as income subject to tax on a Form 1099.
 14. Any cash payout amount distributed under 10. and 11. above will not impact the retiree medical benefits available in exchange for sick pay credits.
 15. At age 65, the company will offer a guaranteed issue, employee paid Medicare Supplement plan to the retiree.
 16. Except with respect to paragraphs 2., 3., 6., and 9. above, the benefits provided under Article 41(o) during a taxable year of the employee will not affect the amount of benefits for any other year.
 17. The right to the retiree medical benefits under Article 41(o) is not subject to liquidation or exchange for any other benefit.

18. To the extent any sick leave credits under paragraphs 3. and 6. above have not been fully utilized at the time retiree medical coverage ends, such unutilized credits will be deemed to be forfeited.
19. At the time of retirement, the company will look back at the employee's sick leave usage since 5/5/2010 and will reinstate to the sick bank, those paid sick hours utilized as part of any single illness or injury that used forty-five (45) consecutive workdays or more of sick time.

(p) For employees hired under this agreement as of or after the DOS, the terms outlined in provision Article 41(p) relative to retiree medical will apply.

Each employee covered by this provision who retires on or after the DOS, shall be eligible to participate in a retiree bridge medical plan which shall allow such retirees to elect to continue pre – age 65 retiree medical coverage under the following conditions:

1. Participants must be considered a new hire as of or after DOS.
2. At the time of retirement, the balance in an employee's sick bank will be used as credits towards pre – age 65 retiree medical coverage on a basis of twenty (20) hours of sick leave per month.
3. The twenty (20) hours of sick leave per month will provide pre – age 65 retiree medical coverage for the employee, the employee's spouse and all eligible dependents;
4. If a retiree has insufficient sick leave credits to bridge retiree medical coverage until age 65, then the employee, if so desires, can continue retiree medical coverage by paying a monthly premium that will be actuarially based on family status and age bands at the retiree's expense.
5. Retiree medical coverage terminates at age 65 for the employee. Medical coverage for spouse and eligible dependents terminates when the spouse reaches age 65.
6. If under 5. above, the spouse is under age 65 at the time the retiree reaches 65 or the retiree dies, the spouse and eligible dependents may continue medical coverage by utilizing sick leave credits, if available or pay premiums in accordance with 4. above.
7. For employees covered under this provision, the \$25 per sick day payout pursuant to Article 34(k) will not apply.
8. Plan design for the retiree medical coverage will remain as current, however, will be modified to include a network and preventive care.
9. Medical maximum coverage will be \$500,000.
10. At age 65, the company will offer a guaranteed issue, employee paid Medicare Supplement plan to the retiree.
11. Except with respect to paragraphs 2., 3., 6., and 9. above, the benefits provided under Article 41(p) during a taxable year of the employee will not affect the amount of benefits for any other year.
12. The right to the retiree medical benefits under this Article 41(p) is not subject to liquidation or exchange for any other benefit.

13. To the extent any sick leave credits under paragraphs 3. and 6. above have not been fully utilized at the time retiree medical coverage ends, such unutilized credits will be deemed to be forfeited.

(q) Retiree Bridge Medical plan

The Company will provide the TWU the opportunity to review and validate the plan every three (3) years.

The Company will evaluate the sick hour credit to medical cost ratio every three (3) years and will review with the TWU and must reach an understanding prior to any adjustment of the sick hour credits required for one (1) month of coverage for future retirements.

(r) Monitoring Insurance Plan

In connection with the administration and processing of claims under the group insurance plan, the Company will continue to monitor and to urge the insurance company to improve claims processing under the plan.

(s) Notice of Changes

The Company will provide the Director of the Air Transport Division with advance notice of plan changes prior to releasing announcements to plan participants. The Company will not change the limits on employee cost increases described in Article 41(a)(4) and 41(a)(5), nor the prefunding contribution limits of Article 41(m), for the duration of this Agreement.

(t) Company's Right to Modify Plan

Although it is the intention of American Airlines, Inc. to continue to make available to its employees a Group Insurance Plan of the type similar to that which is now available, the Company will reserve the right to modify the Plan consistent with this Article.

ARTICLE 42 - JOB SECURITY

SYSTEM PROTECTION:

(a) The Company will guarantee employment (full time based on employee's status on March 1, 2001) and pay to any employee covered by this Agreement who was hired under this Agreement by the Company prior to March 1, 2001 and who was on the Company's active payroll on March 1, 2001, or on a Union leave of absence, or on an approved leave of absence for other reasons in accordance with the following provisions of this Article.

STATION PROTECTION:

(b) (NA)

(c) Notwithstanding the above provisions, the Company may lay off, in accordance with Article 15, employees protected by paragraph (a) or by paragraphs (a) and (c) or by paragraphs (a) and (d) above when the layoff is necessitated by any one or more of the following conditions:

- (1) An act of God,
- (2) A strike, picketing, work stoppage, slowdown, or other labor dispute by Company or outside employees resulting in a reduction of work,
- (3) A national war emergency,
- (4) Revocation of the Company's operating certificate or certificates,
- (5) Grounding of a substantial number of Company's aircraft for safety reasons,
- (6) A reduction in the Company's operations resulting from a decrease in available fuel supply or other critical materials caused either by governmental action or commercial suppliers being unable to meet the Company's demands.

(d) This Article does not in any way limit the Company's right to terminate or discipline a protected employee for just cause or disqualify a protected employee under the provisions of Article 39.

(e) An employee covered by paragraph (a) above (protected employee) and who is affected by a reduction in force will be afforded the provisions of Article 15(b)(1), (2), (4-local city only). He will also be afforded the provisions of Article 15(b)(3), (4-other than local city), provided the employee(s) to be displaced are not protected employees. No protected employee will be subject to displacement by employees not covered by paragraph (a) above (unprotected employee). A protected employee who is affected by a reduction in force and who fails to exercise his options under Article 15 will be laid off, and forfeit his protected status. The seniority restrictions appearing in Article 15(b)(3) will not apply to protected employees.

(f) (N/A)

ARTICLE 43 - PART TIME EMPLOYEES

(Intentionally Left Blank)

**ARTICLE 44 - MOVING EXPENSES/OPTIONAL SEVERANCE FOR
PROTECTED EMPLOYEES**

(a) Except in the event a layoff is the result of any reason set forth in Article 42(c), a protected employee who is directly affected by a reduction in force will be afforded the opportunity to elect one, but only one, of the following options:

(1) If he changes base stations under the provisions of Article 15 he will be afforded moving expenses in accordance with Article 15(d) plus a \$12,500 (minus appropriate taxes) special moving allowance, provided he establishes and the Company verifies permanent residency in his new work location and actually relocates his personal possessions and/or household goods as appropriate to that new location within one (1) year of notice of reduction in force; (except that an employee in a protected status (full or part time) and who as a result of a reduction in force, elects to change stations and status(full or part time) when that same status was available to him at his original city, will not be entitled to this \$12,500 special moving allowance) or

(2) Accept a \$12,500 (minus appropriate taxes) special severance allowance plus severance as outlined in Article 37 thereby terminating entirely his employment relationship with the Company, forfeiting all his seniority and relinquishing any and all claim for reemployment and recall.

ARTICLE 45 - ONE STATION AGREEMENTS

(Intentionally Left Blank)

ARTICLE 46 - EFFECT ON PRIOR AGREEMENTS

(a) This Agreement will supersede and take precedence over prior Agreements, Letters, and similarly related documents executed between the Company and the Union prior to the signing of this Agreement. However, local side agreements, which were previously negotiated and do not conflict with this Agreement will remain in effect. All local side agreements, practices, and exceptions, whether written or unwritten, which conflict with the terms and conditions of the Basic Agreement (including the appendices, letters and memoranda's), or which are not expressly provided for in such Basic Agreement and limit the Company in the exercise of its management rights, will be null and void.

(b) Local side agreements, practices, or exceptions, that conflict with the Basic Agreement, will require approval in writing, prior to implementation, by the International Vice President, Air Transport Division, and the Vice President-Employee relations of the Company, or their designees.

All rights and obligations, monetary or otherwise, which may have accrued because of services rendered prior to the effective date of this Agreement, will be satisfied or discharged.

Any dispute as to the interpretation or application of the Agreement, will be subject to the grievance procedures specified in Article 31.

ARTICLE 47 - DURATION OF AGREEMENT

THIS AGREEMENT will become effective as of May 5, 2010 and will continue in full force and effect until and including, May 5, 2013 and will renew itself until each succeeding May 5th thereafter, except that written notice of intended change may be served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party. However, either the Company or the TWU may elect to reopen this Agreement by the service of written notices in accordance with section 6, Title I of Railway Labor Act as amended pursuant to Section 6, on or after November 5, 2012 [6 months prior to amendable date].

(NA)

The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. It is agreed by the parties that the other will not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement, without serving written notice as provided for in the above paragraph.

The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

IN WITNESS WHEREOF, the parties have entered this Agreement on the 5th day of May, 2010 and have signed this Agreement on DOS:

For the Transport Workers Union of America

James C. Little
International President

John M. Conley
Director, Air Transport Division

Robert F. Gless
AA System Coordinator
Air Transport Division

Donald M. Videtich
International Representative
Air Transport Division

Anthony P. McCoy
International Staff Specialist
Air Transport Division

WITNESS:
Howard McKinney - TWU
Gary Moffitt - TWU

For American Airlines Inc

Mark Burdette
Vice President Employee Relations

James B. Weel
Managing Director Employee
Relations

WITNESS:
Bob DuBreuil – AA

Steve Luis – TWU
Larry Pike – TWU

Attachment 47.1 - Wage Adjustment Provision

DOS

Robert F. Gless
Assistant ATD Director
AA System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Wage Adjustment Provision ("Wage Opener")

Dear Robert,

This letter is a follow up to our conversation regarding the Company recognizing the TWU's request to incorporate a provision to provide additional protection for your members regarding their hourly compensation contained in this agreement. This letter will expire on May 4, 2013.

Upon ratification of this agreement the parties will validate the current standing of compensation in the industry for a Maintenance Control Technicians. (See Attached chart.) Compensation includes: chart rate, longevity pay, license premium, line premium, MCT premium and shift differential.

In the event workers at comparable airlines (UA, US) amend their collective bargaining agreements, prior to the amendable date of this agreement, and these amendments lower the current standing in compensation of the TWU classifications listed above, the TWU will notify the company in writing of its intent to 'open' compensation negotiations limited to the following areas:

Chart Rate or Base rate
Longevity Pay
Line Premium
MCT premium
Shift Differential
All other premiums

It is understood between the parties that the purpose of this 'wage adjustment' provision is to ensure that the TWU classifications mentioned above, maintain their compensation standing with the industry comparators up until the amendable date of this agreement. In addition, it is intended to provide a percentage based form of internal equity for all other classifications, within the respective Title Group, covered by the AA/TWU Maintenance Control Technician agreement.

If you are in agreement with above, please indicate by signing below.

Sincerely,

Agreed to:

Mark Burdette
Vice President
Employee Relations

Mr. Robert F. Gless
Assistant ATD Director
American Airlines System Coordinator
Transport Workers Union, AFL-CIO

**Technical Specialists
Wages +
Premiums**

	AA YR1	US	AA Curr	UA
MAX				
RATES	\$32.02	\$33.14	\$31.09	\$36.39
LICENSE	\$5.00	\$3.50	\$5.00	\$0.00
LONGEVI TY	\$0.30	\$0.00	\$0.30	\$0.00
LINE SHIFT	\$2.55	\$0.00	\$0.55	\$0.00
DIFF	\$0.03	\$0.61	\$0.03	\$0.00
OTHER PREMIUM	\$1.55	\$1.00	\$0.00	\$0.00
TOTAL	\$41.45	\$38.25	\$36.97	\$36.39
Ranking				

**Technical
Specialist**

Wages + Premiums	AA YR 1,2,3	US	AA Curr	UA
Base Wages	\$32.02	\$33.14	\$31.09	\$36.39
Premiums	\$9.43	\$5.11	\$5.88	\$0.00
TOTAL YR1	\$41.45	\$38.25	\$36.97	\$36.39
TOTAL YR2	\$41.93			
TOTAL YR3	\$42.42			
RANKING	1	2		3

LETTERS OF MEMORANDA

LETTER OF MEMORANDA #1 - COPE Deductions

AMERICAN AIRLINES, INC.
P.O. BOX 61616
DFW Airport, TX 75261

August 9, 1980

Mr. Ernest M. Mitchell
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: COPE Deductions

Dear Mr. Mitchell:

Effective thirty (30) days after ratification of the Agreement dated August 9, 1980 and during the life of that Agreement, the Company agrees to deduct contributions to a Union Fund known as the "Committee on Political Education" (COPE) from the pay of those employees under this Agreement who are Union members and who may voluntarily execute a form to authorize such deductions prepared and furnished by the Union. The content of such form shall be agreed upon between the Company and the Union, and the authorization for and remittance to the Union of such deductions shall be in conformance with all applicable laws.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

LETTER OF MEMORANDA #2 - ATAB

AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261-9616

August 15, 1995

Mr. Edward A. Koziatek
Director, Air Transport Division
AA System Coordinator
Transport Workers Union of America
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Re: Automated Bid/Transfer

Dear Mr. Koziatek:

During the discussions which led to the agreement of August 15, 1995, the Company and the TWU agreed to establish an Automated Bid/Transfer System.

A joint committee will be established to design the functionality of the system so that it complies with the contractual rules and procedures, while improving the process and timeliness of awards and notification to the employee, the TWU, and the locations involved.

Very truly yours,

Jane G. Allen
Vice President
Employee Relations

LETTER OF MEMORANDA #3 - ATBTs

Wednesday, August 25, 1999

Subject: Items Requiring ATBTs from Engineering

The following procedure will be observed:

1. Engineering will have a Technical Specialist input their items requiring an ATBT.
2. The Technical Specialist will review the item for content. The Technical Specialist will review any problems with the content with the Engineer and/or EMOD (S.E.) to ensure the TFI and ATBT reflect the intent of the Engineering request.
3. The Technical Specialist **MUST** enter the item in a timely manner. If higher priority work is being accomplished at the time of the Engineering request, the Technical Specialist will ensure the item is entered during his shift or turn the item over to the following shift for accomplishment.

Bill Detamore
Director, FOE

cc: A. Atkins
J. Creamer
S. McCrea
P. McPherran
M. Seefluth
B. DuBreuil

LETTER OF MEMORANDA #4 - Letters of Agreement

March 1, 2001

Mr. James C. Little
Air Transport Director
International Vice President
Transport Workers Union of America
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Jim,

During the recent negotiations for the Technical Specialist agreement, the Company and the TWU established a mutual objective to review all letters of agreements, letters of memorandum or interpretative letters, whether included in the current agreement or were part of the side letters retained by either party for purposes of administration and application of the agreement. The objective was to mutually agree on a disposition for each and every letter. The disposition included, either inclusion into the agreement via an Article or attachment, removal, or retention outside the agreement for purposes of future reference.

The parties have developed a Letter of Agreement Master Index which will be retained outside the agreement, yet understood as the final disposition on all the letters contained within. The disposition on the letter is exclusively for the Technical Specialist agreement. The terminology used for the disposition will be defined as follows:

1. Remove: The letter is no longer in force and effect and will not be used as a precedent for purposes of future contract application.
2. Remove/Incorporated into Article: The letter has been removed and the portions of substantive value, as agreed upon by the parties, have been included into the language of a specific Article. By inclusion of the letter, in whole or in part, into the Article it has the same force and effect as all other contract language.
3. Retain in the Contract: The letter retains its force and effect and is retained as an Attachment to a specific Article or in the Letter of Memorandum section, depending on its applicability, e.g., attached for historical value.
4. Retain outside the Contract: The letter will serve as a reference for the purpose of future application for either party; however, they are not binding and maybe modified or removed at a future date, e.g., explanation on Company policy or plans.

In the event of a dispute regarding the application of the above, the issue will be resolved by the Vice President – Employee Relations and the TWU Air Transport Director, or designee. If the above accurately reflects your understanding, please indicate by signing below.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to:
James C. Little
Air Transport Director
Transport Workers Union of America, AFL-CIO

LETTER OF MEMORANDA #5 - Enhanced Profit Sharing Plan

Robert F. Gless
International Representative
Assistant ATD Director
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

DOS

RE: Enhanced Profit Sharing Plan

Dear Robert,

This letter will confirm our understanding reached during the negotiations leading up to the agreement signed on _____.

The Company will establish an enhanced profit sharing arrangement (the "Enhanced Plan") that will allow the Employees the enhanced opportunity, as described below, to share in the financial success of the Company.

1. The effective date of the Enhanced Plan will be the day following the date of ratification of the AA/TWU labor agreement covering mechanic and related employees..
2. Performance will be measured by American's Pre-Tax Earnings (as defined in the Enhanced Plan) with respect to the plan year covered by the Enhanced Plan and the fund from which any Enhanced Plan awards are distributed ("Enhanced Fund") will accumulate based on that performance, and will be established as follows:
 - a. Fifteen percent (15%) of the dollar amount of American's Pre-tax Earnings.
 - b. For eligible Employees, individual awards under the Enhanced Plan will be distributed based on a definite predetermined formula for allocating on a pro-rata basis the contributions made to the Enhanced Fund which will be determined by the Company.
 - c. Any payout under the Enhanced Plan will be made no later than March 15th of the year following the year's profits on which the payout is based.
 - d. All other terms and conditions are covered under the Enhanced Profit Sharing Plan document.

This Letter of Agreement shall cancel and supersede the Letter of Agreement dated April 24, 2003 establishing the Annual Incentive Plan (AIP) for TWU represented employees.

Sincerely,

{Original Signed on file}

James B. Weel
Managing Director

Employee Relations
American Airlines Inc.

Agreed to:
{Original Signed on file}

Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO

LETTER OF MEMORANDA #6 - TWU Labor Protective Provision "Me Too Clause"

DOS

Robert F. Gless
International Representative
Assistant ATD Director
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

RE: TWU Labor Protective Provision "Me Too Clause"

Dear Robert,

During the negotiations that led to the signing of the Agreement between American Airlines, Inc. ("American") and the Transport Workers Union of America, AFL-CIO ("TWU") covering Aviation Maintenance Technicians and Plant Maintenance employees effective _DOS , 2010, the parties were aware of pending collective bargaining negotiations between American Airlines and the Allied Pilots Association ("APA"), as representative of the craft or class of air line pilots, and the Association of Professional Flight Attendants ("APFA"), as representative of the class and craft of Flight Attendants. American and the TWU have reached the following understanding that will be applicable to TWU-represented Aviation Maintenance Technicians and Plant Maintenance employees of American.

In the event American enters into a collective bargaining agreement with the APA or the APFA that fails to modify pension benefits and retiree medical benefits for new hires or retiree medical benefits for existing employees under the APA or APFA agreements in the current round of bargaining, such that they are similar in structure and industry standing to those in the TWU agreement, without other comparable offsets, the Company and TWU will meet within 30 days of ratification of an APFA or APA agreement to determine the appropriate remedy.

If this letter accurately reflects the agreement of the parties, please sign below.

Sincerely,
{Original Signed on file}

Agreed to:
{Original Signed on file}

James B. Weel
Managing Director
Employee Relations
American Airlines Inc.

Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO

LETTER OF MEMORANDA #7 - Retiree Medical - VEBA

DOS

Mr. Robert F. Gless
International Representative
American Airlines System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Re: Retiree Medical

Dear Robert,

During the recent negotiations, the parties had an opportunity to discuss the Company's competitive disadvantage concerns over Retiree Medical and the TWU's interest to maintain this valuable benefit.

In the interest of finding a mutually beneficial solution, the Company and the TWU commit to form a joint committee with the sole purpose to explore the feasibility of establishing a Voluntary Employees' Beneficiary Association (VEBA) similar to the agreement between the UAW and General Motors that was approved in 2007.

The joint committee will be established and the terms and conditions surrounding the scope of the committee will be agreed to within one hundred and twenty (120) days of the date of signing of the AA/TWU agreement.

If you are in agreement, please indicate by signing below.

Sincerely,

Agreed to:

{Original Signed on file}

{Original Signed on file}

James B. Weel
Managing Director
Employee Relations
American Airlines Inc.

Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL-CIO