



MEMORANDUM

To: All American Mechanic and Related, Stores, and Fleet Service Employees
Represented by the TWU/IAM Associations

From: Joshua M. Javits, Neutral

Date: June 27, 2016

Subject: Seniority Integration Process

I want to take this opportunity to introduce myself to all of you. I am Joshua M. Javits, a full-time professional mediator and arbitrator. I am a member of the National Academy of Arbitrators, a roster arbitrator for the American Arbitration Association and Federal Mediation and Conciliation Service, and a former Chairman and Member of the National Mediation Board. By agreement between American Airlines and the TWU/IAM Associations representing Mechanic and Related, Stores, and Fleet Service Employees, I was appointed as a Neutral to assist the parties in the seniority integration process resulting from the merger of American Airlines and US Airways.

According to federal law, known as the McCaskill-Bond Amendment, in airline mergers the integration of seniority must be fair and equitable. The law further provides that when the employees of a craft and class at the two merging carriers have the same representative, in this case the TWU/IAM Associations, the merger policy of the representative shall be applied. Here, the parties have already established the basic principles to guide this seniority integration in their April 24, 2013 Agreement Regarding Seniority List Integration, specifically that the primary basis for seniority integration will be the date of entry into an employee's basic classification. In May 2016, the parties further agreed upon a procedure to implement their 2013 Agreement and appointed me to act as the Neutral in that process.

The seniority integration process agreed to is less formal and more cooperative than a standard arbitration proceeding and will involve several phases.

1. Initially, I will engage in a fact-finding process in order to understand employees' current seniority arrangements and identify potential issues impacting the integration of seniority lists. As part of this process, I have already requested certain background information from the Company. In addition, on June 21, 2016, I met in Washington, DC with the Associations' seniority integration committees and joint

collective bargaining teams, which include members from both pre-merger Carriers. These were very productive sessions and I appreciate the participants' insights regarding potential issues and areas of concern.

2. Also, as part of the fact-finding process, I will consider any written comments or information regarding the integration of seniority lists that any employee represented by the TWU/IAM Associations wishes to submit. Comments must include: employee name, employee number, job title, and station. Comments must be sent by regular mail or email to the following so they are received no later than July 31, 2016:

Attn: Neutral Joshua M. Javits
c/o Guerrieri, Clayman, Bartos & Parcelli, P.C.
1900 M Street, N.W., Suite 700
Washington, DC 20036

JavitsSeniority@geclaw.com

3. Once the fact-finding process is complete, I intend to engage further with the Associations' seniority committees in order to reach consensus on the integration of lists to the fullest extent possible.

4. At the conclusion of this fact-finding and mediation process, I will issue a Report and Recommendations regarding the integration of seniority, as well as proposed integrated lists. The Report and the proposed lists will be promptly published to the membership for review.

5. Following the publication of the proposed lists, affected employees will have 45 days to file in writing any protest they may have regarding their placement on the list. Details regarding how to file a protest will be provided in conjunction with the publication of the proposed lists.

6. I will consider all timely filed protests and issue a final and binding determination with respect to each. After deciding all protests, I will issue final integrated seniority lists, incorporating any necessary adjustments or corrections in light of my protest determinations. It is intended that the final lists will issue by December 1, 2016. However, the Company has agreed that it will not implement the final lists until new joint collective bargaining agreements have been reached and ratified.

Throughout this process, I will be assisted by the Washington, DC law firm of Guerrieri, Clayman, Bartos & Parcelli, P.C., which has extensive experience in airline seniority matters. I look forward to assisting the parties in achieving a fair and equitable seniority integration.