



AGREEMENT

Between

AMERICAN AIRLINES, INC.

And

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

Covering

FLEET SERVICE EMPLOYEES

and

GROUND SERVICE EMPLOYEES

Effective: **DATE**



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AGREEMENT

Between

AMERICAN AIRLINES

And

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

Covering

FLEET SERVICE EMPLOYEES

Of

AMERICAN AIRLINES, INC.

Effective date – **DATE**

PREAMBLE

THIS AGREEMENT, entered into this **X** day of **DATE** 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.

ARTICLE 1 - RECOGNITION AND SCOPE

(a) Pursuant to the certification from the National Mediation Board dated July 22, 1946, 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 covered under this Agreement in the classifications set forth in Article 4, and as described in the classification descriptions, Article 11, who perform work as follows:

The loading and unloading of cargo (mail, baggage, freight and Company material) on and off aircraft; the transporting of cargo between terminals and aircraft; the ramp transfers of cargo where required; the receiving, delivering, and physical handling of freight and Company material in the Cargo Warehouse, or equivalent area (including docks), mail at the designated Post Office, and baggage in the outbound baggage room; the completion of forms, and when directed, initiation and action on messages related to and necessary for the performance in the designated locations of the functions described; the cleaning and servicing of cabin interiors, including cockpit and lavatories; draining lavatories; checking, handling, assembling, removing and installing of passenger service cabin furnishings and supplies, transporting such furnishings and supplies to and from aircraft, air conditioning of aircraft from outside source; the fueling, oiling, replenishing hydraulic and other fluids.

It is understood and agreed that the work to be performed by employees covered by this Agreement does not include related indirect work performed by employees such as supervisors (e.g., foremen, chiefs and superintendents), management specialists (e.g., instructors and analysts), professional employees (e.g., engineers and draftsmen), operating employees (e.g., flight crews and dispatchers), plant protection employees (e.g., guards), office and clerical employees (e.g., agents and staff assistants), and skycaps.

(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, the situation will not be deemed to be an emergency within the meaning of this paragraph.

(c) The Company will continue to assign American Airlines TWU represented employees in classifications designated by the Company to all stations wherein such TWU represented employees are assigned currently with **5475** and above annual departures and will staff new cities (those not currently staffed by the TWU) at or above **7300** annual departures. The Company will also re-staff former TWU staffed cities that have been de-staffed once those cities reach **7300** and above annual departures.

Annual departure threshold for initial determination of stations to be impacted will be based on the most current January 2013 look back report provided to the TWU as obligated under the current Article 1(c) language. Thereafter, the determination of the scheduled departures will be made each January 1 and July 1 and will consider the prior twelve (12) month period.

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) Contracting Out of Work.

In the interest of providing stable employment but nevertheless to permit the Company to maintain and continue the development of air transportation under applicable laws, the Company will perform work, as its present employees, covered by this Agreement have the normal time and the skills to perform, and for which the Company can reasonably make available the necessary facilities.

Additionally, it is agreed that the Company may continue to contract out work not exceeding the scope of its present contracting out practices.

It is understood that nothing in this Article above 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 the contracting out commenced or, in the case of a substantial expansion of prior contracting out, six (6) months from the date of the substantial expansion.

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

In the event of a merger, purchase, or acquisition of another company, involving that entire company or a substantial portion of that 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 & 13 of Allegheny-Mohawk, 59CAB22 (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 open for collective bargaining in the event of a merger 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(h)(1), (2), and (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 & 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

(1) The Agreement will be binding upon any 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.

(i) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 1.1 – OUTSOURCING

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on DOS. During these negotiations, we discussed the Company's interest to be more competitive relative to certain work that is currently performed by TWU represented employees under the terms of the Fleet Service/Ground Service agreement.

After numerous discussions with respect to the scope of work, it was agreed that the Company will have the ability to outsource all dayline cabin cleaning work (including any work performed by Fleet Service Clerks pursuant to Attachment 1.XX- Contracting Out Ron/Ultraclean Aircraft Cabin Cleaning), all mail handling work, all cargo handling work, with the exception of DFW, JFK, LAX, MIA and ORD, all fueling work, all bus driving work, Interline Cargo work at JFK/MIA and all bag transfer work relating to American Eagle and/or any other commuter air carrier that feeds American which is currently performed by AA TWU represented Fleet Service/Ground Service employees.

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

Agreed to this date:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO**

ATTACHMENT 1.2 – CONTRACTING OUT RON/ULTRACLEAN AIRCRAFT CABIN CLEANING

March 31, 2003

Mr. James C. Little
International Administrative Vice President
Director Air Transport Division
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054

Contracting Out RON / ULTRACLEAN Aircraft Cabin Cleaning

Dear Jim,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on April 15, 2003. During these negotiations, we discussed the Company's interest to contract out certain work currently performed by TWU represented employees in order to provide structural savings.

In these discussions RON and Ultraclean were two areas currently performed by TWU represented Fleet Service employees that we have agreed will be outsourced. We have also agreed that the initial implementation of this provision will occur within sixty (60) calendar days from date of ratification. Outsourcing of this work that is not accomplished within the sixty (60) calendar days mentioned above will not require an offset of the savings by the TWU.

The work identified in this understanding is that work assigned a Level 1 Bill of Work on overnight aircraft or designated an "Ultraclean". This work includes cleaning, stocking, shampooing of rugs, and conducting the required security checks.

Level 1 BOW or "Ultraclean" with scheduled arrivals after 0800 will be performed by day line Fleet Service except in OSO situations.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to this date:

James C. Little
International Administrative Vice President
Director Air Transport Division
Transport Workers Union of America, AFL–CIO

ATTACHMENT 1.3 – STATION STAFFING

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Dear Robert,

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

During these negotiations, we agreed that the following seventeen (17) stations will continue to be staffed with TWU represented employees following the implementation of Article 1(c). Those stations will remain staffed, with TWU represented Fleet Service employees, so long as the annual departures are at or above 2555 from the effective date of this agreement up to the day prior to the amendable date.

ATL	JFK	MIA	STL
AUS	LAS	ORD	TPA
BOS	LAX	SAT	
DCA	LGA	SFO	
DFW	MCO	SJU	

Beyond the amendable date, Article 1(c) will apply.

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

Agreed to this date:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO**

ATTACHMENT 1.4 – CONTRACTING OUT WORK

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

Re: Contracting Out Work

Dear Mr. Koziatek:

This will confirm our understandings reached during the negotiations leading up to the agreement signed on August 15, 1995. During these discussions, we discussed the issue of contracting out on numerous occasions and the Company's need to contract out that work as provided for in the labor agreement.

As we discussed, it is the Company's intent to ensure that the TWU leadership is fully advised of those situations wherein the Company is planning to contract out work that is normally done in-house so that the matter can be fully discussed.

The parties agree that this letter recognized their respective rights under the collective bargaining agreement concerning the issue of contracting out work.

Very truly yours,

Jane G. Allen
Vice President
Employee Relations

Agreed to:

Edward R. Koziatek

ATTACHMENT 1.5 – REASSIGNMENT OF FLEET SERVICE CLERK WORK AT TULE

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on DOS. During these negotiations, we discussed the Company's interest to gain efficiencies at TULE for certain work that is currently performed by TWU represented employees under the terms of the Fleet Service agreement.

After numerous discussions, it was agreed that the Company will have the ability to reassign all fleet service work performed at TULE to the Overhaul Support Mechanic classification.

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

Agreed to this date:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO**

ATTACHMENT 1.6 – IMPLEMENTATION OF OUTSOURCING

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on DOS. During these negotiations, we discussed the implementation of outsourcing pursuant to letter of agreement 1.X.

Prior to the implementation of outsourcing, current Crew Chiefs will have the opportunity to self-demote (outside of the Article 12 (n)(2) process) into a non-bid position at their station.

Crew Chiefs who displace another Crew Chief in a different work unit (e.g. cargo to line, dayline to bagroom, fueling to line) will serve a one hundred eighty (180) day trial period as provided in Article 12 (f).

Although the scope changes will be implemented in phases, it is the Company's intent to exercise one reduction in force process for all affected by the scope changes. Therefore, the Company intends to notify, offer and award available options to all affected employees simultaneously in round one of this process. As a result of this, employees' report dates may vary. If the Company determines that an additional reduction in force is needed, the Company shall have the right to implement the RIF in a similar manner.

"The terms of this Agreement, including any new terms effective as of DOS, shall apply to Ground Service employees until the outsourcing has been implemented."

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

Agreed to this date:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO**

ATTACHMENT 1.7 – CARGO STAFFING

Revised March 1, 2001

March 30, 1984

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

RE: Cargo Staffing

Dear Jim,

This will confirm our understanding regarding the staffing of job duties normally performed by Agent employees in the Cargo function and our mutual desire to staff these locations in the most practical, competitive manner possible.

In accordance with the Agreement dated May 18, 1983, between C. A. Pasciuto, Vice President-Employee Relations, and H. J. Leonard, International Vice President-Transport Workers Union of America, the Company may assign, at its discretion and at selected locations, to qualified Fleet Service employees job duties normally performed by agent employees in the Cargo function.

It is understood and agreed that only Fleet Service employees who have completed specialized training will be deemed qualified to perform such duties. This training will be offered to volunteers in order of occupational seniority to the extent necessary as determined by the Company. In the event there are insufficient volunteers, the training will be assigned in reverse order of seniority.

In order to permit economic expansion into other cities, we have agreed that hereafter any employee who receives the Cargo Customer Service/ SABRE training course to perform Cargo Agent type duties will be required to bid shifts identified as requiring such training before bidding any other shift for a period of twelve (12) months after the completion date of the training.

(from letter dated December 19, 1985 revised)

Nothing in this Agreement is intended to require the Company to remove or replace agent employees in the Cargo function. In those locations employing agents, they will continue to perform their duties either alone or in conjunction with Fleet Service employees as assigned by the Company.

It is understood that the parties to this Agreement do not, by this Agreement, intend to permanently reassign work currently performed by other Company employees other than that described above or to accrete any job duties to the Fleet Service Clerk classification description.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to:

James C. Little

ARTICLE 2 – DEFINITIONS

(a) The word “employee” will mean an employee in the classifications covered by this Agreement.

(b) “He” or any other masculine pronoun will be deemed and understood to designate any employee whether male or female.

(c) The term “qualifications” will mean all requirements, other than qualifying tests, which may be considered necessary by the Company for the particular type of work to be performed, and specified in advance in writing.

(d) The term “Crew Chief” is a bid job designated by management. A Crew Chief will be responsible to management for the overall performance of the employees assigned to his crew. In those cases where management determines that the work to be performed requires a level of responsibility equivalent to that of a Crew Chief, an employee in the Crew Chief classification may be assigned to that function even though he has no other employees assigned directly to him. Crew Chiefs will be responsible for the timely and satisfactory completion of work assignments as set forth in the Crew Chief classification description.

(e) The term “qualifying test” will mean the tests for competency in a particular classification or type of work as established in the Qualifications and Administration Manual (QAM).

(f) The term “department head”, “chief operating officer” or any other management title referred to in this 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 individual 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 “chart rate” will mean those hourly rates of pay appearing in Article 4.

(i) The term “regular hourly rate”, “regular pay” or “pay as if working” will mean the “chart rate” plus any applicable longevity pay, premiums and/or differentials.

(j) **Pay** seniority will govern pay raises and placement on the pay scales. This seniority is governed by the applicable Articles of this Agreement.

(k) Status denotes if an employee is either full time (full time status) or part time (part time status).

(l) The term “emergency” as used in this Agreement will mean an unexpected occurrence or set of circumstances (e.g. sudden change in weather, air/ground interrupt, diversion, etc...) demanding immediate action.

(m) The term “Company” as used in this Agreement will mean American Airlines Inc.

(n) 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.

(o) 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.

(p) 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) above.

ARTICLE 3 - HOURS OF WORK

(a) The workday will consist of a twenty-four-(24) hour period beginning at 12 o'clock midnight and a regular day's work will consist of eight (8) hours, exclusive of meal periods.

(b) The workweek (and pay week) will consist of seven (7) consecutive days beginning at 12:01 a.m. Saturday and the regular weekly work schedule will consist of five (5) workdays of eight (8) hours each within the workweek.

(c) Each employee will be scheduled two (2) days off during each workweek. 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 in this Article will prohibit the Company from scheduling Friday and Saturday as the two consecutive days off; (provided that when this is done Friday will be considered the first scheduled day off and Saturday will be considered the second scheduled day off), except that when an employee's days off are changed to Friday and Saturday, the first Saturday following the change will be paid, if worked, at the rate of time and one-half the regular hourly rate.

(d) At stations or shops where employees are required to maintain continuous operation of departments or assignments, days off **will be fixed and will be determined by seniority.**

(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) Part time employees' hours will be governed by the provisions of Article 43.

(g) Airports or individual work units may be scheduled in whole or in part on a four (4) day – ten (10) hour per day basis when mutually agreed between the Company and the Union. This agreement must be approved by the ATD Director and the Vice President overseeing the airport. When a 4/10 schedule is adopted, it will be subject to provisions outlined below:

This alternative schedule will be approved only when it involves no increased expense for the Company.

It is understood and agreed that either party will have the right to cancel a 4/10 schedule thirty (30) days prior to the next shift bid.

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

ATTACHMENT 3.1 - ROTATION OF SHIFTS AND/OR DAYS OFF

DOS

**Mr. Robert F. Gless
Deputy Director – ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Hurst, Texas 76054

Dear Robert,

This will confirm our understanding that at those stations or shops that have been utilizing the rotation of shifts and/or days off for at least a period of two (2) years prior to DOS, may continue with the rotation of shifts and/or days off unless mutually agreed upon by local management and the appropriate TWU Local to utilize fixed shifts and/or days off.

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

ARTICLE 4 – COMPENSATION

(a) During the period of this Agreement, the chart rates of pay for the bid classification of work covered by this Agreement will be as specified below.

Effective February 29, 1992 incumbent employees currently holding bid positions will receive the greater of 1) their current bid rate of pay as listed in the pay tables below or 2) their non-bid rate of pay plus the bid position differential (override).

An employee who is the successful bidder for the promotion into a Crew Chief classification on or after February 29, 1992, will receive his non-bid rate plus a bid position differential (override) of \$1.50. Employees who receive this bid position differential (override) will continue to receive that rate providing they hold a bid position.

The bid position differential (override) is added to the non-bid rate of pay and will be considered as base pay for accrual of all pay related benefits. Length of service increases will be based upon the non-bid classification date.

A Crew Chief working at a lower classification due to a Change of Shift or Overtime will be paid at the applicable lower classification.

CREW CHIEF - FLEET SERVICE CLERK

<u>X/X/12</u>	<u>X/X/13</u>	<u>X/X/14</u>	<u>X/X/15</u>	<u>X/X/16</u>	<u>X/X/17</u>
\$23.25	\$23.69	\$24.15	\$24.61	\$25.08	\$25.57

(b) During the period of this Agreement, the chart rates of pay for the non-bid classifications of work covered by this Agreement will be as specified below.

(1) 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 provisions of paragraph (c) below.

FLEET SERVICE CLERK

	<u>X/X/12</u>	<u>X/X/13</u>	<u>X/X/14</u>	<u>X/X/15</u>	<u>X/X/16</u>	<u>X/X/17</u>
1st Step	\$8.64	\$8.82	\$9.01	\$9.20	\$9.39	\$9.59
2nd Step	\$9.58	\$9.78	\$9.99	\$10.20	\$10.41	\$10.63
3rd Step	\$10.69	\$10.91	\$11.14	\$11.37	\$11.61	\$11.85
4th Step	\$11.79	\$12.04	\$12.29	\$12.55	\$12.81	\$13.08
5th Step	\$12.92	\$13.19	\$13.47	\$13.75	\$14.04	\$14.33
6th Step	\$14.03	\$14.32	\$14.62	\$14.93	\$15.24	\$15.56
7th Step	\$15.13	\$15.45	\$15.77	\$16.10	\$16.44	\$16.79
8th Step	\$16.26	\$16.60	\$16.95	\$17.31	\$17.67	\$18.04
9th Step	\$17.37	\$17.73	\$18.10	\$18.48	\$18.87	\$19.27
Thereafter	\$21.16	\$21.60	\$22.06	\$22.52	\$22.99	\$23.48

The following paragraph applies to paragraphs (a) and (b) above. Each employee while regularly assigned to the classification of Crew Chief – Fleet Service, Fleet Service Clerk at the field stations including Tulsa Line Maintenance, Alliance Maintenance Base, or Kansas City Maintenance Base will receive the Line rate which includes a wage differential of fifty five (55) cents per hour effective March 1, 2001. Such differential is reflected in the above rates.

(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 this Article, are non-competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in any classification covered by this Agreement 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 this Article. 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; however, 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 this Article, all employees in that classification(s) 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(s) in that station/base/location effective the date of hire of a new employee at the higher starting rate.

An employee will progress to the next step of his classification pay scale on an annual basis.

(4) 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 **pay** 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.

(5) It is understood and agreed that the effective dates of step increases and other changes in pay rates are determined by the employee's **pay** seniority.

(d) LONGEVITY PAY

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

17 years	.21	cents/hr.
18 "	.24	"
19 "	.27	"
20 "	.30	"

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

Accredited service with the Company, for determining longevity pay increments, 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 Personal Leave of Absence up to a maximum of ninety (90) days.

The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 4.1 – COPE DEDUCTIONS

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

ATTACHMENT 4. 2– CREW CHIEF SCALE/OVERRIDE

March 1, 2001

Revised DOS

Mr. James C. Little
Director, Air Transport Division
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, Texas 76054

Re: Crew Chief Scale/Override

Dear Jim,

This will confirm our understandings reached during the negotiations leading up to the Fleet Service Agreement dated March 1, 2001. During these discussions, it was agreed to adjust the variance that exists between Crew Chiefs who receive Crew Chief scale and those Crew Chiefs who receive the \$1.50 override. The methodology used to correct this situation is as follows;

Those employees who became Crew Chiefs after February 29, 1992 and who are at maximum pay or will reach maximum pay during the duration of the Agreement will receive a special premium equal to the difference between their current rate plus the override and the appropriate crew chief scale at maximum. For example, a Crew Chief – Fleet Service Clerk at maximum pay is paid a rate of **\$22.83** while a Crew Chief – Fleet Service Clerk who is at maximum pay and who accepted a bid after February 29, 1992 is paid a chart rate of **\$20.74** plus the \$1.50 override for a total rate of **\$22.24**. That Crew Chief will receive a **\$0.59** per hour supplement to bring his salary to equal that of scale **\$22.83**.

Sincerely,

James B. Weel
Managing Director
Employee Relations

ATTACHMENT 4.3 - Industry Comparable Pay Rate Title III

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

DOS

Re: Industry Comparable Pay Rate Adjustment – Title III

Dear Robert:

In the process of negotiating the agreement dated [DOS], and in the interest of reaching a consensual agreement, the parties recognized the potential need for a mid-term wage adjustment for Title III Fleet Service Clerks, therefore, we agreed as follows:

At [DOS]+36 months, a calculation will be made to determine the maximum regular hourly pay rate (i.e., top-of-scale base pay plus license premium, line premium and longevity) of the equivalent classification at Delta, United, Continental and US Airways (or their successors) in effect on that date. Those rates will then be averaged (arithmetic mean) and compared to the equivalent rate at AA, including any coincidental structural increase (i.e., the scheduled 3.0% increase to base pay). If United and Continental workers, whether managed by one contract or two, are paid on the same pay scales, their maximum regular hourly rate will be treated as a single comparative value in calculating the average among comparator airlines. If AA's maximum regular hourly pay rate is below the average, a supplemental structural increase will be made to the base pay rates equal in percentage terms at the top-of-scale to the differential between AA and the average. In combination, the scheduled structural increase and the supplemental structural increase to base pay will yield a maximum regular hourly pay rate that equals the average of the comparator airlines.

Since the adjustment is reflected in the base rate as a new structural increase, it would be considered part of Eligible Earnings under the SuperSaver Plan and would be included in Eligible Earnings under the Profit-Sharing Plan.

Agreed to:
{Original Signed on File}

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

Worked Example:

THE FOLLOWING EXAMPLE IS PROVIDED FOR ILLUSTRATIVE PURPOSES ONLY.

Fleet Service Wage Rates

	<u>AA</u>	<u>UACO</u>	<u>DL</u>	<u>US</u>	<u>Legacy Avg.</u>
Max Base Pay Rate	\$22.52	\$24.24	\$24.11	\$22.48	\$23.61
Longevity	\$0.30	\$0.40	\$0.00	\$0.00	\$0.13
License	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Line	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Max Regular Pay Rate	\$22.82	\$24.64	\$24.11	\$22.48	\$23.74

Wage Gap = Legacy Avg. Max Regular Pay Rate – AA Max Regular Pay Rate
= \$23.74 – \$22.82 = \$0.92

Base Pay Adjustment = Wage Gap / AA Max Base Pay Rate
= \$0.92 / \$22.52 = 4.1%

The adjustment to the maximum hourly regular pay rate will appear as follows:

	<u>AA</u>	<u>Adjustment</u>	<u>AA New</u>	<u>Legacy Avg.</u>
Max Base Pay Rate	\$22.52	4.1%	\$23.44	\$23.61
Longevity	\$0.30		\$0.30	\$0.13
License	\$0.00		\$0.00	\$0.00
Line	\$0.00		\$0.00	\$0.00
Max Regular Pay Rate	\$23.82	\$0.92	\$23.74	\$23.74

Note: All other base pay steps will also be adjusted by 4.1%.

ARTICLE 5 - SHIFT DIFFERENTIAL

(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 cent (1¢) 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 cents (2¢) 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 chart 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 Workers' Compensation law.

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

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) his regular hourly rate for each hour worked in excess of eight (8) hours.

(2) 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 workday, including time worked after his regular shift.

(3) When an employee works beyond his regular shift to complete an assignment he will be entitled to penalty hour pay, for time worked at the applicable rate of pay.

(b) Weekly Overtime: **When** an employee has worked forty (40) hours in a single workweek (exclusive of daily overtime), all time worked in excess of forty (40) hours at the request of the Company will be compensated at one and one half times (1.5X) his regular hourly rate.

(1) 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.

(2) Time paid for and not worked on a holiday, **vacation** or Union Business will be considered as time worked for purposes of computing overtime.

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

(d) Overtime work will be distributed among the employees qualified to perform the work necessitating overtime within the crew or 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 or when there are insufficient available employees, the Company may then assign employees who are lowest on overtime to perform that 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 such overtime.

(5) Overtime will be offered within appropriate classifications and/or overtime work units prior to offering such overtime work to other classifications and/or overtime work units. If a shift is scheduled to be cross utilized in more than one (1) classification, overtime coverage (if utilized) to cover that shift vacancy, should first be proffered to the classification where the preponderance of the work falls. Employees working the overtime accept the responsibility of the entire shift, including the cross utilization assignment.

(e) An employee working overtime will not be required to work more than two (2) hours continuously after the regular work period without being permitted a meal period.

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

(g) If any work period will continue so that its termination will be 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 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 one tenth (1/10th) of an hour 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. However, only the time worked at the request of the Company beyond an authorized change of shifts in excess of eight (8) hours will be paid at the applicable overtime rates in accordance with Article 6 (a).

(k) In no event will any employee covered by this Agreement receive more than one and one half times (1.5X) his regular hourly rate (including shift differentials) under this Agreement.

(l) Overtime and the extension of scheduled hours for part time employees will be governed by the provisions of Article 43.

(m) The attachments on the following pages are agreed to by the parties and are incorporated as part of this agreement.

ATTACHMENT 6.1

Interpretive Bulletin
AA / TWU Fleet Service Agreement
Revised 11/7/03 as result of F-1713-02

Below are examples of how both Full Time and Part Time employees are paid in accordance with Articles 6, 25 and 43 of the AA / TWU Fleet Service Agreement. To determine the rate of pay on extended or overtime hours it is necessary to determine the employee's status and the combined number of hours worked beyond the regularly scheduled shift or the CS.

These examples include both Full Time and Part Time employees working their regularly scheduled shifts along with CS hours and extended or overtime hours and explain the proper payment for those extended or overtime hours. An employee's regularly scheduled shift or any CS hours are always paid at the employee's regular straight time rate of pay.

Full Time Examples

1.	0800 – 1630 Regular shift	8.0	Regular pay
	1630 – 2030 CS	4.0	Regular Pay
	2030 – 2230 Extension	2.0	2.0 OT
2.	0800 – 1630 Regular shift	8.0	Regular pay
	1630 – 1830 Hold over	2.0	OT
	1830 – 2230 CS	4.0	Regular pay
3.	0800 – 1430 CS	6.0	Regular pay
	1430 – 1630 Extension	2.0	2.0 OT
	1630 – 0100 Regular shift	8.0	Regular pay
4.	0800 – 1430 CS	6.0	Regular pay
	1430 – 1630 Early call	2.0	2.0 OT
	1630 – 0030 Regular shift	8.0	Regular pay
5.	0800 – <u>1630</u> Regular shift	8.0	Regular pay
	<u>1830</u> – 2230 CS	4.0	Regular pay
	2230 – 0230 Extension	4.0	Regular pay

The hours extended beyond the CS are exclusive of the regular shift due to a break in service and therefore paid at regular rates. The break in service (not covered by Article 25(a) Recall) causes the two work periods to be viewed independently for purposes of determining the payment of extended / overtime hours.

6.	0800 – 1630 Regular shift	8.0	Regular pay
	1830 – 2230 CS	4.0	Regular pay
	2230 – 0330 Extension	5.0	4.0 Regular pay 1.0 OT

The hours extended beyond the CS are exclusive of the regular shift due to a break in service and therefore paid at regular rates. The break in service (not covered by Article 25(a) Recall) causes the two work periods to be viewed independently for purposes of determining the payment of extended / overtime hours.

7.	0600 – 1200 CS	5.5	Regular pay
	1200 – 1400 Extension	2.0	2.0 OT
	1400 – 2230 Regular shift	8.0	Regular pay
8.	0600 – 1430 Regular shift	8.0	Regular pay
	1430 – 1630 CS	4.0	Regular pay
	1630 – 1830 Extension	2.0	2.0 OT
9.	0800 – 1630 Regular shift	8.0	Regular pay
	1630 – 1830 Extension	2.0	2.0 OT
	1830 – 2230 CS	4.0	Regular pay
	2230 – 0130 Extension	3.0	3.0 OT

Part Time Examples

1.	0800 – 1430 CS	6.0	Regular pay
	1430 – 1730 Extension	3.0	2.0 Regular pay 1.0 OT
	1730 – 2330 Regular shift	5.5	Regular pay
2.	0800 – 1430 Regular shift	6.0	Regular pay
	1430 – 2030 CS	5.5	Regular pay
	2030 – 2230 Extension	2.0	2.0 OT
3.	0800 – 1430 CS	6.0	Regular pay
	1430 – 1630 Extension	2.0	Regular pay
	1630 – 2230 Regular Shift	5.5	Regular pay
4.	0800 – 1130 Extension	3.5	2.0 Regular 1.5 OT
	1130 – 1800 Regular shift	6.0	Regular pay
	1800 – 2200 CS	4.0	Regular pay
5.	0800 – 1430 Regular shift	6.0	Regular pay
	1430 – 1730 Extension	3.0	2.0 Regular 1.0 OT
	1730 – 2130 CS	4.0	Regular pay
6.	0800 – 1430 CS	6.0	Regular pay
	1430 – 2100 Regular shift	6.0	Regular pay
	2100 – 0000 Extension	3.0	3.0 OT

7.	0800 – 1430 Regular shift	6.0	Regular pay
	1430 – 2100 CS	6.0	Regular pay
	2100 – 0000 Extension	3.0	3.0 OT

8.	0600 – <u>1000</u> CS	4.0	Regular pay
	<u>1200</u> – 1800 Regular shift	5.5	Regular pay
	1800 – 2100 Extension	3.0	2.5 Regular .5 OT

The hours extended beyond the CS are exclusive of the regular shift due to a break in service and therefore paid at regular rates. The break in service (not covered by Article 25(a) Recall) causes the two work periods to be viewed independently for purposes of determining the payment of extended / overtime hours.

9.	0800 – 1230 CS	4.5	Regular pay
	1230 – <u>1830</u> Regular shift	5.5	Regular pay
	<u>1900</u> – 0100 CS	5.5	Regular pay
	0100 – 0400 Extension	3.0	2.5 Regular pay .5 OT

The hours extended beyond the CS are exclusive of the regular shift due to a break in service and therefore paid at regular rates. The break in service (not covered by Article 25(a) Recall) causes the two work periods to be viewed independently for purposes of determining the payment of extended / overtime hours.

10.	0600 – 1430 CS	8.0	Regular pay
	1430 – <u>1630</u> Extension	2.0	2.0 OT
	<u>1700</u> – 2300 Regular shift	5.5	Regular pay
	2300 – 0100 Extension	2.0	Regular pay

The hours extended beyond the CS are exclusive of the regular shift due to a break in service and therefore paid at regular rates. The break in service (not covered by Article 25(a) Recall) causes the two work periods to be viewed independently for purposes of determining the payment of extended / overtime hours.

11.	0600 – 1430 CS	8.0	Regular pay
	1430 – 1630 Holdover	2.0	2.0 OT
	1630 – 2230 Regular shift	5.5	Regular pay
	2230 – 0030 Extension	2.0	2.0 OT

12.	0700 – 1330 CS	6.0	Regular pay
	1330 – 1930 Regular shift	5.5	Regular pay
	1930 – 2130 Extension	2.0	2.0 OT
	2130 – 2330 CS	2.0	Regular pay

13.	1200 – 1630 Regular Shift	4.5	Regular pay
	1630 – 1900 Extension	2.5	Regular pay
	1900 – 2400 CS	5.0	Regular pay

14.	1200 – 1630 CS	4.5	Regular pay
	1630 – 1900 Extension	2.5	Regular pay
	1900 – 2400 Regular Shift	5.0	Regular pay
15.	0445 – 0845 CS	4.0	Regular pay
	0845 – 1045 Extension	2.0	.3 Regular 1.7 OT
	1045 – 1900 CS	7.7	Regular pay
	1900 – 2400 Regular Shift	5.0	Regular pay

- End -

ATTACHMENT 6.2 - OVERTIME/PART TIME EXTENSION GUIDELINES

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
American Airlines System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Dear Robert,

During the course of negotiations, we discussed the administration and distribution of overtime and part time extensions across the AA system. The Company expressed its interest to modify the overtime and part time extension provisions to allow for a more economic and efficient process for all TWU Fleet Service staffed stations. However, in the interest of finding an alternative resolution it was agreed that the original intent of Article 6(d) and 43(l) would apply across all TWU Fleet Service staffed locations.

Therefore, any local overtime guidelines that do not include a specific provision or reference to 43(l) of the AA/TWU Fleet Service agreement (e.g. Wallen report) will be considered null and void and will require a need for local management and the TWU to reach an understanding on new overtime/part time extension guidelines within six (6) months from DOS. Failure to reach an understanding within the specific time frame will allow management to develop and implement guidelines for the distribution of overtime and part time extensions in accordance with Article 6(d) and 43(l).

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

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

Agreed to:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

ARTICLE 7 – HOLIDAYS

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

<u>Holiday</u>	<u>Observance</u>
New Year's Day	January 1 st
Independence Day	July 4 th
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25 th

(b) An employee required to work on any of the above holidays will receive one and one-half times (1.5x) his regular hourly rate for **all hours worked on the holiday and** at least eight (8) hours, except when an employee requests and is granted fewer hours in which event he will receive one and one-half times (1.5x) his regular hourly rate for all hours actually worked and straight time for the difference between the hours actually worked and eight (8) hours.

(c) When an employee works on his day off on any of the above holidays he will be paid in accordance with Article 6.

(d) Payment for a holiday as such will not be made to an employee on a leave of absence 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.

(1) If an employee has been absent because of illness or injury for a continuous period immediately preceding the holiday that does not exceed thirty (30) calendar days, exclusive of any vacation time, he is entitled to holiday off pay (HO) in accordance with this Article.

(2) If an employee has been absent because of illness or injury for a continuous period immediately preceding the holiday for more than thirty (30) calendar days, exclusive of any vacation time, he is deemed to be on a leave of absence and is not entitled to any holiday pay. Any pay due will be in accordance with Article 34.

(3) If an employee is scheduled to work on a holiday and is absent on the holiday, he is not entitled to any holiday pay, unless he was "excused" from working on the holiday by the Supervisor. "Excusable" reasons for not working as scheduled on the holiday include such compelling reasons as jury duty, a death in the family, a critical illness in the family requiring the attention of the employee, and bona fide union business. If the employee is excused in accordance with this paragraph, he is entitled to holiday off pay (HO).

(4) If an employee has a one (1) day absence for illness or injury on a holiday he is scheduled to work, he is not entitled to any holiday pay. Any pay due will be in accordance with Article 34.

(5) If an employee's absence for illness or injury commenced on a holiday that the employee was scheduled to work and then continues through one (1) or more workdays following the holiday, he is entitled to holiday off pay (HO) for the holiday. Subsequent absences will be paid in accordance with Article 34w.

(e) **All employees** will be required to report for duty on a paid holiday **unless on scheduled days off or on vacation**. The Company will request not later than seven (7) calendar days prior to each holiday, volunteers to **have** the holiday **off**. Notification of volunteers **awarded** the holiday **off** will, except in case of an emergency, be made not later than three (3) calendar days prior to the holiday. **Employees awarded the holiday off, under this provision, will receive holiday off (HO) pay.**

(f) Holiday work and pay for part time employees will be governed by the provisions of Article 43.

(g) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 7.1 – PART TIME SCHEDULING

October 14, 1985

Mr. E. R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
Bldg. "A", Norwood Office Park
1501 N. Norwood Dr., Suite 125
Hurst, Texas 76053

Dear Ed:

This will confirm our discussions on the provisions of Article 43(d)(2) of the Labor Agreement effective September 1, 1985 pertaining to part time employees who may be scheduled for up to eight (8) hours on specified days. If any of these days should fall on a holiday and a reduced workforce is needed on these holidays, full time employees will have preference over such part time employees for eight (8) hour shifts on the actual holidays.

Very truly yours,

S. L. Crosser
Director
Employee Relations

SLC/jlh

Agreed:

E. R. Koziatek

ARTICLE 8 – VACATIONS

(a) Employees will be entitled to and receive vacation allowance in accordance with the following:

(1) As used in this Article the term “year” is used to mean a calendar year.

(2) The following vacation allowance will apply for employees:

Length of service as of December 31 of any year	Accrual rate per month during the year ending December 31	Maximum vacation accrual
Less than 5 years	½ work day	5 work days
5 years but less than 10 years	1 work days	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 and over	2 ½ work days	25 work days

(3) In computing vacation eligibility under this Article:

In any calendar month, fifteen (15) calendar days or more of service with the Company will be considered 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) The pay for such vacation will be at the pay, which the employee would normally have received at his regular hourly rate at the time the vacation is taken.

(c) An employee may select his vacation in its entirety in weekly increments. Preference for the period in which an employee will be permitted to take his vacations will be granted within each work unit in the order of Company seniority provided, however, that vacation schedules may be so arranged within each work group 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 employees eligible will list their preference not later than

November 15th. The vacation periods will be assigned and posted on Company bulletin boards by December 1st, whenever possible. Any employee not expressing a preference will be assigned a vacation, if eligible. Except in emergency, an employee's vacation will commence immediately following his regularly scheduled days off.

(d) Vacation allowances will not be cumulative and vacation time to which an employee becomes entitled on December 31 of any calendar 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 his deferred vacation during the succeeding calendar year or to pay in lieu of same at the option of the employee, subject to the requirements of the service.

(e) An employee who takes a leave or leaves of absence which exceeds or 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 said leave or the total of the leaves which exceeds sixty (60) calendar days. However, no deduction from vacation allowance will be made for leaves of absence granted due to injury sustained while on duty. However, no employee will be required to use his vacation while on IOD. An employee will choose from open vacation periods if any exist. Vacations not able to be accommodated by reassignment to an open week by the end of the calendar year will be paid out at the end of that calendar year.

(f) (1) 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 Rate = X of Days Pay	1/2 Day X = 5/12ths 0.5	1 Day X = 5/6ths 1	1 1/2 Days X = 1 1/4th 1	2 Days X = 1 2/3rds 2	2 1/2 Days X = 2 1/12th 2
1						
2		1	2	3	3	4
3		1.5	3	4	5	6
4		1.5	3	5	7	8
5		2	4	6	8	10
6		2.5	5	8	10	13
7		3	6	9	12	15
8		3.5	7	10	13	17
9		4	8	11	15	19
10		4	8	13	17	21
11		4.5	9	14	18	23
12		5	10	15	20	25

(2) An employee who fails to give two (2) weeks' notice of resignation in writing, and the 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 or assigned a vacation period will not have his vacation dates changed without his consent, unless he is notified of such change in writing thirty (30) days in advance of the starting date of his vacation. This will not apply in case of emergency; that is, 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's scheduled days off during the week immediately following his vacation will be the same as his scheduled days off immediately preceding his vacation.

(k) Vacation allowance and rate of accrual for part time employees will be governed by the provisions of Article 43.

ARTICLE 9 - PROBATIONARY PERIOD

(a) New employees will be considered on probation for one hundred and twenty (120) calendar days. -In the event a probationary employee is granted a Leave of Absence, the probationary period will be extended by the number of calendar days equal to the period of the leave. Additionally, it is understood by the parties that the Company can release a probationary employee at any time without cause. An employee released under this section will have no right of appeal to an Area Board.

(b) An employee having qualified for promotion to a classification under this Agreement, who subsequently fails to successfully complete the required qualification test for that classification or fails to demonstrate the required ability will be returned to his previous classification and station, notwithstanding the provisions of Article 10 (h) of this Agreement.

(c) If any probationary employee is released and then reemployed within a period not exceeding his previous service, he will be credited with his prior service for purposes of Company, Occupational, and **Pay** seniority as well as for purposes of completing his probationary period.

For example: An employee released on the sixty first (61st) calendar day of his probationary period and then reemployed ten (10) calendar days later will return to work with sixty one (61) calendar days of Company, Occupational and **Pay** seniority and have fifty nine (59) calendar days remaining in his probationary period.

ARTICLE 10 - SENIORITY

(a) Company seniority will commence with the effective day of placement on the payroll.

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

(c) Occupational Group Title seniority and Company seniority will begin to accrue from the date of first assignment (e.g. training, orientation, etc...) to a classification within any Title enumerated in Article 11 for a newly hired employee. **Pay** seniority for a newly hired employee will begin to accrue when he is placed on payroll.

An incumbent employee who changes Title groups will begin to accrue Occupational and **Pay** seniority beginning the Saturday prior to the date of first assignment in the new Title Group. If an employee begins work on a Saturday he will begin to accrue Occupational and **Pay** seniority on that day.

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

(e) Occupational Group Title seniority will govern all employees in the case of promotion, demotion, 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.

(f) An employee who, as of the date of this Agreement, accepts a position with the Company outside of 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. An employee can only exercise this option once in a two (2) year period. This two (2) year period will begin 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 the 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 and 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 position outside of the bargaining unit will forfeit all Occupational seniority.

(g) An employee who accepts a temporary or acting assignment with the Company as a manager, supervisor or any special assignment outside the scope of this

Agreement will not exceed a period of three hundred and twenty (320) hours for all time worked in any calendar year. No two three hundred and twenty (320) hour temporary assignments can be made successively i.e. within ninety (90) days. The total number of hours worked, including overtime, will be included for the purposes of this section.

An extension of hours may be granted 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 day 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.

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

(h) An employee having Occupational seniority who permanently accepts a position at his own request in a classification of work in another TWU Agreement within the Company will retain Occupational seniority in the classification and Title Group from which he transferred for a period of time not exceeding his service in the former Title Group. Retained Occupational seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15(b).

(i) When an employee, who is junior to another employee, is promoted over the other employee, the senior of the two employees will continue to retain his position on the seniority roster.

(j) The following procedure will outline the proper method for determining tie breakers **of** for Occupational seniority **for initial** placement of TWU represented employees on the System Seniority list outlined in Article 13, in descending order:

- (1) Occupational seniority date
- (2) Earliest previous AA-TWU Occupational seniority date
- (3) Company seniority date
- (4) Birthday
- (5) Employee number (lowest to highest)

ARTICLE 11 - CLASSIFICATIONS AND QUALIFICATIONS

(a) Employees covered by this Agreement will be assigned to a classification within the following Title Groups:

(1) Title III - Fleet Service

(b) The classifications included in Title III - Fleet Service will be as follows:

(1) Crew Chief – Fleet Service Clerk

(2) Fleet Service Clerk

(c) The classification descriptions set forth below have been established by the Company and the Union for the purpose of determining to which particular classification specific work and duties will be assigned to an employee so classified. In establishing these classification descriptions, the parties recognize that the descriptions are not necessarily all-inclusive. When it is necessary to determine to which classification any undescribed work and duties will be assigned, the appropriate classification will be determined by where the majority of the normally assigned work and duties lie in the established classification descriptions.

Since the work of handling landing gear locks and fire extinguishing equipment when an aircraft is in a station, has not been incorporated in the classification description of Fleet Service Clerk, it will remain unclassified work which may be performed by employees under this and the Maintenance Agreement at stations to which they are assigned.

(1) CREW CHIEF – FLEET SERVICE CLERK

The Crew Chief will be responsible to management for the overall performance of the employees assigned to his crew, and the timely and satisfactory completion of work assignments by insuring that:

- A. Management instructions are promptly and correctly complied with.
- B. Employees assigned to his crew are properly utilized and instructed for the efficient performance of their daily work.
- C. Work assignments are carried out in compliance with operational and safety procedures required by the policies of the Company and appropriate Governmental Regulations.
- D. Required forms, records, reports and other paperwork are completed legibly and correctly.

E. Employees assigned to his crew use only those vehicles, tools and equipment on which the Company has determined them to be qualified.

F. Assigned equipment is in proper operating condition, scheduled for maximum utilization and operated properly for the purpose intended.

G. Hazardous conditions, unsafe practices, improperly functioning equipment and tools are immediately brought to the attention of management.

The Crew Chief will be responsible to management for insuring compliance with all Company policies, including those relating to personal conduct while on the job by those employees assigned to him.

In addition to the above, the Crew Chief will, upon request, assist management in areas such as, but not limited to:

- A. Periodic evaluation of operational requirements and performance.
- B. Operational planning and scheduling.
- C. Evaluation of training methods and techniques.
- D. Evaluation of equipment, vehicles and tools.
- E. Performance appraisal of employees by providing oral advice and comments.

The Crew Chief will be qualified in the duties of his classification and will be capable of performing these duties. He will assist his group in the performance of their duties, provided the assistance does not interfere with the performing of his primary responsibilities as described above. While he is performing the duties, his primary responsibilities will not be assumed by others. However, the above provisions do not preclude management from directing individual employees under non-routine circumstances or, in the absence of the Crew Chief, from the immediate work area. The Crew Chief may be required to demonstrate proper work methods, conduct on-the-job or classroom training, conduct meetings or indoctrinate employees in new or revised operational procedures and will communicate with other Company personnel as required in a manner designated by the Company.

Nothing in the above provisions is intended to amend or modify the provisions of Article 28(b) of this Agreement.

Any dispute arising out of the interpretation or application of this job description will be reviewed by a panel consisting of the Director Air Transport Division, Transport Workers Union, and the Vice President – Employee Relations, representing the Company, or their respective designees. The panel will issue a binding decision on such

questions of interpretation or application. In the event the panel cannot agree, the issue will then be presented to and resolved by an arbitrator designated to hear such appeals.

(2) FLEET SERVICE CLERK

SUMMARY

The work of the Fleet Service Clerk classification, depending upon assignment, includes any or all of the following: Transporting cargo to and from aircraft including from the Company to other carriers, loads and unloads the cargo compartments of airplanes with cargo (such as mail, passenger baggage, air express, air freight, ballast, and Company material) according to a predetermined plan; warehouses, weighs air freight, stacks, picks up and delivers cargo; checks cargo handled against its accompanying forms to identify any mishandling or discrepancies, corrects routine errors and brings others to Crew Chief or supervisor's attention; safeguards cargo from weather. May receive, weigh and tag passenger baggage, including recording weight by flight. Checks Post Office forms for completeness and accuracy, corrects routine errors and follows through to correct other errors by requesting information from personnel who have handled the mail in question and by referring forms which do not balance to Crew Chief or supervisor. Equips airplane cabin for a flight according to check list specifications with equipment and supplies such as rugs, linen, blankets, literature, disposal and refuse containers and changes curtains, rugs, upholstery, etc., periodically, as required by their appearance; hand cleans the interior of airplanes by such operations as hand sweeping and dusting, emptying ash trays, using specialized cleaning fluids and materials to remove stains from upholstery, cleaning the inside of windows, cleaning and servicing lavatories and buffet disposal containers, and removing of refuse; follows check list and removes each item of equipment from airplanes by such operations as removing linen, blankets, literature and refuse; **may perform cabin searches and interior and exterior security checks**, loads and transports carts of equipment to and from ramp, dock or hangar or terminal areas; works inside terminal, hangar, ramp or dock area to complete such operations as checking the condition of, sorting, cleaning, counting, salvaging and/or storing equipment, and assembling kits, packets, etc., of cabin service equipment. May use vacuum cleaners and similar mechanized cleaning aids. Checks supply of cabin service items on board against checklist specifications and replenishes as required. Checks deliveries of supplies against requisition and brings discrepancies such as substitutions, shortages and damaged materials to supervisor's attention. Works according to Company regulations and procedures and instructions from Crew Chief or supervisor. Operates air-conditioning truck, drives or guides powered equipment on ramp, warehouses, docks and in the hangar(s); has routine contacts with people outside the Company such as clerks in charge of AMF offices, personnel of other carriers; wears visual identification, uses powered equipment, such as cargoveyors, industrial tractors, forklifts, and motor scooters, etc.; uses manually operated equipment such as hand trucks, lavatory service carts, cargo and baggage carts, uses specialized cleaning fluids and equipment; uses hand tools such as pliers, fluids and equipment; uses hand tools such as pliers, screwdrivers for airfreight recouping; uses baggage or cargo

scales. Completes forms connected with work assignments according to established procedures and will communicate with other Company personnel as required in a manner designated by the Company.

In addition to the above duties, performs the following duties as assigned: deicing of aircraft; cleaning of aircraft windshields; pushing out/towing of aircraft and related guideman functions; connecting/removing ground power and ground start units.

(d) In the interest of cleanliness and safety, employees working in jobs in each of the classifications set forth above will be required to perform, as they always have performed, those housekeeping functions incident to their job as to work area, wiping tools and equipment.

(e) The Company or the Union may propose in writing to the other a specific change in any established classification description. The 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 agreed to change made will be expressed in the form of a written amendment.

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 under one classification to another classification, 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 the discussion, the Company may place such change in effect and the Union may then appeal to the System Board of Adjustment in accordance with the provisions of Article 29(e).

(f) Whenever and wherever qualifying tests are used to determine the competency of an employee for promotions, these tests will be prepared by the Company. Copies of qualifying tests and of any revised or any new qualifying tests will be furnished **to the Union in soft copy form**, prior to their use. When the Union has objections to any portions of any revisions or of any new qualifying tests, the tests may be placed in effect and the Union may take up the disputed points as a grievance under Articles 31 and 32 of the Agreement.

It is agreed that the Qualifications Administration Manual will be revised to indicate the test items which would be included under Part III (Job Procedures-Performance) for Title III Crew Chief-Fleet Service Clerk vacancies would be selected from the duties performed by the work unit to which the employee is assigned, regardless of the duties of the work unit where the posted vacancy exists. This provision will apply to qualifications tests for vacancies in Title III Crew Chief-Fleet Service.

(g) The Company will furnish the International Union with **a soft copy** of its Qualifications Administration Manual. Further, the Company will immediately furnish the International Union with **a soft copy** of any additions, deletions or changes subsequently made.

The International Union will have thirty (30) calendar days from the date of receipt of the manual and subsequent additions, deletions or changes which may be made, to notify the Company in writing of any objections as to the requirements and qualifications standards established in the manual.

In the event of objections, the Company will continue **with the implementation of their additions, deletions and/or changes** and the Union may appeal its objection to the System Board of Adjustment in accordance with the provisions of Article 29, (e).

(h) During the term of this Agreement, the Company will not continue for any period of more than two (2) months with fewer employees in the respective Crew Chief classification in ratio to the number of employees in the appropriate non-bid classification(s) than one (1) Crew Chief for 9 Fleet Service Clerks based on a system aggregate within each Title Group. The ratios will apply throughout the United States and not to a group of employees at any particular location. The Company will provide the Union with a listing of the total number of employees in each of the classifications under the Agreement as of the 15th day of each month.

Should it become necessary to increase the number of employees in a Crew Chief classification to meet the requirements of this paragraph, the additional Crew Chief jobs will be posted immediately. The Company will post the jobs for a station or stations among those with fewer employees in the Crew Chief classification in ratio to the number of employees in the appropriate non-bid classification(s) as compared to the 1:9 system ratio..

<u>Crew Chief Classification</u>	<u>Appropriate Non-Bid Classification</u>
Crew Chief – Fleet Service Clerk	Fleet Service Clerk

(i) Notwithstanding any provision in this Agreement, the Maintenance Agreement or the Stores Agreement, the Company may assign or schedule any employee to perform work of any classification under this Agreement, the Maintenance Agreement or the Stores Agreement; provided, however, the Company will not assign Fleet Service Clerks to do that work now performed by Building Cleaners.

- (1) An employee who performs two (2) or more hours of work during his daily tour of duty in a higher classification within his Occupational Title Group (i.e. Crew Chief – Fleet Service Clerk) having a higher top hourly chart rate than the classification in which he is regularly employed will be compensated at his regular hourly rate plus \$1.50 for Fleet Service Clerks per hour bid position

differential as outlined in Article 4 for only the hours worked in the higher capacity.

(2) An employee who performs two (2) or more hours of work during his daily tour of duty in a classification in a different Occupational Title Group in the Maintenance Agreement or in the Stores Agreement having a higher top base hourly rate than the classification in which he is regularly employed will be compensated at his regular hourly rate provided that rate exists in the higher classification scale. If that rate does not exist, he will receive the nearest higher hourly chart rate in that classification for his entire tour of duty.

(3) An employee who works in a classification having the same or a lower hourly rate than his own classification will continue to receive his regularly hourly rate.

(4) Notwithstanding paragraph (k) above, in those cities where there are fewer than **5475** annual scheduled departures, any Fleet Service employee may be assigned or scheduled to perform work in any classification under this Agreement, the Maintenance Agreement or the Stores Agreement. The determination of the scheduled departures will be made each January 1 and July 1 and will consider the prior twelve (12) month period.

(j) The attachments on the following pages are agreed to by the parties and are incorporated as part of this agreement.

ARTICLE 12 - PROMOTIONS AND TRANSFERS

(a) A promotion to a classification, which is subject to bidding, will be made by the appointment of the most senior qualified employee who bids for the vacancy. Qualifications for promotion will be established by the Company and may include such reasonable measurable standards as are beneficial to the efficiency of the Company's operations and to the employees. Additionally, a successful candidate must demonstrate his ability to speak, read and write English fluently.

To be considered eligible for promotion to a Crew Chief vacancy in San Juan, Puerto Rico, an employee must demonstrate his ability to speak fluently both English and Spanish.

(b) After the provisions of Article **46** (One-Station Agreement) have been exhausted, subsequent vacancies in the following classifications will be subject to bidding: Crew Chief Fleet Service Clerk. Notices of such vacancies will be **posted via the Automated Crew Chief System which is accessible on Jetnet**. The notice of vacancy will state whether the vacancies or jobs are expected to be regular or temporary, the number of jobs to be filled, the station or location, and will specify a deadline date (bid closing date) for submission of bids. The closing date will be ten (10) calendar days after the posting date. Bids **may** only be submitted via **the Automated Crew Chief System by the closing date**.

(c) An employee bidding for more than one vacancy will indicate the order of his preference on each bid, and if he is the senior bidder for more than one vacancy he will have the opportunity to qualify only for the vacancy ranked highest in his preference. Bid preferences will only be considered for vacancies that have the same closing date. All bids are awarded in bid number order.

(d) **One (1) day after** the closing date an employee will be awarded the posted job. The Company will **post the award via the Automated Crew Chief System** showing the name and seniority date of the employee selected to fill the job. **The employee will have seventy two (72) hours to accept or decline the award.** Once an employee has accepted a bid award **via the Automated Crew Chief System** he may **not** refuse the award and must report nor may the Company rescind the bid. The effective date of reclassification will be the date the employee accepts the bid award **for those employees awarded locally. For those employees outside the station accepting the bid award, the effective date of reclassification will be the report date.**

(e) If the selected employee is based in a station other than the station where the posted job is to be filled, the Company will furnish space-available transportation for the employee and for the members of his immediate family, to the extent permitted by law, from his current station to his new station. Other expenses incident to the transfer will be the responsibility of the employee.

(f) An employee who has successfully bid for a posted job and who successfully completes the qualifying test(s), and meets all other requirements and qualifications will not be held on a trial basis on his new assignment for a period longer than one hundred eighty (180) calendar days and may be demoted or returned to his former assignment in the event of his inability to perform his duties in a satisfactory manner. All employees successfully bidding a Crew Chief position will be required to have their performance evaluated by a review panel prior to the last day of their one hundred eighty (180) calendar day trial period. The Transport Workers Union is invited to participate on this panel in accordance with procedures to be decided upon. Employees who fail to meet performance expectations will be demoted as outlined below. The decision of the review panel will be final and binding, not subject to review under the grievance procedures. In the event that he is demoted, he may return at his own expense to his former classification and station. He may also, at his own expense, opt to be demoted to his former classification at his current station or take a vacancy that exists on the system in his former classification for which he is qualified provided he has the necessary seniority to obtain the vacancy. Additionally, he will not, for a period of twelve (12) months after the demotion, bid for a vacancy in the same classification.

(g) An employee has the right to bid in his own classification at any other station or work unit, but having filled a posted vacancy will not bid another vacancy in his classification for a period of twelve (12) months.

(h) During the interim required to post and fill a bid vacancy, the Company may select an employee to fill the vacancy on an acting basis. The Company will maintain pre-qualified lists in each of its work units at each station comprised of those employees regularly assigned to that work unit who successfully complete the qualifying test(s), meet all other requirements and qualifications and signifies their desire to be considered for the filling of acting Crew Chief vacancies under this paragraph. An employee on a pre-qualified list who is regularly assigned to that work unit / shift will be proffered an acting bid vacancy in order of his Occupational seniority. In the event there are insufficient volunteers, the most junior employee on the pre-qualified list will be assigned.

(1) The Company will periodically administer qualifying tests for the positions involved to the employees who have indicated a desire for pre-qualification, subject to operational needs. Additionally, an employee who has not been provided an opportunity to take the qualifications test will be considered to fill acting vacancies in accordance with his seniority, until he is provided an opportunity to test. An employee so situated who repeatedly refuses an acting

assignment will be removed from the pre-qualified list for a period of six (6) months.

(2) In the event there are no such employees, the most senior qualified employee regularly assigned to that work unit/shift will be selected to fill the vacancy on an acting basis.

(3) Employees selected to fill vacancies on an acting basis will be entitled during the period so assigned to compensation at a rate not less than that at which the job is rated. An employee assigned during the bidding procedure to an acting job in a lower classification than at which he is rated, will not have his compensation reduced to that of the lower classification.

(4) Qualifying tests may be conducted at any station where the necessary personnel and equipment are available. Testing will normally be accomplished during an employee's regular working hours. If an employee is required to take a test at any station other than his base station, or outside the employee's regular working hours his compensation and travel expenses will be authorized and paid in accordance with Article 23 and the appropriate Company regulations.

(i) When a bid vacancy is not expected to exceed sixty (60) calendar days, the Company may select an employee to fill the vacancy on an acting basis without posting the job. This bid vacancy will be filled in accordance with Article 12(h).

(1) When a bid vacancy is expected to exceed sixty (60) calendar days, or is filled continuously for sixty (60) calendar days under Article 12(h), the Company may select an employee to fill the vacancy by posting it for bid and only qualified full time and part time employees blended in occupational seniority order at the airport or work unit where the vacancy exists will be eligible to bid. No temporary bid vacancy filled by a local bid will be filled for longer than one year unless extended by mutual agreement between the Company and the Union.

(2) An employee selected to fill a vacancy temporarily will be entitled, during the period so assigned, to compensation at a rate not less than that at which the job is rated.

(3) If, at any time a bid vacancy filled on acting or temporary basis becomes regular the Company must post the vacancy on the system. Furthermore, at the end of a temporary bid the Company must either no longer fill the vacancy or post the vacancy on the system.

(2) Nothing in this Article will require the Company to call in an employee on an overtime basis to fill any bid vacancy, whether acting or temporary.

(5) The provisions of Article 12(f) will apply when an employee has successfully bid for a temporary vacancy under this paragraph.

(j) An employee who is assigned to a temporary or acting bid vacancy under the provisions of this Article will, upon discontinuance of the temporary or acting position, be returned to his former position.

(k) An employee who is transferred from one **station** to another at the request of the Company will be transferred at Company expense, in accordance with Company regulations.

Transfers

Eligibility

(l) An employee may request a transfer to fill a regular full time or part time vacancy not subject to bidding, provided that the employee's qualifications are sufficient for the conduct of the work to which he is to be assigned. An employee will be permitted to transfer before a new employee is hired at that station provided:

(1) He has successfully completed the probationary period.

(2) He has **an active transfer request on file via the online transfer system on Jetnet.**

(3) He has not completed a transfer within the six-month period preceding the transfer date **(See Attachment B).**

(4) **An employee will be notified of his transfer award via the online transfer system and his Supervisor will arrange for his release and report date as outlined in Attachment A. The Company may not rescind the transfer once awarded.**

(5) The Company at its option may fill a vacancy created by the transfer of an employee.

(6) The transfer restrictions outlined in paragraph (3) will be waived before hiring new employees in accordance with Attachment B of this Article.

The Company will, upon granting an employee's request for transfer, furnish space-available transportation for the employee and for the members of his immediate family, to the extent permitted by law, from his current station to his new station. Other expenses incident to the transfer will be the responsibility of the employee. A copy of each request for transfer from one station to another will be furnished the ranking local Union representative at the station to which a transfer is

being requested. Crew Chiefs will be permitted under this provision to transfer to an appropriate non-bid classification in their Occupational Title Group in accordance with the Attachment A and C of this Article.

Order of Filling a Full Time Vacancy in Fleet Service

Full time vacancy(s) will be filled by the most senior qualified employee(s) requesting to fill such a vacancy(s) in accordance with the following order of preference:

(1) Apply One Station Agreement provisions under Article 46;

(2) System surplus employees (either full time or part time) in the same classification provided they are senior to the most senior employee holding recall rights to that full time classification;

System surplus part time employees electing a full time vacancy will also be subject to the following:

a. Any part time employee selecting a full time vacancy as an option on this bump sheet will be blended with the tentatively awarded 12(lx) at that city.

b. The Company will match those tentative awards outlined above for those part time employees against those employees requesting a full time position in that city with a full time vacancy. The full time vacancy will be given to the senior employee(s) (either those part time employees affected by the reduction in force or the local part time employees with a valid 12(lx) on file for a full time position at that city).

c. If the vacancy is awarded to the local employee, the employee out of the station that was affected by the reduction in force and elected that vacancy as an option on his bump sheet will be allowed to exercise his next option on their bump sheet.

(3) Employee with recall rights to the full time Fleet Service Clerk position;

(4) The following blended in seniority order:

a. Employees in a full time bid classification status in the same station requesting a voluntary demotion under the provisions of Article 12(n).

b. Transfer requests of full time employees currently on payroll in the same classification in other stations (Article 12(l)) blended in seniority order with part time employees' transfer requests (12(lx)) in the same classification within the station with the vacancy.

c. Active part time employee in the same classification outside the station and have a transfer on file to the station with the vacancy.

(5) Active employee who has a valid transfer from one classification to another at their own station (12m).

(6) Active employee who has a valid transfer from one classification to another at another station.

(7) Employee on layoff status in the same classification in which the vacancy exists and who submits a transfer request after being laid off adhering to all procedural and qualification requirements under Article 12(l).

(8) Employee on layoff status in a classification other than the classification in which the vacancy exists who submits a transfer request after being laid off and who meets all procedural and qualification requirements under Article 12(m).

(9) Transfer requests by an employee currently in the Simulator Technician or Instructor Agreements.

(10) New hire.

(m) Subject to the provisions of the Agreement to which an employee desires a transfer, and after the provisions of Article 12(l) of this Agreement have been exhausted an employee may request a transfer from a classification covered by this Agreement to fill a regular full time or part time non-bid vacancy in the Maintenance Agreement, Stores Agreement, **Simulator Technician Agreement, Instructor Agreement** or the **Maintenance Control Technician** Agreement, provided he first meets the requirements **pursuant to the terms and conditions of that particular agreement.**

(1) He has successfully completed his probationary period;

(2) He has not completed a transfer within the six-month period preceding the transfer date;

(3) A vacancy created by the transfer of an employee may be filled or left unfilled by the Company at its option;

(4) Once an employee has accepted a transfer award, he may **not** refuse and must report to his new station nor may the Company rescind the transfer, and;

(5) The transfer restrictions outlined in paragraph (2) will be waived before hiring new employees in accordance with Attachment B of this Article.

Selection for the vacancies described in Article 12(m) will initially be confined to employees in the title group in which the vacancy exists in the order of their relative seniority, but will be filled as follows:

(1) The first group to be considered for the transfer will be those employees within the same Occupational Title Group and located at the same station or stations covered under the one-station agreement as the vacancy;

(2) The second group to be considered for the transfer will be those employees within the same Occupational Title Group as the vacancy but located at a different station than the vacancy;

(3) The third group to be considered for the transfer will be those employees in a different Occupational Title Group as the vacancy, but located in the same station or stations covered under the one station agreement as the vacancy;

(4) The final group to be considered for the transfer will be those employees in a different Occupational Title Group and located at a different station than the vacancy.

In the event two or more employees have the same Occupational Title Group seniority, Company seniority will determine the selection.

Employees transferring into the Fleet Service Agreement will be considered for regular full time or part time non-bid vacancies in accordance with Attachments A, B and C provided:

- (1) He has successfully completed his probationary period;
- (2) He has not completed or refused a transfer within the six-month period preceding the transfer date;
- (3) A vacancy created by the transfer of an employee may be filled or left unfilled by the Company at its option;
- (4) Once an employee has accepted a transfer award he may **not** refuse and must report to his new station nor may the Company rescind the transfer;
- (5) The transfer restrictions outlined in paragraph (2) will be waived before hiring new employees in accordance with Attachment B of this Article.

(n) An employee may request a demotion from the position of Crew Chief, in accordance with Attachments A, B and C in this Article. An employee successfully requesting this demotion will not be permitted to bid for another vacancy in that classification for a period of twelve (12) months following the effective date of the demotion.

(1) An employee demoted for cause, will not be permitted to bid for another vacancy in this classification or serve in an Acting Crew Chief position for a period of twelve (12) months following the effective date of such demotion and must successfully complete the qualifying test(s), meet all other requirements and qualifications to act or bid on future vacancies. When demoted for cause an employee will be returned to his former classification at his current station.

(2) The Company will offer a fifteen (15) day open window in March every twelve (12) months for any Crew Chief to self-demote. Following this self-demotion window, the jobs to be vacated by the self-demotion process will be posted for bid and awarded on a local airport basis only. If more employees desire to self-demote, than those bidding for the jobs at that airport, self-demotions will be limited to the number requesting to backfill the positions from that airport. If insufficient local bidders are available, the self-demotions will be permitted in seniority order up to the number of bidders. The effective date of this reclassification will be the first day of work in the new job.

Crew Chiefs self-demoting through the special self-demotion process will be required to wait for a period of twelve (12) months to bid another regular or temporary vacancy or function as an Acting Crew Chief.

(o) An employee who desires to promote to a higher classification under the provisions of Article 12(m) must pre-qualify by successfully completing the required pre-qualification test for that classification in accordance with the Qualification Administration Manual.

(p) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT A (Revised)

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
American Airlines System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

**Re: PROCEDURES FOR TRANSFERS
TITLE III**

Dear Robert,

The Company and the TWU have agreed to implement the following procedures in order to clarify the transfer process. Due to the criticality of verifying employees background history, many employees have transferred to stations only to be informed by outside agencies that they have not been approved with credentials to work at their new station. This new procedure will ensure that an employee is aware of their status of clearance prior to the employee relocating to the new station.

- 1. The procedures only apply to transfers.**
- 2. The procedures apply to those employees covered under the agreement between American Airlines and the Transport Workers Union covering Fleet Service employees.**
- 3. The procedures will be handled between the stations (as they are today) i.e., report dates, report locations, etc.**
- 4. On the date the employee is notified of the transfer award the employee must report to his new station for the purpose of completing all necessary requirements to work at that station no later than his first days off following the notification. This includes, but is not limited to, fingerprinting for SIDA access and criminal history background checks for U.S. Customs and approved U.S. Customs seals. The employee may also be required to complete any AA administrative information during this visit.**
- 5. Upon completion of #4 as noted above, the employee will return to his/her station and await approval of all background checks, etc.**

6. Once approved, the employee will be given a report date by his/her Supervisor.
7. If not approved, the employee will remain in his/her station. Under the AA/TWU agreement, this will not be treated as a refusal of transfer by the employee or a rescission of transfer by the Company.
8. If the employee fails to complete the process in a timely manner, as outlined above and the employee does not complete the transfer, this will be considered as a voluntary resignation by the employee.
9. Employees will be provided a round trip A12 Company business pass for the purpose of completing the administrative requirements as outlined above.
10. All travel will be completed on the employee's own time. The employee may either complete the requirements on his days off or seek other unpaid opportunities, i.e., Change of Shift (CSO).
11. Since security offices are closed on weekends, for those employees who have Saturday/Sunday off, the Company may change the employee's days off for that specific week to Sunday/Monday unless other arrangements are made.
12. It is understood and agreed that this procedure will be in effect for six (6) months from the date of signing as indicated below. Additionally, the parties agree to meet and discuss the procedures within sixty (60) days of the end of the six (6) month period. At that time, the parties may mutually amend the policy or, in the event the parties are unable to agree, either party may elect to terminate the procedure in its entirety.

Agreed to:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union, AFL-CIO**

**James B. Weel
Managing Director
Employee Relations**

**cc: Tim Gillespie
TWU/ATD**

ATTACHMENT B

(July 16, 1991 **DOS** revised)

A review of the applications of Articles 12(l), 12(m) and 12(lx) and the requirement to wait 6 months after completing one of these transfers prior to submitting and/or eligibility for another. The parties agreed that each of these paragraphs is a separate and distinct contractual right. The following is a simplified chart outlining our understandings:

1. An employee who desires a 12(lx) - Part Time to Full Time/Full Time to Part Time transfer at his station:

An employee who:	Six-month wait required:
Has not completed probation	No
Completed a previous 12(lx) at the station	Yes
Completed a 12(l) transfer into the station	No
Completed a 12(m) transfer within or into another station	No

2. An employee who desires a 12(l)-Station to Station transfer:

An employee who:	Six-month wait required:
Has not completed probation	Yes
Completed a 12(lx) transfer at the station	No
Completed a 12(l) transfer into the station	Yes
Completed a 12(m) transfer within the station	No
Completed a 12(m) transfer in from outside the station	Yes

3. An employee who desires a 12(m) Change of Classification at his station:

An employee who:	Six-month wait required:
Has not completed probation	Yes
Completed a 12(lx) transfer at the station	No
Completed a 12(l) transfer into the station	No
Completed a 12(m) transfer from within or outside the station	Yes

4. We have agreed that employees affected by a reduction in force and located to a different city, may 12(m) back to their original city without any waiting period.
5. We have agreed that where a six month wait is required above, this requirement may be waived upon mutual agreement between Employee Relations, **the applicable operating management** and the International TWU prior to hiring new employees. The Union must receive a written request from an employee who desires this exception.

ATTACHMENT C

(March 24, 1999 revised)

Crew Chiefs may self-demote under 12(n), after they have successfully completed the 180 day trial period, by exercising their seniority under Article 12(**l**) and the provisions outlined in Article 43(c).

The following identifies the appropriate six month wait requirements for transfer following the corresponding 12(n) self-demotion:

1. You have self-demoted within classification and station:
Six-month wait not required to transfer under 12(l), 12(m) or Shop to Shop.
2. You have self-demoted within classification, out of station:
Six-month wait required to transfer under 12(l), 12(m) or Shop to Shop.
3. You have self-demoted out of classification, within station:
Six-month wait required to transfer under 12(l), 12(m) or Shop to Shop.
4. You have self-demoted out of classification and station:
Six-month wait required to transfer under 12(l), 12(m) or Shop to Shop.

Note: Eligibility for transfer with regard to changes in status [12(lx)] is covered in the Attachment B of Article 12.

Examples of self-demotions and transfer requests as outlined in Attachment C above:

1. Within classification and station:
 - a. Crew Chief -Fleet Service at DFW self-demotes 12(n) to Fleet Service Clerk at DFW. Self-demotion is within classification and station. Six-month wait not required to transfer 12(l) Fleet Service out of DFW or 12(m) to another classification within DFW or out of DFW.
 - b. Crew Chief- Stock Clerk at TULE self-demotes 12(s) to Stock Clerk at TULE. Self-demotion is within classification and Station. Six-month wait not required to transfer 12(l) Stock Clerk out of TULE, 12(m) to another classification within TULE or out of TULE or Shop to Shop at TULE.
 - c. Crew Chief-AMT at TULE self-demotes 12(n) to AMT at TULE. Self-demotion is within classification and station. Six month wait not required to transfer 12(l) AMT out of TULE or 12(m) to another classification within TULE or out of TULE or Shop to Shop at TULE.

2. Within classification, out of station:
 - a. Crew Chief- Automotive at SJC self-demotes 12(n) to Automotive Mechanic at SF0. Self-demotion is within classification, but is out of station. Six-month wait required to transfer 12(l) Mechanic (Facilities or Automotive) out of SF0 or 12(m) to another classification within SF0 or out of SF0.
 - b. Crew Chief- Fleet Service at DFW self-demotes 12(n) to Fleet Service Clerk at LAS. Self-demotion is within classification, but is out of station. Six-month wait required to transfer 12(l) Fleet Service Clerk out of LAS or 12(m) to another classification within LAS or out of LAS.
 - c. Crew Chief- Cabin Cleaner at ORD self-demotes 12(n) to Cabin Cleaner at DFW. Self-demotion is within classification, but is out of station. Six-month wait required to transfer 12(l) Cabin Cleaner out of DFW or 12(m) to another classification at DFW or out of DFW.
3. Within station, out of classification:
 - a. Crew Chief- Aircraft Cleaner at AFW self-demotes 12(n) to Parts Washer at AFW. Self-demotion is within station but out of classification. Six-month wait required to transfer 12(l) Parts Washer out of AFW, 12(m) to another classification at AFW or out of AFW or Shop to Shop at AFW.
 - b. Crew Chief- Stock Clerk at TULE self-demotes 12(s) to SRP at TULE. Self-demotion is within station, but out of classification. Six-month wait required to transfer 12(l) SRP out of TULE, 12(m) to another classification at TULE or out of TULE or Shop to Shop at TULE.
 - c. Crew Chief- Fleet Service Clerk SAN self-demotes 12(n) to Aircraft Cleaner SAN. Self-demotion is within station, but out of classification. Six-month wait required to transfer 12(l) Aircraft Cleaner out of SAN, 12(m) to another classification at SAN or out of SAN.
4. Out of classification and station:
 - a. Crew Chief- Fleet Service at DFW self-demotes 12(n) to SRP at AFW. Self-demotion is out of classification and station. Six-month wait required to transfer 12(l) SRP out of AFW, 12(m) to another classification at AFW or out of AFW or Shop to Shop at AFW.
 - b. Crew Chief- Stock Clerk at LAX self-demotes 12(s) to Automotive Mechanic at DFW. Self-demotion is out of classification and station. Six-month wait required to transfer 12(l) Mechanic (Automotive or Facilities) out of DFW, 12(m) to another classification at DFW or out of DFW.

c. Crew Chief- Fleet Service Clerk at MIA self-demotes 12(n) to Aircraft Cleaner at SJU. Self-demotion is out of classification and station. Six-month wait required to transfer 12(l) Aircraft Cleaner out of SJU, 12(m) to another classification at SJU or out of SJU.

ATTACHMENT 12.1

January 22, 1988

Mr. E. R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
Building "A" - Norwood Office Park
1501 No. Norwood Drive - Suite 125
Hurst, Texas 76053

Dear Mr. Koziatek:

This is to confirm our discussions specifically addressing the question of whether an employee who bids and is awarded a Crew Chief position at his own station may bid for and be awarded a Crew Chief position in another station before completing twelve (12) months of service as a Crew Chief at his own station.

We hereby agree that a Crew Chief who bids and is awarded a Crew Chief position in his own city, may bid and be awarded a Crew Chief job in another station within the regular twelve (12) month lock-in period, provided that such Crew Chief shall have successfully completed the 180 day probationary period as required by the Agreement.

This is not intended to modify in any way the past application of provisions of the Agreement or any arbitration decision heretofore issued clarifying the intent and practice with respect to filling of bid vacancies.

Sincerely,

James Enright
Managing Director

Employee Relations

Agreed:

E. R. Koziatek

ATTACHMENT 12.2 – BIDS & ELIGIBILITY

September 22, 1999

Mr. James C. Little
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Reference: Bids & Eligibility

Dear Jim,

As discussed at the July 28, 1999 President's Council meeting in San Francisco, this letter will serve as a means of clarification and understanding regarding eligibility for a bid job. Bid jobs include Technical Crew Chief, Crew Chief and Inspector vacancies.

Currently, basic eligibility requires that an employee be eligible for award on the date the bid opens.

Example 1: Employee awarded a bid 1/1/99 is not eligible for a future bid that opens on or before 1/1/00.

An exception is made when employees are bidding to change status "at their own station". For a change of status bid at their own station, there is no waiting period. Moreover, this award is made based on where the employee is located on the date of the award, not when the bid opens.

By way of this memorandum, eligibility for bid vacancies shall be determined based on whether or not the employee is eligible during the ten days the vacancy is posted.

Example 2: Employee awarded a bid 1/1/99 is eligible for a future bid that closes after 1/1/00.

An exception will continue to be made for change of status bids. However, the award date will no longer be used to determine eligibility. An employee must have reported to the station where the vacancy exists prior to a bid closing in order to be considered eligible.

Sincerely,

Agreed:

James. B. Weel
Managing Director
Employee Relations- Ground

James C. Little
AA System Coordinator
Transport Workers Union

ATTACHMENT 12.3 – TRANSFER CHANGES

DOS

**Mr. Robert F. Gless
Deputy Director - ATD
American Airlines System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Dear Robert,

During the 2008 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 the following Friday at 2359 CST.**
- Any employee whose name appears on the list after 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,

James B. Weel
Managing Director
Employee Relations

Agreed to:

Robert F. Gless
Deputy Director - ATD
AA System Coordinator

Date:

ATTACHMENT 12.4- GROUND SERVICE EMPLOYEES

March 1, 2001

Revised: DOS

**Mr. James C. Little
International Vice President
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054**

RE: GROUND SERVICE EMPLOYEES

Dear Jim,

During the discussions leading to the agreement of **DOS_____, the following was agreed to and revised as indicated below as a result of the outsourcing of all Title III and Title IV fueling work:**

A. All Title IV Ground Service Employees will be identified by an asterisk, and their placement on the Title III list will be based on their occupational seniority standing on the March 15, 1991, Title IV seniority list. Such employees will continue accruing concurrent Title III and Title IV seniority from the effective date of October 7, 1991. Title III Occupational Seniority accrued by a Title IV Ground Serviceman may only be exercised in the event of a Reduction of Force.

B. A Title IV Ground Serviceman, while on layoff with recall rights to Title IV, may exercise his/her Title IV occupational seniority to transfer, pursuant to Article 12 (I) (8), into Title III Fleet Service and once transferred into Fleet Service will be allowed to exercise his/her accrued Title III occupational seniority for the purposes of bidding shifts and days off.

C. The employees identified in accordance with Paragraph A may elect, at their option, to exercise their accrued Title III seniority rights in lieu of their Title IV seniority rights, in order to maintain employment at their station or within the American Airlines system.

D. An employee having Title IV seniority who permanently transfers at his own request to a classification of work in another Title group or under the Stores Agreement shall retain seniority in the classification and Title group from which he transferred for a period of time not exceeding his service in the former title group. Such retained seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15(B).

•

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

**Agreed to this date:
James C. Little**

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, **job protection codes, and station will be posted and maintained on Jetnet and will be updated each evening 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 employee's 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 **submit a completed** Protest Form to the Local Union office. The Local Union will forward a copy of the Protest Form to the appropriate Human Resources office. Protest Forms must be accompanied by supporting documentation **or they will not be accepted.**

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 of 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, resulting from a transfer bypass, pay seniority will be adjusted simultaneously.

The parties agree to form a subcommittee with an 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 said seniority except as provided in this Agreement.

(b) An employee who is discharged for just cause will forfeit all seniority accrued to date of such discharge. An employee who resigns from the service of the Company will forfeit all seniority accrued to 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 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/her resignation, Emp. A will continue to accrue Title I and Title III Occupational seniority as outlined in Article 16 (a).

An employee who exercises his rights under Article 14(b) as outlined above, does not have rights to transfer, as if he was a laid off employee.

(c) If an employee who has been laid off is offered the opportunity to return to the service, in other than temporary work, and such offer of recall is to employment of the same classification and status as laid off from (full time to full time or part time to part time), and such employee elects not to return to the 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 demotions and reductions in force of full time and part time employees for lack of work will be handled separately in accordance with seniority, as provided for in Article 10(e).

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

(1) Exercise his seniority to fill a vacancy or displace the junior employee at his station in his own or lower classification within his Title Group in either status (i.e. part time or full time), or

(2) If he has completed his probationary period, he may exercise his seniority to fill a vacancy at another station in his classification, in either a full time or part time position, not subject to bidding, in accordance with the provisions of Article 12, or

(3) If he has one (1) year or more of seniority, he may exercise his seniority to displace the employee or employees with the least system seniority in his own or lower classification, in either a full time or part time position, or

(4) If he is retaining seniority in another Title Group, he may exercise that retained seniority, but only at his own station. If that 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. If no 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 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 provided he has sufficient seniority. The number of least senior employees in the appropriate classification (both full time and part time) 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 employee displaced as a result of an employee exercising his

seniority 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 **via e-mail** 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) 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 station under the provisions of Article 15(b).

(e) Upon request of the Local Union President, an employee may, within seven (7) calendar days, appeal to a review panel composed of the Director of the Air Transport Division and the Vice President, Employee Relations, any disputes regarding the Reduction in Force application or administration.

(f) Transfer requests by employees on layoff status will be covered under the provisions of Article 12 of this Agreement.

(g) A Fleet Service employee who has accepted layoff and who has been removed from payroll will accrue **Pay** seniority for the duration of the period on layoff, not to exceed ten (10) years as outlined in Article 16.

LETTER OF MEMORANDUM

**LETTER OF MEMORANDUM – FT CREW CHIEF FILLING A PT CREW CHIEF
VACANCY DURING A REDUCTION-IN-FORCE**

**Robert F. Gless
Deputy Director – ATD
AA System Coordinator
Transport Workers Union of American, AFL – CIO
1791 Hurstview Drive
Hurst, TX 76054**

DOS

RE: FT Crew Chief filling a PT Crew Chief Vacancy

Dear Robert,

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

**With the reinstatement of part-time Crew Chiefs we have agreed, on a one time
basis and as part of the implementation of this agreement, to provide an option
for full time Crew Chiefs affected by the reduction in force, the opportunity to
select, based on seniority, a part time Crew Chief vacancy (if one exists on the
option sheet) locally.**

**If this letter accurately reflects the agreement of the parties, 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
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of
American, AFL-CIO**

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 such layoff. All seniority will be cancelled and recall rights forfeited if the employee is not recalled by the Company within ten (10) years from the effective day of layoff. Employees who remain on payroll will accrue seniority and retain recall rights indefinitely. The Company and the respective TWU Local President will agree on the current recall list within ninety (90) calendar days of the date of ratification of this agreement.

(b) A laid off employee will only have recall rights for the period indicated in Article 16(a), to a job in the classification and station from which he was laid off, except that an employee **laid off** from a bid job in connection with a reduction in force will not be subject to recall to **the** bid job. An employee **laid off** from a bid job will retain recall rights in accordance with Article 16 (a), to a job in the next lower non-bid classification in his Occupational Group Title at the station from which he was laid off. An employee laid off from a full time position will also have recall rights to a part time position in the classification and station from which he was laid off. An employee declining such recall to a part time position will not lose recall rights to a full time position at that station.

(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 Article 16(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 a lower classification within his own Occupational Group Title will retain recall rights in accordance with Article 16 to the classification and station from which he was first **laid off**.

An employee who, in lieu of layoff, exercises his seniority to displace an employee in another classification and Occupational Group Title in which he holds seniority, or accepts a vacancy in any other Occupational Group Title at time of layoff, or before expiration of his recall rights will accrue seniority in the Occupational Group Title to which he transferred in accordance **with** the applicable Agreement in addition to accruing and retaining seniority in accordance with Article 16 (a) and retaining recall rights in accordance with Article 16(b). Further, should an employee bump through one or more classifications and eventually be laid off, he will retain recall rights to each such classification and Title Group.

An employee having such multiple recall rights will have the option of accepting or waiving recall rights to each such 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 reduction in force will maintain a current address **and phone number** with the Company. Any change in address **and/or phone number** must be **updated on Jetnet or** by calling Employee Services@ 1-800-447-2000. All notices of recall **which include instructions and a required report date**, will be made **in writing** (telephonic notifications are okay if confirmed in writing) via overnight mail/express (i.e. U.S. Post Office, Federal Express or equivalent) return receipt requested. All employees must **accept or refuse utilizing the online tool**, within **seven (7)** calendar days of the date of mailing postmark of the recall letter. **An employee who has accepted recall must initiate and complete the employee portion of the background and fingerprint process via the online tool within forty-eight (48) hours (exclusive of weekends and holidays) of acceptance of the recall. Any additional information requested by Talent Services must be provided within a reasonable specified time.**

Any employee who **has been laid off and is off payroll** that fails to notify the Company **of acceptance/refusal within seven (7) calendar days, fails to initiate their portion of the background and fingerprint application process within the forty-eight (48) hours (exclusive of weekends and holidays) of acceptance of recall, or who fails to provide any additional information requested within specified time** or who fails to return to duty **on the required report date** will be considered to have refused recall and will lose all rights to **any** recall and his seniority will be forfeited **in that Title group**.

If the employee requires an extension to any of the above time limits due to extenuating circumstances, it must be requested through Talent Services and/or at the phone number provided in the instruction packet prior to the original deadline. The Company will furnish the ranking Local Union Representative a copy of all recall letters.

(f) An employee who has been laid off, and who has been out of the service for a period of twelve (12) months or more, may be required to take the tests (excluding medical tests) as may be necessary to establish that he is qualified to perform the work to which he is to be assigned, provided that the tests are not given less than sixty (60) calendar days after his recall.

(g) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 16.1

March 25, 1994

Mr. Edward R. Koziatek
International Vice President - TWU
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Ed.

There have recently been some questions regarding an employee's recall rights if he is laid off from more than one, non-bid, position and whether he maintains recall rights to only the classification and station from which he was first released (article 16, paragraph (c) and (d)).

In accordance with article 16, paragraph (b) of the agreement, an employee has recall rights to a job in the classification and station from which he was laid off, with the exception of bid jobs. It is our understanding that if the employee is subsequently laid off from another position, he shall retain recall rights to each job in the classification and station from which laid off with the exception of bid jobs.

Please sign below if this is your understanding of the agreement.

Sincerely,

Stanley L. Crosser
Managing Director
Employee Relations

Edward R. Koziatek
International Vice President
Transport Workers Union

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 employees 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 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) calendar 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 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 TWU represented employees who have completed their 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/shop/shift where a vacancy exists and will, thereafter, be permitted to exercise his seniority on the next available shift selection. Temporary Crew Chiefs will be utilized to fill Crew Chief vacancies of over thirty (30) calendar days which occur as a result of Overage Leaves.

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

d. Holidays that occur during an OL will not be paid.

e. 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.

f. 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.

g. Benefit coverage and application not specifically provided in Article 17 will be applied in accordance with Company policy.

(e) When an **employee is placed on an unpaid leave 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 employee's 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 employee's 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 "FMLOA" 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 Article 17, between the Company and an employee on a leave of absence will be via **U.S. Mail, Return Receipt Requested**, or equivalent carrier, Certified Mail **to the employee's last known address.**

(i) 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.

(j) Any changes 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.

(k) The rights of an employee on a leave of absence under the provisions of Articles 17 and 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.

	Personal Leave	Union Leave	Government Leave	Overage Leave	Unpaid Sick Leave of Absence (including Maternity)	Unpaid Injury on Duty Leave	Military Leave	Family Leave
Duration of Leave	Up to a total of 12 months	Up to 12 months or term of office	Term of office	Minimum of 6 work days, up to 1 year	Up to 5 years	Up to 5 years	Up to 5 years or in accordance with Federal law	Up to 84 calendar days (12 weeks)
Accrual of Company Seniority	Up to 90 calendar days	Duration of the Leave	None	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave
Accrual of Occupational Seniority	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave, not to exceed 90 calendar days
Accrual of Pay Seniority	None	Duration of the Leave	None	Duration of the Leave	Up to 30 calendar days	<i>Duration of the Leave</i>	Duration of the Leave	Up to 30 calendar days
Vacation Accrual	Up to 60 calendar days, then reduced	Duration of the Leave	None	Duration of the Leave	Up to 60 calendar days, then reduced	Duration of the Leave	Duration of Leave	Up to 60 days, then reduced
Sick Leave Accrual	None	Duration of the Leave	None	Duration of the Leave	Up to 60 cal. days, then reduced	Duration of the Leave	Duration of Leave	Up to 30 calendar days
Pension / Credited Service Accrual	None	None	None	None	None	None	None	None
Reinstatement Rights	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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 such leave. An employee, if he so desires, will be able to use any accrued or unused vacation during this leave.

(d) **An employee having sufficient seniority to exercise options at the time of layoff, although** on military leave either at his own station or **on** the system and subsequently exercises those options upon return to active payroll, **will have** no adjustments made to his seniority (Company, Occupational, and **Pay**).

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

An employee on Military Leave of Absence 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 **Pay** seniority.

ARTICLE 19 - TERMINATION OF EMPLOYMENT

(a) An employee laid off through no fault of his 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 hourly chart 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 hourly chart 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. These 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 - WORK SCHEDULES

(a) The Company will publish and post work schedules for selection, a minimum of three (3) times per calendar year. **The Company and the TWU may mutually agree to fewer than (3) bids per calendar year.**

(1) The duration of a work schedule will not exceed five (5) months except by mutual agreement between the Company and the Local Union.

(2) The frequency of work schedules may be increased subject to the requirements of the service or decreased by mutual agreement between the Company and the Local Union.

(3) All information and shifts relating to work schedules, work areas and days off selection will be posted at least seventy-two (72) hours prior to the commencement of the selection process unless currently or otherwise agreed to between the Company and the Local Union.

(4) Seniority will determine work schedule selection.

(b) Vacancies in Cargo and Ramp Services will be filled at the Company's option by first offering lateral reassignment between work units. This reassignment will be honored before transfer requests from other locations are considered and before new employees are hired. An employee who desires a lateral assignment must file a request with the appropriate administrative office.

(c) Work schedule selections between Cargo and Ramp Services will be combined once per calendar year at stations where combination (crossover) bids are currently administered or where these combination (crossover) bids are mutually agreed upon between the Company and the Local Union.

As a result of a crossover bid the maximum amount of employees that may crossover between departments will be limited to ten percent (10%) of the smaller workforce or three (3) employees, whichever is greater.

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

(e) 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. Employees will not receive short turn pay as a result of a shift bid. For short turn purposes, vacation relief will not be considered a shift bid.

(f) Except in extreme emergencies, an employee will be given at least seven (7) days' notice of all shift changes. If the employee is not given seven (7) days' notice, the affected employee will be compensated at one and one-half times (1.5X) his regular hourly rate for the first day on the new shift.

(g) Subject to local operating conditions and the qualifications of employees affected, Union representatives will, upon request, be assigned to fixed shifts. Arrangements will be worked out at each station by the designated Union local representative and the local manager.

ARTICLE 22

(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 time spent at the hearing or investigation in the same manner as though the time was spent at his regular work.

For purposes of continuity during a hearing or investigation and at management's request, when a Union Representative, who is involved in a hearing or investigation, is required to remain involved beyond his scheduled shift he will be paid for time spent at the hearing or investigation in the same manner as though the time was spent at his regular work.

(b) 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 these classes at his regular hourly rate and the time will be deemed as time spent at his regular work for all purposes. However, any time spent before or after regular work hours will not be classed as overtime and will be compensated for, when attendance is required by the Company, at the employee's regular hourly rate. An employee required to travel on any scheduled work day in conjunction with training away from his base station, before, during or after a regularly scheduled shift will be compensated at the employee's regular hourly rate.

(c) An employee required to attend training on any scheduled day off will be compensated for the time at one and one-half times (1.5x) his regular hourly rate for a minimum of eight (8) hours. An employee required to travel on any scheduled day off in connection with training away from his base station will be compensated for travel time at one and one-half times (1.5x) his regular hourly rate, but in no event less than eight (8) hours compensation at one and one-half times (1.5x) his regular hourly rate for travel during each twenty-four (24) hour period starting with the commencement of travel time.

Travel time 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 with the actual **gate** arrival at the airport of destination.

(d) An employee will, while away from his station, be paid actual expenses for meals, lodging and transportation. All expenses must be approved and paid for by the Company. Whenever receipts are not provided, the employee will be paid in accordance with **Company Policy**.

(e) When the Company provides training at a station on a new type aircraft, equipment or component parts, employees at the station regularly performing the work involved will normally be assigned to the training in order of their seniority, to the extent of the number required, where the training is deemed necessary for their regular work assignment.

(f) Training normally will be scheduled to provide at least seven (7) calendar days' notice to 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 such 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) Where a training period results in less than seven and one half (7.5) hours rest prior to the employee's regular shift in the succeeding workday (short turn), an employee will be paid in accordance with the provisions of Article 6(g).

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 the 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 that purpose.

ARTICLE 25 - RECALL AND CALL-IN WORK

(a) RECALL

An employee who has been relieved from duty and has left the premises and 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 time and one-half his regular hourly rate. Time taken for meals will not terminate a continuous service period.

(b) CALL-IN

When an employee is called to work which commences prior to the beginning of his regular shift, he will be paid at the applicable overtime rate for all time up to the beginning of his regular shift, excluding a meal period. **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.).**

Example:

Call-in Work	0400-0800	4.0 hrs (1.5x times)
Regular Shift	0800-1630	8.5 hrs (1.0x times)
CS Off	1200-1630	4.5 hrs
Total time paid	10.0 hrs = (4 x 1.5x = 6 hrs) + (4 x 1.0x = 4 hrs)	

ARTICLE 26 - FIELD WORK

(a) When an employee is required to perform work away from his 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 station, whether traveling, on call or working.

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

(c) An employee required to travel in excess of eight (8) hours will be compensated for all travel time required in accordance with Article 6. Compensated travel will be considered as time worked.

(d) When an employee is required to perform work away from his station on a day during which he reported to work at his station, all continuous time, whether traveling or working, will be computed as working time 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 such assignment, the employee will, while away from his station, be paid actual expenses for meals, lodging and transportation. All expenses must be approved and paid for by the Company. Whenever receipts are not provided, the employee will be paid in accordance with **Company policy**.

(g) At those stations where there is no existing procedure governing the assignment of field work, such a procedure will be established.

ARTICLE 27 – GENERAL

(a) All orders to and requests from an employee involving transfers, promotions, demotions, layoff, **recall**, 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 this Fleet Service Agreement, the Maintenance Agreement, **Maintenance Control Technicians** Agreement or in the Stores Agreement 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.

(1) 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 the 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) Employees will be required to wear work clothing that is reasonably suitable and safe for the type of work they are assigned.

(d) Where employees are required by the Company to wear standard Company uniforms, the uniforms including parkas and jackets will be furnished by the Company. In the case of jackets, the Company will reimburse the employee for any laundry or cleaning. Lettering of any description other than standard AA insignia as prescribed by the Company will not be permitted on any work clothing, except that employees may wear the standard TWU insignia on work clothing or hats. TWU pins may be worn on the Company uniform jacket. Standard uniforms will be exchanged for maternity uniforms upon request.

(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. Work areas and washrooms will be lighted and heated in the best manner possible consistent with the source of heat and light available. At field stations, 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 fields and 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 on the system where employees are stationed. It will be the duty of the 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;

(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 by mutual agreement between the Company and the Union a minimum of once per month, **or by mutual agreement, combined with other monthly safety related meetings.**

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 issue will be first submitted to the APC for resolution, prior to sending to the System Joint Safety Committee. The APC will meet a minimum of once per month and may be combined with the Joint Safety Committee for this purpose. The Transport Workers Union is invited to participate on the APC.

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) The Company will furnish all necessary safety devices for employees working on hazardous or unsanitary work, and employees will be required to use or wear the devices in performing that work. 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 provide the Union with the results of any management or government health and safety survey concerning the employees represented by the Union.

(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.

(1) Upon request, the option of up to two (2) days of personal emergency (PEU) days without pay will be extended to an employee, in conjunction with PE days.

(i) Employees called for jury duty will be paid his regular hourly rate for all regularly scheduled hours less the fee received for jury services. 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.

Employees assigned to other types of jury duty, (e.g. telephone standby, single day jury duty, etc.) will have their work schedules adjusted only to the extent necessary to accommodate the actual jury service requirement.

(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) Upon ratification and at local orientations of new employees, the Company will provide each employee with a pocketsize copy of this Agreement as expeditiously as possible. Spiral bound copies of this Agreement will be provided to the Local Union Officers, upon request of the Local Union President.

(k) The Company will forward to the Director of the Air Transport Division of the Union copies of Company regulations expressly referred to in the Agreement. Revisions to these regulations will also be forwarded.

(l) The Company will forward to the ranking Local Union Representative a copy of the shift bid / work schedule for the station. The shift bid / work 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 employees, 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 hand, foot 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) No employee will incur any cost associated with the initial issue or renewal of Company or associated Airport / Base required ID badges. When possible, an employee who is required to obtain or renew airport badges will be afforded that opportunity during his scheduled shift.

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 preferences, 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 in this Article 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.

(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 the 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 the 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 Union Representatives that will 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 representatives present. Under the provisions of 29(f), when there is more than one management representative present, one of the Union Representatives present will act as a scribe. However, when there is only one management representative present, the Union will have the option to have one additional Union Representative present to act as 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 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 the violation, in writing, to the other party, who will evaluate the 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 the 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 to the 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 the 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, with a copy to the appropriate Human Resources 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 Article 30(b) and will result in a monetary penalty of eight (8) hours additional pay, as if working, for grievances related to corrective action. For dismissal cases, and 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 and decision will be appealed in accordance with Article 30(c), provided, however, said 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 Area 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 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) 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 – AREA BOARDS OF ADJUSTMENT

May 1, 2008

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

Time Limits – Article 30 – Fleet Service Agreement

Dear Robert

As a result of the changes to Article 30 and in the interest of streamlining the grievance process, we agree to eliminate the Supervisor appeal step for all corrective action grievances. This letter will serve to interpret the time limits referenced in Article 30 of the above referenced AA/TWU 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/her 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. Area Board Appeal – The employee receives his 1st step answer on October 29, 2007. If the employee is not satisfied with the COO's answer, he must appeal his grievance to the Area Board no later than November 17, 2007. (20 days to appeal to the Area 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/she 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 F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union, AFL-CIO**

ARTICLE 31 - GRIEVANCE PROCEDURE FOR CONTRACTUAL DISPUTES

(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 representatives within seven (7) calendar days. The grievance will be presented to his immediate supervisor, who will evaluate the grievance or complaint and render his 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 ten (10) calendar days to the Chief Operating Officer, with a copy to the appropriate Human Resources **Representative**. The Chief Operating Officer will fully investigate the facts of the matter and will render a written decision as soon as possible, but not later than twelve (12) calendar days, unless mutually agreed otherwise, following his receipt of the appeal. 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 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 **grievant** was not represented by his accredited Union Representative.

ATTACHMENT 31.1 – SYSTEM BOARDS OF ADJUSTMENT

DOS

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

Time Limits – Article 31 – Fleet Service/~~Ground Service~~ Agreement

Dear Robert,

This letter will serve to interpret the time limits referenced in Article 31 of the above referenced AA/TWU agreement. Specifically, what constitutes the meaning of seven (7), ten (10), 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/her 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 3 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 18, 2007. (10 days to appeal to 2nd step from the date of his receipt or the postmarked date, if mailed – October 9 counts as Day one)**
- 3. 2nd Step Answer – A grievance is appealed on October 18, 2007.
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 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 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/she 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:

Mr. Robert F. Gless
Deputy Director - ATD
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 established 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 employee's 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.

(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, acting as Chairman. The neutral referee will 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 hear and determine all disputes properly before it, which are not within the jurisdiction of the Area Boards.

(4) 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 Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees.

Any postponements must be submitted and approved in writing by both the Company and the Union board members at least seven (7) calendar days prior to the scheduled hearing, unless the Board members agree otherwise.

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

(1) Area Boards of Adjustment will be maintained in the city where the office of the appropriate Local Union is maintained, unless a different place of meeting is agreed upon by the parties to the dispute. The jurisdiction of each Board will be limited to discipline and dismissal cases arising in the area in question, except as provided in Article 32(c)(5).

(2) Each Area Board will be composed of one member appointed by the Company, one member appointed by the Union, and a neutral referee acting as Chairman. However, by mutual agreement of the Local Union and the appropriate Human Resources Office, 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; however, either party may cause the services of the neutral referee to be terminated (except as to cases already submitted to him that are 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 has jurisdiction will be resolved by the System Board.

(2) 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.

(3) 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.

(4) Unless the parties agree otherwise, the case with the lowest docket number pending before a Board will be scheduled first. The aforementioned scheduling procedure will be followed until there are a sufficient number of cases scheduled to insure full days of hearing. Cases so scheduled, but not heard for lack of time will be rescheduled in accordance with the above scheduling procedure.

(5) If the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees, 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.

(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 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, the neutral referee 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 such 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 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) ~~are~~ **is** permitted at any time.

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

ATTACHMENT 32.1 – SYSTEM BOARDS OF ADJUSTMENT

May 17, 2004

Gary Yingst
AA System Coordinator
Transport Workers Union of America
1791 Hurstview Drive
Hurst, TX 76054

Re: Article 32d(6)

Dear Gary,

There have been several issues recently raised that require a clarification of Article 32d(6) for all of the AA/TWU agreements. The pertinent portion of the provision is cited below:

(6) 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 has the option to postpone the hearing in light of the new document or witness.

There are two scenarios that need clarification: a late presentation of documents or witnesses between the 10th day and 48 hours prior to the hearing and the late document or witness presentation from 48 hours till the commencement of the hearing. The clarifications will be presented in the form of an example for each.

Late Document/Witness list between 10 days and 48 hours:

Advocate A provides advocate B a document 7 days prior to the hearing that advocate A intends to enter into evidence as part of his/her direct case. Advocate B has two options at this point:

1. Accept the document and the case remains as scheduled; or
2. Accept the document and opt to postpone the case

The neutral referee and associated costs resulting from the postponement will be borne by both parties in accordance with Article 32d(14).

Late Document/Witness list 48 hours or less:

Advocate A provides advocate B a document the morning of the hearing day that advocate A intends to enter into evidence as part of his/her direct case. Advocate B has the following options at this point:

1. Advocate B. can accept the document and the case remains as scheduled; or
2. Advocate B. can reject the document and/or witness list and informs advocate A that the document or witness may not be presented at this scheduled hearing; Advocate A may then opt to postpone the case or continue without the document or witness; or
3. Advocate B. can accept the document and opt to postpone the case;

The neutral referee costs associated with the postponement will be borne by advocate A.

It is further understood that for System and Area boards the scheduled start time of the first hearing on such date will be the time that is used to measure the 48 hour window.

Example: Fleet Service board scheduled to start first case at 8:00 on May 18, 2004. 48-hour window starts at 8:00 on May 16, 2004 for all cases scheduled to be heard on May 18.

In addition to the above, it is important that both parties recognize and comply with the document and/or witness list exchange as intended, which is no later than ten (10) days prior to the hearing. By doing so, we can collectively avoid the application as stated above all together.

If the above accurately reflects your understanding of the clarification, please indicate by signing below.

Sincerely,

James B. Weel
Director
Employee Relations

Gary Yingst
AA System Coordinator
Transport Workers Union of America

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, sit-down, walkout, stoppage, slowdown, or curtailment of work for any reason during the life of this Agreement.

ARTICLE 34 - SICK LEAVE

(a) A Fleet Service employee who completes six (6) months of service with the Company will be credited with two and one half (2 .5) days of sick leave for the calendar year in which the six (6) month period is completed.

(b) Upon being credited with the applicable two and one half (2.5) days of sick leave, an employee will thereafter accrue five twelfths (5/12) of one (1) day of sick leave for each calendar month of service with the Company, up to a maximum of five (5) 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 one hundred and eighty (180) days for Fleet Service Employees.

(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 Workers' Compensation Laws will be paid for from his allowed sick leave. Payment will be based on the employee's regular hourly rate.

(e) While 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, the Company reserves the right to require a doctor's slip whenever circumstances indicate suspected abuses of the sick leave policy.

(1) Any employee suspected of abusing sick leave 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 the 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 a designee.

(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.

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

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

(1) for the first ten (10) work days 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 Workers' 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 Workers' 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.

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.

(h) 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 Workers' Compensation Laws, the employee will receive pay continuance (regular pay) 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, 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.

(i) 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.

(j) Effective January 1, 1981, 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.

(k) For each such day of unused sick leave, up to a maximum of one hundred and fifty (150) days, the Company will pay an employee covered by this Agreement, twenty-five dollars (\$25.00).

(l) A day or days of unused sick leave referred to in paragraphs (j) and (k) 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 August 9, 1980 and not used by the employee up to the date of retirement.

(m) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 34.1 – COMPENSATION CLAIM (ID) PANEL

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

(a) Temporary employees may be hired by the Company to accomplish and perform work of any temporary nature not to exceed forty-five (45) calendar days unless extended by mutual agreement between the Company and the Local Union, twice within a calendar year. If qualified employees laid off due to a reduction in force are available at the station or locality where the work is to be performed, they will be given the first opportunity of employment. A regular part time employee at the location will be proffered temporary full time opportunities prior to hiring a full time temporary employee.

Notwithstanding the above, temporary employees may be hired at each airport. No temporary employee will be hired at an hourly chart rate higher than a regular employee.

(b) Temporary employees will not accrue occupational or **pay** seniority except those employees who are on layoff status will accrue occupational and **pay** seniority during periods of temporary employment. When a temporary employee becomes a regular employee, without a break in service, occupational and **pay** seniority will be retroactive to the original date of temporary employment.

ARTICLE 36 - MEAL PERIODS

(a) Meal periods will be thirty (30) minutes, except when a longer period is agreed upon between the parties.

(b) Meal periods will be scheduled not earlier than three (3) hours after commencement of the regularly scheduled shift and not later than five and one-half (5-1/2) hours (so as to be completed at the end of five and one-half (5-1/2) hours) after commencement of the regularly scheduled shift.

In the event that a meal period has not been provided in accordance with the foregoing, the employee is then free, if he so desires, to take an uninterrupted meal period. However, the parties recognize that in the interest of customer service, an employee who is engaged in line flight operations will complete his assignment prior to beginning this meal period, provided the completion of his assignment does not result in this meal period beginning after the sixth hour.

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 Article 37 (a), (b) or (c). If the employee is released for reasons in Article 37(a), he will be eligible for the immediate payment of the severance allowance as provided in this Article. If the employee is released for reasons in Article 37(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 Article 37(a), 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) calendar 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) Severance for part-time employees will be based on the employee's Company seniority and the scheduled hours at the time of layoff. If the employee's scheduled hours have been reduced within sixty (60) calendar days of the layoff notice, an average of the previous six (6) months scheduled hours will be used to determine the "scheduled" hours for the purposes of pay.

(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 for full time but for part time hours as outlined above.

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's seniority as of the date of layoff, he will be entitled to an additional two- (2) weeks' severance allowance. **The additional two (2) weeks' severance allowance will be the same amount of hours per week that was paid to the same employee for his/her original regular severance under Article 37(e). This additional two (2) weeks' severance allowance is paid out only once in the employee's career.** In the event ~~the~~ an 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 the 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 the 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 Article 37(e), less the dollar amount received on the occasion of the previous severance, 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 Article 38(b).

(d) Employees who are or become members of the Union under Article 38(a) or (b) 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 Article 38(e), 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 the 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 Article 38(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 this 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 the 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 East 63rd Street Suite 600, Tulsa, OK 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: **Manager – Payroll Customer Service, 7645 East 63rd Street Suite 600, Tulsa, OK 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 the 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: 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.

(c) Permanent restrictions may be assigned: 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.

(b) Temporary Restrictions

If temporary restrictions are assigned, AA Medical will notify the employee and local management, in writing, of the temporary restrictions. Local management will determine if the restrictions can be accommodated in the workplace, and may seek input from Medical and the Union. 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.) In the event the employee's treating physician disagrees with the temporary restrictions that have been assigned by AA medical, the employee may initiate a second review by AA Medical; provided, the review process will not be initiated until the employee has provided his medical records to AA Medical, and AA Medical continues to recommend temporary restrictions with which the employee's physician disagrees. The second review must be accommodated by newly available or additional medical information relating to the established restrictions (e.g. physician to physician review, if appropriate). AA Medical commits to a timely review of the medical facts.

(c) Permanent Restrictions

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

**Mr. Robert F. Gless
Deputy Director - ATD
American Airlines System Coordinator
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Re: ACCOMMODATION REVIEW BOARD

Dear 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 accommodation, 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 – PENSION RETIREMENT BENEFIT

(a) The Company has maintained a retirement plan for the employees for a number of years. The full text of the **“The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO”** (successor to **“The American Airlines, Inc. Retirement Benefit Plan for Maintenance and Related Employees”**) (**“Plan”**) plan is on file with the Company and is available to the employees in accordance with government regulations. **The Plan** ~~“The American Airlines, Inc. Retirement Benefit Plan for Stock Clerk Employees”~~ has been amended to enhance and clarify benefits over time. **The Plan is frozen effective 11:59 p.m. on [FREEZE DATE].**

(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 "Maintenance & Related", 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) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

(g) After [FREEZE DATE], no further benefits will accrue under the Plan. Benefits for current employees who are participants in the Plan will be determined based on their pension accrual calculated as of [FREEZE DATE], and no new participants will be added to the Plan after [FREEZE DATE]. This pension freeze will not result in the loss of any pension benefits accrued through [FREEZE DATE]. Service performed after [FREEZE DATE] will not be counted for any purpose except as otherwise required by law. The benefits accrued as of [FREEZE DATE], will remain obligations of the Plan and its related trust on behalf of existing Plan participants and will be paid in accordance with the terms of the Plan.

(h) Subject to paragraph (g), the Company will continue to maintain the Plan and its related trust. The Company may amend the Plan, from time to time, as it determines in its sole discretion to be necessary or appropriate to implement the pension freeze described in paragraph (g) or to maintain the Plan's tax-qualified status or otherwise comply with applicable Federal law.

(i) On [FREEZE DATE+1], the Company will enroll all current employees, except those described in paragraph (i)(1) below, and all future new-hire and transfer employees in the \$uper \$aver - A 401(k) Capital Accumulation Plan for Employees of Participating AMR Corporation Subsidiaries ("Super \$aver Plan"), a defined contribution plan, or equivalent plan.

(1) Employees who already have a \$uper \$aver Plan, (or equivalent plan), contribution election on file as of the date they would otherwise be automatically enrolled will not be automatically enrolled in the \$uper \$aver Plan (or equivalent plan) and their previous contribution election will remain in place.

(2) Employees who are automatically enrolled into the \$uper \$aver Plan, will be enrolled at an employee-deferral rate of 3% pre-tax contribution.

(3) 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, for each employee who has at least one year of Eligibility Service, contribute to the \$uper \$aver Plan on a pre-tax basis for each Plan Year as an Employer Matching Contribution 100% of

the aggregated amount of the employee's Employee Before-tax Contributions and employee's Employee Designated Roth Contributions, up to a total amount of 5.5% of an employee's Eligible Compensation (as defined in the Super Saver Plan). Eligible Compensation for the purposes of determining any matching contribution or Company contribution, eligible compensation will be the sum of all 401(k) deferrable compensation, e.g. wages, overtime, CSW, etc. except for the following:

- Uniform Cleaning Allowance
- Overtime Meal Allowance
- Co-Terminal Expenses
- Expense reimbursements
- Approved expense allowances
- Company paid life insurance premiums
- Value of NRSA passes
- Pre-tax flexible benefit plan contributions
- Disability/Workers' Compensation payments
- Severance pay
- Termination Sick Premium
- Company paid employee expenses
- Benefit pay
- Tips
- Gain Sharing payments

(4) The 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 the Super Saver Plan may be modified from time to time to maintain the plan's tax-qualified status or to otherwise comply with applicable Federal law and may also be amended at the Company's sole discretion, provided no such discretionary amendment shall reduce the benefit levels stated above in subsection (i)(3) during the term of this Agreement or be inconsistent with the terms of this paragraph (i) or its subparagraphs. The Company will provide the Union with a copy of any amendment.

(5) Capitalized terms in this paragraph (i) not otherwise defined in this Agreement, but defined in the Super Saver Plan, will have the same meaning as set forth in the Super Saver Plan.

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 – BENEFITS

(a) The parties recognize that controlling the spiraling costs of health care has become a national priority and a critical mutual objective for both the Company and the 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 **DATE**, the Company will implement a flexible benefits program **new plan design options**, which limits the impact of future health cost increases for both the Company and the 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.~~ **two medical plan options, a Standard medical plan option and a Core medical plan option, which is a Health Savings Account compatible medical option. With the exception of the Standard medical plan design features in the chart below, all other plan provisions are subject to change at Company discretion. Plan design features and other plan provisions in the Core medical plan option (which are not incorporated into this agreement) may change at Company discretion and advance notice of any changes will be provided to the TWU prior to implementation. To the extent the Company is offering the “Value” medical option in any Plan Year to employees, employees eligible to enroll in the Standard and Core medical options will be eligible to enroll in the Value option. The Company, at its sole discretion, may change plan design and contributions in the Value option or otherwise amend or eliminate the Value option.**

~~2) Employees may spend their “benefit dollars” to buy that combination of benefits that best meets their 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.~~

~~(2) (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.~~ **Aggregate employee contributions for the Standard and Core medical options for 2013 will be 18%, 2014 will be 19%, 2015 will be 20% and 2016 and thereafter will be 21% of the total projected cost of healthcare expenses (which include medical/Rx and administrative expenses) for the Standard and Core medical plan options. Contributions for the Standard and Core medical plan options will increase annually with projected inflation for all expenses related to these two (2) medical plan options,**

- (3) ~~(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.~~ **Coverage tiers for contribution rates will be as follows:**

New Coverage Tiers	Employee Premium Multiplier
Employee Only	1.0
Employee + Spouse/Domestic Partner	2.6
Employee + Child(ren)	1.8
Employee + Family	3.5

- (4) **Part-time employees will be offered the same medical plan options as full-time employees at the same contribution rates.**

- (5) **Notice of changes to the Value Plan will be provided to the TWU in advance of implementation.**

- (6) The TWU and the Company have agreed that a review committee will be established to review planned administrative changes to the ~~negotiated Standard Medical Plan plan option.~~ **Standard Medical Plan plan option.** ~~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.

- (7) 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 **Standard medical plan option will be \$750 per individual with a maximum family deductible of \$2,250. The Standard medical option annual deductible will increase \$50 in 2015 and 2017 until the deductible**

reaches \$850 for employee only coverage, \$2550 for family coverage. Major Medical Plan will be \$150 per individual per calendar year for in-network services. 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. Plan design features are listed below.

	Standard medical plan option	Core medical plan option
Plan Design Features	Contractual	Non-contractual
Spending Accounts	HRA	
Spending Account Funding (2013 only)	\$375 emp / \$375 spouse	
In Network Deductible (Single/Family)	\$750 / \$2,250	
Out of Network Deductible (Single/Family)	\$3,000 / \$9000	
Coinsurance (In/Out)	20% / 40%	
In Network Out of Pocket Max (Single/Family)	\$2,000 / \$5,000	
Out of Network Out of Pocket Max (Single/Family)	\$6,000 / \$15,000	
Primary Care Physician Copay (In/Out)	\$30*/40%	
Specialist Copay (In/Out)	20% / 40%	
Retail Clinics Copay (In/Out)	20% / 40%	
Preventive Care*	\$0	
Emergency Room	Deductible / Coinsurance \$100 CoPay	
Pharmacy (Retail)		
Generic	20% (\$10 min / \$40 max)	
Formulary Brand	30% (\$30 min / \$100 max)	
Non-Formulary Brand	50% (\$45 min / \$150 max)	
Pharmacy (Mail)		
Generic	20% (\$5 min / \$80 max)	
Formulary Brand	30% (\$60 min / \$200 max)	
Non-Formulary Brand	50% (\$90 min / \$300 max)	
2013 Full Time Monthly Contribution rates		
EE Only	\$70.69	\$57.40
EE + Spouse / Domestic Partner	\$183.81	\$149.25
EE + Child(ren)	\$127.25	\$103.33
EE + Family	\$247.43	\$200.91

***Not subject to deductible
For the Standard Option:**

- Preventive Care is not subject to deductible if provider is in network; deductible and co-insurance apply if provider is out of network
- Deductibles do not apply toward Out of Pocket maximum
- Medical Coinsurance apply towards Deductibles and Out of Pocket maximums
- Pharmacy co-insurance (and min/max amounts) do not apply towards deductibles but do apply towards Out of Pocket maximums

~~(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.~~

(c) ~~(d)~~ Effective **DOS**, 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 **in the Core medical plan option** 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.

(d) To the extent the Company is offering incentives in any Plan Year to employees for participating in the Healthmatters wellness program, employees enrolled in the Standard and Core Plans will be eligible for those incentives

provided they meet the criteria (as established by the Company at its discretion) for earning the incentive.

(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 **in accordance with the network design outlined in (b) above.**

(i) Vision Plan

The Company **will continue to offer a voluntary vision plan at the same contributions as other workgroups.**~~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.

~~(k) — 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~~

~~All employees, who are on the Company's active payroll, on a union leave of absence, on a family leave of absence, or on a military leave of absence and who are at least age 30 with a minimum of one year of service with the Company, will be offered the opportunity to begin prefunding his retiree health care plan at the contribution amount for the age at which he begins participation in accordance with the Age Based Rates Table in Article 41(m)(5). Additionally, that amount is subject to the escalator described in Article 41(m)(5). Incumbent employees on active payroll on 12/31/89, who enrolled when first eligible, will pay the incumbent rates in accordance with the Table in~~

~~Article 41(m)(5). No entry fee will be assessed to the employee, if he chooses to participate when first eligible. An eligible employee will be automatically enrolled in the Plan and payroll deductions will commence as of the first pay period following his date of eligibility, unless the employee completes and returns a form, prescribed by the Company and countersigned by his supervisor, to waive participation. Married employees must obtain spousal consent to waive participation.~~

~~(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) — Employees who were on the Company's active payroll, on a union leave of absence, or on an approved leave of absence for other reasons on May 5, 1989, but who were ineligible to participate on January 1, 1990 because they did not meet the minimum age and/or years of service requirement specified in Article 41(m), will be offered the opportunity to elect retiree medical coverage under the same terms and conditions applicable to employees described in Article 41(m) (no \$250.00 late enrollment fee and a monthly contribution rate equal to the rate then being paid by employees who opted for coverage before January 1, 1990). Payroll deductions will commence as of the first pay period following their date of eligibility unless the employees complete and returns a form prescribed by the Company to waive participation. A married employees must obtain spousal consent to waive participation.~~

~~(4) — An employee 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) (5) and will be required to pay the \$250 non refundable late enrollment fee.~~

~~(5) — 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

(6) — An employee 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.

(7) — An 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.

~~(8) — An employee making his contributions so as to prefund his retiree medical coverage will cease making contributions upon retirement from the Company.~~

~~(9) — Employees making contributions so as to prefund their retiree medical coverage must continue contributions during all leaves of absence except unpaid sick and unpaid IOD. Any employee who commences prefunding of his retiree health coverage, subsequently discontinues prefunding, and later decides to again prefund his retiree health coverage, will be required to pay the rates in the Age-Based contributory Rates Table set forth in Article 41(m) (5)), based on the age prefunding is started. Additionally, he must prefund continuously for at least ten (10) years immediately preceding retirement and pay a \$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 employees 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 contributions 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.~~

(l) Retiree Medical - effective for retirements on or after DOS:

(1) Early retirees age 55 – 64 will have access to a Company sponsored retiree medical plan option. Contribution rates for this coverage will be 100% of projected annual expenses (which includes administrative expenses) using data, assumptions, and methodologies for calculating future retiree healthcare costs.

(2) Retirees age 65 and over will be offered access to a guaranteed issue Medicare supplement plan through a third party administrator at the retirees' expense.

(3) The Retiree life insurance benefit will be discontinued.

(4) The Company shall not be required to maintain, fund, or provide for a Company sponsored retiree medical plan or retiree life insurance benefits.

(e)(m) 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.

~~(p)~~ — 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.~~

~~(q)~~(n) 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.

ATTACHMENT 41.1 PREFUNDING

DOS

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

“Employee and Company Prefunding Contributions”

Dear Robert,

During the restructuring agreement negotiations, the parties agreed that upon implementation of the changes to the Retiree medical plan program an active employee who currently prefunds for retiree medical will be refunded the employee’s prefunding account (which reflects investment experience), excluding employees who have already received employee prefunding refunds.

In addition, the parties agreed that contingent on the successful resolution of the Section 1114 process, as soon as practicable after termination of the Trust Agreement for the Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries (Union Employees), the Company prefunding contributions for each participating active employee, and investment earnings attributable thereto, will be distributed to the employee (subject to applicable tax withholdings and/or excise tax), excluding employees who have already received refunds of their employee prefunding accounts. The refund will be made to the employee no later than 120 days following DOS.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 42

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ARTICLE 43 - PART TIME EMPLOYEES

The Company may utilize part time employees in all classifications under this Agreement and at all stations/locations/bases where these classifications are assigned. The provisions of the Basic Agreement will apply except as follows:

(a) Any full time employee may volunteer in accordance with his Occupational Seniority to fill a part time vacancy. A part time employee may in accordance with his Occupational Seniority fill a full time vacancy at his station/location/base [12(lx)] or in accordance with his Occupational Seniority under the provisions of Article 12(l) fill a full time or part time vacancy at another station/location/base.

(b) Any vacancy(s) may be declared by the Company to be part time vacancy(s), without regard to pending transfer/upgrade request(s) to the station/location/base with the vacancy(s) and without regard to the existence of furloughed employee(s) with recall rights to the station/location/base with the vacancy(s), but as limited by Article 43(b)(1).

(1) The number of part time jobs will be equal to the number of part time employees as of March 1, 2001 at each airport listed below, except as provided in Attachment 43.5:

DFW	ORD	MIA	LAX	SFO	JFK	EWR
BOS	SJU	DCA	SJC	SNA	LGA	

The Company may then add one part time Fleet Service Clerk for each full time Fleet Service Clerk hired or recalled after March 1, 2001.

(2) Except as provided in Attachment 43.5, for all stations other than those covered under Article 43(b) (1) the number of part time jobs will equal to the total number of part time employees as of March 1, 2001. The Company may then add one part time Fleet Service Clerk for each full time Fleet Service Clerk hired or recalled after March 1, 2001. This one for one (1:1) ratio will not apply to any particular station, location or base but will be on a total system-wide basis. The same one for one (1:1) ratio will apply for a reduction in force.

(c) Part time vacancies may be filled by the Company with the most senior qualified employee requesting to fill the vacancy in accordance with the staffing formula. These vacancies will be filled in accordance with the following order of preference

(1) System surplus employees (either full time or part time) in the same classification, provided they are senior to the most senior employee holding recall rights to that full time classification;

(2) By an employee with recall rights to the station/location/base;

(3) The following blended in seniority order:

(a) Employees in a full time or part time bid classification status in the same city requesting a voluntary demotion under the provisions of Article 12(n) will be offered part time vacancies;

(b) Transfer requests of employees currently on payroll in the same classification in other cities (Article 12(l)) blended in seniority order with full time employees' transfer requests in the same classification within the city with the vacancy;

(c) Active full time employees in the same classification and city as the vacancy and have a transfer on file;

(4) By employees with valid 12(m) requests on file;

(5) By employees on layoff status with valid transfer requests on file to the station/location/base;

(6) By new employee(s).

A full time employee's refusal of part time work will not affect that employee's seniority or recall rights under this Agreement.

(d) A part time employee will be scheduled in either of the following two (2) methods:

(1) No less than four (4) consecutive hours, but no more than six (6) consecutive hours in a work day and for a maximum of five (5) consecutive work days in a work week.

(2) For up to eight (8) consecutive hours in a work day, exclusive of a meal period, and up to a maximum of three (3) days in a work week.

(a) An employee may be scheduled to work up to a maximum of twenty-four (24) hours in a work week, and

(b) An employee may be scheduled to work up to a maximum of three (3) consecutive days, which will include some combination of Friday, Saturday, Sunday, or Monday.

Provided, however, employees will be scheduled for no less than twenty (20) hours per week.

(e) No two (2) part time shifts in a work unit will be scheduled back-to-back within a nine (9) hour period (e.g., no two (2) four (4) hour, no four (4) and five (5) hour,

and no two (2) four (4) hour shifts with one (1) hour break). No two (2) part time shifts within a work unit will overlap for 30 minutes or less.

(f) For a part time employee scheduled to work in excess of five (5) hours, the Company will schedule a thirty (30) minute unpaid meal period (if a meal period is required) and no part time employee's meal period will encompass his first hour or his final thirty (30) minutes of work. The provisions of Article 36(b) will not apply.

(1) At times, due to operational problems, part time employees may not receive a scheduled thirty (30) minute unpaid meal period. Therefore, in those instances where a part time employee who is scheduled in excess of five (5) hours and, for operational reasons, is not granted a meal period during his tour of duty, will be eligible for a "no meal period" (NMP), in the form of thirty (30) minutes additional pay at the employee's regular hourly rate.

For example: An employee is scheduled for five (5) hours and forty five (45) minutes, but due to off schedule operations, is unable to get away for a scheduled meal period during his tour of duty. He will be paid five (5) hours and forty five (45) minutes for time worked, plus a thirty (30) minute penalty for not receiving his entitled meal period. The "no meal period" (NMP) code should equal one (1) hour, which pays the employee for the additional thirty (30) minutes of time worked and the thirty (30) minute penalty for a total of one (1) hour of additional pay.

(2) This agreed to "no meal period" (NMP) will not be applicable to any employee scheduled to work less than five (5) hours, but whose hours are extended beyond the five (5) hour period. This employee may be scheduled a meal period at management's option, if in management's view the operation permits. However, management will make every reasonable effort to provide this meal period. This meal period may be given during the employee's final thirty (30) minutes of work or waived by the employee. In any case, this employee will not be eligible for the "no meal period" (NMP) outlined in Article 43 (f)(1).

(g) A part time employee will be paid for a holiday in either of the following methods:

(1) A part time employee scheduled to work on a holiday will be paid one and one-half times (1.5x) his regular hourly rate for all hours worked and straight-time for the difference between the hours actually worked and the hours normally scheduled on that work day.

(2) Part time employees regularly scheduled to work five (5) or more days in a work week will receive holiday payment on the same basis as full time employees.

(3) Part time employees regularly scheduled to work less than five (5) days in a work week will be eligible for holiday pay for the day on which the holiday actually falls if scheduled to work on the actual holiday.

(h) A monthly report of extended hours by shift for part timers will be maintained at each station and shared with the local TWU President monthly.

(i) For purposes of day to day assignments, part time Crew Chiefs may have full time employees on his crew, provided that the full time employees are not part of the basic bid or working a regular full time shift in a utility/support/"as assigned" group. (Vacation relief is not included in this restriction.)

(j) A part time employee will accrue Company, Occupational and **Pay** seniority on the same basis as a full time employee.

(k) A part time employee will accrue Sick Leave, Vacation, Pension, and Group Life and Health Benefits in accordance with the provisions in the appropriate Article. Injury on Duty benefits will be in accordance with Article 34(g). Vacation, Sick Leave and Injury on Duty pay will be based on a part time employee's normal work schedule.

BENEFITS AND PRIVILEGES BASED ON EQUIVALENT FULL TIME SERVICE

(1) Equivalent full time service is determined by hours paid, not to exceed 80 hours in a bi-weekly period, not to exceed 2080 hours annually, whether paid at straight-time or overtime rates. For example, hours during which overtime is paid are counted in the same manner as straight-time hours without reflecting overtime pay.

(2) Sick Leave: For Fleet Service employees: Upon completion of 6 months equivalent full time service (1,040 part time hours paid), as defined in 1. above, the employee will be credited with 20 hours Sick Leave for use during the balance of that calendar year. Thereafter Sick Leave credit of five twelfths of an hour for each 173.3 hours paid is accrued. If, after dividing part time hours by 173.3 the remaining hours are more than 86.6, credit the employee with an additional five twelfths of an hour Sick Leave. Remaining hours less than 86.6 are disregarded. Sick Leave, other than the original 20 hours credited, is not usable until January 1 of the year following its accrual.

(3) Vacations: Vacation accrual is on the basis of equivalent full time service.

(a) Number of Vacation Days

For Fleet Service employees: The number of vacation days accrued will be determined by length of service (as for full time employees) adjusted for leave of absence.

(b) Number of Hours Per Day of Vacation

Compensation for a vacation period for part time employees or employees changing from full time status to part time status or vice-versa either in the vacation accrual year or the vacation usage year, will be based on the following.

1. For Fleet Service employees: Total hours worked in the accrual year (not to exceed eighty (80) hours bi-weekly) divided by 173.3 hours = equivalent months of service (rounded to nearest whole number - 5/10 or above round up, 4/10 or below round down).

2. Equivalent months of service x the following accrual schedule = the number of equivalent workdays for pay accrual.

For Fleet Service employees:

Monthly Accrual Rate As Outlined In <u>Article 8(a)</u>	Accrual Rate/ Month During Year Ending <u>December 31</u>	Maximum Days of Vacation <u>Pay Accrual</u>
½ day	5/12 workdays	5 workdays
1 day	5/6 workdays	10 workdays
1½ days	1¼ workdays	15 workdays
2 days	1-2/3 workdays	20 workdays
2½ days	2-1/12 workdays	25 workdays

3. Number of workdays from 2. above x 8 hours = total hours of vacation pay.

4. Total hours from 3 above divided by number of vacation days eligible based upon length of service will equal the hours per days of pay for a part time employee.

(5) Group Life and Health Benefits Plan:

(a) Part time employees will be covered by Article 41 with the following exceptions in coverage:

(1) Basic term life insurance coverage will be no less than equal to the basic term life insurance provided to any other part time employee within American Airlines.

(2) Accidental Death and Dismemberment Insurance coverage is \$10,000.

(3) Weekly Income for Accident and Sickness benefits are based on the average of straight-time earnings in the last 6 months with a maximum benefit of 50% of such average weekly earnings. Maximum benefit will be \$100 per week.

(b) Full time employees who convert to part time status will continue to be eligible for all Group Term Life Insurance and Health benefits coverage held as a full time employee. **Contribution rates will vary from full time employee's rates in accordance with Article 41.**

(l) Overtime (call in contiguous or within one (1) hour of the beginning of a full time employee's shift or holdover contiguous or within one (1) hour of the end of a full time employee's shift) will first be proffered to full time employees available at the time overtime is required. If those full time employees are not available for the needed overtime, then the Company may require part time employees to work beyond their scheduled hours at straight-time rates up to eight (8) hours in a workday. The Company will proffer day-off overtime when day-off overtime is required by the Company to be worked to full time employees before the proffer is made to part time employees. The Company will proffer day-off overtime when day-off overtime is required by the Company to be worked to full time employees before the proffer is made to part time employees. Part time employees will be assigned overtime before full time employees are assigned.

(1) Overtime rates will be paid to part time employees after eight (8) consecutive hours in a workday have been worked and at the rates provided in this Agreement.

(2) Day off overtime. Time worked on an employee's regularly scheduled day off will be paid as follows:

(a) If a Fleet Service employee has not worked forty (40) hours during the workweek, straight-time pay for all hours up to eight (8) hours on an employee's day off. Any hours over eight (8) will be paid in accordance with Article 6(a) of this Agreement.

(b) If a Fleet Service employee has worked forty (40) hours during the workweek, one and one-half times (1.5x) his regular hourly rate for all hours worked on an employee's day off, in accordance with Article 6 (b).

(c) If a part time Fleet Service employee works the second or subsequent day off and has worked forty (40) hours in the workweek in addition to time worked on the first day off, he will be paid one and one-half times (1.5x) for the hours worked on the second day off. If the employee has not worked forty (40) hours in the workweek, he will be paid regular time until he has completed forty (40) hours including time worked on his first day off. Once the employee attains forty (40) hours, he will be paid according to (b) above.

(d) The provisions of Article 6(b)(1) and Article 25(b) do not apply to part time employees.

(m) **Part time Crew Chief positions shall be bid in accordance with Article 12 of this Agreement.** Part time employees and part time Crew Chiefs will be excluded from the ratio computation and ratio provisions of Article 11. Furthermore, a part time Crew Chief will only have part time employees assigned to his crew except as provided for in Article 43(i).

(n) The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 43.1 – PART TIME UTILIZATION AND PART TIME REVIEW COMMITTEE

August 15, 1995

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

Re: Part Time Utilization and Part Time Review Committee

Dear Mr. Koziatek:

This letter will confirm the discussions during negotiations concerning Part time Utilization, and the Part time Review Committee.

In connection with part time utilization, the TWU and the Company have agreed that full time employees would not be arbitrarily replaced with part time employees. This same commitment would apply to the arbitrary replacing of Fleet Service Clerks with Junior Fleet Service Clerks. The intent of this agreement is to insure that flight schedules, volumes, and good business practice dictate the optimal split between full time and part time employees at a location.

Further, it was agreed to establish a joint AA-TWU Part time/Junior FSC Review Committee, composed of two (2) representatives from each party to review utilization of part time/Junior FSC staffing. This committee shall be a standing committee that meets on a predetermined periodic schedule, as well as an ad hoc basis. The committee will have access to the information necessary for making determinations as to whether the part time/full time mix is and continues to be in accordance with the principles outlined above as well as those specific scheduling and staffing provisions outlined in the Agreement. This committee will review part time issues brought to its attention, and will take the necessary and appropriate action to resolve those issues.

Agreed this date:

Jane G. Allen
Donald P. O'Hare
Edward R. Koziatek

ATTACHMENT 43.2 – M-962-97 OPINION

March 23, 1999

To: Field HR Managers

Reference: M-962-97 Opinion

The question concerning the application of Article 43(j) and the “one hour rule” remains unclear as a result of the arbitration of case M-962-97. In an effort to clarify how one determines whether or not a part time employee may be extended rather than offering overtime to a full time employee, I have modified the procedure and graph that are the topic of a memorandum from Mark Burdette to John Orlando dated June 9, 1997.

The following procedure demonstrates the correct interpretation and application of the 43(j) provision and of the M-962-97 Opinion:

First, identify the beginning and end of the overtime need. Then determine the method that will be used to fill the need (Holdover or Call in). If Holdover is chosen, begin at step one. If Call in is chosen, begin at step two.

1100	1200	1300	1400	1500	1600	1700	1800	1900	2000
			1	Overtime	Need				

1. Identify the FT shifts that end within the one-hour window before the overtime need. If no FT, go to step 2. If step 2 has already been completed, go to step 3.

1100	1200	1300	1400	1500	1600	1700	1800	1900	2000
				Overtime	Need	2			

2. Identify the FT shifts that begin within the one-hour window after the overtime need. If no FT, go to step 1. If step 1 has already been completed go to step 3.

1100	1200	1300	1400	1500	1600	1700	1800	1900	2000
		3		Overtime	Need		3		

3. If there are no FT employees in the window at either end, then look for the PT shift nearest the overtime need in either direction (Holdover or Call in, at management option). After identifying the PT shift nearest to the overtime need, the proposed

extension of that PT shift redefines the need. Therefore, the one-hour window expands proportionally. Repeat step one (Holdover) or step two (Call in) with the newly defined overtime need and window. Again, management has the option of which method to use to fill the overtime. Therefore, if there are no FT found in the new window, it is not necessary to move to the subsequent step.

1100	1200	1300	1400	1500	1600	1700	1800	1900	2000
	PT 0800	to 1300	Overtime Need						

Step 3 Example: Steps one and two were completed and no FT shifts were found on either side of the overtime need. The holdover option is chosen. The chart above shows the end of the PT shift nearest the overtime need is 1300. The overtime need is now redefined to be 1300 to 1600. The one-hour window expands proportionally. Prior to proffering to PT we look for the end of a FT shift within the new one-hour window 1200 to 1300. If no FT shift ends within the window, you may proffer to PT. As a reminder, once you proffer an employee, whether it be hold over or call in, you are obligated to continue proffering that option until it has been exhausted.

In summary, in order to ensure you are in compliance with the provisions of Article 43(j), before you extend a PT employee, always look back one hour from the end of the PT shift you are extending. If a FT shift ends or begins within this window, you must proffer to FT first.

Sincerely,

James B. Weel
Managing Director
Employee Relations – Ground

ATTACHMENT 43.3 – MISCELLANEOUS PART TIME PROVISION APPLICATIONS

(revised DOS)

July 15, 2001

James C. Little
International Vice President/Air Transport Director
Transport Workers Union of American, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

Re: Miscellaneous Part Time Provision Applications

Dear Mr. Little:

In the course of the 2001 Maintenance and Related contract negotiations, the parties sought to reduce the number of letters associated with the agreement by incorporating into relevant articles, attaching to relevant articles, modifying, or in some cases, deleting letters that were no longer applicable. In the course of doing this, more than twenty (20) letters pertaining to Article 43 were addressed. Most letters were eliminated, incorporated into the body of the article, or attached to the article; however this letter represents various important aspects of the application of the part time provision that could not be captured elsewhere. The items listed below represent our mutual understanding of the proper application of the aspects represented in each bullet.

1. First Vacation Eligibility (from letter dated 2/3/84):
Q. Must a part time employee have completed six months with the Company before being eligible to take his first vacation?
A. No. An employee is immediately eligible to take any vacation that has been accrued in the previous calendar year, even if he has not yet completed six (6) months.
2. Eight (8) hour part timers/ Holidays (from letter 10/14/85):
This will confirm our discussions on the provisions of Article 43 (d) (2) of the Labor Agreement effective September 1, 1985 pertaining to part time employees who may be scheduled for up to eight (8) hours on specified days. If any of these days should fall on a holiday and a reduced workforce is needed on these holidays, full time employees will have preference over such part time employees for eight (8) hour shifts on the actual holidays.
3. Part timer CS/ Holiday pay (from letter 12/16/96):
Q. If two part timers are scheduled to work the holiday and one part timer agrees to work for the other part timer (CS), how is each employee compensated?

A. All hours worked on a holiday, regardless if part of the employee's shift is the result of a CS, are paid at 1.5x his regular rate of pay.

4. Part time Vacations:

A. Full time vacation selection and part time vacation selections will be administered as separate lists and vacation relief will be administered on separate schedules.

The following is an alternative proposal that may be elected on a city-by-city basis:

B. All vacation selections at a station/work unit/department will be posted for selections, full time and part time, as one common vacation list. Vacation relief selections will also be administered on one common vacation relief schedule. The Company will attempt to provide proper numbers of full time and part time vacation relief selections commensurate with scheduled vacations for the bidding period and whenever possible full time employees will relieve full time employees, and part time employees will only relieve part time employees. However, when necessary, due to vacation selections not balancing with vacation relief employees (part time to part time, full time to full time) part time employees bidding and being awarded vacation relief selections may be assigned to relieve full time employees.

5. Cross utilization (from letter 11/17/83):

Available work in a higher classification which is planned to continue in excess of a four (4) week period for the appropriate work unit shall be posted for bid and assigned to the most senior available employee bidding, subject to the classification qualifications including licenses.

6. Temporary upgrade (from letter 4/5/84):

Q. Can a part time employee fill a locally posted temporary upgrade?

A. If there are no full time volunteers, then the senior part time employee volunteering is entitled to fill the full time crew chief vacancy on a temporary basis. For that temporary period, he would be a full time crew chief eligible to supervise the work of full time and part time employees.

7. Distribution of part time hours (from letter 2/3/84):

Q. Does the Agreement require that extended hours for part timers be distributed as equitably a practicable in the same manner as overtime?

A. No, although the contract does not require equitable distribution of extended hours in the same manner as equitable distribution of overtime,

the additional benefits that flow from extension of hours requires that we should rotate such extension of hours within shift/work units/groups. There may be times when due to operational requirements/skills such as rotation of extended hours is not possible. These instances, however, should be in the minority.

These excerpts have attempted to cover most of the areas of question that are not otherwise covered in the agreement.

Very truly yours,

James B. Weel
Managing Director,
Employee Relations

Agreed:

James C. Little
Director, Air Transport Division
AA System Coordinator

ATTACHMENT 43.4 – FULL TIME / PART TIME FLOORS

September 8, 2001

James C. Little
International Vice President
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

RE: Full Time / Part Time Floors

Dear Jim,

This will confirm our understandings reached during the negotiations and discussions of the Agreement reached effective March 1, 2001. During these discussions, we discussed the use of part time employees and modifications to Article 43 were made to provide for a 1:1 hiring ratio. The application of this same ratio for purposes of a reduction in force was also discussed.

The parties agreed to established, for purposes of the 1:1 hiring ratio, a “mix” of the full time and part time employees at each of the thirteen (13) stand-alone airports listed in Article 43(b)(1) and a new full time and part time floor for the remaining airports or “new system aggregate”.

The parties also agreed that during a reduction in force a 1:1 ratio would apply to the “new system aggregate” as described in Article 43(b)(2) and not to the stand-alone airports.

The mixes and floors will be determined based upon the total number of Fleet Service Clerks, Jr. Fleet Service Clerks, Cabin Cleaners, Utility Men, Ground Servicemen and Crew Chiefs in these classifications.

A monthly report will be provided to measure and track the movement of full time and part time employees as compared to the levels established as described above.

Sincerely,

James B. Weel
Managing Director
Employee Relations

Agreed to:
James C. Little

ATTACHMENT 43.5 – MODIFICATION TO FULL TIME/PART TIME FLOORS

DOS

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

Modification to Full time/Part Time Floors

Dear Robert,

This will confirm our understanding during the negotiations leading up to the agreement signed on _____. During these negotiations, we discussed the Company's interest to modify the full time/part time floors as described in Article 43(b) of the April 30, 2003 AA/TWU Fleet Service agreement.

The parties have agreed that as of DOS, the full time/part time floors will be as follows:

Aggregate Stations

	Floor 3/1/2001	Full time Actual* 3/31/2012	Variance		Floor 3/2/2001	Part time Actual* 3/31/2012	Variance
Total Aggregate	1837	808	(1209)		1293	683	(610)

Stand Alone Stations

	Floor 3/1/2001	Full time Actual* 3/31/2012	Variance		Floor 3/2/2001	Part time Actual* 3/31/2012	Variance
BOS	313	122	(191)		116	81	(35)
DCA	111	46	(65)		79	32	(47)
DFW	3183	2419	(764)		400	163	(237)
JFK	815	479	(336)		385	340	(45)
LAX	729	507	(222)		205	141	(64)
LGA	261	141	(120)		93	67	(26)
MIA	1500	1716	216		767	490	(277)
ORD	2083	1048	(1035)		418	305	(113)
SFO	244	106	(138)		101	62	(39)
SJU	295	100	(195)		368	71	(297)
EWR	128	38	(90)		85	20	(65)
SJC	161	16	(145)		86	14	(72)
SNA	59	20	(39)		47	16	(31)

* Actual headcount will vary by month and will be provided in monthly report to the TWU

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

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

Agreed to:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

ARTICLE 44

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ARTICLE 45 - EFFECT ON PRIOR AGREEMENTS

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 or station work rules, which were previously negotiated and do not conflict with this Agreement will remain in effect. 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.

The attachments on the following pages are agreed to by the parties and are incorporated as part of this Agreement.

ATTACHMENT 45.1 – LOCAL AGREEMENTS

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: Local Agreements

Dear Mr. Mitchell:

During our negotiations on amendments to the current Basic Agreement, we have discussed problems regarding side agreements, practices and exceptions developed at local stations over the years.

This will confirm our agreement that, effective as of the date of ratification by TWU members of the amendments to the current Basic Agreement, 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 attached thereto), or which are not expressly provided for in such Basic Agreement and limit the Company in the exercise of its management rights, shall be null and void unless such local agreement, practice, or exception has been approved in writing by the International Vice President, Air Transport Division, and the Vice President-Employee Relations of the Company, or their designees.

Any dispute as to the interpretation or application of this Agreement will be settled by following the grievance procedures specified in the Basic Agreement.

Very truly yours,

C.A. Pasciuto
Vice President
Employee Relations

Agreed to as of the date hereof:

E.M. Mitchell

ARTICLE 46 - ONE STATION COMPLEX AGREEMENTS

(a) BELOW ARE THE AIRPORTS THAT WILL BE INCLUDED IN THE ONE STATION AGREEMENT:

1. Houston Hobby Airport (HOU) and Houston Intercontinental Airport (IAH)
2. JFK Airport (JFK), LaGuardia Airport (LGA) and Newark Airport (EWR)
3. O'Hare Airport (ORD) and Midway Airport (MDW)
4. Los Angeles Airport (LAX), Santa Ana Airport (SNA) and Ontario Airport (ONT)
5. San Francisco Airport (SFO), San Jose Airport (SJC) and Oakland Airport (OAK)
6. Washington Reagan Airport (DCA) and Dulles International Airport (IAD)
7. Miami Airport (MIA) and Fort Lauderdale Airport (FLL)
8. Dallas Fort Worth Airport (DFW) and Love Field Airport (DAL)
9. Tulsa Maintenance Base (TULE) and Tulsa Airport (TUL).

(b) AN EMPLOYEE WHO IS BASED WITHIN A ONE STATION COMPLEX WILL:

1. Be given preference over employees of other stations **outside the one station complex** as to Bid Job Vacancies, Non-Bid Vacancies and Reclassifications.
2. Be deemed to be based at the one station **complex** in the event of:
 - a. A surplus of employees at one of these airports **within the one station complex** when vacancies exist at the other(s);
 - b. A reduction in force at either of these **stations within the one station complex** when there are no vacancies available at the other(s);
 - c. A reduction in force at any or all **stations within the one station complex**;
 - d. A recall to any or all **stations within the one station complex**;
 - e. Temporary assignments between **stations within the one station complex**.

(c) **BID JOB VACANCIES:**

A bid job vacancy will be filled by honoring **transfer** requests of **Crew Chiefs within their current status (full time/part time)** from one airport to the other(s) within the one station **complex**. To be considered qualified, an employee must hold, as a result of having been selected as successful bidder, a job in the same classification **and status** as the vacancy and involving the same requirements, including qualifying tests. **An employee will only be deemed eligible if he:**

- (1) **Has completed his one hundred eighty (180) day trial period under Article 12, unless agreed to by local management;**
- (2) **Has completed ninety (90) days service at his current station immediately prior to the transfer;**
- (3) **Submits a transfer request via the online transfer system. Employees awarded and accepting transfers (pursuant to Attachment 12.3) within the one station complex must report to the station and/or position.**

Vacancies remaining after such requests have been honored are to be posted for bid in accordance with the requirements of **Article 12**.

(d) **NON-BID VACANCIES:**

Non-bid vacancies in a one station complex will be filled in the following order based on seniority:

- (1) **Employees holding recall rights to the station with the vacancy;**
- (2) **Eligible employees within the one station complex and within the same status (FT/PT) as the vacancy;**
- (3) **Eligible employees in accordance with Article 12.**

ELIGIBILITY

An employee will only be deemed eligible if he:

- (a) **Has completed his probationary period, unless agreed to by local management;**
- (b) **Has completed ninety (90) days of service at his current station;**

(c) **Submits a transfer request via the online transfer system;**

(d) **Is not medically restricted from performing all duties of the vacancy.**

Employees awarded and accepting transfers (pursuant to Attachment 12.3) or who have accepted recall within the one station complex must report to the station and/or position.

(e) **RECLASSIFICATION:**

If an employee is eligible for upgrading from one classification to another, this will be done on a one station basis, subject to the requirements of Article 12(m) of the Fleet Service Agreement, 12(m) of the Maintenance and Related Agreement, and 12(r) of the Stores Agreement.

Filling a vacancy within a one station complex with a 12(m) transfer request will be done in the following order:

- 1) 12(m) transfers within Title Group within the one station complex;**
- 2) 12(m) transfers within the Title Group outside the one station complex;**
- 3) 12(m) transfers outside the Title Group within the one station complex;**
- 4) 12(m) transfers outside the Title Group outside the one station complex.**

(f) **SURPLUS EMPLOYEES AT ONE AIRPORT, SHORTAGE AT THE OTHER AIRPORT:**

Where there is a surplus of employees at one airport within a one station complex, and a corresponding shortage of employees at another airport, within the same one-station complex, the number of employees involved at the airport with the surplus will be equalized through reassignment of volunteers, if any. **Volunteers will be selected from valid existing transfer requests on file.** If no employee volunteers or an insufficient number volunteer, then the selection will be made on the basis of the most junior employee from the surplus at the one airport to the shortage at the other airport.

It is understood that if a Crew Chief is being reassigned to another station within the one station complex, he may exercise his seniority to remain at his

current station as a Full Time or Part Time employee if a vacancy exists at his current station.

It is understood that if a Full Time employee is being reassigned to another station within the one station complex, he may exercise his seniority to remain at his current station as a Part Time employee if a vacancy exists at his current station.

An employee who is the most junior of those who are surplus, who refuses reassignment to the airport where there is a shortage, may accept layoff with recall rights to the original airport of surplus, blended in seniority order with **recalls** from other airports within the one station complex. An employee who accepts layoff as described above will not be afforded the provisions outlined in paragraph (g) or the provisions of Article 15 of this Agreement.

The equalization of any employee surplus and/or shortage between the airports of the one station will precede the honoring of any requests for transfer to or reassignment between such airports as provided in paragraphs (c) and (d) above.

Any employee who has station protection will not be involuntarily assigned to another airport unless such employee has voluntarily left the protected station thereby forfeiting his station protection.

(g) REDUCTION IN FORCE:

If there is a surplus of employees at the one station complex and a reduction in force becomes necessary, **it will be conducted** as follows:

- 1) Identify the most junior affected employees in the one station complex;**
- 2) Process the standing transfer list within the one station complex, if necessary, to avoid the reassignment of junior employees; under these circumstances the ninety (90) day restriction will be waived;**
- 3) If there are insufficient transfers on file, reassign junior employees from the station with the surplus of employees. An employee who refuses reassignment will be considered to have resigned from the Company;**
- 4) Lay off the most junior employee at the one station complex. Such employee may accept layoff or exercise his seniority on the system in accordance with the provisions of Article 15 of the Agreement.**

(h) RECALL:

An employee involuntarily moved from one airport to another within a one station complex, as a result of a reassignment, surplus or a reduction in force will maintain recall back to the original airport.

Recall to the one station complex will be conducted in seniority order by blending together:

- **Employees who stay within the one station complex;**
- **Employees who leave the one station complex;**
- **Employees affected by de-staffing;**
- **Employees who leave payroll**

(i) EXPENSES:

Where an employee is reassigned from one airport to another within a one station complex, whether by employee request or by direction of the Company, no expenses incurred, as a result of such move will be paid by the Company.

(j) TEMPORARY ASSIGNMENTS BETWEEN AIRPORTS:

Employees **who** regularly **work at a station** within a one station complex will not be assigned to work at another **station** within the **one station complex**, except in the event of an emergency or alternate field operation.

When such assignments are made, employees will be regarded as working and will be paid their regular hourly rate while traveling from one **station** to another within the one station complex.

When an employee, regularly assigned to one **station** is assigned to duty at another **station**, the provisions of Article 26 (f) will apply.

ARTICLE 47 - DURATION OF AGREEMENT

THIS AGREEMENT will become effective as of XXXXX Y, 2012 and will continue in full force and effect until and including XXXXX Y, 2018, and will renew itself until each succeeding XXXXX Y 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 no earlier than (30) calendar days prior to the 1Y day of XXXXX in any year, beginning with XXXX Y, 2018. **However, either the Company or the TWU may elect to reopen this Agreement by the service of written notices in accordance with section six (6), Title I of Railway Labor Act as amended pursuant to Section 6, on or after November XX, 2017 (6 months prior to amendable date).**

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 these 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.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day of,
and have signed this Agreement on this the DOS.

FOR TRANSPORT WORKERS
UNION OF AMERICA

James C. Little
International President
Transport Workers Union

Garry L. Drummond
International Vice President
Director- ATD
Transport Workers Union

Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union

Timothy J. Gillespie
International Representative
Transport Workers Union

WITNESS:

David Virella
Donny Tyndall
Mike Mayes
Timothy Hughes
Pete Hogan
Sean Doyle
Darrin Pierce
Sam Cirri
Adam Ferrara
John Mizwa
Charlie Meyer
Art Risley
John Ruiz
Sidney Jimenez
Glenn Jeanes
Howard W. Blaydes

FOR AMERICAN
AIRLINES, INC.

Denise Lynn
Vice President
Employee Relations

James B. Weel
Managing Director
Employee Relations

Dianne E. Taber
Senior Principal
Employee Relations

WITNESS:

Patricia M. Hollinrake

**LETTERS AND MEMORANDA
CONCURRENT WITH THE FLEET SERVICE AGREEMENT**

<u>Subject</u>	<u>Date</u>
LETTER – 1 – TULE AND DWH CHRISTMAS BASE CLOSING	DOS
LETTER – 2 – OVERTIME ASSIGNMENTS	9/15/56
LETTER – 3 – UNDERSTANDING ARTICLE 34	5/11/71
LETTER – 4 – ILLEGAL JOB ACTIONS	8/9/80
LETTER – 5 – EARLY OUT INCENTIVE ALLOWANCE	DOS
LETTER – 6 – EMPLOYEE GAIN SHARING PLAN	DOS
LETTER – 7 – ME. TOO, PROVISION	DOS
LETTER – 8 – PROFIT SHARING PLAN	DOS
LETTER – 9 – LETTERS DISPOSITION	3/1/01

LETTER OF MEMORANDUM 1– TULE AND DWH CHRISTMAS BASE CLOSING

From: James B. Weel

To: James C. Little

(revised **DOS**)

March 1, 2001

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

Re: **TULE** and **DWH** Christmas Base Closing

Dear Mr. Little,

This will confirm our agreement that the **TUL** and **DWH** maintenance bases will be closed for one (1) week during the Christmas holiday period, requiring all employees to take vacation. (Except the Central Utility Plant, Coffee Maker/Oven Shop, Slide Shop and the Battery shop at **DWH** and Central Utility in Tulsa).

Administrative details will be determined by mutual agreement. The actual weeks of closure will be determined by mutual agreement.

Due to operational requirements, employees may work during the Christmas Base closure period under the following procedures:

Prior to the start of vacation selection, the Company will identify the areas and the manning requirements needed for the following years-Base Closure period. The employees will be allowed to sign a volunteer sign-up sheet showing his desire to work during the following year's Base Closure Period.

- a. Volunteer assignments will be awarded by occupational seniority and notified of their ability to work, by posting, no later than seven (7) calendar days prior to the start of the normal vacation selection.
- b. Employees in those shops, docks, or work units identified for the base closure may volunteer to work, for option blocks available by seniority if operationally required, up to the number of employees needed within each shop, dock, or work unit.

- c. Volunteers who are selected will be required to report for duty during the Period of Base Closure and, accordingly, will be guaranteed work or compensation in lieu of work, if work is not assigned.
 - 1. An employee volunteering to work and then subsequently transferring to another shop/dock/work area will be allowed to volunteer in his new area if his seniority will allow, or the employee will be allowed to fulfill his obligation to work in the shop/dock/work area where he had previously volunteered.
 - 2. Employees volunteering to work are volunteering to work any shift. Every attempt will be made to assign volunteers to work their normally scheduled shift; however, due to operational requirements, employees may be reassigned to other shifts by inverse seniority only.
 - 3. Employees scheduled for vacation or FLEX vacation during the base closure period may volunteer to work and be compensated in accordance with Article 8 and applicable IRS laws. Employees who have selected P.O.H. may also volunteer to work.

Note: Current IRS guidelines do not allow for deferring Flex Vacation into the following year, regardless of what week your Flex vacation was scheduled.

- 4. All provisions of the current AA/TWU labor agreement will apply.
- d. If additional employees are needed to work base closure, the following will apply:
 - 1. Employees in those shops, docks, or work units identified for the base closure may volunteer to work, if operationally required, up to the number of employees needed within each shop, dock, or work unit. If option blocks were offered prior to previous vacation selection a year in advance, the same offer must be maintained.
 - 2. If an employee volunteered during the previous vacation selection a year in advance, he will be allowed to work additional days if available.
 - 3. Volunteer lists will be posted and awarded in each shop, dock, or work unit thirty (30) days prior to the start of the base closure period.
 - 4. Volunteers will be selected by Occupational Seniority to work within their own respective shop, dock, or work unit. Every attempt will be made to assign volunteers to work in their regularly assigned work area; however, due to operational requirements, volunteers may be reassigned to other work areas by inverse seniority only.

- e. In the event of insufficient volunteers:

Employees with scheduled vacation, FLEX vacation or P.O.H. and not volunteering will not be required to work.

On the Aircraft docks only, if additional volunteers are needed, they will be selected from within the appropriate **Hangar Operation Center (HOC)**. In the event of insufficient volunteers, no employee will be required to work. Employees not able to select vacation, Flex vacation or P.O.H. will be allowed to work.

- f. A separate volunteer list will be maintained and posted for each classification (e.g. Crew Chief, Inspector, Aviation Maintenance Technician, Plant Maintenance Mechanic, Overhaul Support Mechanic, etc...). Crew Chiefs may volunteer to work as a Crew Chief and may volunteer to work in their non-bid classification. Assignments will be made in accordance with the above procedures and Crew Chiefs volunteering to work in their non-bid classification will be allowed to work within each shop, dock, or work unit by operational seniority.
- g. Unless otherwise noted, the holiday will be observed on the first day following the employee's vacation or days off in accordance with Article 7.
- h. Overtime work required on the days off either preceding or following the base closure/vacation week (unless otherwise noted) will be solicited in accordance with the local overtime administrative guidelines within each shop, dock, or work unit.
- i. Holiday work required on the designated Holiday Off (unless otherwise noted) will be solicited in accordance with the local holiday administrative guidelines within each shop, dock, or work unit, provided that no employee will be required to work the holiday or days off preceding the base closure period.

(Signed original on file)

LETTER OF MEMORANDUM – 2 – 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., and 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.

LETTER OF MEMORANDUM – 3 – UNDERSTANDING ARTICLE 34

MEMORANDUM OF UNDERSTANDING BETWEEN
AMERICAN AIRLINES, INC.
AND
TRANSPORT WORKERS UNION OF AMERICA,
AFL-CIO

This Memorandum expresses the understanding of the parties as to the application of a provision in the Maintenance and Stores Agreements, Article 24(c) and the Communications Agreement, Article 27(b), all effective May 11, 1971, as follows:

“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 (Article 11 Stores Agreement, Article 31 Communications Agreement). Accordingly, no employee will be disciplined for the use of his sick leave benefit for such purpose.”

By this provision, the Company pledged that no employee under the Maintenance, Stores and Communications Agreements will be disciplined for the use of his sick leave for the intended purpose.

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; to aid the employee in meeting bills when sickness or injury have temporarily taken away the ability to work.

In August, 1969, the Company published and distributed a booklet entitled, “Attendance Control Guidelines and the Sick Leave Benefit”. Company supervisors and Union officials received a copy. The Union acknowledges that the statements in this booklet do not conflict with the rights of employees under the Maintenance, Stores, and Communications Agreements.

Accordingly, it is agreed that:

1. 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:
 - a) Full discussion with the employee concerning his attendance record.
 - b) If abuse of the sick leave policy referred to in the Sick Leave Article is suspected, the employee will be so advised of the reasons for suspected abuse; in writing if he so requests.
 - c) Requiring the employee to provide a doctor’s slip stating he was treated for an illness or injury for sick leave eligibility subject to the provisions of the Sick Leave Article.

2. A disciplinary notice issued subject to the conditions and actions herein shall include the charge of suspected abuse of sick leave in connection with absence.

This Memorandum shall not apply to any incident where an employee is charged with the fraudulent abuse of the sick leave benefit.

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Understanding this 11th day of May 1971.

FOR TRANSPORT
WORKERS UNION OF AMERICA, AFL-CIO

James F. Horst
International Executive
Vice President

FOR AMERICAN
AIRLINES, INC.

C. A. Pasciuto
Vice President
Employee Relations

LETTER OF MEMORANDUM – 4 – ILLEGAL JOB ACTIONS

August 9, 1980

Mr. C. A. Pasciuto
Vice President
Employee Relations
P.O. Box 61616
Dallas/Fort Worth Airport, TX 75261

Re: Illegal Job Actions

Dear Mr. Pasciuto:

During our negotiation on amendments to the current basic agreements, we have discussed problems regarding the unfortunate trend of increased illegal work stoppages and slowdowns occurring during the course of our agreements. Both parties have expressed their desire to correct this situation.

The Union recognizes its obligation to prevent any sit-down, walkout or stoppage, strike, slowdown or curtailment of work for any reason during the life of these agreements and pledge their wholehearted cooperation to the Company to prevent any of the above from occurring.

In addition, it is agreed that, in the future, for any letters of discipline which are properly assessed in the event of an occurrence of any of the above, the provisions of Article 28(d), or related articles, will not apply.

Very truly yours,

E. M. Mitchell
Intl. Vice President
Director - ATD

Patrick J. McGahan,
Local 501

Howard W. Blaydes,
Local 502

William Rossi,
Local 505

John D. Fortune,
Local 507

Richard Dawson,
Local 510

Patrick Collins,
Local 512

H. J. Leonard
Intl. Vice President
Assistant Director-ATD

James F. Jackson,
Local 513

Ed Wilson,
Local 514

Frank Palumbo,
Local 519

William Casper,
Local 521

Celeste P. Conroy,
Local 527

E. F. Downey,
Local 540

AGREED TO: C. A. Pasciuto

LETTER OF MEMORANDUM – 5 – EARLY OUT INCENTIVE AWARD

DOS

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

Early Out Incentive Allowance

Dear Robert,

During the 2012 restructuring negotiations, the TWU expressed an interest in reaching an agreement on an Early Out program that would provide a means to mitigate involuntary furloughs for TWU represented employees.

In the interest of reaching a consensual agreement for those TWU employee groups that will experience furloughs as a result of the terms and conditions agreed to within the respective AA/TWU restructuring agreements, the Company agrees to provide the following incentives on a one time basis:

- 1. Eligibility: Any TWU represented employee covered by the Fleet Service agreement who is on active payroll or an approved Leave of Absence as of DOS.**
- 2. For employees who were system or station protected prior to DOS and who are subject to a reduction in force in accordance with Article 15 of the AA/TWU agreements in connection with implementation of the restructuring agreement:**
 - a. Provide regular severance in accordance with Article 37 of the AA/TWU agreement, except for the additional two (2) weeks under Article 37(f).**
 - b. Provide the \$12,500 special severance payment under Article 44**
 - c. In order to receive a. and b. above, the employee will be required to forfeit all seniority, and relinquish any and all claim for re-employment and recall.**
- 3. For all employees, whether affected by a reduction or force or not, who are willing to voluntarily separate from the Company to reduce the involuntary**

reductions at that station or on the system and who are 45 years of age or older and have 15 years or more of Company seniority, the Company will:

- a. Provide regular severance in accordance with Article 37 of the AA/TWU agreement, except for the additional two (2) weeks under Article 37(f).
- b. Provide the \$12,500 special severance payment under Article 44 (if the employee was system or station protected prior to DOS)
- c. Provide a \$10,000 separation allowance for full time employees/\$5000 for part time employees
- d. In order to receive a., b. and c. above, the employee will be required forfeit all seniority, and relinquish any and all claim for re-employment and recall.
- e. The Company will award, at minimum, an equal number of Early Outs as the number of employees at each station or location experiencing layoff within status (FT/PT). The Company maintains discretion as to the separation dates for such employees. When the number of employees willing to accept this incentive exceeds the number of employees subject to layoff, the Company will meet with the applicable TWU Local President to discuss the circumstances, before deciding to award or not award additional Early Outs.

The above will result in employees electing lay off and receiving severance outside the normal operation of Article 15 and Occupational seniority, therefore this agreement requires the International TWU's agreement. If you agree with the above, please indicate by signing below.

Sincerely,

James B. Weel
Director
Employee Relations

Agreed to:

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

Examples of estimated pre-tax payout amounts by TWU classification

	Regular <u>Severance</u>¹	Sys. Protection Special <u>Severance</u>	Special <u>Incentive</u>	<u>Total</u>
AMT - Line	\$17,030	\$12,500	\$10,000	\$39,530
AMT - Base	\$16,744	\$12,500	\$10,000	\$39,244
OSM	\$11,450	\$12,500	\$10,000	\$33,950
PM Mech - Line	\$15,314	\$12,500	\$10,000	\$37,814
PM Mech - Base	\$15,028	\$12,500	\$10,000	\$37,528
PMM	\$9,989	\$12,500	\$10,000	\$32,489
A/C Cleaner	\$9,672	\$12,500	\$10,000	\$32,172
Parts Washer	\$9,937	\$12,500	\$10,000	\$32,437
Utility Person	\$9,209	\$12,500	\$10,000	\$31,709
Cabin Cleaner	\$4,290	\$12,500	\$10,000	\$26,790
Bldg Cleaner	\$4,290	\$12,500	\$10,000	\$26,790
FSC - FT	\$11,159	\$12,500	\$10,000	\$33,659
FSC - PT	\$7,811	\$12,500	\$5,000	\$25,311
Ground Svc.	\$11,159	\$12,500	\$10,000	\$33,659
Stock Clerk	\$11,159	\$12,500	\$10,000	\$33,659
MCT	\$21,788	\$12,500	\$10,000	\$44,288
Dispatch	\$25,548	\$12,500	\$10,000	\$48,048

¹ Assumes 13 week's severance at max. rate including applicable premiums

LETTER OF MEMORANDUM – 6 – EMPLOYEE GAIN SHARING PLAN

DOS

**Robert F Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

RE: Employee Gain Sharing Plan – Fleet Service

Dear Robert,

During the recent negotiations, the parties committed to jointly develop a variable compensation plan (“Plan”) that will be applicable to TWU represented Fleet Service employees in the Domestic Airport Services (DAS) and Cargo departments, including SJU. The parties agree that capitalizing on the value of our people’s knowledge and experience, serves to improve American Airlines Overall Customer Service performance. An appropriate recognition system is a meaningful way to keep our people engaged.

The variable compensation plan covering DAS and Cargo employees will incorporate the following principles:

- Simple and easily understood by employees**
- Fiscally responsible (self-funded)**
- Performance-based**
- Connected to employee action: “line of sight”**
- Tied to corporate and DAS/Cargo business results**
- Structured to motivate continuous improvement**

The Plan will be designed to promote and reward exceptional performance across the areas of:

- Safety**
- Compliance**
- Quality**
- Efficiency**
- Performance**
- Cost**

Performance in each of these areas will be tracked and reported utilizing Metrics which are:

- Objectively Quantifiable
- Results Oriented
- Independently Measured
- Auditable

The parties agree to create a Gain Share Committee consisting of leadership from the following departments, plus one Committee Chairperson:

- Domestic Airport Services
- Cargo
- Finance
- Employee Relations
- TWU Leadership

Management and TWU will be represented on the Gain Share committee.

The Gain Share Committee will work to develop and implement the Plan as expeditiously as practical, including details such as:

- Metrics
- Target-setting
- Award calculation and distribution
- Eligibility
- Program valuation

Any such plan(s) will be implemented only by mutual agreement of the parties and will be subject to the approval of the Company's Chief Operating Officer and the TWU International prior to implementation.

The above agreed upon terms and conditions will replace the Customer Service component of the AIP plan as of DOS.

The Committee will also be responsible for monitoring and modifying the program as becomes necessary.

Sincerely,

{Original Signed on file}

LETTER OF MEMORANDUM – 7 – ME, TOO, PROVISION

DOS

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

“Me, too, provision”

Dear Robert,

During the negotiations that led to the signing of the Agreement between American Airlines, Inc. (“AA” or “the Company”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering Fleet Service Employees and Ground Service Employees, the Company and the TWU agreed to the following, effective upon ratification of all seven (7) of the TWU Agreements by the TWU membership:

1) Notwithstanding any provision to the contrary in this Restructuring Agreement (“Agreement”), the terms of the Agreement shall not become effective until the Company has received approval to implement, through binding agreement, and/or implemented by legal unilateral authority, revisions to (i) the labor contracts of the Company’s other non-TWU unionized employees and (ii) the wages, benefits and working conditions of the Company’s non-union hourly employees and (iii) the wages, benefits and working conditions of the non-union salaried and management employees so that the aggregate revisions in (i),(ii) and (iii) for each individual non-TWU union and non-union employee group are reasonably projected by the Company to produce the targets for labor cost savings specified in the Company’s Section 1113(c) motion.

2) The Company agrees that if the Company fails to implement the changes described in paragraph 1 for any other non-TWU union or non-union employee group, without implementing other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, the Company will meet with TWU to discuss and agree upon a proportionate reduction in projected labor cost savings under the Agreement. This paragraph shall expire upon the earlier of 1) six (6) months after the date the Company emerges from the bankruptcy process; or 2) when the changes described in paragraph 1, or other changes that are reasonably projected by the Company to achieve equivalent labor cost savings, are implemented for all non-TWU union or non-union employee groups.

3) The Company further agrees that if it obtains modifications to agreements with other non-TWU union groups that result in labor cost savings to the Company from reduction in TWU represented employees working under TWU agreements, it will meet with TWU to discuss and agree upon an appropriate credit to the TWU based on the level of labor cost savings realized by the Company from that reduction.

4) The Company will provide TWU with sufficient relevant information reasonably necessary for TWU to determine compliance with the terms of this agreement.

5) Any alleged violation of these provisions will be resolved pursuant to the grievance and arbitration procedures of the applicable TWU Agreement.

If this letter accurately reflects the agreement of the parties, please indicate by signing below.

Sincerely,

**James B. Weel
Director
Employee Relations**

Agreed to:

**Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO**

LETTER OF MEMORANDUM – 8 – PROFIT SHARING PLAN

DOS

**Robert F. Gless
Deputy Director
AA System Coordinator
Transport Workers Union of American, AFL – CIO
1791 Hurstview Drive
Hurst, TX 76054**

RE: Profit Sharing Plan

Dear Robert,

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

American Airlines will establish a profit sharing arrangement (the “Profit Sharing Plan”) that will allow eligible employees, including TWU represented employees, the opportunity, as described below, to share in the financial success of American.

The effective date of the Profit Sharing Plan, as to TWU represented employees covered by this agreement, will be when it has been ratified by the membership, approved by the bankruptcy court, and signed by the parties. Performance will be measured by American’s Pre-Tax Earnings (as defined in the Profit Sharing Plan) with respect to the plan year covered by the Profit Sharing Plan and the fund from which all Profit Sharing awards for all eligible employees, including TWU represented employees, are distributed (“Fund”) will accumulate based on that performance and will be established as follows:

- Five percent (5%) of the dollar amount of American’s Pre-Tax Earnings.**
- For eligible participants, including TWU represented employees, individual awards under the Profit Sharing Plan will be distributed based on a predetermined formula for allocating on a pro-rata basis the contributions made to the Fund as determined by American and the participant’s Eligible Earnings (as defined in the Profit Sharing Plan).**

- Any payout under the Profit Sharing Plan will be made no later than ____ of the year following the year's profits on which the payout is based.
- All other terms and conditions are covered under the Profit Sharing Plan document.

This Letter of Agreement shall supersede all prior LOAs establishing a profit sharing plan for TWU 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
Deputy Director
AA System Coordinator
Transport Workers Union of
American, AFL-CIO

LETTER OF MEMORANDUM– 9 – LETTERS DISPOSTION

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 Fleet Service 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 Fleet Service 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 precedent for purposes of future contract application.
2. **Remove/Incorporate into Article:** The letter has been removed and the portions of substantive value, as agreed upon by the parties, have been included into 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. **Retained 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