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Transport Workers Union of America, AFL-CIO

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VIA Email & Certified Mail #7003-2260-0004-7869-4565

September 11, 2014

Mr. James Weel Managing Director Labor Relations – Technical Operations American Airlines Inc. P.O. Box 619616 MD 5235 DFW Airport, TX 75261-9147

Subject: 29(d) Grievance

Dear Jim:

In accordance with the collective bargaining agreements now in effect, the Transport Workers Union of America, AFL-CIO ("TWU"), pursuant to the 29D procedures, hereby submits the following International grievance.

The grievance is occasioned by AA's failure or refusal to take steps to distribute to each TWU represented individual who received the return of certain employee contributions to the Pre-funding Plan, those associated employer contributions that were made to the Pre-funding VEBA Trust by AA as contractually required matching contributions to the employee's own contributions. It is TWU's position that this distribution is now required both by the September 12, 2012 letter to Robert Gless from James Weel that is Attachment 41.1 to the current CBA, and by the terms of the VEBA Trust, which create, as per Article 41 of the CBA, individual accounts for each contributing participant/employee. The September 12, 2012 letter, which provided for immediate distribution to the participants covered by the grievance of their own contributions, also required that Company contributions "and investment earnings attributed thereto" be distributed to these employees "contingent on the successful resolution of the Section 1114 process...." This contingency provision was based upon the mutual understanding that the 1114 process would be initiated promptly, and that it would similarly be resolved promptly as well. The contingency provision cannot be used by the Company to indefinitely delay its obligation to appropriately distribute the matching contributions to those active and retired employees entitled to the return of those funds. AA has an affirmative obligation to take the steps required under the Trust Agreement for the Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries to distribute the Company contribution plus their earnings to affected individuals.

In the alternative, TWU asks that, pending the final resolution of the Company's distribution obligations, each affected individual be provided with 50% of the retiree benefit that he/she would have been entitled to had no change been made to the contract regarding Pre-funding and retiree health coverage, such amounts to be reflected in an appropriate fashion in the share ultimately to be distributed to him/her.

Finally, pending final resolution of all obligations related to the Pre-funding Trust and its assets, TWU asks that the Company be ordered not to use the Employer contributions made on behalf of those covered by this grievance for any purpose other than providing health benefits to these individuals as required by the Pre-funding Trust. The TWU understands that the Company asserts its right to use these contributions for other purposes. Pending resolution of this grievance, TWU asks for the temporary relief specified here.

Should you require any additional information, please feel free to contact me.

Regards,

David J. Virella International Representative AA System Coordinator

DJV:kla opeiu 153

- C: H. Lombardo
 - J. Samuelson
 - A. Garcia
 - G. Drummond
 - D. Rosen
 - S. Doyle
 - T. McCoy
 - L. Hartness