

American Airlines®

February 23, 2010

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

Re: Retiree Medical

Dear Robert,

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

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

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

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

Sincerely,

Agreed to:

Mark Burdette
Vice President
Employee Relations

Robert F. Gless
AA System Coordinator
Assistant ATD Director
International Vice President
Transport Workers Union of America

cc: J. Brundage
J. M. Conley
C. Wright
J. Weel
C. Teklitz
T. Gillespie
D. Videtich
T. McCoy