

ARTICLE 4 – COMPENSATION

During the period of this Agreement, the rates of pay for the classifications of work covered will be in accordance with the Wage Schedules shown in Article 4, which are incorporated and made a part of this Agreement.

(a) An employee, who is the successful bidder for promotion into a Crew Chief, Technical Crew Chief, or Inspector classification on or after **(DOS)** or who holds a position in a Crew Chief, Technical Crew Chief, or Inspector classification on that date, will receive his **basic classification** chart rate plus a **Higher Capacity** Premium of \$2.75 per hour. An employee who receives a **Higher Capacity** Premium will continue to receive that Premium, provided that he continues to hold a bid **Higher Capacity** position.

(1) **Higher Capacity** Premium is added to his **basic classification** chart hourly rate of pay and will be considered as part of his base hourly rate for the accrual of all pay related benefits. Length of service increases will be based upon the **basic** classification date.

(b) During the period of this Agreement, the regular rates of pay for the non-bid **basic** classifications of work will be as specified on the appropriate pay charts below.

(1) For any employee, not covered in Article 4(b)(2) whose progression is based on six (6) month intervals, his progression from one step to the next will be as defined on the appropriate pay chart for the specific classification, 18 months Aviation Maintenance Technician and Plant Maintenance Mechanic, 12 months Overhaul Support Mechanic, Parts Washer, Aircraft Cleaner, Plant Maintenance Man, Utility Man or 6 months as applicable.

AVIATION MAINTENANCE TECHNICIAN

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 18 months	\$14.74	\$15.18	\$15.41	\$15.64	\$15.95
2nd 18 months	\$16.23	\$16.72	\$16.97	\$17.22	\$17.57
3rd 18 months	\$17.67	\$18.20	\$18.47	\$18.75	\$19.13
Last 6 months	\$19.15	\$19.72	\$20.02	\$20.32	\$20.73
Thereafter	\$27.20	\$28.02	\$28.44	\$28.86	\$29.44

**SUPPORT MECHANIC AIRFRAME /
OVERHAUL SUPPORT MECHANIC**

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 12 Months	\$9.58	\$9.87	\$10.02	\$10.17	\$10.37
2nd 12 Months	\$10.38	\$10.69	\$10.85	\$11.01	\$11.23
3rd 12 Months	\$11.44	\$11.78	\$11.96	\$12.14	\$12.38

4th 12 Months	\$12.47	\$12.84	\$13.04	\$13.23	\$13.50
5th 12 Months	\$13.51	\$13.92	\$14.12	\$14.34	\$14.62
6th 12 Months	\$14.56	\$15.00	\$15.22	\$15.45	\$15.76
7th 12 Months	\$15.60	\$16.07	\$16.31	\$16.55	\$16.88
8th 12 Months	\$16.64	\$17.14	\$17.40	\$17.66	\$18.01
9th 12 Months	\$17.67	\$18.20	\$18.47	\$18.75	\$19.13
Thereafter	\$22.02	\$22.68	\$23.02	\$23.37	\$23.83

PARTS WASHER

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 12 Months	\$9.52	\$9.81	\$9.95	\$10.10	\$10.30
2nd 12 Months	\$10.02	\$10.32	\$10.48	\$10.63	\$10.85
3rd 12 Months	\$10.52	\$10.84	\$11.00	\$11.16	\$11.39
4th 12 Months	\$11.00	\$11.33	\$11.50	\$11.67	\$11.91
5th 12 Months	\$11.51	\$11.86	\$12.03	\$12.21	\$12.46
6th 12 Months	\$11.98	\$12.34	\$12.52	\$12.71	\$12.97
7th 12 Months	\$12.48	\$12.85	\$13.05	\$13.24	\$13.51
8th 12 Months	\$13.60	\$14.01	\$14.22	\$14.43	\$14.72
9th 12 Months	\$14.70	\$15.14	\$15.37	\$15.60	\$15.91
Thereafter	\$19.11	\$19.68	\$19.98	\$20.28	\$20.68

AIRCRAFT CLEANER

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 12 Months	\$9.52	\$9.81	\$9.95	\$10.10	\$10.30
2nd 12 Months	\$10.02	\$10.32	\$10.48	\$10.63	\$10.85
3rd 12 Months	\$10.52	\$10.84	\$11.00	\$11.16	\$11.39
4th 12 Months	\$11.00	\$11.33	\$11.50	\$11.67	\$11.91
5th 12 Months	\$11.51	\$11.86	\$12.03	\$12.21	\$12.46
6th 12 Months	\$11.98	\$12.34	\$12.52	\$12.71	\$12.97
7th 12 Months	\$12.48	\$12.85	\$13.05	\$13.24	\$13.51
8th 12 Months	\$13.50	\$13.91	\$14.11	\$14.33	\$14.61
9th 12 Months	\$14.51	\$14.95	\$15.17	\$15.40	\$15.70
Thereafter	\$18.60	\$19.16	\$19.45	\$19.74	\$20.13

PLANT MAINTENANCE MECHANIC

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 18 Months	\$14.74	\$15.18	\$15.41	\$15.64	\$15.95
2 nd 18 Months	\$16.23	\$16.72	\$16.97	\$17.22	\$17.57
3rd 18 Months	\$17.67	\$18.20	\$18.47	\$18.75	\$19.13
Last 6 Months	\$19.15	\$19.72	\$20.02	\$20.32	\$20.73
Thereafter	\$27.20	\$28.02	\$28.44	\$28.86	\$29.44

UTILITY MAN – PLANT MAINTENANCE

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 12 Months	\$8.16	\$8.40	\$8.53	\$8.66	\$8.83
2 nd 12 Months	\$8.63	\$8.89	\$9.02	\$9.16	\$9.34
3rd 12 Months	\$9.09	\$9.36	\$9.50	\$9.65	\$9.84
4th 12 Months	\$9.57	\$9.86	\$10.00	\$10.16	\$10.36
5th 12 Months	\$10.04	\$10.34	\$10.50	\$10.65	\$10.87
6th 12 Months	\$10.51	\$10.83	\$10.99	\$11.15	\$11.38
7th 12 Months	\$10.99	\$11.32	\$11.49	\$11.66	\$11.90
8th 12 Months	\$12.06	\$12.42	\$12.61	\$12.80	\$13.05
9th 12 Months	\$13.11	\$13.50	\$13.71	\$13.91	\$14.19
Thereafter	\$17.71	\$18.24	\$18.51	\$18.79	\$19.17

PLANT MAINTENANCE MAN

	<u>5/1/2008</u>	<u>DOS</u>	<u>DOS+12</u>	<u>DOS+24</u>	<u>DOS+36</u>
1st 12 Months	\$7.94	\$8.18	\$8.30	\$8.43	\$8.59
2 nd 12 Months	\$8.44	\$8.69	\$8.82	\$8.96	\$9.14
3rd 12 Months	\$8.93	\$9.20	\$9.34	\$9.48	\$9.67
4th 12 Months	\$9.43	\$9.71	\$9.86	\$10.01	\$10.21
5th 12 Months	\$9.92	\$10.22	\$10.37	\$10.53	\$10.74
6th 12 Months	\$10.40	\$10.71	\$10.87	\$11.04	\$11.26
7th 12 Months	\$10.89	\$11.22	\$11.38	\$11.56	\$11.79
8th 12 Months	\$11.99	\$12.35	\$12.53	\$12.72	\$12.98
9th 12 Months	\$13.07	\$13.46	\$13.66	\$13.87	\$14.15
Thereafter	\$19.21	\$19.79	\$20.08	\$20.38	\$20.79

- (c) The parties recognize that the work performed under and within certain classifications in the Maintenance Agreement is varied and in many respects significantly dissimilar. For the purposes of this Agreement, the parties generally acknowledge these basic dissimilarities of and between (1) the functions of operations service at the line stations, and (2) the functions of overhaul maintenance service at the Maintenance Bases, and have, therefore, agreed upon wage differentials.

(1) An employee, while regularly assigned to the classification of Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, Aviation Maintenance Technician at the field stations, and Tulsa (TULE) Line Maintenance operations, will receive a Line Premium of **two dollar fifty-five cents (\$2.55)** per hour.

(2) **An employee, while regularly assigned to the classification of Crew Chief Plant Maintenance Mechanic, Technical Crew Chief – Plant Maintenance Mechanic, and Plant Maintenance Mechanic at the field stations, including Tulsa (TULE) Line Maintenance operations, will receive a Line Premium of one dollar ninety five cents-(\$1.95) per hour.**

(3) In an effort to recognize the need to retain Aviation Maintenance Technicians on night shifts at the field stations including Tulsa Line Maintenance, an employee, while regularly assigned to the classification of Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, Inspector, and Aviation Maintenance Technician and working a shift that begins at or after 8:00 p.m., and before 4:00 a.m., will receive a Midnight Retention Premium (MRT) of **one dollar fifty cents (\$1.50)** per hour.

(4) **Maintenance Base employees will receive a weekend shift premium of fifty cents (\$0.50) per hour for all hours worked on shifts beginning between 2100 Friday & 2100 Sunday.**

(d) 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 Article 4(b), are non competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in any classification at any station/base/location at rates of pay higher (Step 2 through the maximum hourly rate in the applicable pay scale) than those starting rates specified in Article 4(b). As market conditions change, the Company may, in its sole discretion, change its designated starting rate. Such designated starting rate may be higher or lower than previous designated starting rates; however, such 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 Article 4(e)(1), 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.

(3) An employee who is affected by Article 4(e)(1) or 4(e)(2) above will progress to the next step of his classification pay scale in accordance with his pay chart.

(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 classification seniority as his, at his new station/base/location. Such 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.

(e) License and Skill Premiums

(1) An employee in the classification of Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, or Aviation Maintenance Technician, regularly assigned to perform aircraft maintenance work, will receive the following License Premium, if he holds both FAA Airframe and FAA Powerplant Licenses, FAA Airframe and FCC General Radiotelephone Operator Licenses, or FAA Powerplant and FCC General Radiotelephone Operator Licenses:

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

(2) An employee in the classification of Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, or Aviation Maintenance Technician regularly assigned to perform aircraft maintenance work, excluding work in the skill areas described in Article 4(e)(3), will receive a License Premium equal to one half (1/2) of the License Premium provided in Article 4(e)(1) per hour, if he holds only one FAA/FCC License – FAA Airframe, FAA Powerplant, or FCC General Radiotelephone Operator License.

Effective (DOS), the employee will receive \$2.50 per hour.

(3) An employee in the classification of Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, or Aviation Maintenance Technician, regularly assigned to perform work as an Aviation Maintenance Technician – Machinist/Tool Maker, Aviation Maintenance Technician – Plater, Aviation Maintenance Technician – Welder, Aviation Maintenance Technician – Composite, or Aviation Maintenance Technician – Bench Avionics, and not receiving a License Premium as provided in Article 4(e)(1), will receive a Skill Premium as shown below.

Effective (DOS), the employee will receive \$5.00 per hour.

(4) The following is a general definition and identification of the skill areas listed in Article 4(e)(3) and identifies the intent of that paragraph concerning skill premiums. The parties recognize that both job test areas and former job codes are in transition. The parties agree that all individuals receiving a Skill Premium at the time of ratification will continue to receive their Skill Premium, while job test areas and job codes are finalized, so long as the employee remains in the same type of work.

(a) Aviation Maintenance Technician – Machinist/Tool Maker is an employee in the classification of Aviation Maintenance Technician who is assigned to the work of a machinist/tool maker as described in the Qualifications Administration Manual (QAM). This skill is applicable to former job codes 9573, 9593, 9603, 9613, 9753, 9763, 9773, 9783, and 9793.

<u>Type of Work</u>	<u>Job Test Area</u>
27	01, 02, 03, and 08 through 14
58	01
12	04

(b) Aviation Maintenance Technician – Bench Avionics is an employee in the classification of Aviation Maintenance Technician who is assigned to the work of bench avionics maintenance, bench avionics components repair/overhaul, and/or bench avionics systems maintenance as described in the Qualifications Administration Manual (QAM). This skill is applicable to former job codes 9604, 9614, 9754, 9764, 9774, 9784, and 9794.

<u>Type of Work</u>	<u>Job Test Area</u>
12	01, 02, 03
14	01, 02, 03
17	10
43	01
44	01

49

01

(c) Aviation Maintenance Technician – Composite is an employee in the classification of Aviation Maintenance Technician who is assigned to the work of composite repair as described in the Qualifications Administration Manual (QAM). This skill is applicable to former job codes 9605, 9615, 9755, 9765, 9775, 9785, and 9795.

<u>Type of Work</u>	<u>Job Test Area</u>
59	01, 02

(d) Aviation Maintenance Technician – Plater is an employee in the classification of Aviation Maintenance Technician who is assigned to the work of plating as described in the Qualifications Administration Manual (QAM). This skill is applicable to former job codes 9606, 9616, 9756, 9766, 9776, 9786, and 9796.

<u>Type of Work</u>	<u>Job Test Area</u>
23	01

(e) Aviation Maintenance Technician – Welder is an employee in the classification of Aviation Maintenance Technician who is assigned to the work of aircraft welding as described in the Qualifications Administration Manual (QAM). This skill is applicable to former job codes 9607, 9617, 9757, 9767, 9777, 9787, and 9797.

<u>Type of Work</u>	<u>Job Test Area</u>
22	03, 05, 08, 09

(5) An employee in the classification of Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, or Aviation Maintenance Technician, regularly assigned to aircraft maintenance work, and not receiving a License or Skill Premium as provided in Article 4(e)(1) through 4(e)(5), will receive a Skill Premium of one dollar (\$1.00) per hour.

(6) An employee not classified as an Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance

Technician, or Aviation Maintenance Technician, who holds both FAA Airframe and FAA Powerplant licenses and who is designated and approved by the Company's Maintenance Department to perform aircraft maintenance work, as described in Article 11 for the above referenced classifications, will receive a License Premium in accordance with Article 4(e)(1) per hour for all hours, and only those hours, (or fractions thereof rounded to the nearest 1/10 of an hour) worked performing such aircraft maintenance work.

(7) An employee in the classification of Crew Chief – Plant Maintenance Mechanic, Technical Crew Chief – Plant Maintenance Mechanic, or Plant Maintenance Mechanic holding a High Pressure Steam/High Temperature Hot Water License, or other license required by the Federal, State, or Local Government, or Certificates mutually agreed upon, between the Company and the Union, will receive a License Premium equal to one half (1/2) of the License Premium provided in Article 4(e)(1) per hour, provided the license is required for the work he performs.

(8) An employee in the classification of Crew Chief – Plant Maintenance Mechanic, Technical Crew Chief – Plant Maintenance Mechanic, or Plant Maintenance Mechanic, regularly assigned to automotive and/or facility maintenance work, (and an employee in the classification of Plant Maintenance Man who is regularly assigned to the hazardous waste function) and who is not receiving a License Premium as provided in Article 4(e)(8) above, will receive a Skill Premium of one dollar and seventy cents (\$1.70) per hour.

(9) Regardless of the number of licenses an employee may hold and/or the number of high skilled jobs to which he is assigned, neither License Premium nor Skill Premium (individually or collectively) will exceed the rates shown in Article 4(f)(1).

(10) License Premium or Skill Premium as provided in Article 4(e) will be compounded in the computation of overtime rates and included as a portion of the employee's base hourly rate; additionally, License Premiums for Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, Aviation Maintenance Technician, and former Junior Aviation Maintenance Technician, who hold both FAA Airframe and FAA Powerplant licenses, will be included in their, and only their, pensionable earnings effective May 13, 1989. Effective January 1, 1991, for those employees retiring on or after August 15, 1995, License and Skill Premiums will be included in the pensionable earnings of those employees who receive either License or Skill Premium under Article 4(e).

- (f)** When an employee is cross utilized in excess of the time parameters outlined in Article 11(h) of this Agreement into a classification having a higher top chart hourly rate than that of the classification in which he is regularly employed, he will be compensated at his regular base hourly rate, provided his chart rate exists in the higher classification scale. If his chart rate does not exist, he will receive a base hourly rate computed on the nearest higher chart rate per hour in that classification for those hours as specified in Article 11(h).

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

ATTACHMENT 4.1 – CREW CHIEF IN PHASED OUT CLASSIFICATIONS

From: Jane G. Allen
To: Edward A. Koziatek
Re: Crew Chief in Phased Out Classifications

August 15, 1995

This will confirm our understandings reached during the negotiations leading up to the agreement signed on August 15, 1995. During these discussions, we agreed to several changes involving the way we will do our work in the future. Some of these changes will result in consolidation and or elimination of some classifications and the creation of other new classifications. In this process, some Crew Chiefs in the current functions of Utility Men/Building cleaner and Blasting Machine/Parts Washer may not, due the consolidation noted above, be able to maintain a bid position.

We have agreed, therefore, that if persons currently holding Crew Chief positions as outlined above, and after the consolidations/movement of functions, are unable to hold a bid Crew Chief position, will be pay protected at their current rate of pay until such time as their seniority would or does enable them to secure a bid position at their station or they reach the maximum rate of pay in the new classification. They will be pay slotted into their new classification based upon their current Crew Chief pay rate and progress thereafter on the new scale.

(Signed original on file)

Attachment 4.2- Base Employee Gain Sharing Plan

DOS

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

RE: Base Employee Gain Sharing Plan

Dear Robert,

During the recent negotiations, the parties committed to jointly develop a variable compensation plan that will be applicable for employees at the Overhaul Bases. The parties agree to develop and implement the plan within one hundred eighty (180) calendar days from DOS. In the event the parties are unable to reach a resolution, a neutral third party will be retained to facilitate a resolution.

Sincerely,

{Original Signed on file}

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

**Agreed to:
{Original Signed on file}**

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

Attachment 4.3- Mechanic and Related Lump Sums

DOS

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

RE: Mechanic and Related Lump Sums

Dear Robert,

- **This will confirm our understanding reached during the negotiations leading up to the agreement signed on _____ (DOS). During these discussions, we agreed to provide a pensionable lump sum for all Base employees and Title II Plant Maintenance Man, Utility Man and Title I Aircraft Cleaners who work at the field locations.**

The lump sum will be provided as follows:

7.0 % provided as of DOS (To be paid as soon after ratification as possible)

Eligibility:

Employee must be on active payroll, withheld from service or an approved leave of absence on DOS. Employees on an approved leave of absence will receive the lump sum upon return to payroll.

Lump sum calculation will be based on the classification and status held on DOS. Compensation and hours included in the calculation will be based on their new pay rate and will include:

**Chart Rate (Hourly or monthly)
Crew Chief/Tech. Crew Chief/Inspector Premium
License/Skill Premiums**

**Full time: 2080 hours
Part time: 1040 hours**

The above referenced lump sums will be included as pensionable earnings for the year in which they are earned.

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

Sincerely,

{Original Signed on file}

**Agreed to:
{Original Signed on file}**

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

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

Attachment 4.4 Title II Plant Maintenance Masters License requirement premium

DOS

**Robert Gless
AA System Coordinator
Transport Workers Union of America
1791 Hurstview Drive
Hurst, TX 76054**

RE: Title II Plant Maintenance Masters License requirement premium

Dear Robert,

This is to confirm our recent conversations regarding the license premium rate for Tech Crew Chiefs and Crew Chiefs in Title II Plant Maintenance. The company recognizes by imposing a Masters License requirement as part of the posting that it creates value to American Airlines. By having the Masters License requirement, the positions are not only qualified to oversee and appropriately direct the workforce, but also are able to pull the required permits to accomplish both new and maintenance work. We recognize that doing such provides a potential cost savings to the company by keeping work in-house that would otherwise be contracted out. In order to recruit those with a Masters License to those positions we have therefore agreed to increase the \$2.50/hour license premium for this position to \$5.00/hr. This will provide an hourly rate of \$32.20/hour (Current chart rate \$27.20 plus \$5.00 license premium). Any other structural increases and other monetary contractual requirements will still apply.

It is understood by both parties that this increase in license premium applies only to the Title II Plant Maintenance Crew Chiefs and Tech Crew Chiefs Mechanics who are required to maintain a valid and current Masters License and will not serve as precedent in any other matter. It is further agreed, that this letter shall remain in effect for the duration of the agreement.

Sincerely,

{Original Signed on file}

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

Agreed to:
{Original Signed on file}

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