

## ARTICLE 47 - DURATION OF AGREEMENT

THIS AGREEMENT will become effective as of ~~April 15, 2003~~ **May 1, 2008** and will continue in full force and effect until and including ~~April 30, 2008~~ **May 1, 2014**, and will renew itself until each succeeding ~~April 15<sup>th</sup>~~ **May 1st 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. **However, either the Company or the TWU may elect to reopen this agreement by the service of written notice in accordance with section 6, Title I of the Railway Labor Act as amended pursuant to Section 6, on or after November 5, 2013 [6 months prior to amendable date] in accordance with Attachment 47.1. In the event the parties have not reached a tentative agreement within six (6) months after the amendable date, all base rates will be increased on the first day of the seventh (7) month and every six (6) months thereafter by three (3) percent.**

The job security provided for in Article 42 was agreed to in exchange for work rule changes. Those work rule changes involved the right to hire part time employees as provided in Article 43, the right to cross utilize employees as provided in Article 11, the elimination of paid lunches, and the right to hire employees after February 11, 1983 at pay rates lower and with a longer step progression than for employees hired on or before February 11, 1983. So long as the Union does not seek to change any of these work rules as described above, Article 42 (Job Security) will remain in full force and effect forever.

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 such 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.

**However, in the event the Company files for bankruptcy and obtains a Bankruptcy Court ruling authorizing it to reject, abrogate or modify this Agreement, the Company agrees to waive any moratorium requirement, or other limitation on service of Section 6 notices by the Union. In that situation the Company agrees to engage in expedited bargaining and mediation over any Section 6 notice(s) served by the Union as follows: the parties will engage in negotiations on the Section 6 notice(s) for thirty (30) days; if no agreement is reached within thirty (30) days after service of a Section 6 notice, the parties will participate in NMB mediation under Railway Labor Act Section 5 for thirty (30)**

**days; if no agreement is reached within thirty (30) days after the start of mediation, the dispute will be deemed at impasse and the parties will jointly request the NMB to proffer arbitration under Railway Labor Act Sections 5 and 7, with each party retaining its right to accept or reject the proffer.**

IN WITNESS WHEREOF, the parties have entered this Agreement on the ~~15th day of April, 2003~~ **DOS**, and have signed this Agreement **DOS**.

**For the Transport Workers Union of America, AFL-CIO**

James C. Little  
International President

Garry Drummond  
International Vice President  
Director, Air Transport Division

Robert Gless  
AA System Coordinator, Air Transport Division

Donald M. Videtich  
International Representative, Air Transport Division

Tim Gillespie  
International Representative, Air Transport Division

**For American Airlines Inc.**

Jeff Brundage  
Senior Vice President Employee Relations

James B. Weel  
Employee Relations Managing Director

Mark Nelson  
Managing Principal Employee Relations

Mark Easton  
Managing Principal Employee Relations

**WITNESSES:**

Steve Gukelberger TWU  
Robert Strebeck TWU  
Richard Rostock TWU  
Dan Mitchell TWU  
Mike Bush TWU

## ATTACHMENT 47.1

From: James B. Weel  
To: James C. Little  
Re: Incentive

Whereas, American Airlines, Inc. ("American" or "Company") and the Transport Workers Union of America, AFL-CIO ("TWU") have agreed to resolve all disputes which exist or could exist between them related to the negotiation, ratification, and final effectiveness of the Restructuring Agreement, dated April 15, 2003 ("Restructuring Agreement"), and Whereas, American and the TWU (the "Parties") have each agreed that it is in their mutual interest to permit the Restructuring Agreement to become binding and effective. Now therefore, it is this 24th day of April 2003, hereby agreed that the following shall supplement, and, to the extent inconsistent, modify the Restructuring Agreement

CA. Duration of the Agreement. Contingent on approval of this Letter of Agreement by the AMR Board of Directors and the TWU and without further ratification, the Restructuring Agreement will be effective beginning April 15, 2003, and shall remain in effect for a period of five (5) years and become amendable April 30, 2008.

B. Early Reopener. Either the American or the TWU may elect to reopen the Restructuring Agreement by the service of notices pursuant to 45 USC Sec. 156, on or after April 30, 2006.

C. Special Procedure for Change.

For a period not to exceed thirty (30) days beginning on written notice by the TWU no later than May 15, 2003, the Parties will meet and discuss the deletion or modification of a single item in the Restructuring Agreements, (the "Original Provision"), such as, the change to Article 34(d) of the Mechanic and related agreement regarding payment of Sick Leave for the first 16 hours at 50% and the substitution of one or more alternative items (the "Offset Modification(s)") such that the net economic result of the deletion or modification and substitution provides cost savings to the Company equal to the cost savings originally projected by the Company for the Original Provision (i.e. \$7.0 million per year). If the parties cannot reach agreement during the thirty (30) day period on the Offset Modification(s) having the appropriate aggregate value described in C.1., above, they will select a neutral arbitrator in accordance with the System Board procedure in the Restructuring Agreement. Said arbitrator must be available to hear the matter with seven (7) days of selection and shall issue a decision within 21 days of selection.

The arbitrator shall conduct a hearing of no more than one day in duration. American and the TWU will each have a maximum of one-half day for its presentation, with appropriate procedural rules to be set by the arbitrator. At the hearing, the TWU will identify one or more Offset Modification(s), the aggregate value of which must achieve the result described in C.1., above. For example, if the proposed modification to the Original Provision has a cost of \$7 million and the arbitrator values the Offset Modification(s) at \$6 million, the Union must identify some additional Offset Modification(s) with a value of \$1 million. The Parties' original valuation of the Restructuring Agreement will determine the

~~value of the Original Provision. The arbitrator will determine the value of the all changes to less than all of the Original Provision, as well as the value of all Offset Modification(s). If the arbitrator determines that the value of the Offset Modification(s) is less in aggregate value to the Company than the cost of the modifications or deletions to the Original Provision, unless the TWU selects some additional Offset Modification(s) which achieves the result described in C.1., above, the arbitrator will further modify the Original Provision so that the changes to the Original Provision compared to the aggregate value of the Offset Modifications(s) achieves the result described in C.1., above. The decision of the arbitrator will be final and binding on the TWU and the Company.~~

~~D. Annual Incentive Program:~~

~~The Company will establish an Annual Incentive Program ("Program"), as set forth in Attachment A, that shall substitute for and replace the Variable Wage Adjustment Program included in the Restructuring Agreement.~~

~~E. Authority and Effective Date:~~

~~Execution of this Letter of Agreement shall constitute a representation by each party that the terms of this Letter of Agreement and of the Restructuring Agreement have been approved. This Letter of Agreement will become final upon execution on this 24th day of April 2003.  
(signed original on file)~~

**ATTACHEMENT 47.1                      WAGE ADJUSTMENT PROVISION (“Wage Opener”)**

**DOS**

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

**Wage Adjustment Provision (“Wage Opener”)**

**Dear Robert,**

**This letter is a follow up to our conversation regarding the Company recognizing the TWU’s request to incorporate a provision to provide additional protection for your members regarding their hourly compensation contained in this agreement. This letter will expire on May 4, 2013.**

**Upon ratification of this agreement the parties will validate the current standing of compensation in the industry for a Material Logistics Specialist (Stock Clerk). (See attached chart) TBD Compensation includes: chart rate, longevity pay, premiums, and shift differential.**

**In the event workers at comparable airlines (WN, FL, DL, B6, CO, UA, US) amend their collective bargaining agreements, prior to the amendable date of this agreement, and these amendments lower the current standing in compensation of the TWU classifications listed above, the TWU will notify the company in writing of its intent to ‘open’ compensation negotiations limited to the following areas:**

- Chart Rate or Base rate**
- Longevity Pay**
- Shift Differential**
- All other premiums**

**It is understood between the parties that the purpose of this ‘wage adjustment’ provision is to ensure that the TWU classifications mentioned above, maintain their compensation standing with the industry comparators up until the amendable date of this agreement. In addition, it is intended to provide a percentage based form of internal equity for all Material Logistics Specialists, within Title V, covered by the AA/TWU Material Logistics Specialist agreement.**

**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**

**Add standing of compensation chart on date of tentative agreement**