

JML 7-15-11 *JW*
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LETTERS OF MEMORANDUM

~~LETTER OF MEMORANDUM — 1 — MODIFICATIONS REVIEW PANEL~~

~~From: James B. Weel
To: James C. Little
Re: Contract Modifications Review Panel~~

~~March 31, 2003~~

~~This will confirm our understanding reached during the negotiations leading up to the agreement signed on April 15, 2003.~~

~~Due to the unusual nature of the numerous modifications the parties have agreed to establish a Contract Modifications Review Panel to discuss and resolve issues pertaining to these changes in an expeditious manner.~~

~~The TWU International or a Local Union President may, within seven (7) calendar days of the date on which he became aware of the disputed matter, appeal to a review panel composed of the Director of the Air Transport Division and the Vice President, Employee Relations, or their designees, any dispute regarding the proper application or interpretation of the contractual modifications resulting in the agreement dated April 15, 2003.~~

~~The committee will review issues brought to it's attention, and will take the necessary and appropriate action to resolve those issues. Decisions from the review panel will be final and binding on both parties.~~

~~The panel is not intended to replace or circumvent the current greivance procedure as outlined in Article 31 & 32 of the AA/TWU agreements.~~

~~(Signed original on file)~~

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LETTER OF MEMORANDUM – 1 – Enhanced Profit 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: Enhanced Profit Sharing Plan

Dear Robert,

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

The Company will establish an enhanced profit sharing arrangement (the “Enhanced Plan”) that will allow the Employees the enhanced opportunity, as described below, to share in the financial success of the Company.

- 1. The effective date of the Enhanced Plan will be the day following the date of ratification of the AA/TWU labor agreement covering mechanic and related employees..**

- 2. Performance will be measured by American’s Pre-Tax Earnings (as defined in the Enhanced Plan) with respect to the plan year covered by the Enhanced Plan and the fund from which any Enhanced Plan awards are distributed (“Enhanced Fund”) will accumulate based on that performance, and will be established as follows:**
 - a. Fifteen percent (15%) of the dollar amount of American’s Pre-tax Earnings**

 - b. For eligible Employees, individual awards under the Enhanced Plan will be distributed based on a definite predetermined formula for allocating on a pro-rata basis the contributions made to the Enhanced Fund which will be determined by the Company.**

 - c. Any payout under the Enhanced Plan will be made no later than March 15th of the year following the year’s profits on which the payout is based.**

 - d. All other terms and conditions are covered under the Enhanced Profit Sharing Plan document.**

This Letter of Agreement shall cancel and supersede the Letter of Agreement dated April __, 2003 establishing the Annual Incentive Plan (AIP) for TWU represented employees.

**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**

7-15-11

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LETTER OF MEMORANDUM – 2 – OVERTIME ASSIGNMENTS

From: A. DiPasquale
To: James Horst
Re: Overtime Assignments

September 15, 1956

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., the lowest within a sixteen-hour (16) 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 will 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.

(Signed original on file)

TAM 7-15-11

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LETTER OF MEMORANDUM – 3 – EMPLOYEES ASSIGNED TO DFW

From: American Airlines
To: Transport Workers Union
Re: Employees Assigned to DFW

May 27, 1974

The parties mutually agree that with respect to employees of American Airlines, Inc. (Airframe and Power Plant Mechanics and their Crew Chiefs) who are assigned to DFW, the following provisions will apply:

I. WORK UNITS

- A. Line Maintenance
- B. Wheel Build-up
- C. REI
- D. Electronic Shop
- E. Catering Shop
- F. Paint Shop

II. Voting on whether a majority of the employees desire rotating fixed or bid shifts (provided in Article 21(b)), and on rotating or fixed days off (provided in Article 3(d)) will continue to be held on the same basis as at present.

III. Vacations – Line/Wheel Build-up/Paint – Work units will be combined for vacation selections. (Crew Chief Mechanics and Mechanics). All other work units remain as now handled separately.

IV. Each year all Airframe and Power Plant Mechanics in the Line/Paint/Wheel Build-up units will have the right to exercise their occupational seniority to bid an assignment in one of these work units. The period of the bid is to be from the first crew schedule change in January of each year. Bid selection is to be 90 days before the first crew schedule change in January of each year.

V. Ten percent (10%) of the employees assigned to the REI work unit will be allowed to bid out of such unit into Line Maintenance once a year. This bid will be held at the same time as the regular work unit bid. Resulting vacancies in the REI unit will be posted.

VI. Vacation relief is to be bid annually during the vacation selection period. If insufficient relief bids are filled, the most junior Mechanic in the combined Line/Paint/Wheel Build-up work units, who has completed his six months qualification period with the Company, will be assigned to vacation relief periods.

VII. NEW HIRE BID

A new Mechanic will be eligible to exercise his seniority as provided in paragraph IV, above, on the occasion of the first bid following the completion of his first six months' service. Having been awarded a bid to assignment in the Line/Paint or Wheel Build-up work units, the bidder will remain in it for the period of one year unless he is the successful bidder for a vacancy in another work unit which becomes available during the one-year period. If such a vacancy occurs, it will be filled by posting a notice of vacancy in both work units for five (5) days. The most senior man bidding will be assigned to the opening. The vacancy resulting from the first bid will be bid in the same manner. The next (third) resulting opening may be filled by normal procedures, i.e., recall, transfer, or new hire.

VIII. QUALIFICATIONS

No Mechanic assigned to the Line or REI work units will be required to take a qualifying test as a prerequisite for assignment to another of these work units at the DFW station, but he must have the required A & P licenses to work in the Line Work unit.

IX. Starting times shall be kept to the minimum number consistent with efficient operations. Existing starting times will not be changed nor will new ones be established until after notice to and consultation and discussion with the Union.

X. Each work unit will have a separate overtime distribution list.

(Union Version) LETTERS OF MEMORANDUM - TA



7-15-11



LETTER OF MEMORANDUM – 4 – COPE DEDUCTIONS

From: Charles Pasciuto
To: Ernest Mitchell
Re: COPE Deductions

August 9, 1980

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 will be in conformance with all applicable laws.

(Signed original on file)

(Union Version) LETTERS OF MEMORANDUM - TA

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~~LETTER OF MEMORANDUM 5 ILLEGAL JOB ACTIONS~~

~~From: Transport Workers Union
To: Charles Pasciute
Re: Illegal Job Actions~~

~~August 9, 1980~~

~~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.~~

~~(Signed original on file)~~

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LETTER OF MEMORANDUM – 7 5 – CABIN CLEANING WORK

From: Jane Allen
To: Edward Koziatek
Re: Cabin Cleaning Work

August 15, 1995

This will confirm our discussions leading to signing of the agreement dated August 15, 1995. We discussed the issue of competitive cabin service and agreed to place a new classification into the labor agreement to do selected cabin cleaning work. We have agreed to utilize Cabin Cleaners to accomplish the heavy International cleaning and the overnight bill of work. The following defines in general terms the parameters of these functions.

- (a) All International aircraft operations using dedicated Cabin Cleaner crews arriving from or departing to a city outside of the United States, Canada, Mexico and San Juan/U.S. Virgin Islands.

It is not the intent of the parties that the Cabin Cleaner classification will assume the Cabin Service support shop duties where they exist today, nor accomplish the watering and lavatory dumping/servicing for International aircraft.

(Signed original on file)

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~~LETTER OF MEMORANDUM — 6 — AUTOMATED BID/TRANSFERS~~

~~From: Jane Allen
To: Edward Koziatek
Re: Automated Bid/Transfer~~

~~August 15, 1995~~

~~During the discussions which led to the agreement of August 15, 1995, the Company and the TWU agreed to establish an Automated Bid/Transfer System.~~

~~A joint committee will be established to design the functionality of the system so that it complies with the contractual rules and procedures, while improving the process and timeliness of awards and notification to the employee, the TWU, and the locations involved.~~

~~(Signed original on file)~~

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LETTER OF MEMORANDUM ~~-86-~~ REINSTATED CLASSIFICATION OF PLANT MAINTENANCE MAN

From: Jane Allen
To: Edward Koziatek
Re: Reinstated Classification of Plant Maintenance Man

August 15, 1995

I understand there is confusion regarding the reinstated classification of Plant Maintenance Man in the Tentative Agreement.

First, all incumbent Plant Maintenance Mechanics have been granted job security to protect their classification, pay, and status.

Second, we have agreed that the classification of Plant Maintenance Man cannot be utilized at a location until any furloughed Plant Maintenance Mechanic has been recalled.

We have also agreed to job description language for the Plant Maintenance Man which is considerably more restrictive than that which previously existed for this classification before the name was changed to Apprentice Mechanic.

There is no intent to arbitrarily replace Plant Maintenance Mechanics as a result of this change in the Agreement. To further demonstrate this intent, we will agree to a "floor" of Plant Maintenance Mechanics which will be the number of Plant Maintenance Mechanics on the payroll on August 15, 1995, less those who elect the Early Retirement Program. We further agree not to hire Plant Maintenance Men unless we are at or above the floor.

We have also agreed to establish a joint committee to immediately review and resolve any questions regarding the application of the Plant Maintenance Man classification.

(Signed original on file)

~~LETTER OF MEMORANDUM 10 - SUMMARY OF 2003 CONTRACT CHANGES~~

From: ~~James B. Weel~~
To: ~~James C. Little~~
Re: ~~Summary of 2003 Contract Changes~~

~~March 31, 2003~~

~~This will confirm our understanding reached during the negotiations leading up to the agreement signed on (DOS), 2003. During these negotiations, we discussed many changes intended to achieve sustained long-term financial relief from the current provisions of the TWU labor agreements. This letter is intended to recap the majority of the agreed upon changes. Changes are listed by Title groups: I (Mechanics and Related), II (Facilities, Automotive, Cabin Cleaners, Utility and Building Cleaners), III (Fleet Service), IV (Fuelers), V (Stock Clerks), T/S (Technical Specials), Disp (Dispatch), Metro (Meteorologists), Sim Techs (Simulator Technicians) and Instrs (Ground School and Pilot Instructors).~~

Pay Related:

Effective May 1, 2003:

- ~~• Base wage pay reduction, varying percentages (all groups)~~
- ~~• Elimination of all longevity pay (I & II)~~
- ~~• Modified longevity pay, start after 17 years, current rates (III, IV, V, T/S)~~
- ~~• Reduced Sim Tech Coordinator premium by \$.75/hour~~
- ~~• Reduced Sim Tech Skill pay to \$.10/hour~~
- ~~• Reduced Pilot Simulator Instructors premium to \$10.00/month~~
- ~~• Reduced Ground School/Pilot Simulator Instructors standardization coordinator pay to \$150.00/month~~
- ~~• Reduced Pilot/Simulator Instructors work unit experience premium~~
- ~~• Modified shift differential to \$.01, \$.02, \$.03 (I, II, III, V, T/S, Sim Techs)~~
- ~~• Elimination of weekend differential (I, II, V, at AFW, TUL, MCI)~~
- ~~• Elimination of midnight skill retention premium (Sim Techs)~~
- ~~• Training pay at straight time for off shift and day off (I, II)~~
- ~~• Elimination of penalty lunch payment (I, II, III, IV, V)~~
- ~~• Elimination of OT meal allowance (I, II, III, IV, V, T/S)~~
- ~~• Penalty hours pay for actual time worked @ 1.5x (I, II, III, IV, V, T/S)~~
- ~~• Reduce OT rate from 2x to 1.5x (I, II, III, IV, V)~~
- ~~• Work 40 hrs to reach OT rate for day off overtime (III, V)~~
- ~~• Elimination of debrief pay (T/S)~~
- ~~• Elimination of Stock Clerk driver premium~~
- ~~• Elimination of AMT premiums when displacing OSM employee~~
- ~~• Elimination of Early Call In guarantees (I, II, III, IV)~~
- ~~• Elimination of short turn penalty due to shift bids (Art 21 d) (III, IV)~~
- ~~• Elimination of CC premium when not working as CC (III, V)~~

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Work Rules/ Other changes and effective dates:

Effective April 15, 2003:

- ~~Combine Systems/Structures into Generals (Title I)~~
- ~~Added 7 day labor loan provision (Bases only)~~
- ~~Increased AMT productivity through multiple work assignments/training~~
- ~~Holidays reduced from 10 to 5. The five (5) observed holidays will be: New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day (all groups)~~
 - ~~Holidays 5 days with roll @ 1.5x (I, II, III, IV, V, T/S, Sim Techs)~~
 - ~~Holidays 5 days (no roll) @ 1.5x (Disp, Metro, Instrs)~~

Effective May 1, 2003

- ~~Reduce annual SK accrual to 5 days @ 100% (all except I & II)~~
- ~~Reduce annual SK accrual to 5 days, 1st two at 50% (I & II)~~

Effective May 3, 2003

- ~~4/10s at Overhaul docks/TUL, duration of agreement~~

Effective within sixty (60) days of ratification:

- ~~Outsource RON/Ultraclean (II/III)~~
- ~~One time System protection credit for headcount reductions realized from work rule changes (all groups except Metro)~~

Effective thirty (30) days from ratification:

- ~~Reduce uniform provisioning and eliminate laundering (I, II, III, IV, V)~~
- ~~Outsource stores function at HDQ (6 Stock Clerks)~~
- ~~Relocate 4 Stock Clerks at ORD/GEM to ORD/M & E hanger~~

Effective as soon as practicable after DOS:

- ~~Change work schedule to 5 on, 2 off (T/S)~~
- ~~Reduced VC accrual one week (all groups)~~
- ~~Modify Crew Chief ratios:
AMT 1:11.5
FSC 1:9
Fuelers eliminated ratio
Stores 1:12~~

Benefits:

- ~~Medical & Dental plan modifications (all groups) **Effective 1/1/04**~~
- ~~SLOA Benefit Coverage reduced from 24 to 12 months (all groups) **Effective 5/01/03**~~
- ~~Eliminate STD Plan (all groups) **Effective 1/1/04**~~
- ~~Discontinue subsidized medical benefits RIF'd employees (all groups)~~

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Effective 4/15/03

- ~~Modify IOD to 10 days (all groups) Effective 5/01/03 with the following transition:~~

- ~~○ If the injury was incurred prior to 4/15/03, remaining applicable salary continuation through the end of the month up to the current 80 days~~
- ~~○ If the injury is incurred on 4/15/03 or before 4/30/03, salary continuation for 10 days up to the current 80 days~~
- ~~○ If the injury is incurred after 5/01/03, salary continuation for 10 days~~

(Signatures on file)

7-15-11

LETTER OF MEMORANDUM – 448 – DISPOSITION OF LETTERS OF AGREEMENT

From: James B. Weel
To: James C. Little
Re: Disposition of Letters of Agreement
March 1, 2001

During the recent negotiations for the Mechanic and rRelated 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 Mechanic and rRelated 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 a precedent for purposes of future contract application.
- (2) Remove/Incorporated into Article: The letter has been removed and the portions of substantive value, as agreed upon by the parties, have been included into the 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) Retain 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.
(Signed original on file.)