

ARTICLE 1 – RECOGNITION AND SCOPE

(a) Pursuant to the certification from the National Mediation Board dated July 22, 1946, the Company recognizes the Union as the exclusive and sole collective bargaining agency, with respect to rates of pay, rules, and working conditions, for all employees within the United States or its territories, covered under this Agreement in the classifications set forth in Article 4, and as described in the classification descriptions in Article 11, who perform work as follows:

(1) The servicing, maintaining, modifying, and overhauling of airplanes (including airframes, engines, radios, components, accessories, instruments, systems, furnishings and equipment), while the airplane is on the ground, including such work as fabricating, repairing, assembling, disassembling, installing, removing, testing, inspecting (except visual inspection normally performed by flight crews at or about the time of flight departure), fueling, oiling, replenishing hydraulic and other fluids, and cleaning.

(2) The servicing, maintaining, repairing, altering, and constructing of buildings and grounds (including fixtures and equipment), including such work as carpentry, masonry, plumbing, **and electrical (as well as landscaping at TULE)**, ~~landscaping, janitor and cleaning at TUL;~~

(3) The servicing, maintaining, and repairing of tools and equipment, including hand tools, power tools, machine tools, and mobile equipment provided by the Company for the use of employees in the performance of their work and, when assigned, those provided by the Company for the use of employees not covered by this Agreement, including such work as fabricating, repairing, assembling, disassembling, testing, inspecting, fueling, oiling, and cleaning.

(4) The servicing, maintaining, and repairing of ground radio equipment (except on-the-job service, repairs, and installation of ground radios), including such work as fabricating, repairing, assembling, disassembling, testing, and inspecting.

(b) It is understood and agreed that the work to be performed by employees covered by this Agreement does not include related indirect work performed by employees such as supervisors, management specialists, managers, planners, professional employees, flight crews, dispatchers, office and clerical employees, agents, clerks, production assistants, staff assistants, and skycaps.

(c) It is understood that in an emergency, supervisors, flight crews, and other employees may perform or assist in performing any work that may be necessary to complete a particular operation. Where employees are reasonably available in point of time adequately to handle a situation on a regular, overtime, or field trip basis, the situation will not be deemed to be an emergency within the meaning of this paragraph.

(d) The Company will continue to assign American Airlines TWU represented employees in classifications, consistent with its established practices, as designated by the Company to all stations wherein such TWU represented employees are assigned currently with 1460 and above annual departures and will staff new cities (those not currently staffed by the TWU) at or over 3650 annual departures. The Company will also re-staff former TWU staffed cities with 1460 and above annual departures.

(1) Notwithstanding the above, the Company will not be obligated to continue staffing any station except as provided by Article 42 (Job Security) wherein the scheduled annual departures at those stations fall below 1460 departures.

(2) The determination of such scheduled departures will be made each January 1 and July 1 and will consider the prior twelve (12) month period.

(3) It is agreed that as other stations are established during the term of this Agreement, the Union will be notified prior to the opening, and conferences will be held between the parties regarding the staffing of these stations. The Company retains the right to staff stations at its discretion.

(e) Contracting Out of Work. In the interest of providing stable employment, but nevertheless to permit the Company to maintain and continue the development of air transportation under applicable laws, the Company will perform aircraft and aircraft component maintenance and overhaul, and other related work, as its present employees have the normal time and the skills to perform, and for which the Company can reasonably make available the necessary facilities.

(1) Additionally, it is agreed that the Company may continue to contract out work not exceeding the scope of its present contracting out practices. The Company will provide to the Union, in January and July of each year, a report, which indicates the extent of the aircraft maintenance work, which has been contracted out as a percentage of the total aircraft maintenance expense in the preceding six (6) months for purposes of ensuring consistency with this obligation.

(2) It is understood that nothing in this Article requires the maintenance of the present volume of work.

(3) At the request of the Director of the Air Transport Division, discussions may be initiated with the Vice President – Employee Relations, quarterly or on reasonable request, to ascertain by type of aircraft, engine, or component part, the amount and type of work which has been contracted out during the previous calendar quarter.

(4) The parties agree, that in response to an expressed Union concern over the practices of the Company in the matter of subcontracting aircraft and aircraft component maintenance and overhaul work and consistent with the provisions of Article 1(e), Contracting Out of Work, of the Agreement, it is agreed that the

Company will advise the Director of the Air Transport Division, Transport Workers Union, in a quarterly listing of the total volume of work sub-contracted under Repair Outside (RO) practices, Cross Servicing, Base Maintenance, and Line Maintenance Service Agreements.

(a) It is the intention of the Company to ~~insure~~ **ensure** that the predominant volume of work under Cross Service, Base Maintenance and Line Maintenance Service Agreements be performed by the Company employees. It is further understood, in no event, that the volume of work be less than equal to the work performed by other carriers for American Airlines under Cross Service, Base Maintenance and Line Maintenance Service Agreements. The ratio of mechanic work performed in terms of man-hours will be reflected quarterly, in writing, to the Union.

(5) The time limit for grievances filed under Article 29(d) involving contracting out will be six (6) months from the date on which the contracting out commenced, or in the case of a substantial expansion of prior contracting out, six (6) months from the date of the expansion.

(f) It is the intent of the parties that the above language in Article 1(e) represents an attempt in contract language to express the meaning of the letter by Mr. C. R. Smith, dated March 9, 1950.

(g) Although a proposed FAR Part 66 was previously considered and subsequently withdrawn by the FAA, in the event of a future approved FAR Part 66, or equivalent rulemaking, which may have an impact on the utilization of unlicensed personnel performing aircraft maintenance work, the Company agrees to maintain its current practices until such time it discusses and reaches an understanding with the TWU International of the impact of such change. This provision will only remain in force and effect during the life of this Agreement.

(h) Merger, purchase, or acquisition of another company: In the event of a merger, purchase, or acquisition of another company, involving that entire company or a substantial portion of that company by the Company, the TWU and the Company will meet to discuss the merger, purchase, or acquisition. The Company will provide the TWU with information concerning the proposed merger, purchase, or acquisition at the earliest feasible time to allow for the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, or acquisition upon the TWU represented employees.

(1) The integration of the seniority lists of the respective employee groups will be governed by the provisions of Sections 3 & 13 of Allegheny-Mohawk, 59 CAB 22 (1972), provided that no employee on the master seniority list will be adversely impacted in rates of pay, hours, or working conditions by the integration.

(2) The rates of pay, rules, and working conditions contained in the Basic Agreement, as amended, **will not be changed in any way absent agreement of the TWU** and will not be open for collective bargaining in the event of a merger, **purchase or acquisition of another company**, nor will the TWU or the Company have any obligation to bargain upon changes thereto, except as provided in Article 47 – Duration of the Basic Agreement.

(3) The parties agree to submit to final and binding arbitration by an arbitrator approved by the National Mediation Board all disputes between the TWU and the Company which are not settled in the meetings provided above within six (6) months of the effective date of the merger. The costs of the arbitration will be shared equally by the parties and there will be only one such arbitration proceeding which will be the sole and exclusive remedy for all such disputes.

(4) It is understood that the provisions of Article 1(h)(1), (2) and (3) will not apply to the Company's purchase of assets of another airline which does not result in the integration of employees.

(i) **Merger, purchase, or acquisition by another company:** In the event of a merger, purchase, or acquisition of the Company, by another company, the TWU and the Company will meet to discuss the merger, purchase, or acquisition. The Company will provide the TWU with information concerning the proposed merger, purchase, or acquisition at the earliest feasible time to allow for the Union to prepare for those discussions. Those discussions will include the impact of the merger, purchase, or acquisition upon the TWU represented employees.

(j) **Labor protection provisions:** In the event of a merger, purchase, or acquisition of the Company, by another company, the integration of the seniority lists of the respective employee groups will be governed by the provisions of Sections 3 & 13 of Allegheny-Mohawk, 59 CAB 22 (1972). The employee groups of each carrier will remain separated until such time as the seniority lists are integrated in accordance with this paragraph.

(k) **Successorship: In the event of any merger, purchase or acquisition of the Company, or of substantially all of the equity securities and/or assets, of the Company, by another company, person or entity or subsidiary or corporate affiliate of the Company (Successorship Transactions), the following will apply.**

(1) This Agreement will be binding upon any **company, person or entity that acquires control of, purchases or acquires the Company or substantially all of the equity securities and/or assets of the Company** ("Successor"). The Company will not bring a single step or multi-step Successorship Transaction to final conclusion, unless the Successor agrees, in writing, to:

(a) Recognize the TWU as the representative of employees on the TWU System Seniority lists consistent with the Railway Labor Act, as amended.

(b) Employ the employees on the TWU System Seniority list in accordance with the provisions of this Agreement.

(c) Assume and be bound by this Agreement.

(2) If the Successor is an Air Carrier or an affiliate of an Air Carrier, the Company will, at the option of the TWU, require the Successor to agree to integrate the pre-transaction System Seniority list of the Company and the Successor in a fair and equitable manner within twelve (12) months of the Successorship transaction pursuant to Sections 3 and 13 of the Allegheny-Mohawk LPPs. The requirement of this provision does not apply to the Company's acquisition of all or part of another Air Carrier in a transaction, which includes the acquisition of aircraft and employees.

(I) Other Labor Protective Provisions In Substantial Asset Sale

In the event that, within any Twelve (12) month period, the Company transfers (by sale, lease, or other transaction) or otherwise disposes of facilities operated by the Company for the maintenance of its aircraft ("Aircraft Maintenance Facilities") which, net of Aircraft Maintenance Facilities purchased or otherwise added by the Company during the same 12 month period, constitute 20% or more of the value of the Aircraft Maintenance Facilities of the Company, to an entity or a group of entities acting in concert that is either (i) an air carrier or that will operate as an air carrier, or (ii) is a repair station under 14 CFR Part 145 ("Repair Station") or that will operate as a Repair Station, following its acquisition of the transferred Aircraft Maintenance Facilities (any such entity or group the "Aircraft Maintenance Transferee; any such transaction, a "Substantial Aircraft Maintenance Transaction"):

- 1. The Company shall require the Transferee to proffer employment to that number of Employees on the master seniority list in strict seniority order (the "Transferring Employees") equivalent to the reduction by the Company in the number of Employees resulting from the Substantial Aircraft Maintenance Transaction. [The number of transferring employees shall be no fewer than the average monthly staffing over the prior twelve (12) months for the Aircraft Maintenance Facilities transferred to the Transferee in connection with the Substantial Aircraft Maintenance Transaction]; and**
- 2. The Company shall not finally conclude a transaction under this subsection unless the Transferee agrees to integrate the Transferring**

Employees into the Transferee's seniority list pursuant to Sections 3 and 13 of the Allegheny-Mohawk LPPs.

(m) If the TWU believes that a violation of the provisions of sections (h) through (l) has occurred, an expedited arbitration may be invoked.

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

ATTACHMENT 1.1 – CONTRACTING OUT WORK

From: C.R. Smith
To: Francis A. O'Neill
Re: Contracting Out Work

March 9, 1950

The contracting out of work has become an issue in our negotiations with TWU because the union believes this practice may threaten the job security of its members. To show that such fears are groundless I shall review our policy.

Our policy has been and is to maintain a stable work force. Few, if any, employees have been laid off because we have contracted work to others. In 1949 American Airlines, Inc. had the best record for continuity of employment in its mechanical department that it has ever had, even though it was necessary to give some non-recurring work to outside contractors.

In 1949 we scheduled our work in such fashion that there would be an orderly flow of work through the plants. The program was successful enough to provide the highest record of stable employment in the history of the company. One of the contributing factors to an orderly flow of work was our program to farm out such work as was beyond the capacity of our plants. We farmed out no projects that could have been accomplished in our plants. All of our people were busy during the year. How then can it be construed that the company will now find it desirable to contract out work that our employees have the time and facilities to get done?

The union has sought a severance pay formula. Even though it has not been demonstrated that work contracted out is, has or will jeopardize the security of the employees, the severance pay plan gives an additional measure of security. This is a new provision, unique in the air transport industry.

Nobody on the payroll will benefit by a program, which would require us to hire temporary employees to take care of peak or non-recurring work, and to discharge them as soon as the peak had gone. This, from our point of view, is a wastefully expensive way of doing business, because it is inefficient. We must, therefore, retain the right to give to others the work that our regular employees have no time to handle.

There are several things in airline operation, which principally affect the continuity of employment; the volume of the business, the schedules to be operated and the workload available. We will do the best we can to assure that each of these factors contributes to stability and continuity of employment; we cannot and do not contract about their volume, for we do not control that.

Our policy has enabled us to maintain a stable work force. We recognize its benefits and see no reason to change the policy.

(Signed original on file)

ATTACHMENT 1.2 – CONTRACTING OUT WORK – JOINT COMMITTEE

From: C.A. Pasciuto
To: John J. Kerrigan
Re: Contracting Out Work – Joint Committee

May 5, 1989

During the discussions leading to the Agreement signed May 5, 1989 the issue of contracting out was discussed.

The Company has agreed to create a joint committee for each Branch Manager's area at Tulsa. The committee will meet periodically to review contracting out practices. Such items as cost considerations, turn times, training, facilities and return on investment will be reviewed. Each committee will be made up of three (3) management and two (2) TWU members with the Branch Manager as the Chairperson.

(Signed original on file)

ATTACHMENT 1.3 – NEW TWU CITIES

From: Charles A. Pasciuto
To: John J. Kerrigan
Re: New TWU Cities

May 5, 1989

During the course of the negotiations leading to the signing of the current agreement, the staffing of certain cities by TWU represented employees was raised by the Union.

As a result of these discussions, it is agreed that periodic meetings between the Company and the Union, represented by the International Vice President, Transport Workers Union, and the Senior Vice President-Field Services, American Airlines, will be held for the purpose of reviewing the long term implications of staffing of new cities by TWU represented employees.

(Signed original on file)

ATTACHMENT 1.4 – CROSS SERVICE AGREEMENT DATED MAY 27, 1974

From: Charles A. Pasciuto
To: John J. Kerrigan
Re: Cross Service Agreement Dated May 27, 1974

May 5, 1989

This will confirm our discussion regarding the Letter of Agreement dated May 27, 1974, pertaining to the Cross Service Agreement. Since this letter was written, deregulation and American's growth have brought about a change in the way we accomplish our work and we have demonstrated an enviable record of stable and secure employment.

Because of recent acquisition of some small aircraft fleets and expansion to additional cities, it is in the best interest of American Airlines and the Transport Workers Union to respond to changes in our industry. It is the intention of American Airlines to change its fleet configuration as market conditions and aircraft availability dictate. It is not economically feasible for American Airlines to purchase tooling and/or construct facilities for those small fleets, which are planned to be phased out in the near term.

We have agreed, therefore, that during the term of this agreement (amendable March 1, 1993) those existing fleets of 25 aircraft or less and any new cities where we contract out our line maintenance will be exempt for reporting purposes from the Cross Service Agreement*. Our future quarterly report will reflect this change.

* (For example, the B-747 aircraft, which is planned to be replaced by the MD-11 and the B-737/BAe-146, which are planned for near term replacement. The B-727 fleet will not be segregated by fleet type.)

(Signed original on file)

ATTACHMENT 1.5 - SEAT MILES SCHEDULED BY COMMUTER AIR CARRIERS

AMERICAN AIRLINES, INC.

P.O. Box 619616

DFW Airport, Texas 75261-9616

5/19/11

**Mr. Robert F. Gless
Deputy Director-ATD**

American Airlines System Coordinator

Transport Workers Union, AFL-CIO

1791 Hurstview Drive

Hurst, TX 76054

Seat Miles Scheduled by Commuter Air Carriers

Dear Robert,

This will confirm our discussions leading to signing of the agreement dated _____ in which we discussed provisions for the future schedules of commuter air carriers relative to American Airlines.

It is agreed that, beginning with the twelve (12) month period following January 1, 2012, and each twelve (12) month period thereafter, the total number of available seat miles (ASM's) which may be scheduled by all commuter air carriers owned by AMR or feeding American may not exceed seven (7.0) percent of the total ASM's scheduled by American. This limitation will not apply to ASM's scheduled by such commuter air carriers on new service on a route, which American has not served since March 1, 1993. In addition, for the twelve (12) month period following January 1, 2013 and beyond, the threshold will be modified to eight (8.0) percent.

No aircraft type currently in the American Airlines fleet or inactive aircraft type previously in the American Airlines fleet and still under the Company's control, and no current orders or options for an American Airlines aircraft type will be transferred to or operated by a commuter air carrier either owned by AMR or feeding American Airlines.

It is understood by the parties with the increase in ASM's that the TWU M&E employees (Titles I, II, V) will not be adversely impacted at their current locations.

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

Sincerely,

Agreed to:

James B. Weel

Managing Director

Employee Relations

American Airlines Inc.

Robert F. Gless

Deputy Director-ATD

AA System Coordinator

TWU of America, AFL-CIO

ATTACHMENT 1.5 – SEAT MILES SCHEDULED BY COMMUTER AIR CARRIERS

~~From: Jane G. Allen
To: Edward R. Koziatek
Re: Seat Miles Scheduled by Commuter Air Carriers~~

~~This will confirm our discussions leading to signing of the agreement dated August 15, 1995, in which we discussed provisions for the future schedules of commuter air carriers relative to American Airlines.~~

~~It is agreed that, beginning with twelve (12) month period following August 15, 1995, and each twelve (12) month period thereafter, the total number of available seat miles (ASM's) which may be scheduled by all commuter air carriers owned by AMR or feeding American may not exceed six (6) percent of the total ASM's scheduled by American. This limitation will not apply to ASM's scheduled by such commuter air carriers on new service on a route, which American has not served since March 1, 1993.~~

~~No aircraft type currently in the American Airlines fleet or inactive aircraft type previously in the American Airlines fleet and still under the Company's control, and no current orders or options for an American Airlines aircraft type will be transferred to or operated by a commuter air carrier either owned by AMR or feeding American Airlines.~~

~~(Signed original on file)~~

ATTACHMENT 1.6 – CONTRACTING OUT WORK

From: Jane G. Allen
To: Edward R. Koziatek
Re: Contracting Out Work

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 discussed the issue of contracting out on numerous occasions and the Company's need to contract out that work as provided for in the labor agreement.

As we discussed, it is the Company's intent to ensure that the TWU leadership is fully advised of those situations wherein the Company is planning to contract out work that is normally done in-house so that the matter can be fully discussed.

The parties agree that this letter recognized their respective rights under the collective bargaining agreement concerning the issue of contracting out work.

(Signed original on file)

~~ATTACHMENT 1.7 – CONTRACTING OUT ULD REPAIRS, BUILDING CLEANING,
AND UTILITY MAN WORK~~

~~From: Jane G. Allen
To: Edward R. Koziatek
Re: Contracting Out ULD Repairs, Building Cleaning, and Utility Man Work~~

~~August 15, 1995~~

~~This will confirm our understanding that in order to be more competitive, the Company will have the ability to contract out ULD repairs after protecting incumbent employees currently assigned to those shops in other functions.~~

~~The Company may contract out work formerly performed by Building Cleaners and Utilitymen (except at TULE), after protecting incumbent employees as outlined below.~~

~~At TULE/AFW Utilityman work (except Hazardous Materials which will be incorporated into Plant Maintenance Man classification) will be moved into the Building Cleaner classification.~~

~~Incumbent Building Cleaners will be protected in Cabin Cleaner (or FSC positions); however, no incumbent Building Cleaner will be forced to relocate to another station. Incumbent Utilitymen will be moved to Plant Maintenance Man positions, if qualified, or to FSC positions, however no employee will be forced to relocate to another station. No incumbent mechanic re-assigned as a result of contracting out of ULD repairs will be forced to relocate to another station.~~

~~A transition plan for each of these actions will be prepared and discussed by local management with the TWU Local President.~~

~~(Signed original on file)~~

ATTACHMENT 1.7 – PLANT MAINTENANCE MECHANIC FLOOR

From: Mark Burdette
To: Mr. John Orlando
Re: Plant Maintenance Mechanic Floor

April 18, 1996

The August 15, 1995 agreement defines a Plant Maintenance Mechanic “floor” as the number of Plant Maintenance Mechanics on the payroll as of August 15, 1995 less the VERP participants.

On August 15, 1995 there were a total of 1,808 Plant Maintenance Mechanics (1,599 Mechanics, 194 Crew Chiefs, 15 Tech Crew Chiefs). The final tally of VERP participants in the Plant Maintenance Classifications was 159. Therefore, the Plant Maintenance Mechanic “floor” is 1,649 (1,808-159).

On April 17, 1996, there were 1,695 Plant Maintenance Mechanics (1,516 Mechanics, 164 Crew Chiefs, 15 Tech Crew Chiefs). Thus, we are over the “floor” and can continue to hire Plant Maintenance Men until we drop below 1,649 Mechanics. There are currently 23 Plant Maintenance Men employees in the system.

(Signed original on file)

ATTACHMENT 1.8 TITLE II WORK COMMITMENT

**March 11, 1999
Revised: January 21, 2010**

**Robert F. Gless
Assistant ATD Director**

AA System Coordinator

Transport Workers Union of America

1791 Hurstview Drive

Hurst, TX 76054

Dear Robert,

This letter is in follow up to the commitment made on Friday, February 19, 1999.

Several recent incidents whereby the Airport Authorities, as a result of new or relocation of facilities, have demonstrated a trend to reclaim Facility Maintenance work. This trend has raised serious concerns for the TWU, as well as the Company.

In an effort to confront this trend, it is the intention of the American Airlines officers, as indicated by our signatures below, to commit to endeavor to maintain, at minimum, the current level of work performed by AA Facility Maintenance mechanics at the airports American Airlines serves and performs this work.

In the event, either prior to or during the negotiations of a new or existing lease agreement with the Airport Authorities, the Company believes the above objective is in jeopardy, we will apprise the TWU of the developments in a timely manner. In addition, the Company will ask the TWU to partner with them in an effort to persuade the Airport Authorities to maintain and/or increase the current level of Facility Maintenance work.

Sincerely,

Robert Reding

Executive Vice-President

Operations

Laura Einspanier

Vice President

Corporate Real Estate

Jeff Brundage

Sr. Vice-President

Human Resources

Cc: G. Arpey

T. Del Valle

J. Ream