

American Airlines



AGREEMENT

between

AMERICAN AIRLINES

and

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

AVIATION MAINTENANCE TECHNICIANS AND
PLANT MAINTENANCE EMPLOYEES

of

AMERICAN AIRLINES, INC.

Effective date – September 12, 2012



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AMERICAN AIRLINES, INC.

Effective date – September 12, 2012

PREAMBLE

THIS AGREEMENT, entered into this 12th day of September, 2012 by and between AMERICAN AIRLINES, INC (hereinafter sometimes referred to as the "Company") and TRANSPORT WORKERS UNION OF AMERICA AFL-CIO (hereinafter sometimes referred to as the "Union"), as representative of the employees within the United States in the classifications listed herein, pursuant to the terms of the Railway Labor Act, as amended, in the mutual interests of the employees and of the Company to promote the safety and continuity of air transportation, to further the efficiency and economy of operations, and to provide orderly collective bargaining relations between the Company and its employees, a method for the prompt and equitable disposition of grievances, and for the establishment of fair wages, hours and working conditions for the employees covered hereunder. In making this Agreement, both the Company and the employees hereunder recognize their duty to comply with the terms hereof and to cooperate fully, both individually and collectively, for the accomplishment of the intent and purpose of this Agreement.

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, **and altering of buildings, bag systems, carousels, jet bridges, pre-conditioned air, and KVA units only at those Line Stations staffed by TWU represented employees who are currently performing that work,** (including fixtures and equipment), **and at Base stations only,** such work as **minor** carpentry, plumbing, electrical **(excluding high voltage 13,500 volts and above), and welding.**

(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 **covered by this Agreement** in classifications, consistent with its established practices, as designated by the Company to all stations **which have more than 5475 annual AA scheduled departures. Such scheduled departures will be measured each January 1 and July 1 and will consider the prior twelve (12) month period.** The Company will **staff new cities, and** also re-staff former TWU staffed cities with **7300 or more** annual departures.

(1) The Company may contract out the following non-aircraft-related maintenance work covered by this Agreement:

- **Outsource High Voltage (13,500 volts and above) Electrical Maintenance work at Bases.**
- **Central Plant Operation and Maintenance work at TULE will consist of 20 Plant Maintenance Mechanics and 20 Maintenance Support Persons.**
- **Outsource all work at AFW, except TAESL. Qualifications for TAESL (TAESL operations, CUP, IWTP, Haz waste) will be PM92. The support for TAESL will consist of 2 Plant Maintenance Mechanic Crew Chiefs, 28 Plant Maintenance Mechanics. There will not be GSE support.**
- **Outsource concrete, fencing, and major carpentry projects at TULE.**
- **Ground Service Equipment work on non-powered equipment at Customer Stations to be done by MSPs, provided MSP scope includes welding and use of cutting torch.**
- **Outsource all Facilities Maintenance work at HDQ, FSU, GSW, SRO and SOC.**
- **Outsource all Facility and GSE-related work associated with Cargo where Fleet Service is not staffed.**
- **Company retains the right to outsource non-routine work.**

(e) Contracting Out of Work. **To allow the company certain flexibility in outsourcing Aircraft-related Maintenance, the company and the Union have agreed to establish limits on the amount of work the company may outsource, including the work that is currently outsourced. "Aircraft-related Maintenance"**

shall be defined as work involving the maintenance, repair, servicing, overhaul, inspection or modification of engines, components or aircraft. The Company and the Union agree to limit the percentage of all outsourced Aircraft-related Maintenance to not exceed 35%, subject to exclusions or modifications described elsewhere in this agreement. Further, the parties also agree that no more than 15% of Line Maintenance work will be contracted out.

The calculation of the percentage of work being outsourced is given by:

Outsourcing % = Outside Service Costs ÷ (Direct Labor Cost + Direct Material Cost + Outside Service Costs), where:

“Outside Service Costs” is the amount charged by the external service vendor for aircraft-related maintenance, and the Direct Labor and Direct Material costs incurred for work performed by non-TWU AA employees, except where excluded pursuant to paragraph e(2), below.

“Direct Labor Cost” is the sum of all salaries and benefits costs of the TWU Title I employees without any accounting adjustments for capital, contract or other credits.

“Direct Material Cost” is the materials expense recognized in the accomplishment of aircraft-related maintenance events performed by AA TWU employees. Capitalized material is excluded; Shop Supplies will be included.

In order to reflect the benefit to the TWU of performing work on non-AA operated aircraft, the parties agree that the above-defined Labor Cost and Material Cost is intended to include such costs even when incurred in the performance of non-AA aircraft-related maintenance, including at TAESL, so long as such work is performed by TWU represented employees in accordance with the rates of pay, rules, and working conditions in the TWU/AA Agreement. It is the parties' intention that work performed by persons on the American Airlines Transport Workers Union Title I seniority list, including at TAESL or other entity, is considered in-sourced work.

In the event that the TAESL joint venture shrinks by 25% or more versus the full year 2011 period, or is terminated, the outsourcing limits will be adjusted accordingly. Further adjustments will be made at each additional shrinkage of 25%, or more, versus the full year 2011 period.

American Airlines will, from time to time, return aircraft, engines or other components that may require work to be done pursuant to the original terms of the lease or other financing agreement. The Company may enter into an agreement with the lessor to reduce or eliminate that requirement. In that case, the aircraft will be returned without the work being accomplished. If at a future

date the lessor or other party chooses to accomplish some or all of the eliminated work, such work is not covered under the provisions of this agreement, provided the aircraft is not returned to the service of American Airlines following completion of the eliminated work. In the event the Company reacquires the aircraft through a leasing arrangement, the portion of the lease payments attributable to maintenance, commonly known as “maintenance reserves”, will be included as outsourced work at the time the aircraft is returned to service. In the event the Company reacquires the aircraft through a purchase agreement, the increased value of maintenance life remaining on the aircraft will be considered to be outsourced work at the time the aircraft is returned to service.

The parties also agree that, in the event that the Company is willing to make what it believes is a significant investment to increase or improve its in-house capacity, the TWU and the Company will discuss whether a further adjustment of the outsourcing calculation is warranted.

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

(2) The percentage set forth in paragraph (e) above may be exceeded in the event: (i) the Company’s then-present employees do not have the normal time and/or skills to perform the work (provided that the manpower shortage is not a result of the Company’s failure to reasonably anticipate and address its headcount requirements); or (ii) the Company’s equipment or facilities are insufficient or are being fully utilized at the time the Company contracts out the work.

(3) The Company will provide the Director of the Air Transport Division, in January and July of each year, a report which indicates the percentage of total Aircraft-related Maintenance work and the percentage of Line Maintenance work that has been contracted out under paragraph (e) above in the prior 12-month period. Not less than 120 days after the effective date of this agreement the Company will provide the Director of the Air Transport Division with a list of all work currently contracted out that exceeds \$1MM in annual spend with a supplier.

(4) The time limit for grievances filed under Article 29(d) involving contracting out will be 90 days from the date the report was received.

(f) 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.

(g) 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 open for collective bargaining in the event of a merger 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.

(h) 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.

(i) 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, 59CAB22 (1972). The employee groups of each carrier will remain separated until such time as the seniority lists are integrated in accordance with this paragraph.

(j) Successorship:

(1) The Agreement will be binding upon any 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.

(k) 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 – JOINT COMMITTEE

From: James B. Weel

To: Robert F. Gless

Re: Contracting Out Work – **AA System** Joint Committee – **Aircraft Maintenance Related Work**

Revised September 12, 2012

The Company has agreed to create a joint committee with the **TWU International for the purpose of reviewing quarterly, insourcing and outsourcing practices**. Such items as cost considerations, turn times, training, facilities and return on investment will be reviewed. The committee will be made up of three (3) management and two (2) TWU members with **Management Representative as** the Chairperson.

The Committee will be the forum for providing the TWU notice of future outsourcing of aircraft maintenance related work.

(Signed original on file)

ATTACHMENT 1.2 THE COMPANY'S CURRENT PLAN FOR INCREASED OUTSOURCING

**Robert F. Gless
Deputy Director-Air Transport Division
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

Re: The Company's Current Plan For Increased Outsourcing

Dear Robert,

During the recent negotiations that led to the signing of the Agreement between American Airlines, Inc. ("American") and the Transport Workers Union of America ("TWU") covering Aviation Maintenance Technicians and Plant Maintenance employees effective September 12, 2012 the parties discussed the Company's need to outsource additional aircraft-related maintenance work.

The purpose of this letter is to clarify the Company's current plan to outsource additional work.

It is the company's current plan to contract out additional Base work, including the following:

**B777 Main Base Visit
B767 SIP, Fail Safe
B757 Heavy Check
B757 Mid Check
Main Cabin Extra Special Visits – All Fleets
B737 Air Data Probe ASB/AD (portion of fleet)
Peak Base Visits regardless of fleet or engine type; for example, where a full check line cannot be supported
Associated back shop work in support of the above.
Window shop and Blade and Vane Shop.**

Line Maintenance: the company intends to contract out the repair of Aircraft Fuel Tank Leaks, provided the contractor furnishes their own tooling and equipment, and the accomplishment of the Customer Focus Package bill of work. It is also the company's intent to increase the amount of routine and non-routine work to be contracted out while the aircraft are at international and domestic stations, subject to the limitations described in Article 1(e). Non-powered work performed by Line Maintenance may be outsourced. To the extent that this work is performed by persons who are

not on the American Airlines Transport Workers Union Title I seniority list, this work will be deemed to be contracted out.

In the event the Company decides to contract out work in addition to that listed on the previous page it may do so if (1) the additional work does not result in outsourcing above the percentage cap on outsourcing stated in Article 1(e) or (2) the Company's then-present employees do not have the normal time and/or skills to perform the work (provided that the manpower shortage is not a result of the Company's failure to reasonably anticipate and address its headcount requirements); or (3) the Company's equipment or facilities are insufficient or are being fully utilized at the time the Company contracts out the work.

Provided, however, that if the work to be contracted out is currently being performed in-house, the outsourcing of that work will not directly result in the involuntary separation of any employee covered by this agreement.

The parties agree that nothing in Article I or in this letter prevents the company from contracting out work currently or previously performed in house, subject to the other restrictions of this agreement.

It is understood between the parties that the provisions of Article 1 will remain in full force and effect.

Aside from the above, the company's current plan is that all remaining aircraft overhaul and line maintenance work will be performed by TWU represented mechanic and related personnel pursuant to the terms of the AA/TWU Mechanic and Related Agreement Article 1.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
AA System Coordinator
Transport Workers Union of American, AFL-CIO

ATTACHMENT 1.3 OUTSOURCING OF TITLE II WORK

**Robert F. Gless
Deputy Director - ATD
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

September 12, 2012

RE: Outsourcing of Title II Work

Dear Robert;

This letter will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012.

During these negotiations, work that was previously performed by Title II was specified to be outsourced. In addition, several Attachments to Article 1 concerning the contracting out of work were either modified or deleted.

While the contract specifies work that can be outsourced, the right to outsource non-routine work also exists. Prior to outsourcing any non-routine work or work that continues to be in the scope of Title II work, the Company will discuss the need to outsource with the local TWU Representative before an agreement is reached with a vendor.

This discussion with the TWU does not require a mutual agreement in order for the Company to contract out the work. In addition, this discussion does not waive the right of the TWU to pursue the issue to arbitration based on the merits.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 1.4 – AIRCRAFT WITH A CAPACITY OF MORE THAN 76 SEATS

September 12, 2012

**Robert F Gless
Deputy Director, ATD
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

RE: Operating Aircraft with a Capacity of more than 76 Seats

Dear Robert;

During the recent negotiations that led to the signing of the Agreement between American Airlines, Inc. (“American”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering Mechanic and Related employees effective September 12, 2012, the parties discussed the APA proposals involving flying aircraft with more than 79 seats.

It is agreed that absent agreement between TWU and the Company to the contrary, all aircraft with greater than 76 seats, if flown by APA and operated by AMR corporation or its subsidiaries, are within the scope of this Agreement.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 2 – DEFINITIONS

(a) “Affiliate” means:

(1) Any entity that controls the Company or any entity that the Company controls, and/or

(2) Any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in **(a)** (1) of this paragraph.

(b) “Base hourly rate”, “regular hourly rate”, “regular pay”, or “pay as if working” will mean the employee’s rate as shown in Article 4 plus any applicable **longevity pay**, differentials, license premiums, skill premium, and other premiums. When “base hourly rate”, “regular hourly rate”, “regular pay”, or “pay as if working” is compounded, it will include license and skill premiums.

(c) “Basic Classification” means non-Higher Capacity classification as referenced in Article 11.

(d) “Chart hourly rate” will mean those hourly rates of pay appearing in Article 4.

(e) “Chief Operating Officer”, “department head”, or any other management title referred to in the Agreement will mean that person or any other person properly designated and appointed by him to act in his capacity. References to the titles of Union officials will mean that person or any other person properly designated and appointed by him to act in his capacity.

(f) “Company” means American Airlines, Inc.

(g) “Company seniority” will be the time based on the employee’s hire date with the Company. This seniority is governed by Company policy.

(h) “Complex” replaces “set” and denotes a group of cities in close geographical proximity as referred to in Article 46(a).

(i) “Day(s)” will mean calendar day(s) unless specified otherwise.

(j) “Emergency” will mean a sudden, unexpected occurrence or situation urgently requiring prompt action.

(k) “Employee” will mean an employee in the classifications covered by this Agreement.

(l) “He” or any other masculine pronoun will be understood to designate any employee, whether male or female.

(m) **“Higher Capacity Position” (HCP) replaces “bid position” and refers to the following positions; “Inspector,” “Crew Chief,” and “Technical Crew Chief” in all Title groups.**

(n) **“Maintenance Base” as used in this Agreement will include the following locations only; TULE, DWH and AFW.**

(o) “Occupational seniority” will be the Occupational Group Title seniority referred to in Article 10 of the Agreement.

(p) "On call" will mean an employee who has been instructed to remain or stand by at a station, shop, hangar, or other location, in order to begin work immediately upon the work becoming available.

(q) “Overhaul Support Mechanic” (“OSM”) replaces “Shop Repairperson” (“SRP”). It is understood that all references to “Shop Repairperson” (“SRP”) are replaced by “Overhaul Support Mechanic” (“OSM”) in the Agreement, Attachments, or other documents.

(r) **“Pay seniority” will govern pay raises and placement on the appropriate pay scales in Article 4. This seniority is governed by the applicable Articles of this Agreement. (The change to “pay seniority” is for clarification purposes only and does not change the original intent, formerly known as “classification seniority.”)**

(s) "Protected employee" will mean all employees covered by the job security provisions of Article 42. "Unprotected employee" will mean all employees not covered by the job security provisions of Article 42.

(t) "Qualifications" will mean all requirements, other than qualifying tests, which may be considered necessary by the Company for the particular type of work to be performed, and specified in advance in writing.

(u) "Qualifying test" will mean the test(s) for competency in a particular classification or type of work as established in the Qualifications and Administration Manual (QAM).

(v) “Status” denotes if an employee is either full time (full time status) or part time (part time status).

(w) “Successor” will include, without limitation, any assignee, purchaser, transferee, administrator, receiver, executor, and/or trustee of the Company or of all or substantially all of the equity securities and/or assets of the Company.

(x) “Successorship Transaction” means any transaction, whether single step or multi-step that provides for, results in, or creates a successor.

(y) “Will” has the same meaning as the word “shall”.

ARTICLE 3 – HOURS OF WORK

(a) The workday will consist of a twenty-four (24) hour period beginning at 12 o'clock midnight and a regular day's work will consist of **not less than eight (8) hours and not more than twelve (12) hours. The Company will determine the available work schedules as appropriate for bases, stations, shops, or work units, as designated by the Company. Work schedules may be 5/8's, 4/10's, or another schedule up to twelve (12) hours exclusive of meal periods. In the event that management desires a schedule other than 5/8's or 4/10's, the parties shall meet to discuss and agree on the impact on such schedule on the various provisions of the agreement.**

(b) Where the Company maintains a seven (7) day operation, individual work units may be scheduled in whole or in part on schedules of four (4) days of ten (10) hours each. When a 4/10's schedule is adopted, it will be subject to the provisions outlined below.

(1) It is understood there are few locations where a 4/10's schedule will meet the needs of the service, and that this alternative schedule will be approved only when it involves no anticipated increased expense for the Company and no anticipated loss of productivity or any other recognizable degradation of performance.

(c) The workweek and pay week will consist of seven (7) consecutive days beginning at 12:01 a.m. Saturday. The regular weekly work schedule will consist of **forty (40) hours, scheduled on not more than five (5) workdays of eight (8) hours each or four (4) workdays of ten (10) hours each, if applicable, within the workweek. If a schedule of up to 12 hours per day is utilized, the parties will meet and agree on the impact on such schedule on the various provisions of the agreement.**

(d) Each employee will be scheduled for two (2) days off during each workweek. The Company will make every reasonable effort to arrange work schedules so that, whenever practicable, those days will be Saturday and Sunday. When an employee's days off are other than Saturday and Sunday, they will be two (2) consecutive days. Nothing will prohibit the Company from scheduling Friday and Saturday as the two (2) consecutive days off.

(e) If the schedule is four (4) days of ten (10) hours each, the three (3) days off will be consecutive and in accordance with the intent of Article 3(d). Nothing will prohibit the Company from scheduling Thursday, Friday, and Saturday as the three (3) consecutive days off. Nothing will prohibit the Company from scheduling Friday, Saturday, and Sunday as the three (3) consecutive days off.

(f) At stations or shops where employees are required to maintain continuous operation of departments or assignments, days off **will** either be fixed or rotated. When fixed days off are selected, seniority will determine **shift and** days off. **The Company determines the frequency and composition of schedule bids. Each bid must**

contain the schedule of hours and days off. Nothing precludes the Company from posting a variable schedule for relief purposes. Nothing precludes the Company from posting interim schedule bids for individual shops or work units. Scheduled bids will be determined on a seniority basis. Line Stations will bid at least once per year, unless mutually agreed upon by local management and the local TWU to more.

(g) All time worked in any continuous tour of duty, including overtime, will be considered as work performed on the workday within which the tour of duty is started.

(h) Hours for part time employees will be governed by Article 43.

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 March 1, 2001, 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 \$1.75 per hour. An employee who receives this **Higher Capacity** Premium will continue to receive that Premium, provided that he continues to hold a bid position.

(1) This **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 **basic** classifications of work will be as specified on the appropriate pay charts below.

(1) For any employees, 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, **Cleaner**, Maintenance **Support Person**)

AVIATION MAINTENANCE TECHNICIAN

	<u>9/12/12</u>	<u>9/12/13</u>	<u>12/9/13</u>	<u>9/12/14</u>	<u>9/12/15</u>	<u>9/12/16</u>	<u>9/12/17</u>
1st 18 Months	15.18	15.64	16.30	16.79	17.29	17.55	17.81
2nd 18 Months	16.72	17.22	17.96	18.50	19.06	19.35	19.64
3rd 18 Months	18.20	18.75	19.55	20.14	20.74	21.05	21.37
Last 6 Months	19.72	20.31	21.19	21.83	22.48	22.82	23.16
Thereafter	28.02	28.86	30.10	31.00	31.93	32.41	32.90

OVERHAUL SUPPORT MECHANIC

	<u>9/12/12</u>	<u>9/12/13</u>	<u>12/9/13</u>	<u>9/12/14</u>	<u>9/12/15</u>	<u>9/12/16</u>	<u>9/12/17</u>
1st 12 Months	9.87	10.17	10.60	10.92	11.25	11.42	11.59
2nd 12 Months	10.69	11.01	11.48	11.82	12.17	12.35	12.54
3rd 12 Months	11.78	12.13	12.66	13.04	13.43	13.63	13.83
4th 12 Months	12.84	13.23	13.79	14.20	14.63	14.85	15.07
5th 12 Months	13.92	14.34	14.96	15.41	15.87	16.11	16.35
6th 12 Months	15.00	15.45	16.12	16.60	17.10	17.36	17.62
7th 12 Months	16.07	16.55	17.26	17.78	18.31	18.58	18.86

8th 12 Months	17.14	17.65	18.42	18.97	19.54	19.83	20.13
9th 12 Months	18.20	18.75	19.55	20.14	20.74	21.05	21.37
Thereafter	22.68	23.36	24.36	25.09	25.84	26.23	26.63

CLEANER

	<u>9/12/12</u>	<u>9/12/13</u>	<u>12/9/13</u>	<u>9/12/14</u>	<u>9/12/15</u>	<u>9/12/16</u>	<u>9/12/17</u>
1st 12 Months	9.81	10.10	10.23	10.86	11.19	11.36	11.53
2nd 12 Months	10.32	10.63	10.76	11.41	11.75	11.93	12.11
3rd 12 Months	10.84	11.17	11.31	12.00	12.36	12.55	12.74
4th 12 Months	11.33	11.67	11.82	12.54	12.92	13.11	13.31
5th 12 Months	11.86	12.22	12.37	13.12	13.51	13.71	13.92
6th 12 Months	12.34	12.71	12.87	13.66	14.07	14.28	14.49
7th 12 Months	12.85	13.24	13.40	14.21	14.64	14.86	15.08
8th 12 Months	14.01	14.43	14.61	15.50	15.97	16.21	16.45
9th 12 Months	15.14	15.59	15.79	16.75	17.25	17.51	17.77
Thereafter	19.68	20.27	20.53	21.77	22.42	22.76	23.10

PLANT MAINTENANCE MECHANIC

	<u>9/12/12</u>	<u>9/12/13</u>	<u>12/9/13</u>	<u>9/12/14</u>	<u>9/12/15</u>	<u>9/12/16</u>	<u>9/12/17</u>
1st 18 Months	15.18	15.64	16.30	16.79	17.29	17.55	17.81
2nd 18 Months	16.72	17.22	17.96	18.50	19.06	19.35	19.64
3rd 18 Months	18.20	18.75	19.55	20.14	20.74	21.05	21.37
Last 6 Months	19.72	20.31	21.19	21.83	22.48	22.82	23.16
Thereafter	28.02	28.86	30.10	31.00	31.93	32.41	32.90

MAINTENANCE SUPPORT PERSON

	<u>9/12/12</u>	<u>9/12/13</u>	<u>12/9/13</u>	<u>9/12/14</u>	<u>9/12/15</u>	<u>9/12/16</u>	<u>9/12/17</u>
1st 12 Months	8.64	8.90	9.28	9.56	9.85	10.00	10.15
2nd 12 Months	9.58	9.87	10.29	10.60	10.92	11.08	11.25
3rd 12 Months	10.69	11.01	11.48	11.82	12.17	12.35	12.54
4th 12 Months	11.79	12.14	12.57	13.05	13.44	13.64	13.84
5th 12 Months	12.92	13.31	13.88	14.30	14.73	14.95	15.17
6th 12 Months	14.03	14.45	15.07	15.52	15.99	16.23	16.47
7th 12 Months	15.13	15.58	16.25	16.74	17.24	17.50	17.76
8th 12 Months	16.26	16.75	17.47	17.99	18.53	18.81	19.09
9th 12 Months	17.37	17.89	18.66	19.22	19.80	20.10	20.40
Thereafter	21.16	21.79	22.73	23.41	24.11	24.47	24.84

(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

Alliance (AFW) and Tulsa (TULE) **and (DWH)** 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, Crew Chief – Plant Maintenance Mechanic, Technical Crew Chief – Plant Maintenance Mechanic, and Plant Maintenance Mechanic at the field stations, and Tulsa (TULE) Line Maintenance operations, will receive a Line Premium of fifty-five (55) cents per hour.

(2) 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 5:00 p.m., and before 6:00 a.m., will receive a Midnight Skill Retention Premium (MRT) of fifty (50) cents per hour.

(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 noncompetitive 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(d)(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(d)(1) or 4(d)(2) above will progress to the next step of his **Chart Rate** 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 **Pay** 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:

(a) 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.

(3) An employee in the classification of Inspector, Crew Chief – Aviation Maintenance Technician, Technical Crew Chief – Aviation Maintenance Technician, or Aviation Maintenance Technician, who holds one of these licenses but who regularly performs work in the skill areas described in Article 4(e)(3), will receive the Skill Premium, as provided in Article 4(e)(4), rather than the one half (1/2) License Premium provided in Article 4(e)(2).

(4) 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.

(a) Effective March 01, 2003, the employee will receive \$3.45 per hour.

(5) The following is a general definition and identification of the skill areas listed in Article 4(e) (4) 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, 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.

(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.

(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.

(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.

(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.

(6) 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.

(7) 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.

(8) 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.

(9) 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 **Maintenance Support Person** 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.

(10) 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(e)(1).

(11) 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(g).

(f) Cross Utilization Pay Guides

(1) When an employee, hired prior to February 11, 1983, 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 the additional hourly amounts for those hours as specified in Article 11(h), as indicated on the following attached chart.

CROSS UTILIZATION PAY GUIDES

Current Classification	Aviation Maintenance Technician (AMT)	Plant Maintenance Technician (PMT)	Overhaul Support Mechanic (OSM)	Stock Clerk	Fleet Service Clerk (FSC)	Ground Service	Cleaner	Maintenance Support Person (MSP)
Aviation Maintenance Technician (AMT)	--	--	--	--	--	--	--	--
Plant Maintenance Technician (PMT)	--	--	--	--	--	--	--	--
Overhaul Support Mechanic (OSM)	--	--	--	--	--	--	--	--
Stock Clerk	1.63	1.53	--	--	--	--	--	--
Fleet Service Clerk (FSC)	1.92	2.00	--	--	--	--	--	--
Ground Service	1.92	1.82	--	--	--	--	--	--
Cleaner	3.34	3.24	1.98	.10	.10	.10	--	--
Maintenance Support Person (MSP)	2.93	2.83	--	--	--	--	--	--

(2) When an employee, hired after February 11, 1983, 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 attachment on the following page is agreed to by the parties and is 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- PROCESS IMPROVEMENT - BASE EMPLOYEE GAIN SHARING PLAN

September 12, 2012

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

RE: Process improvement - Base Employee Gain Sharing Plan

Dear Robert,

During the recent negotiations, the parties committed to jointly develop a variable compensation plan (“Plan”) that will be applicable to TWU employees in the Maintenance and Engineering department. The parties agree that capitalizing on the value of our people’s knowledge, experience, and skill serves to improve American Airlines Maintenance and Engineering’s ability to compete and win in the global marketplace. An appropriate recognition system is a meaningful way to keep our people engaged.

The variable compensation plan covering Base Maintenance employees will incorporate the following principles:

- Simple and easily understood by employees
- Fiscally responsible (self-funded)
- Performance-based
- Connected to employee action: “line of sight”
- Tied to corporate and Base Maintenance business results
- Structured to motivate continuous improvement

The Plan will be designed to promote and reward exceptional performance across the areas of:

- Safety
- Compliance
- Quality
- Efficiency
- Cost
- Asset Utilization

Performance in each of these areas will be tracked and reported utilizing Metrics which are:

- Objectively Quantifiable
- Results Oriented
- Independently Measured
- Auditable

The parties agree to create a Gain Share Committee consisting of leadership from the following departments, plus one Committee Chairperson:

- Base Maintenance Operations
- Finance
- Employee Relations
- TWU Leadership

Management and TWU will be equally represented on the committee.

The Gain Share Committee will work to develop and implement the Plan as expeditiously as practical, including details such as:

- Metrics
- Target-setting
- Award calculation and distribution
- Eligibility
- Program valuation

Any such plan(s) will be implemented only by mutual agreement of the parties and will be subject to the approval of the Company's Chief Financial Officer and the TWU International prior to implementation.

The above agreed upon terms and conditions will replace the Customer Service component of the AIP plan as of DOS.

The Committee will also be responsible for monitoring and modifying the program as becomes necessary.

Sincerely,
{Original Signed on File}

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

Agreed to:
{Original Signed on File}

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ATTACHMENT 4.3- PROCESS IMPROVEMENT - LINE EMPLOYEE GAIN SHARING PLAN

September 12, 2012

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

RE: Process improvement - Line Employee Gain Sharing Plan

Dear Robert,

During the recent negotiations, the parties committed to jointly develop a variable compensation plan (“Plan”) that will be applicable to TWU employees in the Maintenance and Engineering department. The parties agree that capitalizing on the value of our people’s knowledge, experience, and skill serves to improve American Airlines Maintenance and Engineering’s ability to compete and win in the global marketplace. An appropriate recognition system is a meaningful way to keep our people engaged.

The variable compensation plan covering Line Maintenance employees will incorporate the following principles:

- Simple and easily understood by employees
- Fiscally responsible (self-funded)
- Performance-based
- Connected to employee action: “line of sight”
- Tied to corporate and Line Maintenance business results
- Structured to motivate continuous improvement

The Plan will be designed to promote and reward exceptional performance across the areas of:

- Safety
- Compliance
- Quality
- Efficiency
- Cost
- Asset Utilization

Performance in each of these areas will be tracked and reported utilizing Metrics which are:

- Objectively Quantifiable
- Results Oriented
- Independently Measured
- Auditable

The parties agree to create a Gain Share Committee consisting of leadership from the following departments, plus one Committee Chairperson:

- Line Maintenance Operations
- Finance
- Employee Relations
- TWU Leadership

Management and TWU will be equally represented on the committee.

The Gain Share Committee will work to develop and implement the Plan as expeditiously as practical, including details such as:

- Metrics
- Target-setting
- Award calculation and distribution
- Eligibility
- Program valuation

Any such plan(s) will be implemented only by mutual agreement of the parties and will be subject to the approval of the Company's Chief Financial Officer and the TWU International prior to implementation.

The above agreed upon terms and conditions will replace the Customer Service component of the AIP plan as of DOS.

The Committee will also be responsible for monitoring and modifying the program as becomes necessary.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ATTACHMENT 4.4 - EMPLOYEE GAIN SHARING PLAN – TITLE II

September 12, 2012

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

RE: Employee Gain Sharing Plan – Title II

Dear Robert,

During the recent negotiations, the parties committed to jointly develop a variable compensation plan (“Plan”) that will be applicable to TWU represented Title II employees. The parties agree that capitalizing on the value of our people’s knowledge and experience, serves to improve American Airlines Overall Customer Service performance. An appropriate recognition system is a meaningful way to keep our people engaged.

The variable compensation plan covering Title II employees will incorporate the following principles:

- Simple and easily understood by employees**
- Fiscally responsible (self-funded)**
- Performance-based**
- Connected to employee action: “line of sight”**
- Tied to corporate and local business results**
- Structured to motivate continuous improvement**

The Plan will be designed to promote and reward exceptional performance across the areas of:

- Safety**
- Compliance**
- Quality**
- Efficiency**
- Performance**
- Cost**

Performance in each of these areas will be tracked and reported utilizing Metrics which are:

- Objectively Quantifiable**

- Results Oriented
- Independently Measured
- Auditable

The parties agree to create a Gain Share Committee consisting of leadership from the following departments, plus one Committee Chairperson:

- Title II
- Finance
- Employee Relations
- TWU Leadership

Management and TWU will be represented on the Gain Share committee.

The Gain Share Committee will work to develop and implement the Plan as expeditiously as practical, including details such as:

- Metrics
- Target-setting
- Award calculation and distribution
- Eligibility
- Program valuation

Any such plan(s) will be implemented only by mutual agreement of the parties and will be subject to the approval of the Company's Chief Financial Officer and the TWU International prior to implementation.

The above agreed upon terms and conditions will replace the Customer Service component of the AIP plan as of DOS.

The Committee will also be responsible for monitoring and modifying the program as becomes necessary.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ATTACHMENT 4.5 – INDUSTRY COMPARABLE PAY RATE TITLE I

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

September 12, 2012

Re: Industry Comparable Pay Rate Adjustment – Title I AMT

Dear Robert:

In the process of negotiating the agreement dated September 12, 2012, and in the interest of reaching a consensual agreement, the parties recognized the potential need for a mid-term wage adjustment for Title I AMT's, therefore, we agreed as follows:

For AMT's, Crew Chiefs, Tech Crew Chiefs and Inspectors: At September 12, 2012+36 months, a calculation will be made to determine the maximum regular hourly pay rate (i.e., base pay plus all relevant premiums) of the line mechanics at Delta, United, and US Airways in effect on that date. Those rates will then be averaged (arithmetic mean) and compared to the equivalent AMT rate at AA, including any coincidental structural increase (i.e., the annual 3.0% increase to base pay at 36 months). If AA's maximum regular hourly pay rate is below the average, AMT's will receive an increase equal to the differential between AA and the average. In combination, the scheduled structural increase and the supplemental structural increase to base pay will yield a maximum regular hourly pay rate that equals the average of the comparator airlines.

See attached example of the calculation.

For all other Classifications within Title I: At September 12, 2012 +36 months, a calculation will be made to determine the percentage increase in the Bureau of Labor Statistics' Employment Cost Index (seasonally adjusted Employment Cost Index for wages and salaries for all civilian workers, or "ECI") for the 36 month period beginning September 12, 2012. For each classification, if the percentage increase in the maximum base pay plus all relevant premiums as of September 12, 2012 +36 months has increased from their pay rate immediately prior to September 12, 2012 at a rate less than ECI growth, then the employee will receive an increase sufficient such that the 36 month growth in maximum base pay plus all relevant premiums, including the increase, matches the growth rate of the ECI. For the purpose of this calculation, the most recent ECI at September 12, 2012 and September 12, 2012 +36 months will be used.

Since the adjustment is reflected in the base rate as a new structural increase, it would be considered part of Eligible Earnings under the SuperSaver Plan and would be included in Eligible Earnings under the Profit-Sharing Plan.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

Worked Example:

The following September 12, 2012 + 36 example is provided for illustrative purposes only.

Mechanic Wage Rates ^{1/}

	AA @ 24 months from DOS	UA	DL	US	Legacy Avg.
Max Base Pay Rate	\$29.73	\$32.43	\$31.93	\$31.51	\$31.96
Longevity	\$0.00	\$1.00	\$0.00	\$0.00	\$0.33
License	\$5.00	\$4.25	\$4.00	\$3.50	\$3.92
Line	\$0.55	\$0.50	\$0.75	\$0.00	\$0.42
Shift Differential ^{2/}	\$0.53	\$0.58	\$0.53	\$0.61	\$0.57
Max Regular Pay Rate	\$35.81	\$38.76	\$37.21	\$35.62	\$37.20

1/ Aircon; 12/31/2012
projected

2/ Includes MRT
premium

Wage Gap = Legacy Avg. Max Regular Pay Rate – AA Max Regular Pay Rate
 = \$37.20 – \$35.81 = \$1.39

3.0% Increase Value = AA Max Base Pay Rate x 3.0%
 = \$29.73 x 3.0% = \$0.89.

Title I AMT Adjustment = Wage Adjustment – 3.0% Increase Value
 = \$1.39 – 0.89 = \$0.50

The adjustment to the maximum hourly regular pay rate will appear as follows:

	AA	Adjustment	AA New	Legacy Avg.
Max Base Pay Rate	\$29.73	\$1.39	\$31.12	\$31.96
Longevity	\$0.00		\$0.00	\$0.33
License	\$5.00		\$5.00	\$3.92
Line	\$0.55		\$0.55	\$0.42
Shift Differential ^{2/}	\$0.53		\$0.53	\$0.57
Title I AMT Premium	\$0.00			\$0.00
Max Regular Pay Rate	\$35.81	\$1.39	\$37.20	\$37.20

ATTACHMENT 4.6 – INDUSTRY COMPARABLE PAY RATE TITLE II

**Mr. Robert F. Gless
Deputy Director - ATD
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054**

September 12, 2012

**Re: Industry Comparable Pay Rate Adjustment
– Title II Plant Maintenance Mechanic**

Dear Robert:

In the process of negotiating the agreement dated September 12, 2012, and in the interest of reaching a consensual agreement, the parties recognized the potential need for a mid-term wage adjustment for Title II, Plant Maintenance Mechanics. Therefore, we agreed as follows:

FOR Plant Maintenance Mechanics, Crew Chief - Mechanics and Tech Crew Chiefs: At September 12, 2012 +36 months, a calculation will be made to determine the maximum regular hourly pay rate (i.e., base pay plus all relevant premiums) of the plant maintenance mechanics at Delta, United, and US Airways in effect on that date. Those rates will then be averaged (arithmetic mean) and compared to the equivalent Plant Maintenance Mechanic rate at AA, including any coincidental structural increase (i.e., the annual 3.0% increase to base pay at 36 months). If AA's maximum regular hourly pay rate is below the average, Plant Maintenance Mechanics will receive an increase equal to the differential between AA and the average. In combination, the scheduled structural increase and the supplemental structural increase to base pay will yield a maximum regular hourly pay rate that equals the average of the comparator airlines. See attached example of the calculation.

For MSP Classification: At September 12, 2012 +36 months, a calculation will be made to determine the percentage increase in the Bureau of Labor Statistics' Employment Cost Index (seasonally adjusted Employment Cost Index for wages and salaries for all civilian workers, or "ECI") for the 36 month period beginning September 12, 2012. For each classification, if the percentage increase in the maximum base pay plus all relevant premiums as of September 12, 2012 +36 has increased from their pay rate immediately prior to September 12, 2012 at a rate less than ECI growth, then the employee will receive an increase sufficient such that the 36 month growth in maximum base pay plus all relevant premiums, including the increase, matches the growth rate of the ECI. For the purpose of this calculation, the most recent ECI at September 12, 2012 and September 12, 2012 +36 will be used.

Since the adjustment is reflected in the base rate as a new structural increase, it would be considered part of Eligible Earnings under the SuperSaver Plan and would be included in Eligible Earnings under the Profit-Sharing Plan.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

Worked Example:

The following September 12, 2012 + 36 example is provided for illustrative purposes only.

**Title II Plant Maintenance
Mechanic Wage Rates ^{1/}**

	<u>AA</u>	<u>UA</u>	<u>DL</u>	<u>US</u>	<u>Legacy Avg.</u>
Max Base Pay Rate	<u>\$29.73</u>	<u>\$31.17</u>	<u>\$31.50</u>	<u>\$29.51</u>	<u>\$30.73</u>
Longevity	<u>\$0.00</u>	<u>\$0.30</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.10</u>
License	<u>\$1.70</u>	<u>\$3.39</u>	<u>\$2.51</u>	<u>\$0.00</u>	<u>\$1.97</u>
Line	<u>\$0.55</u>	<u>\$0.10</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.03</u>
Shift Differential ^{2/}	<u>\$0.03</u>	<u>\$0.56</u>	<u>\$0.53</u>	<u>\$0.61</u>	<u>\$0.57</u>
Max Regular Pay Rate	<u>\$32.01</u>	<u>\$35.52</u>	<u>\$34.54</u>	<u>\$30.12</u>	<u>\$33.39</u>

1/ Aircon; 12/31/2012
projected

2/ Includes MRT
premium

Wage Gap = Legacy Avg. Max Regular Pay Rate – AA Max Regular Pay Rate
= \$33.39 – \$32.01 = \$1.38

3.0% Increase Value = AA Max Base Pay Rate x 3.0%
= \$29.73 x .03 = \$ 0.89

Title II Mechanic Adjustment = Wage Adjustment – 3.0% Increase Value
= \$1.38 – \$0.89 = \$.49

The adjustment to the maximum hourly regular pay rate will appear as follows:

	<u>AA</u>	<u>Adjustment</u>	<u>AA New</u>	<u>Legacy Avg.</u>
Max Base Pay Rate	<u>\$29.73</u>	<u>\$1.38</u>	<u>\$31.11</u>	<u>\$30.73</u>
Longevity	<u>\$0.00</u>	-	<u>\$0.00</u>	<u>\$0.10</u>
License	<u>\$1.70</u>	-	<u>\$1.70</u>	<u>\$1.97</u>
Line	<u>\$0.55</u>	-	<u>\$0.55</u>	<u>\$0.03</u>
Shift Differential ^{2/}	<u>\$0.03</u>	-	<u>\$0.03</u>	<u>\$0.57</u>
Max Regular Pay Rate	<u>\$32.01</u>	<u>\$1.38</u>	<u>\$33.39</u>	<u>\$33.39</u>

ARTICLE 5 – SHIFT DIFFERENTIAL AND TEST HOP BONUS

(a) An employee assigned to a shift, which begins at or after 12:00 noon and before 5:00 p.m. will receive a shift differential of one (1) cent per hour.

(1) An employee assigned to a shift, which begins at or after 5:00 p.m., and before 6:00 a.m. will receive a shift differential of two (2) cents per hour.

(2) No shift differential will be received by an employee assigned to a shift which begins at or after 6:00 a.m. and before 12:00 Noon.

Example Start Times:

12:00 noon	to	4:59 p.m.	1¢
5:00 p.m.	to	5:59 a.m.	2¢
6:00 a.m.	to	11:59 a.m.	None

(b) An employee will receive the shift differential applicable to the shift to which he is regularly assigned. The applicable shift differential will be included with the employee's base hourly rate in the calculation of pay for overtime, vacation, holiday, sick leave benefit, and benefits paid for absence due to an occupational illness or injury compensable under the applicable Workmen's Compensation law.

(c) An employee may be required to rotate on shifts during a workweek in which event he will receive, for all shifts worked, two (2) cents per hour shift differential if he rotates through a shift to which a one (1) cent per hour shift differential would otherwise be applicable and a shift for which no shift differential is applicable; or three (3) cents per hour shift differential if he rotates through a shift to which a two (2) cents per hour shift differential is applicable and any other shift or shifts. Rotating shifts will be filled first by seniority among qualified employees who volunteer for the shifts. In the event that an insufficient number of employees volunteer to fill the necessary rotating shifts, the unselected shifts will be filled by assignment of the most junior qualified employees.

(d) An employee who is required by the Company to fly on a test hop will receive one (1) hour's pay at his base hourly rate in addition to the regular pay for each hour or fraction thereof spent on the test hop. The Company will provide a maximum of \$100,000 Test Flight and Observer Aviation Accident Insurance under the conditions outlined in the American Airlines' liability policy for employees covered by this Agreement.

ARTICLE 6 – OVERTIME

- (a) Daily Overtime: Overtime rates will be paid on a daily basis as follows:
- (1) If an employee is on a 5/8's schedule, he will receive daily overtime in the amount of one and one half times (1.5X) his base hourly rate for each hour, or fraction thereof, actually worked in excess of eight (8) hours.
 - (2) If an employee is on a 4/10's schedule, he will receive daily overtime in the amount of one and one half times (1.5X) his base hourly rate for each hour or fraction thereof, actually worked in excess of ten (10) hours.
 - (3) An employee will not be required to suspend work during his regular shift to avoid the payment of overtime nor will he be entitled to overtime rates until he has worked eight (8) [ten (10), if on a 4/10's schedule] hours in the workday, including time worked after his regular shift.
- (b) Weekly Overtime: Time worked on an employee's regularly scheduled days off will be considered overtime and will be paid in the amount of one and one half times (1.5X) his base hourly rate for each hour, or fraction thereof, actually worked.
- (1) When an employee is required to work on his scheduled day or days off he will be entitled to at least eight (8) hours of work [ten (10) hours, if applicable] unless he consents to less time.
- (c) Overtime work will be distributed among the employees qualified to perform the work necessitating overtime within their crew or appropriate work unit as equitably as practicable **in accordance with the Overhaul Base(s) or Line Maintenance Overtime Distribution Procedures, as appropriate.**
- (1) An employee, when available, who is lowest on overtime hours and does not work the overtime, will be charged with the overtime missed for equalization purposes, as though it had been worked.
 - (2) In the event of an emergency and when there are insufficient available employees, the Company may then assign employees per agreed upon guidelines
 - (3) The supervisor's record of overtime, **whether** worked or charged to employees for equalization purposes, will be made available to the employees affected by posting or other appropriate methods. All time paid for an overtime bypass and not worked will be charged as worked for overtime equalization purposes.
 - (4) Except in emergencies, employees who are to work overtime will be given two (2) hours' notice of the overtime.

- (5) Overtime will be offered within appropriate classifications and/or overtime work units prior to offering the overtime work to other classifications and/or overtime work units. If a shift is scheduled to be cross utilized in more than one (1) classification and/or overtime work unit, overtime coverage, if utilized to cover that shift vacancy, should first be offered to the classification where the majority of the work falls. Employees working the overtime accept the responsibility of the entire shift, including the cross utilization assignment.
- (d) An employee working overtime will not be required to work more than two (2) hours continuously after the regular work period without being permitted an unpaid meal period.
- (e) An employee whose overtime working period continues into the following day will continue to receive overtime rates for all overtime worked.
- (f) If any work period will continue so that its termination will be less than seven and one half (7-1/2) hours prior to the commencement of the employee's regular shift in the succeeding workday, he will receive pay for all time worked during his regular shift at the rate of one and one half times (1.5X) his base hourly rate.
- (g) No overtime will be worked except by direction of the proper supervisory personnel of the Company, except in cases of emergency and when prior authority cannot be obtained. **Nothing in this Agreement prevents the Company from requesting an employee to voluntarily stay past the end of his scheduled shift for the purposes of job continuity. Such holdover cannot exceed three (3) hours. In the event more than three (3) hours is required, the Company will utilize the procedures described in 6(c) above. For the first 30 minutes, an employee would be paid for time worked. If the assignment extends past 30 minutes but less than an hour, the employee will be paid 1 hour. After hour 1 through hour 3, the employee will be paid for time worked.**
- (h) Overtime compensation will be computed on the basis of the nearest six-minute unit of work.
- (i) If overtime on any workday or any workweek is due to an authorized exchange of days off or shifts by employees, which must be approved in advance by the appropriate supervisor, that time will be compensated for at straight time rates, provided, however, any continuous work, exclusive of meal periods, in excess of eight (8) [ten (10), if on a 4/10's schedule] hours on any shift or tour of duty, will be paid for at the overtime rates provided in Article 6(a).
- (j) In no event, will any employee receive more than one and one half times (1.5X) his base hourly rate under this Agreement.

(k) The parties recognize the obligations of both employees and the Company under **Duty Time** Federal Aviation Regulations, which requires that all maintenance personnel performing maintenance must have at least four (4), twenty-four (24) hour periods off per calendar month. The FAA requires the Company to report duty time violations and has indicated that they will pursue violations with both the employee and the Company.

(1) The Company shares the responsibility to monitor duty time limits, and the employee shares the responsibility to notify local management of possible **Duty Time FAR** violations upon the proffer of day off overtime. The employee will not be charged for overtime if such proffer would put him in violation of FARs

(2) If, at the direction of the Company, the employee is forced to work at a time during the calendar month that would result in a violation of the **Duty Time FARs**, the employee will be granted the required time off and considered to be on an authorized absence with pay (AA).

(3) If an employee has not had the required time off during the calendar month and is in jeopardy of violating the **Duty Time FARs**, he may not be eligible for day off work and may be required to take additional time off. This time off may be an authorized absence (TL) without pay or vacation time (VC, or FV) at the employee's option.

(4) No employee will be required to utilize his vacation time to comply with the **Duty Time FARs** without his consent.

(5) The Company will assist an employee in monitoring his time off by posting the ATA 231 Duty Time Limitation Report during the third and fourth week of each calendar month. An employee may examine this report so as to better monitor his own personal time off.

(i) Random drug and alcohol testing of ground personnel will take place during the employee's regularly scheduled shift. In the event that a random test extends beyond the employee's regularly scheduled shift, the employee will be compensated at his base hourly rate. To the extent possible, the Company will avoid scheduling the test towards the end of the employee's shift.

(j) RECALL - An employee, who has been relieved from duty and has left the premises and who is recalled to duty to perform work not continuous with his next regular work period, will be paid for not less than four (4) hours at the applicable overtime rate, but in no event will he receive less than four (4) hours of compensation at one and one-half times (1.5X) his base hourly rate. Time taken for meals will not terminate a continuous service period.

(k) CALL-IN - When an employee is called to duty to perform work which commences prior to and continuous with his next regular work period, he will be compensated for the actual time worked in accordance with Article 6(a).

(l) When an employee is contacted outside of work for a technical support related question or problem not related to the employee's oversight, he will be paid not less than one (1) hour at his base hourly rate. This provision does not apply to general notice phone calls, offering overtime, or other administrative issues.

(m) Overtime and the extension of scheduled hours for part time employees will be governed by the provisions of Article 43.

ATTACHMENT 6.1 – AGREEMENT TO ESTABLISH OVERTIME RULES

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL–CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Re: Overtime Procedures

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012. The tentative agreement modified Article 6(c) to permit the Company to establish overtime distribution procedures in accordance with certain provisions in the agreement. In the interest of providing the TWU an opportunity to have some input into the development of those procedures, the Company agreed to present the TWU with the proposed overtime distribution procedures within thirty (30) days following September 12, 2012. Thereafter, the Company will meet and confer with the TWU for a period of thirty (30) days in order to reach a mutually satisfactory resolution. The Company and TWU agreed that each party shall designate no more than three (3) representatives to participate in the meet and confer process.

In the interest of resolving any disputes over the implementation of such procedures in a timely manner, the parties agree that if the parties do not reach a mutually satisfactory solution within thirty (30) days after the Company presents the TWU with the proposed overtime distribution procedures, the parties will jointly submit the open issues to a final and binding mediation-arbitration process.

In order to expedite the mediation-arbitration process, the parties agree to move the case to the top of the docket and it will be scheduled and heard at the next planned System Board of Adjustment for M&R.

The arbitrator will be empowered to mediate a mutually satisfactory solution. If an agreement is not reached through the one day mediation session, the arbitrator shall issue a final and binding interest arbitration award within a period of thirty (30) days following the date of the scheduled mediation, The arbitrator's award shall produce equivalent cost savings as valued by the Company and shall be consistent with any other ground rules established by the parties. The award shall be final and binding on the parties.

The parties shall share equally all costs of this mediation-arbitration process.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 7 – HOLIDAYS

(a) The following holidays with pay will be granted:

Holiday	Observance
New Year's Day	January 1 st
Independence Day	July 4th
Labor Day	First Monday in September
Thanksgiving Day	Fourth Thursday in November
Christmas Day	December 25th

(b) If an employee is on a 5/8's schedule and he is required to work on any of the above holidays, he will receive one and one half times (1.5X) his base hourly rate for at least eight (8) hours, except when an employee requests and is granted fewer hours in which event he will receive one and one-half times (1.5X) his base hourly rate for all hours actually worked and one times (1X) his base hourly rate for the difference between the hours actually worked and eight (8) hours.

(1) If an employee is on a 4/10's schedule and he is required to work on any of the above holidays, he will receive one and one half times (1.5X) his base hourly rate for the first eight (8) hours and one times (1X) his base hourly rate for the remaining two (2) hours of his scheduled shift, except when an employee requests and is granted fewer hours in which event he will receive one and one half times (1.5X) his base hourly rate for all hours actually worked and one times (1X) his base hourly rate for the difference between the hours actually worked and ten (10) hours. If the employee works more than ten (10) hours on the holiday, he will receive one and one half times (1.5X) his base hourly rate for all hours in excess of ten (10) hours.

(c) If an employee is on a 5/8's schedule and any of the above holidays fall on his day off, whether the day off is a scheduled day off or due to a change of shift (CS) as authorized by the Supervisor, his next workday will be observed as the holiday. The Company may designate the employee's last workday before the holiday to be observed as the holiday with his consent. An employee required to work on his holiday will be paid in accordance with Article 7(b) [HW]. Any work performed on his day off will be paid in accordance with Article 6.

(1) If an employee is on a 4/10's schedule and any of the above holidays fall on his day off, he will receive eight (8) hours at his base hourly rate in compensation for the holiday [HO], in addition to his regular pay for the week.

The observance of the holiday will not move or change, but will be observed in accordance with Article 7(a).

(d) If an employee is on a 5/8's schedule and any of the above holidays fall within his vacation period, his next workday following the vacation period will be observed as the holiday. An employee required to work on that day will be paid in accordance with Article 7(b) [HW].

(1) If an employee is on a 4/10's schedule and any of the above holidays fall within his vacation period, he will receive eight (8) hours at his base hourly rate in compensation for the holiday [HO] in addition to his vacation pay. The observance of the holiday will not move or change, but will be observed in accordance with Article 7(a).

(e) Payment for a holiday will not be made to an employee on a leave of absence or to an employee scheduled to work on the holiday who is not excused from work and who fails to report to work as scheduled.

(1) If an employee has been absent because of illness or injury for a continuous period immediately preceding the holiday that does not exceed thirty (30) calendar days, exclusive of any vacation time, he is entitled to holiday off pay [HO] in accordance with this Article.

(2) If an employee has been absent because of illness or injury for a continuous period immediately preceding the holiday for more than thirty (30) calendar days, exclusive of any vacation time, he is deemed to be on a leave of absence and is not entitled to any holiday pay. Any pay due will be in accordance with Article 34.

(3) If an employee is scheduled to work on a holiday and is absent on the holiday, he is not entitled to any holiday pay, unless he was "excused" from working on the holiday by the Supervisor. "Excusable" reasons for not working as scheduled on the holiday include such compelling reasons as jury duty, a death in the family, a critical illness in the family requiring the attention of the employee, and bona fide union business. If the employee is excused in accordance with this paragraph, he is entitled to holiday off pay [HO].

(4) If an employee has a one (1) day absence for illness or injury on a holiday he is scheduled to work, he is not entitled to any holiday pay. Any pay due will be in accordance with Article 34.

(5) If an employee's absence for illness or injury commenced on a holiday that the employee was scheduled to work and then continues through one (1) or more workdays following the holiday, he is entitled to holiday off pay [HO] for the holiday. Subsequent absences will be paid in accordance with Article 34.

(f) No employee will be required to report for duty on a paid holiday that falls on his regularly scheduled workday, except when absolutely required for the operation. An employee not required to work on the holiday will receive eight (8) hours of pay at his base hourly rate, or ten (10) hours if on a 4/10's schedule [HO]. The Company will request, not later than seven (7) calendar days prior to each holiday, for volunteers to work on the holiday. Notification of volunteers and others required to work on the holiday will, except in case of an emergency, be made not later than three (3) calendar days prior to the holiday. In the event insufficient volunteers are available, holiday work will be assigned on the same basis as overtime work.

(g) Holiday work and pay for part time employees will be governed by the provisions of Article 43.

ARTICLE 8 – VACATIONS

(a) Employees will become entitled to and receive vacation allowance in accordance with the following:

- (1) As used in this Article, the term "year" means a calendar year.
- (2) The following vacation allowance will apply:

Length of Service As of Dec 31 of any Year	Accrual Rate Per Month During the Year Ending Dec 31	Maximum Vacation Accrual
Less than 5 years	Four (4) hours	Forty (40) hours
5 years but less than 10 years	Eight (8) hours	Eighty (80) hours
10 years but less than 17 years	Twelve (12) hours	One hundred twenty (120) hours
17 years but less than 25 years	Sixteen (16) hours	One hundred sixty (160) hours
25 years or more.	Twenty (20) hours	Two hundred (200) hours

(3) In computing vacation eligibility under this Article:

(a) In any calendar month, fifteen (15) calendar days or more of service with the Company will be considered a full month and less than fifteen (15) calendar days will not be considered.

(b) Fractions of one-half a day or more of earned vacation will be considered as entitling the employee to a full day's vacation and fractions of less than one-half a day will not be considered.

(b) The pay for vacation will be at the employee's base hourly rate at the time the vacation is taken.

(c) Preference for the period in which an employee will be permitted to take his vacation will be granted within each station, building, dock/shop, or other vacation work unit in the order of Company seniority provided, however, that vacation schedules may be so arranged within each work group or section as will not interfere with the

requirements of the service. The Company will post requests for vacation preference for the following year on Company bulletin boards not later than October 15th of each year; and an eligible employee will list his preference not later than November 15th. The vacation periods will be assigned and posted on Company bulletin boards by December 1st, whenever possible. Any employee not expressing a preference will be assigned a vacation, if eligible. Except in an emergency, an employee's vacation will commence immediately following his regularly scheduled days off.

(1) The Company will post requests for Flex vacation preference for the following year on Company bulletin boards or other appropriate methods. Flex vacation bidding will commence on November 15th with all bidding completed no later than December 15th.

(d) Vacation allowances will not be cumulative. Vacation time to which an employee becomes entitled on December 31 of any year will be forfeited unless taken during the following year. However, if an employee is requested by the Company in writing to forego his vacation during the year in which it is to be taken and has not received it by the end of that year, the employee will be entitled to his deferred vacation during the succeeding calendar year or to pay in lieu of same at the option of the employee, subject to the requirements of the service.

(e) An employee who takes a leave or leaves of absence which exceeds or the total of which exceeds sixty (60) calendar days during any calendar year will have his vacation allowance to which he becomes entitled on December 31 of that year reduced by his monthly accrual rate as outlined in (a) above for each thirty (30) calendar days of said leave or the total of the leaves which exceeds sixty (60) days. However, no deduction from vacation allowance will be made for leaves of absence granted due to injury sustained while on duty.

(f) In the event of termination of employment with the Company, an employee who has completed six (6) months of service with the Company will be paid for vacation not previously taken which he has earned and accrued up to the date of termination.

(1) An employee who fails to give two (2) weeks of notice of his resignation in writing, and the notice is not waived by the Company in writing, or who is discharged for confiscation of Company funds or property, will not be paid for any vacation not yet taken, unless provided otherwise by law.

(g) An employee who has completed six (6) months of service with the Company, has been laid off, has been paid for all vacation due him at the time of termination, and who is subsequently recalled to work, will accrue vacation allowance from the date of his reemployment in accordance with Article 8(a)(2).

(h) An employee who has not completed six (6) months of service at the time he is laid off and who is therefore not entitled to vacation termination pay will, if reemployed within a period of time from layoff not exceeding his previous service, be granted

vacation credit for service prior to the layoff. In no case will the vacation to which the employee becomes entitled on December 31 of that year exceed forty (40) hours.

(i) An employee who has been awarded a vacation period will not have his vacation dates changed without his consent, unless he is notified of the change in writing thirty (30) calendar days in advance of the starting date of his vacation. This will not apply in case of an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, and airworthiness reasons which may threaten grounding of aircraft in the fleet. If an employee transfers to a different station or work unit, any vacation he has scheduled, but not yet taken, will be scheduled in accordance with agreed upon local procedures. At those stations where no procedure governing the scheduling of a transferee's vacation exists, such a procedure will be established subject to mutual agreement between the Local Union and local management

(j) An employee's scheduled days off immediately following his vacation will be the same as his scheduled days off immediately preceding his vacation.

(k) Vacation allowance and rate of accrual for part time employees will be governed by the provisions of Article 43.

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

ATTACHMENT 8.1 – OFF WORK ON DISABILITY WHEN VACATION IS SCHEDULED

From: S.L. Crosser
To: H.J. Leonard
Re: Off Work On Disability When Vacation Is Scheduled

March 29, 1982

This will confirm our agreement concerning employees off work on disability due to an injury on duty when a vacation period is scheduled.

The Company will, if an employee requests in writing prior to the scheduled vacation period, attempt to reassign vacations scheduled during an uncontested lengthy IOD to the extent the operation permits; that is, the employee should be allowed to choose from open vacation periods if any exist or, if none exist, assigned with at least 7 days' notice, a rescheduled vacation slot unless the operation cannot afford his absence. Such vacation deferral will be permitted only if the vacation can be rescheduled during the calendar year in which it was originally scheduled. Pay in lieu of vacation is not available to an employee in these circumstances.

Whenever such a vacation reschedule has been denied, the employee may request the Local Union President/Station Chairman to meet and review the vacation reschedule request with the General Manager/Chief Operating Officer at that location. If his vacation reschedule is not resolved at that level, he may utilize the procedures of Article 31 of the Labor Agreement.

(Signed original on file)

ARTICLE 9 – PROBATIONARY PERIOD

(a) New employees, regardless of classification, will be considered on probation for one hundred and eighty (180) calendar days from the date of hire, but an employee hired in mechanical classifications (including Facilities/Automotive Maintenance) will be required to qualify within his probationary period and will be subject to dismissal if he fails to qualify or demonstrate mechanical ability, in accordance with the Qualifications Administration Manual. The probationary period may be extended to cover any approved leave of absence granted during the probationary period.

(b) Failure of the Company to administer the test within the probationary period will absolve the employee of the test requirement. Additionally, it is understood by the parties that the Company can release a probationary employee at any time during the probationary period. An employee released during his probationary period will have no right of appeal to the Area Board of Adjustment.

(c) If any probationary employee is terminated during his probationary period and then reemployed within a period not exceeding his previous service, he will be credited with such prior service for purposes of Company, Occupational, and Classification seniority as well as for the purpose of completing his probationary period.

ARTICLE 10 – SENIORITY

- (a) Company seniority will commence with the effective day of placement on the payroll and accrue in accordance with Company policy.
- (b) **Pay** seniority will accrue in accordance with the terms of this Agreement.
- (c) All references in this Agreement to “seniority” will mean Occupational Group Title Seniority, also referred to as Occupational seniority, except where specific reference is made to Company or **Pay** seniority.
- (d) Occupational seniority will begin to accrue from the date of first assignment to a classification within any Title enumerated in Article 11 for a newly hired employee. An employee who changes his Title Group will have his Occupational and **Pay** seniority dates start on the Saturday prior to his report date to the new Title Group. If the employee reports on a Saturday, the Occupational and **Pay** seniority dates will start on that day.
- (e) If an employee is transferred from one station to another, his seniority will not be broken.
- (f) Occupational seniority will govern all employees in the case of promotion, demotion, transfer, retention in case of reduction in force, and reemployment after release due to reduction in force, provided that the employee's qualifications are sufficient for the conduct of the work in the classification to which he is to be assigned.
- (g) An employee, who accepts a regular position with the Company outside of the bargaining unit and holds seniority, will retain but not accrue his seniority for a period of one hundred and eighty (180) calendar days. No employee can exercise this option more than once in a two (2) year period. The two (2) year period will begin with the day the employee returns to the bargaining unit.
 - (1) Such an employee must continue to pay union dues and may return to his former classification and station, provided that he elects to return within one hundred and eighty (180) calendar days from the date he left the bargaining unit. In no event will the return of an employee directly result in the displacement of another employee in the classification to which he returns. If the employee is less senior than the most senior employee (in that classification, at that station) on layoff, he will be placed on layoff status.
 - (2) An employee who exceeds one hundred and eighty (180) calendar days in a regular position outside of the bargaining unit will forfeit all Occupational seniority.

(h) An employee who accepts an acting assignment as a manager, supervisor, planner, or any special assignment outside the scope of the Agreement with the Company (MPR) will not exceed a period of three hundred and twenty (320) actual hours for all time worked in any calendar year in that assignment, either successive or cumulative. No two acting assignments of three hundred and twenty (320) hours can be made successively, i.e., within ninety (90) calendar days. The total number of hours worked, including overtime, will be included for the purposes of this section.

(1) Any extension will be made only by agreement between the Company and the Union.

(2) Time in a temporary or acting assignment in any calendar year will be counted toward the one hundred and eighty (180) calendar days retention period if a regular assignment is accepted in that calendar year. These applications will be subject to review by a panel composed of one AA and one TWU designated representative.

(3) An employee who exceeds three hundred and twenty (320) actual hours in any calendar year will forfeit all Occupational seniority.

(4) The Company will provide to the Local TWU President a monthly report of those employees receiving MPR, or who have received MPR since the last reporting period, which shall include accumulated hours.

(i) An employee, having Occupational seniority, who permanently transfers at his own request to a classification of work in another Title Group or under the Stock Clerk Agreement, the Technical Specialist Agreement, or the Fleet Service Agreement, will retain seniority in the classification and Title Group from which he transferred for a period of time not exceeding his service in the former Title Group. That retained seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15(b).

(j) When an employee, who is junior to another employee, is promoted over the other employee (**bid job**) the senior of the two employees will continue to retain his position on the seniority roster.

(k) In the event that two or more employees have the same Occupational seniority date, **the employee's initial** placement on the seniority list will be determined on the following tiebreakers:

- (1) Earliest previous AA-TWU Occupational seniority date.
- (2) Earliest Company seniority date.
- (3) Oldest in chronological age.

ARTICLE 11 – CLASSIFICATIONS AND QUALIFICATIONS

(a) Employees covered by this Agreement will be assigned to a classification within one of the following Occupational Title Groups:

- (1) Title I - Aviation Maintenance
- (2) Title II - Plant Maintenance

(b) The classifications included in Title I – Aviation Maintenance will be as follows:

- (1) Inspector
- (2) Crew Chief – Aviation Maintenance Technician
- (3) Technical Crew Chief – Aviation Maintenance Technician
- (4) Aviation Maintenance Technician
- (5) Overhaul Support Mechanic
- (6) Crew Chief **Cleaner**
- (7) **Cleaner**

(c) The classifications included in Title II - Plant Maintenance will be as follows:

- (1) Crew Chief – Plant Maintenance Mechanic (Automotive/ Facilities)
- (2) Technical Crew Chief Plant - Maintenance Mechanic (Automotive/Facilities)
- (3) Plant Maintenance Mechanic (Automotive/Facilities)
- (4) Maintenance **Support Person** (Automotive/Facilities)

(d) The classification descriptions set forth in this Article are incorporated and made a part of this paragraph and Agreement. These descriptions have been established by the Company and the Union for the purpose of determining to which particular classification specific work and duties will be assigned to an employee so classified. In establishing these classification descriptions, the parties recognize that the descriptions are not necessarily all inclusive. When it is necessary to determine which classification any undescribed work and duties will be assigned, the appropriate classification will be determined by where the majority of the normally assigned work and duties lie in the established classification descriptions.

(1) Since the work of handling fire extinguishing equipment, when an aircraft is in a station, has not been incorporated in any of the classification descriptions set forth in this Article and since employees in several classifications covered by this Agreement and the Fleet Service Agreement have been and are performing the above described work, it will remain unclassified work which may be performed by employees in all classifications covered by this Agreement and the Fleet Service Agreement in stations to which they are assigned.

(2) In the interest of cleanliness and safety, employees working in jobs in each of the classifications set forth in this Article will be required to perform, as

they always have performed, those housekeeping functions incident to their job as to work area, tools, and equipment, unless instructed otherwise by their supervisor or manager.

(3) The Company or the Union may propose in writing to the other a specific change in any established classification description. The proposed change will be discussed by the parties and if agreed upon the classification description will be changed in accordance with the arrived at agreement. Any change that is agreed to will be expressed in the form of a written amendment to the Agreement.

(4) There may be times when, as a result of new work or a change in work process, the Company will reassign work and duties that have been performed under one classification to another classification, and so notify the Union, if the work and duties are consistent with the majority of the work and duties of the latter classification and not an action requiring a change in a classification description. If the Union considers otherwise, the Union may protest the action in writing, setting forth its reasons, and the matter will be discussed between the Company and the Union within thirty (30) calendar days from the date the written protest was received by the Company. If the protest is not resolved through the discussion, the Company may place such change in effect, and the Union may then appeal to the System Board of Adjustment in accordance with the provisions of Article 29(e).

(5) The parties recognize the right of the Company to assign an AMT in Line Maintenance Operations to multiple tasks and/or assignments during the course of his shift at his station within his work unit/area, i.e., Avionics, Hangar, and/or Terminal.

(e) Whenever and wherever qualifying tests are used to determine the competency of an employee for a promotion and/or transfer, these tests will be prepared by the Company. Copies of qualifying tests and of any revised or any new qualifying tests will be furnished to the Union, **in soft copy form**, prior to their use. When the Union has objections to any portions of any revisions or of any new qualifying tests, the objections may be discussed by the Union with the Company upon thirty (30) calendar days' notice from the date the tests are received. If agreement concerning the objections cannot be reached, the tests may be placed in effect, and the Union may take up the disputed points as a grievance under Articles 31 and 32 of the Agreement.

(f) The Company will furnish the International Union with a soft copy of its Qualifications Administration Manual. Further, the Company will furnish the International Union with a soft copy of any additions, deletions or changes subsequently to be made thirty (30) days prior to addition or deletion.

(1) The International Union will have **thirty (30)** calendar days from the date of receipt of the manual and subsequent additions, deletions or changes which

may be made, to notify the Company in writing of any objections as to the requirements and qualifications standards established in the manual.

(2) In the event of such objections, the Company will continue with the **implementation of their additions, deletions and/or changes** to previously established requirements or qualifications standards in effect, and the Union may appeal its objection to the System Board of Adjustment in accordance with the provisions of Article 29.

(g) During the term of this Agreement, the Company will not continue for any period of more than two (2) months with fewer employees in the Crew Chief – Aviation Maintenance Technician classification than necessary to maintain a ratio of 1:11.5 (or less) Crew Chiefs to Aviation Maintenance Technicians. The ratio for Title Group II, Crew Chief – Plant Maintenance Mechanic (Automotive/ Facilities), will be 1:12.9. For purposes of calculating these ratios, “Crew Chiefs” will include employees in both the Crew Chief – Aviation Maintenance Technician classification and the Technical Crew Chief – Aviation Maintenance Technician classification for Title Group I and employees in both the Crew Chief – Plant Maintenance Mechanic (Automotive/ Facilities) classification and the Technical Crew Chief – Plant Maintenance Mechanic (Automotive/ Facilities) classification for Title Group II.

(1) The ratios will apply throughout the United States and not to a group of employees at any particular location. The Company will provide the Union with a listing of the total number of employees in each of these classifications as of the 15th day of each month.

(2) Should it become necessary to increase the number of employees in a Crew Chief classification to meet the requirements of the paragraph above, the additional Crew Chief jobs will be posted immediately. The Company will post the jobs for a station or stations as it deems necessary for the operation. The chart below shows the appropriate non-bid classification for each crew chief classification in this Agreement. However, the Company reserves the right to have any crew chief supervise employees in a lateral or lower non-bid classification than himself. The parties understand that these changes are not intended to alter in any way the historical relationship between management supervisors and TWU represented crew chiefs with respect to crew chief job functions or duties.

Crew Chief Classification	Appropriate Non-Bid Classification(s)
Crew Chief – Aviation Maintenance Technician, and Technical Crew Chief – Aviation Maintenance Technician	Aviation Maintenance Technician and Overhaul Support Mechanic
Crew Chief – Cleaner	Cleaner

Crew Chief – Plant Maintenance (Automotive/Facilities) and Technical Crew Chief – Plant Maintenance Mechanic (Automotive/Facilities)	Mechanic Plant Maintenance (Automotive/Facilities) Mechanic (Automotive/Facilities) Maintenance Support Person (Automotive/Facilities)
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(h) Regardless of any provision in this Agreement, the Stores Agreement, or the Fleet Service Agreement, the Company may assign or schedule any employee to perform work of any classification under this Agreement, the Stores Agreement, or the Fleet Service Agreement. Provided, however, the Company will not assign Aviation Maintenance Technicians to do that work now performed by Building Cleaners.

(1) Any employee who performs two (2) or more hours of work during his daily tour of duty in a higher classification within his Occupational Title Group than the classification, in which he is regularly employed, will be compensated as outlined in Article 4 for the time so worked. Any employee who performs two (2) or more hours of work during his daily tour of duty in a higher classification in a different Occupational Title Group, the Stores Agreement, or the Fleet Service Agreement than the classification in which he is regularly employed, will be compensated as outlined in Article 4 for his entire tour of duty.

(2) An employee who worked in a classification having the same or a lower hourly rate than his own classification will continue to receive his base hourly rate.

(i) Classification descriptions are a part of Article 11 and follow on the subsequent pages.

CLASSIFICATION DESCRIPTION
Title I - Aviation Maintenance
INSPECTOR – AVIATION MAINTENANCE TECHNICIAN

(a) The work of the Inspector – Aviation Maintenance Technician classification, depending upon assignment, includes any or all of the following:

(1) Verify both the airworthiness of aircraft and their components and the quality of workmanship by individual Aviation Maintenance personnel. These responsibilities are fulfilled by methods such as scrutinizing a part, unit, assembly, section, system, or area critically and in detail with the help of inspection aids, by subjecting them to simulated operating conditions, by comparing their actual conditions with established standards, and by exercising judgment from personal experience.

(2) Any checks, inspections, and tests performed by an Inspector may be made after an aircraft and/or any component has been in service, when Aviation Maintenance personnel have performed or are performing service, overhaul, modification, or fabrication operations and have certified their own workmanship, or prior to the release of an aircraft and/or any component into service.

(3) Upon request from others, he will make a double-check inspection to assist in decisions on questionable or airworthiness items and to give technical assistance and/or interpretations.

(4) In the course of performing this work, does necessary mechanic operations; designate equipment, material, or parts for repair, re-work, replacement, or scrap; and may determine the type and manner of repair required.

(5) Works according to FAA and Company regulations and procedures and instructions from his supervisor.

(6) As may apply to work assignments, he uses tools, measuring instruments, inspection aids, test equipment, and signs mechanical flight releases. Completes forms connected with work assignments according to established procedures.

(7) Will communicate with other Company personnel, as required, in a manner designated by the Company.

(b) In addition to the above duties, may perform the following other duties as assigned such as but not limited to: accomplishing boroblend, cleaning work area and performing FOD walks.

CLASSIFICATION DESCRIPTION
All Title Groups and Classifications
CREW CHIEF

(a) The Crew Chief will be responsible to management for the overall performance on the job of the employees assigned to his crew, including the timely and satisfactory completion of work assignments, by insuring that:

- (1) Management instructions are promptly and correctly complied with.
- (2) Employees assigned to his crew are properly utilized and instructed for the efficient performance of their daily work.
- (3) Work assignments are carried out in compliance with operational and safety procedures required by the policies of the Company and appropriate Governmental Regulations.
- (4) Required forms, records, reports, and other paperwork are completed legibly and correctly.
- (5) Employees, assigned to his crew, use only those vehicles, tools, and equipment on which the Company has determined them to be qualified.
- (6) Assigned equipment is in proper operating condition, scheduled for maximum utilization, and operated properly for the purpose intended.
- (7) Hazardous conditions, unsafe practices, and improperly functioning equipment and tools are immediately brought to the attention of management.
- (8) The Crew Chief will be responsible to management for insuring compliance on the job with all Company policies, including those relating to personal conduct while on the job, by those employees assigned to him.

(b) In addition to the above, the Crew Chief will, upon request, assist management in areas such as, but not limited to:

- (1) Periodic evaluation of operational requirements and performance.
- (2) Operational planning and scheduling.
- (3) Evaluation of training methods and techniques.
- (4) Evaluation of equipment, vehicles, and tools.
- (5) Performance appraisal of employees by providing oral advice and comments.

(c) The Crew Chief will be qualified in the duties of his classification and will be capable of performing those duties. He will assist his group in the performance of their duties, provided that assistance does not interfere with the performance of his primary responsibilities as described above. While he is performing such duties, his primary responsibilities will not be assumed by others. However, the above provisions do not preclude management from directing individual employees under non-routine circumstances or in the absence of the Crew Chief from the immediate work area. The Crew Chief may be required to demonstrate proper work methods, conduct on-the-job or classroom training, conduct meetings or indoctrinate employees in new or revised operational procedures, and will communicate with other Company personnel as required in a manner designated by the Company.

(1) In those cases where management determines that the work to be performed requires a level of responsibility equivalent to that of a Crew Chief, an employee in the Crew Chief classification may be assigned to that function, even though he has no other employees assigned directly to him.

(2) A Crew Chief – Aviation Maintenance Technician, who holds the proper licenses, may sign mechanical flight releases, and perform back checks and **inspections.**

(3) Nothing in the above provisions is intended to amend or modify the provisions of Article 28(b) of the Maintenance Agreement.

(d) A Selection Committee comprised of two (2) TWU represented employees and three (3) Company officials will select the most qualified employee based on the required skills for the position to be filled at a location. In the event of an equal evaluation by the Selection Committee of two (2) or more qualified applicants, seniority will prevail.

(1) Request for promotion (RFP) to the Crew Chief job will be restricted locally to Mechanics, Crew Chiefs and Inspectors at the location where the vacancy occurs and the award will be determined by the Selection Panel outlined in (d). A vacancy created by the transfer, demotion of a Crew Chief may be filled by the Company at its option. In the event there are no successful candidates selected to fill the position, within the station, the Company may post the position to the system.

(e) In addition to the above duties, may perform the following other duties as assigned such as but not limited to: requesting parts, cleaning work area, performing FOD walks, cleaning of aircraft windshields; connecting/removing ground power and ground start units; pushing out/towing of aircraft, and related guideman functions.

CLASSIFICATION DESCRIPTION
Title I – Aviation Maintenance
TECHNICAL CREW CHIEF – AVIATION MAINTENANCE TECHNICIAN

(a) The Technical Crew Chief will provide technical assistance, guidance, and training support to the Maintenance and Engineering Department. In those cases where management determines that the work to be performed requires a level of responsibility equivalent to that of a Technical Crew Chief, an employee in the classification may be assigned to that function even though he has no other employees assigned directly to him. As assigned and in addition to the Crew Chief classification description duties outlined in this Agreement, the Technical Crew Chief will:

- (1) Receive assignments from management;
- (2) Perform and provide technical assistance and guidance in troubleshooting to an employee or employees assigned to him in his shop or work unit;
- (3) Assist the crew as necessary, to insure completion of the assignment;
- (4) Assist in completing forms, delay reports, logbooks, work cards, F.M.R. and related paperwork;
- (5) Perform instruction assignments relating to aircraft systems and related ground support in a classroom or on-the-job training (OJT);
- (6) Maintain knowledge of and work with manuals, supply/parts catalogs, minimum equipment lists and general maintenance manuals;
- (7) Technical Crew Chiefs must possess a valid Airframe and Powerplant License issued by the FAA or equivalent authority in stations outside the United States. Such employee must have worked for the Company as an Aviation Maintenance Technician Overhaul/Line for a minimum of one year. A Technical Crew Chief will not displace an Aviation Maintenance Technician or Crew Chief during the course of the performance of his duties.

(b) The applicant will demonstrate knowledge and practical skills ability in the following areas:

- (1) Procedures and techniques in troubleshooting and repair of the aircraft types used by the Company and their power plants and components, utilizing the manufacturer's aircraft manuals.
- (2) Proficiency in the use of manuals, supply catalogs, minimum equipment lists, general maintenance manuals and wiring diagrams.

- (3) Proficiency in oral and written communications for instruction of employees, individually or in a group, using training procedures provided by the Company.
- (4) Completion of Company records, such as delay reports, log book entries, field maintenance reports and associated forms in a comprehensible and proficient manner.
- (5) A Selection Committee comprised of two (2) TWU represented employees and three (3) Company officials will select the most qualified employee based on the required skills for the position to be filled at a location. In the event of an equal evaluation by the Selection Committee of two (2) or more qualified applicants, seniority will prevail.
- (c) Technical Crew Chief Classification applicants selected will be on a trial basis for no longer than six (6) months. In the event that an employee promoted to Technical Crew Chief cannot satisfactorily perform his duties, such employee will be demoted to the classification at the station from which the employee was promoted. A successful candidate for Technical Crew Chief shall not be eligible for self-demotion under the provisions of 12(n) during the first twelve (12) months of his assignment. A bid job vacancy created by the promotion of an employee to Technical Crew Chief may be posted and bid at the Company's option.
- (d) **Request for promotion (RFP) to the Technical Crew Chief job will be restricted locally to Mechanics, Crew Chiefs and Inspectors at the location where the vacancy occurs and the award will be determined by the Selection Panel outlined in (b) above. A vacancy created by the transfer, demotion of a Technical Crew Chief may be filled by the Company at its option. In the event there are no successful candidates selected to fill the position, within the station, the Company may post the position to the system.**
- (e) Technical Crew Chiefs will be placed in separate vacation, overtime, and field trip work units and will be eligible for overtime and field trips as Technical Crew Chiefs.
- (f) Technical Crew Chief positions will be included in the system Crew Chief ratio as provided in Article 11(g). Provided however, it is understood by the Company and the Union that staffing under this Article will not be a requirement and will be consistent with the needs of the company.
- (g) Any dispute arising out of the interpretation or application of this job description will be reviewed by a panel consisting of the International Vice President, Transport Workers Union, and the Vice President - Maintenance and Engineering, representing the Company, or their respective designees. The panel will issue a binding decision on such questions of interpretation or application.

(h) In addition to the above duties, may perform the following other duties as assigned such as but not limited to: requesting parts, cleaning work area, performing FOD walks, cleaning of aircraft windshields; connecting/removing ground power and ground start units; pushing out/towing of aircraft, and related guideman functions.

CLASSIFICATION DESCRIPTION
Title I - Aviation Maintenance
AVIATION MAINTENANCE TECHNICIAN

(a) The work of the Aviation Maintenance Technician classification, depending upon assignment, includes any or all of the following:

(1) Performing skilled work in those operations such as trouble shooting, individually or with a Crew Chief, management or professional direction, disassembly, checking and cleaning, repairing, replacing, testing, adjusting, assembling, installing, servicing, fabricating, taxiing or towing airplanes, and/or run-up engines, deicing aircraft, required to maintain the airworthiness of aircraft and all their components while in service or while undergoing overhaul and/or modification.

(2) Certifies for the quality of his own workmanship including signing mechanical flight releases, except signs mechanical flight release for all work done on field work.

(3) In those positions where stock chasers are not maintained and/or available at the time, he may chase his own parts. **In addition, at Base Locations, may move parts within a building containing a work cell to which he is assigned.**

(4) May have other Aviation Maintenance Technician personnel assigned to assist him in completing an assignment.

(5) Works according to FAA and Company regulations and procedures and instructions from a Crew Chief or **management**.

(6) Completes forms, **utilizing hard copy and electronic media**, connected with work assignments according to established procedures.

(7) Will communicate with other Company personnel as required in a manner designated by the Company.

(b) In addition to the above duties, **may** performs **other** duties as assigned, **such as, but not limited to: cleaning work area, performing FOD walks**, cleaning of aircraft windshields; connecting/removing ground power and ground start units; pushing out/towing of aircraft, and related guideman functions.

CLASSIFICATION DESCRIPTION
Title I – Aviation Maintenance
OVERHAUL SUPPORT MECHANIC

(a) The work of the Overhaul Support Mechanic classification, depending upon assignment, includes any and all of the following on an individual or isolated work assignment basis:

(1) Performs **semi-skilled** work in **shop and hangar** operations such as, but not limited to: **painting**, shot peening, disassembling, **reassembling**, **refurbishing**, **blasting**, **lubing**, checking and cleaning, repairing, replacing, testing, adjusting, installing, servicing, and fabricating, required to maintain aircraft, **engines and** components.

(2) As may apply to the work assignment, uses equipment **and tooling necessary to complete the job task assigned**. Uses protective equipment such as masks, respirators, gloves, and/or aprons.

(3) Certifies for the quality of his own workmanship.

(4) In those positions where stock chasers are not maintained and/or available at the time, he may chase his own parts. **In addition, at Base Locations, may move parts within a building containing a work cell to which he is assigned.**

(5) Works according to FAA and Company regulations and procedures and instructions from a Crew Chief or **management**

(6) Completes forms connected with work assignments according to established procedures.

(b) **In addition to the above duties, may perform the following other duties as assigned such as but not limited to: requesting parts, cleaning work area, performing FOD walks, removal and installation of aircraft carpets and seat fabrics.**

CLASSIFICATION DESCRIPTION
Title I - Aviation Maintenance
CLEANER

(a) The work of the **Cleaner** classification, depending upon assignment, **may** include the following:

(1) Cleans airplane, engine, propeller, accessory parts, and/or assemblies by operations such as dipping, spraying, steaming, blasting, scrubbing, wiping, buffing, and polishing, according to the method required to remove dirt, grease, scale, paint, other foreign material, or to restore appearance.

(2) Cleans the exterior of aircraft by operations such as cleaning the entire surface with cleaning compound(s), polishing the surface, checking it for worn or corroded areas and bringing those areas to the attention of his Crew Chief or supervisor, removing exhaust stains with special cleaning compounds, washing the interior belly and nacelle areas, spraying wheel wells and flap wells with cleaning compound(s). Uses appropriate equipment necessary to reach the surface to clean.

(3) Cleans and polishes ground and automotive equipment. Cleans equipment used and the work area and reports the need for repairs to his Crew Chief or supervisor. May service the equipment used to keep it in good operating condition. May mix the cleaning compounds and solutions.

(4) May mix and store solutions, clean and/or set up for use parts washing equipment, and clean the work area as may apply to his work assignment, uses specialized cleaning solutions and materials; uses equipment such as ladders, aero-stands, spray guns, mops, brushes, and brooms. May use hand tools such as pliers, screwdrivers, and wrenches.

(5) As may apply to his work assignment, uses cleaning materials such as solvents, hot solutions, hot water, and steam. Uses equipment such as an electric tank agitator, automatic parts washing machine, spray equipment rinsing baskets, buckets, power and manual hoists, hot solution tanks, flexible shaft buffer, racks and other holding devices, steel and other brushes, steel wool, and rags. Uses protective equipment such as masks, respirator, gloves, and aprons.

(6) Works according to FAA and Company regulations and procedures and instructions from a Crew Chief or Supervisor.

(7) Completes forms connected with his work assignments according to established procedures.

(b) In addition to the above duties, may perform the following other duties as assigned such as but not limited to: cleaning work area, performing FOD walks, cleaning of aircraft windshields.

CLASSIFICATION DESCRIPTION
Title II – Plant Maintenance
TECHNICAL CREW CHIEF – PLANT MAINTENANCE MECHANIC

(a) Title II Technical Crew Chief classification will perform technical assistance, guidance, and training support to the Title II work group. In those cases where management determines that the work to be performed requires a level of responsibility equivalent to that of a Technical Crew Chief, an employee in the classification will be assigned to that function even though he has no other employees assigned directly to him. As assigned, and in addition to, the Crew Chief classification description duties outlined in the Labor Agreement, the Technical Crew Chief will:

- (1) Receive assignments from management or requests for technical support from other Crew Chiefs.
- (2) Perform and provide guidance and assistance in the trouble shooting, maintenance and repair of all Facilities equipment, as well as technical assistance to the employee or employees assigned.
- (3) Assist management in the completion of forms, delay report, work records and related paperwork.
- (4) Provide instruction, either classroom or on the job.
- (5) Maintain knowledge of and use of manuals, supply/parts catalogs, SABRE, and modifications to any system used by the employee.
- (6) Will assist the crew as necessary to ensure the completion of the assignment.

(b) An applicant to be considered qualified for the position of Technical Crew Chief – Plant Maintenance Mechanic (Automotive/Facilities) must possess the skills and qualifications necessary for the Plant Maintenance Mechanic (Automotive/Facilities) position and successfully complete or have completed the applicable trade test contained in the QAM. An applicant for Technical Crew Chief – Plant Maintenance Mechanic (Automotive/Facilities) will demonstrate his ability and knowledge in the following areas:

- (1) Demonstrate procedures and technique in troubleshooting and repair of all Facilities, including, but not limited to, utilizing available manufacturer's manuals.
- (2) Demonstrate proficiency in the use of manuals, supply catalogs and wiring diagrams.
- (3) Demonstrate proficiency in communicating instructions, either individually or to a group, based on training procedures provided by the Company.

(c) Applicants selected will be on a trial basis for no longer than one hundred eighty (180) days. In the event of a Technical Crew Chief – Plant Maintenance Mechanic (Automotive/Facilities)'s inability to perform his duties, he may be demoted to the classification he originally held in Plant Maintenance. A successful candidate for this position will not be eligible for self-demotion under the provisions of 12(n) during the first twelve (12) months of his assignment.

(d) **Request for promotion (RFP) to** for the job will be restricted locally to Mechanics and Crew Chiefs in Plant Maintenance. Selection of the successful bidder will be based on the most qualified applicant, to be determined by a Selection Panel, comprised of Management and Union members. In the event of an equal evaluation by the Selection Committee of two (2) or more qualified applicants, seniority will prevail. **In the event there are no successful candidates selected to fill the position, within the station, the Company may post the position to the system.**

(e) Any dispute arising out of the interpretation or application of this job description will be reviewed by a panel consisting of the International Vice President, Transport Workers Union, and the **Senior** Vice President – Maintenance and Engineering, representing the Company, or their respective designees. The panel will issue a binding decision on such questions of interpretation or application.

CLASSIFICATION DESCRIPTION
Title II - Plant Maintenance
PLANT MAINTENANCE MECHANIC (AUTOMOTIVE/FACILITIES)

(a) The work of the Plant Maintenance Mechanic classification, depending upon assignment, includes, in addition to the work specified for the Maintenance **Support Person** classification, any or all of the following:

(1) Lay-out, planning, and execution of complex maintenance assignments requiring the skills of one or more of the maintenance trades, such as electrician, plumber, steamfitter, carpenter, painter, auto mechanic, millwright, heating and air-conditioning engineer, or other similar skilled journeyman trades.

(2) Those duties will include, among others, the necessary sequence of operations to troubleshoot, disassemble, clean, check, repair, rework, replace, fabricate, assemble, install and adjust any building component, plant equipment, automotive and ground equipment, machinery, accessories, parts, etc., and explaining the work procedures to personnel assigned to assist in that work.

(3) Works according to Company regulations and procedures and instruction from Crew Chief or supervisor.

(4) Completes forms connected with his work assignments according to established procedures.

(5) Will communicate with other Company personnel as required in a manner designated by the Company.

(b) In addition to the above duties, he performs the following duties as assigned: **requesting parts, cleaning work area, performing FOD walks**, de-icing of aircraft; cleaning of aircraft windshields; pushing out/towing of aircraft and related guideman functions; connecting/removing ground power and ground start units.

CLASSIFICATION DESCRIPTION
 Title II - Plant Maintenance
 MAINTENANCE **SUPPORT PERSON** (AUTOMOTIVE/FACILITIES)

(a) The work of the Maintenance **Support Person**, depending upon assignment, includes any or all of the following, **but not limited to**:

(1) Will perform work of a semi-skilled to skilled nature **and** perform work on an individual or isolated work assignment that is semi-skilled to moderately complex.

Examples of work performed.

Facilities

**** All work requires applicable Lock-Out / Tag-Out Procedures ****

Plumbing Services

Limitations (Cannot Perform By Themselves)

Domestic Cold / Hot Systems

Isolate / Reenergize System

New install

Plumbing Fixtures

No Limitations

Pumping Systems

Troubleshoot

Major System Repairs

Potable Water Systems

Electric / Control Troubleshooting

Sanitary Waste Water Systems

New Install

Heat Trace

Garbage Disposal Systems

Electric / Control Troubleshooting

Dishwashing Systems

100% Limited

Storm Water Systems

Below Grade Level (Ground) Repairs

Sewer / Drain Cleaning

New Install

Heat Trace

Water Fountains

Below Grade Level (Ground) Repairs

Chilled Systems w/ exception of:

- Remove/Replace

- PMs

Ice Machines

Chilled Systems w/ exception of:

- Remove/Replace

- PMs

Grease Interceptor

Below Grade Level (Ground) Repairs

Fire Protection Systems

100% Limited

Grease Waste Line systems

New Install

Heat Trace

Heating / A-C Systems

Chilled Water Systems
Heating Hot Water Systems
Domestic Hot Water Systems
Glycol / Water Treatment Systems
Air Cooled Condensing / Fan Coil Units

Pumping Systems (Mechanical)

Air Distribution Systems
Exhaust Systems
Backflow Prevention Systems
Dehumidification / Humidification Systems
Direct Digital Control
Central Control Panel Energy / Bldg Mgmt
Air Compressor / Associated System
Electric Duct Heaters

Limitations (Cannot Perform By Themselves)

100% Limited
100% Limited
No Energized Systems
100% Limited
100% Limited w/ exception of:
- PMs
Troubleshoot
Major System Failure
No Limitations
Electric / Control Troubleshooting
100% Limited
100% Limited
100% Limited
Troubleshoot
Electric / Control Troubleshooting
100% Limited

Building Services

Exterior Walls
Skylights
Ventilators
Awnings & Canopies
Windows, Exterior Doors and Sidewalks

Paved Surfaces
Stairways
Fencing
Interior
 Walls / Partitions
 Free Standing Partitions
 Floor Coverings
 Floors
 Interior Stairways
 Ceilings
 Doors

 Windows
 Casework
 Existing Signage
 Light Boxes
Painting / Prep (Exterior / Interior)

Limitations (Cannot Perform By Themselves)

No Limitations
No Limitations
Electric / Control Troubleshooting
No Limitations
New installs
Electric / Control Troubleshooting
No Limitations
No Limitations
Motorized Gates / Openers

No Limitations
No Limitations
No Limitations
No Limitations
No Limitations
No Limitations
No Limitations
New installs
Electric / Control Troubleshooting
No Limitations
No Limitations
Electrical Troubleshooting
Electrical Troubleshooting
No Limitations

Conveyance Systems

Limitations (Cannot Perform ByThemselves)

Elevators	100% Limited
Escalators	100% Limited
Moving Sidewalks	100% Limited
Mechanical Equipment Lifts	100% Limited

Electrical Services

Limitations (Cannot Perform ByThemselves)

General Electric Requirements	100% Limited w/ exception of: - component replacements 277V and below
Automated Transfer Switches	100% Limited
Switchgear / Substations	100% Limited
Distribution / Branch Panel Boards	100% Limited
Transformers	100% Limited
Motor Controllers	100% Limited
Branch Circuits	100% Limited
General, Emergency and Egress Lighting	Electrical Troubleshooting
Lightning Protection System	Electrical Troubleshooting

Electrical Services (Cont'd)

Limitations (Cannot Perform ByThemselves)

Uninterruptable Power Source	100% Limited
CCTV Systems	Troubleshooting
Paging Systems	Troubleshooting
Access Control Systems	Troubleshooting
Telephone / Data systems >Cabling Only	No Limitations

Jet bridges

Limitations (Cannot Perform ByThemselves)

PMs	100% Limited
Interior	Bridge Rollers Control Panel Rotunda Slats Floor Repair / Replacement Electric Panel / Controls
Exterior	Equalizer Cable Troubleshooting (Electrical / Hydraulic / Mechanical) Welding Canopy Fall Arrest / Restraint Systems

Pre-Conditioned Air / Heater

PMs
Generally Applied
Mechanical)
Electric Cabinet
Freon-based Cooling System
Plumbing

Limitations (Cannot Perform By Themselves)

100% Limited
Troubleshooting (Electrical / Hydraulic /

100% Limited
Regulatory License Requirement
Troubleshoot
Major System Repairs

GPU/ KVA

All work (incl PMs)

Limitations (Cannot Perform By Themselves)

100% Limited

Baggage Systems

PMs

Electrical
PLC / Computer Panel
Belts

Limitations (Cannot Perform By Themselves)

None except:
○ Powerturns
○ Slope-pallets devices
○ Diverters
Troubleshooting
100% Limited
All except transport (straight) belt

Miscellaneous

Emergency Power Generators
Fire System Booster Pumps
Electrical Substations
Foam Fire Suppression Systems
Taxiway Lighting
Ramp / Taxi Line Painting
Fire System Testing
Hangar Doors

Highspeed Doors
Mechanical)
Tricherators
High Pressure Steam Boiler Systems
Facility Roof
Dock Levelers
Mechanical)

Limitations (Cannot Perform By Themselves)

100% Limited
100% Limited
100% Limited
100% Limited
100% Limited
No Limitations
100% Limited
Equalizer Cable (if applicable)
Troubleshooting (Electrical / Hydraulic /
Mechanical)
Troubleshooting (Electrical / Hydraulic /

See Plumbing Services
100% Limited
100% Limited
Troubleshooting (Electrical / Hydraulic /

Ground Support Equipment

<u>Equipment Type</u>	<u>Limitations (Cannot Perform By Themselves)</u>
Non-Powered	No Limitations
Towbarless Tractors	100% Limited
Portable KVA	Troubleshoot Major System Repairs PMs
Potable PCA	Troubleshoot Major System Repairs PMs
Freon-based Cooling System	Regulatory License Requirement
Passenger Stairs	PMs
Man lifts	100% Limited
Deicers	100% Limited

(2) Works according to Company regulations and procedures and instructions from Crew Chief or supervisor. May assist in storage, removal, and clean-up of hazardous waste. Completes forms connected with work assignments according to established procedures

(b) In addition to the above duties, he performs the following duties as assigned: requesting parts, cleaning work area, performing FOD walks.

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

ATTACHMENT 11.1 – TECHNICAL CREW CHIEF UTILIZATION

From: S.L. Crosser
To: Edward R. Koziatek
Re: Technical Crew Chief Utilization

August 2, 1991

The recent expansion of the Company's reliance upon Technical Crew Chiefs in work groups other than Title I, have prompted questions regarding the intended utilization of these employees. In light of these questions, we discussed the intended applications of Technical Crew Chiefs, in an attempt to clarify their roles. This letter is to confirm our recent discussions on this matter.

As we agreed, the Technical Crew Chief function was intended to provide training, guidance and technical support for the various departments. Although the job duties and responsibilities of a Technical Crew Chief are an extension of the duties and responsibilities identified in the Crew Chief classification description of the agreement, it was not intended that the Technical Crew Chief be used in place of acting or temporary Crew Chiefs. Recognizing that from time to time in the absence of the regular Crew Chief, Technical Crew Chiefs may be called upon to perform the duties of the regular Crew Chief, we agreed that it was not intended to occur on a regular basis such as vacation relief, sick coverage, etc.

Should any further questions arise regarding the Technical Crew Chief function, we have agreed to attempt to resolve them through continued discussions.

Please contact me should you have any additional questions.

(Signed original on file)

ATTACHMENT 11.2 OVERHAUL SUPPORT MECHANIC PERCENTAGE

From: **James B. Weel**
To: **Robert F. Gless**
Re: **Overhaul Support Mechanic Percentage**

September 12, 2012

This will confirm our understanding reached during negotiations regarding the number of **Overhaul Support Mechanic (OSM)** that may exist at the TUL/AFW bases.

We have agreed that **OSMs** shall be utilized in areas that do not require the license and high skill of an A&P Mechanic. Further, we have agreed that in no event will the number of **OSMs** at either TUL or AFW exceed 25% of the total population of Title I employees at each base. We have further agreed that this percentage figure cannot be changed for the duration of this agreement, and for a minimum of additional four (4) years.

(Signed original on file)

ATTACHMENT 11.3 – HAZARDOUS WASTE FUNCTION TASKS

From: J.G. Zink
To: Marion Finley
Re: Hazardous Waste Function Tasks

June 3, 1996 (as revised for references April 15, 2003)

During the negotiations which led to the agreement dated August 15, 1995, we agreed to reinstate the Plant Maintenance Man classification along with job description language which is considerably more restrictive than that which previously existed for this classification before the name was changed to Apprentice Mechanic. Additionally, language was added in Appendix A, (g) 5.0, which provided that those employees in the classification of Plant Maintenance Man who are regularly assigned to the hazardous waste function will receive a skill premium of one dollar and seventy cents (\$1.70) per hour.

In addition to the special training and certification that these employees must possess, the primary tasks will include, but are not limited to the following, which will more clearly define the "Hazardous Waste Function" language referenced in Article 4(e):

1. Chemical tank change out, cleaning and sampling. This includes acid, caustic, vapor degreasers, and chlorinated solvent tanks.
2. Assistant to the mechanic in the operation of the Industrial Waste Treatment Plant. This includes processing of waste sludge, chemical handling/dispensing/testing for operation of the Plant and other related activities.
3. Preparation of hazardous waste for shipment off-base. This includes proper storage, packaging, identification, tracking and manifest documents at the Industrial Waste Treatment Plant
4. Triple rinsing of empty drums, cans, etc. prior to their disposal.
5. Certified Spill Response Team member. These employees receive a 40 hour training course covering proper procedures for responding to, cleaning up and disposing of hazardous spills.

In addition to these hazardous waste function tasks, employees assigned to the hazardous waste function may also be expected to perform any other duties as defined by the Plant Maintenance Man classification description in Article 4 and the memorandum entitled "New Classification of Plant Maintenance Man Duties" attached to Article 11 of the AA/TWU Agreement.

The remaining semi-skilled type work (which has not been described as part of the hazardous waste function) will be assigned to Plant Maintenance Man employees. If a

non-skill premium Plant Maintenance Man is temporarily assigned to the hazardous waste function, he will receive the one dollar and seventy cents (\$1.70) per hour skill premium for all time he works in this capacity.

(Signed original on file)

ATTACHMENT 11.4 – OVERHAUL SUPPORT MECHANIC ADVANCEMENT

From: James B. Weel
To: Robert F. Gless
Re: Overhaul Support Mechanic Advancement

September 12, 2012

This will confirm our understanding reached during negotiations regarding the Overhaul Support Mechanics (OSMs) ability to advance into the higher classifications, i.e., Aviation Maintenance Technicians (AMT) at the TUL/AFW/**DWH** bases.

As you know as part of the 2001-2004 collective bargaining agreement between the parties we have eliminated the Junior Mechanic program. Based on this, questions have arisen as to how Overhaul Support Mechanics (OSMs) who secure licenses can meet the experience qualifications (if any) for becoming Aircraft Maintenance Technicians. In order to assure that Overhaul Support Mechanics (OSMs) have full opportunity for promotion to the Aviation Maintenance Technician (AMT) classification, the Company will waive any experience qualifications required to become an Aviation Maintenance Technician for an Overhaul Support Mechanic, who secures an Airframe and/or Power Plant licenses. This waiver of experience is not applicable to work in Types 1 through 7, **or Line Maintenance**. The provisions of filling AMT vacancies will be in accordance with Article 12 and/or the AFW/TUL transfer memorandum.

This provision will not waive the testing or licensing requirements, which must be met to become an Aviation Maintenance Technician.

In addition, the parties agree to form a Committee (or utilize any existing group such as the Aviation Safety Action Partnership (ASAP) Event Review Team) to assist Overhaul Support Mechanics in securing Federal Aviation Administration (FAA) recognition of their experience for purposes of being allowed to test for their Airframe and Powerplant licenses.

(Signed original on file)

ATTACHMENT 11.5 – BASE SUPPORT SHOPS

September 12, 2012

Re: Base Support Shops

This will confirm our understanding reached during the discussions leading up to 1113C Bankruptcy proceedings for Title I employees. During the course of negotiations, the parties agreed to the following changes in reference to support shops at the overhaul bases that utilize or can utilize the Overhaul Shop Mechanic classification. The remaining shops will remain status quo, **however, the number of OSM's utilized in the shops today may be modified in accordance with the terms of the Agreement reached between the parties.** If new work, technology, or a change in the type of work being performed, the Local Union and the Company will evaluate the work and determine the appropriate classification to be assigned.

<u>TULSA</u>		
2217	Engine Liner	Move the work to the CRC to be done by AMT's.
2274	N/B Door	Convert the work performed by OSM's to be performed by AMT's.
2361	W/B Thrust Reverser	Convert the work performed by OSM's to be performed by AMT's.
2421	Rotor	Convert the work performed by OSM's to be performed by AMT's.
2447	N/B Thrust Reverser	Convert the work performed by AMT's to be performed by OSM's.
2581D	Landing Gear	Convert the work performed by OSM's to be performed by AMT's.
2722	W/B Door and Structure	Move the duct and nozzle work to a separate OSM shop. Convert the remaining work performed by OSM's to be performed by AMT's.
2729	Manufacturing	Convert the work performed by OSM's to be performed by AMT's.
2811	Fuel Control	Convert the work performed by OSM's to be performed by AMT's.
2814	Miscellaneous Valve	Convert the work performed by OSM's to be performed by AMT's.
2816	Compressor	Convert the work performed by OSM's to be performed by AMT's.

2817	Hydraulics	Convert the work performed by OSM's to be performed by AMT's.
2818	CSD/Gear	Convert the work performed by OSM's to be performed by AMT's.
2821		Convert the work performed by OSM's to be performed by AMT's.
2815 2727	Wheel Brake	Convert the work performed by PW's to be performed by OSM's
2442	QEC/QVP	Convert the work performed by AMT's to be performed by OSM's.

<u>AFW</u>		
3715	Seat Shop	The work of fifteen (15) OSM's that perform the more complicated work on the B767/777 First Class seats will be performed by AMT's.

ATTACHMENT 11.6 UTILIZATION OF OSM CLASSIFICATION ON DOCKS OPERATIONS

**From: James B. Weel
To: Robert F. Gless
Re: OSM utilization on docks operations**

September 12, 2012

This will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012.

In recognition of the need to competitively compete in a global market, the parties have agreed to modify the work scope for the classification of Overhaul Support Mechanic (OSM). The expanded scope will allow the utilization of the OSM Classification to accomplish cabin related work on aircraft in maintenance classified as Main Base Visit (MBV), Heavy C and Light C Check work or their equivalent.

OSM's assigned to cabin work will perform semi-skilled to moderately complex work in the cabin of the aircraft. Such work will include but not be limited to minor structure repairs, wet fiberglass lay-ups, cabin, lavatory, galley and seat removal and repair, floorboard removal and installation, and sidewall and ceiling panel removal, repair and installation.

In recognition of this expanded job scope, the Company will modify the Qualification Administration Manual (QAM) to provide OSM's assigned to cabin work with credited experience for advancement to the classification of AMT.

(Signed original on file)

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 11.7 – MAINTENANCE SUPPORT PERSON CAP

September 12, 2012

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

Dear Robert,

During the restructuring agreement negotiations the parties discussed increasing the work that a Maintenance Support Person (MSP) would be able to perform, and increasing the number of MSP that the Company would employ.

To that end, the Company has committed to a MSP cap of no more than 35% of the total Title II Mechanic headcount be MSP. The percentage will be determined from the monthly TWU Staffing report that is provided to the TWU.

If at any time the percentage of MSP rise above 35% the Company will be obligated to add a Title II Mechanic (s) until the percentage is below 35%.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 11.8- MAINTENANCE SUPPORT PERSON LOCAL PROCEDURES

September 12, 2012

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

Dear Robert,

During the restructuring agreement negotiations the parties agreed to expand the duties of a Maintenance Support Person (MSP). This change would require a review of local procedures to ensure that the MSP could be fully utilized as intended; e. g. a MSP would be solicited for overtime to cover MSP work.

Therefore, a review of all local procedures will be conducted by local Management. If it is determined that a specific procedure needs to be addressed, the Manager will do so with the local TWU Representative. If a resolution is not reached the Manager may make the necessary changes to resolve the issue. If the local TWU Representative believes that the change will result in a violation of the agreement he is free to seek relief under Article 29 or 31, whichever is appropriate.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 11.9 -- MAINTENANCE SUPPORT PERSON PROGRESSION

September 12, 2012

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

Dear Robert,

During the restructuring agreement negotiations the parties agreed to establish Journeyman qualifications that would apply to both new employees and current Maintenance Support Person (MSP), unless otherwise governed by local or state law. Those qualifications include 2 years of relevant experience, 1 year of accreditation (trade school courses related to automotive / facilities) and successful completion of a one-day qualification test (written and practical).

As soon as practicable after September 12, 2012, a joint committee of Company and TWU will be established to define a process of jointly reviewing and approving the experience and accreditation requirements. Once the procedures are set they will be included in the Qualifications Administration Manual.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 12 – PROMOTIONS AND TRANSFERS

Higher Capacity Positions - Crew Chief, Technical Crew Chief Inspector

(a) Qualifications for promotion to a **Higher Capacity Position** will be established by the Company and include such reasonable measurable standards as are beneficial to the efficiency of the Company's operations and to the employees. Additionally, a successful candidate must demonstrate his ability to speak, read and write English fluently. To be considered eligible for promotion to a Crew Chief or Technical Crew Chief vacancy in San Juan, Puerto Rico, a candidate must demonstrate his ability to speak fluently both English and Spanish.

(b) After the provisions of Article 46 (One Station Agreement) have been exhausted, subsequent vacancies will be subject to **the selection process outlined in this Article:**

(1) **Notices of Higher Capacity vacancies will be posted weekly via the Automated Higher Capacity System which is accessible on Jet Net. The notice of vacancy will state whether the vacancies or jobs are expected to be regular or temporary, the number of jobs to be filled, the station or location, and will specify a deadline date (closing date) for submission for Higher Capacity Positions. The closing date will be ten (10) calendar days after the posting date. Employees may only submit Requests for Promotion (RFP) via the Automated Higher Capacity System by the closing date.**

(2) **An employee submitting an RFP for more than one position will indicate the order of his preference on each submission, and if he is the senior candidate for more than one position, he will have the opportunity to qualify only for the position ranked highest in his preference.**

(3) **One (1) business day after the closing, the Company will post, via the Automated Higher Capacity System, the name and seniority date of the successful candidates. Employees will have twenty four (24) hours to decline the promotion via the on-line tool. Failure to accept or decline the award will result in automatic acceptance of the position. If the promotion is declined, the employee will be ineligible to submit an RFP for the same classification, Higher Capacity Position, for a period of twelve (12) months. Once an employee has accepted, he will be scheduled for qualification testing as required in accordance with paragraph (d).**

(4) **Selection criteria for Crew Chief and Technical Crew Chief will be awarded in accordance with Article 11.**

(5) **Qualifying tests may be conducted at any station where the necessary personnel and equipment are available. If an employee is required to take a test at any station other than his base station, travel**

expenses will be authorized in accordance with the appropriate Company Policy.

(c) Eligibility Periods

An employee, who is selected to fill any Higher Capacity position, excluding Temporary Crew Chief positions, may not submit another request for any Higher Capacity position for twelve (12) months from the date he reports. If an employee fails to report after accepting the position he will be ineligible for any Higher Capacity position for twelve (12) months.

(d) Crew Chief/ Inspector

Prior to reporting, the candidate must successfully complete all applicable qualification tests and meet the physical requirements associated with the position.

(1) An employee who has been selected as a Crew Chief will have a trial period of one hundred eighty (180) calendar days. An employee selected as an Inspector will have a trial period of ninety (90) days. The employee's performance will be evaluated by a panel composed of an equal number of Management and TWU representatives. The TWU representatives will be designated by the Local President. The review periods will be conducted after sixty (60), ninety (90), and one hundred twenty (120) calendar days, (sixty (60) days for Inspectors) or more frequently if necessary. All evaluation forms used to evaluate a probationary Higher Capacity Position will be removed from the employee's file upon completion of the probationary period.

If performance reviews indicate unacceptable performance, and steps to correct performance have failed, nothing prohibits demotion prior to 180 calendar day trial period completion.

(2) The trial period will begin the first day an employee reports to duty. Trial periods may be extended to cover any approved leave of absence granted during the trial period.

(3) At the completion of the 180 (90 for Inspectors) calendar day trial period, if the employee fails to meet performance expectations, he will be demoted and returned to his Basic Classification at his previous station. During the trial period, an employee may request to demote from the Higher Capacity Position. If the employee self-demotes during the trial period he will be returned to his Basic Classification at his previous station. In either scenario, he may also fill any system vacancy, excluding any Higher Capacity position, which his qualifications and seniority will allow. In the event the decision to retain or demote is not unanimous the

decision of the Company will be final and binding. The demotion will not be subject to the grievance process.

(4) The Company will furnish positive space transportation for initial badging requirements for the affected employee and space available transportation for the employee and the members of his immediate family, to the extent permitted by law, from the point from which he is transferring to the new location/station. Other expenses incidental to the transfer will be borne by the employee.

(5) Testing for vacancies is normally accomplished during the employee's regular working hours. If testing (written or practical) is administered outside an employee's normal working hours, it will be compensated for at the applicable training rate of pay.

(e) Temporary Crew Chief

A Temporary Crew Chief may be selected for a special assignment or a known long term vacancy for a period not to exceed one (1) year, using the Automated Higher Capacity System. The Temporary Crew Chief position will be selected from candidates within the Basic Classification and station where the vacancy exists. The selection of the Temporary Crew Chief will be the same process as a posted Crew Chief vacancy.

(1) At the completion of the temporary assignment, the employee will be returned to his former Basic Classification and work unit/shop/dock.

(2) At the end of three hundred and sixty-five (365) calendar days the vacancy will become permanent and posted to the station using the on-line tool.

(f) Acting Crew Chief

In the absence of a regularly assigned Crew Chief or while in the process of filling an existing or newly created Crew Chief position, an Acting Crew Chief may be appointed to fill the vacancy from within the work unit/shop for a period not to exceed sixty (60) calendar days. In the event a Crew Chief is not available, the appointment will be proffered to the senior pre-qualified employee regularly assigned to that work unit/shop/dock.

The Company may provide lists in each of its work **unit/shop/dock** at each station on which employees regularly assigned to that work **unit/shop/dock** may **volunteer** to be considered for the filling of **Acting** Crew Chief vacancies under this paragraph. The Company will periodically administer qualifying tests for the positions involved to the employees who have signed these lists and will maintain lists comprised of those

employees who indicate a desire for pre-qualification and successfully complete the test. Employees who have successfully passed these qualifying tests will, if they are regularly assigned to that work **unit/shop/dock**, be assigned in order of their **Occupational Seniority** to fill acting vacancies. Additionally, an employee who has **expressed a desire but** has not been provided an opportunity to take the qualifications test since the date he transferred into the work **unit/shop/dock** will be considered to fill acting vacancies in accordance with his seniority, until he is provided an opportunity to test. An employee who refuses acting assignments three (3) times within a calendar year, will be removed from the pre-qualified list for a period of six (6) months.

(1) In the event there are no **pre-qualified** employees **or volunteers**, the most senior employee regularly assigned to that work **unit/shop/dock** will be **required** to fill the **Acting Crew Chief** vacancy.

(2) Employees selected to fill **Acting Crew Chief** vacancies will be entitled during the period so assigned to compensation at a rate not less than that at which the job is rated. An employee assigned to **an Acting Crew Chief vacancy** in a lower classification will not have his compensation reduced to that of the lower classification.

(g) **Intentionally left blank**

(h) **Intentionally left blank**

(i) **Intentionally left blank**

(j) **Intentionally left blank**

(k) **Transfer Waivers**

We have agreed that where a six or twelve month wait is required, this requirement may be waived upon mutual agreement between Employee Relations and the International TWU prior to hiring new employees. The Union must receive a written request from an employee who desires this exception.

(l) **Basic Classification Transfers**

An employee may request a transfer from one station to another to fill a regular full-time or part-time vacancy, provided that the employee's qualifications are sufficient for the conduct of the work to which he is to be assigned. All transfers for Title II vacancies at all stations will be filled within the appropriate craft classification.

After the provisions of Article 46 (One Station Agreement) or the TUL /AFW Transfer Process, if applicable, have been exhausted, the employee will be permitted to transfer before a new employee is hired at that station, provided:

- (1) He has a minimum of six **(6) months** with the Company,
 - (2) **An employee must submit a Request for Transfer (RFT) to a location/station by utilizing the Company's on-line tool. The employee must specify the station and/or location desired. Each location/station requires a separate request. The employee must be qualified to perform the work he is requesting a transfer to prior to reporting.**
 - (3) He has not completed **or refused** a transfer within the twelve (12) month period preceding the transfer date.
 - (4) **Each January 1 and July 1 a RFT not submitted within the preceding 30 days will be voided and it will be necessary for a new request to be submitted.**
 - (5) **Once awarded and accepted an RFT, the Company may not rescind the transfer and the employee must report. The transfer will take place on the second Monday following the employee's qualification unless mutually agreed otherwise.**
 - (6) A vacancy created by the transfer of an employee may be filled by the Company at its option.
 - (7) The Company will furnish **positive** space transportation for **initial badging requirements** for the affected employee and **space available** transportation for the employee and members of his immediate family, to the extent permitted by law, from the point from which he is transferring to the **new location/station**. Other expenses incidental to **the** transfer will be borne by the employee.
 - (8) **An employee is eligible to 12 (Ix) (full-time to part-time/part-time to full-time) at his station provided he has completed probation and has not completed or refused a 12 (Ix) transfer within the previous six (6) months.**
- (m) Subject to the provisions of Article 12 of this Agreement, **the Material Logistic Specialist, Fleet Service, and Maintenance Control Technicians** Agreements, employees covered who possess the required qualifications will be given preference in filling regular full-time or part-time vacancies **per paragraph (2)(a) through (2)(d) below**. Such employees **who are** successful in filling a mechanical classification (including plant maintenance) will be required to pass the appropriate skill qualification tests, **prior to reporting to the position and will be required** to demonstrate mechanical ability within the first six (6) months. Selection for the vacancies described in this paragraph will initially be confined to employees in the title group in which the vacancy exists in the order of their relative seniority. Thereafter, selection will be based on the Occupational Title Group seniority of the employees involved. In the event two

or more employees have the same Occupational Title Group seniority, **Article 10(k) will determine the successful bidder.**

(1) An employee under this Agreement, **Material Logistic Specialist**, Fleet Service, and **Maintenance Control Technicians** Agreements may request a transfer to vacancies **using the on-line tool**. Subject to the conditions contained in the preceding paragraph, the employee will be permitted to transfer before a new employee is hired at that station provided:

(a) He has a minimum of six (6) months service with the Company,

(b) **An employee must submit a Request for Transfer (RFT) to a location/station and classification by utilizing the Company's on-line tool. Each location/station and classification requires a separate request.**

(c) He has not completed or refused a transfer within the **previous six (6)** month period preceding the transfer date.

(d) **An employee will be notified of his transfer award via the online transfer system and Management will arrange for his release and report date as outlined in Attachment 12.2. The Company may not rescind the transfer once awarded and the employee must report. Each January 1 and July 1 a RFT not submitted within the preceding 30 days will be voided and it will be necessary for a new request to be submitted.**

(e) A vacancy created by the transfer of an employee may be filled at the Company's option.

(2) In addition to the above, the priority for transfers under 12 (m) will be as follows: Article 12(m) covers four possible situations that are awarded in seniority order within each of the subcategories indicated below:

(a) An employee at the same location within the same Title group.

(b) An employee at a different location within the same Title group.

(c) An employee at the same location within a different Title group.

(d) An employee at a different location within a different Title group.

(3) An employee, having qualified for a **different** classification under the provisions of Article 12 of this Agreement, the **Material Logistic Specialists**, Fleet Service, and **Maintenance Control Technicians** Agreements, who subsequently fails to successfully complete the required qualification test for that

classification or fails to demonstrate the required mechanical ability, will be returned to his previous classification and station. However, if the company fails to administer the Qualification Test within one hundred and eighty (180) calendar days the employee will be considered qualified for the purposes of his assignment.

(4) We have agreed that an employee affected by a reduction in force and relocated to a different city, may 12(m) back to his original city without any waiting period.

(n) Self Demotion

(1) An employee may request a demotion from the a **Higher Capacity** position of Crew Chief at his station provided no other employee possesses recall rights to the classification and station in question. Such a successful employee, or an employee demoted for cause, will not be permitted to bid for another vacancy in this classification or to serve in an acting higher capacity for a period of twelve (12) month following the effective date of such demotion. If however, a Crew Chief self-demotes through the transfer procedure to another city, the period of exclusion from acting or bidding will be six (6) months.

(2) The Company will offer a fifteen (15) day open window in March every year, beginning in March **2013** for any Crew Chief to self-demote, **provided he has completed twelve (12) months in his current assignment.** Following this self-demotion window, the jobs to be vacated by the self-demotion process will be posted **using the on-line tool** for bid and awarded on a local city basis only. If more employees desire to self-demote, than those bidding for the jobs at that city, self-demotions will be limited to the number requesting to back fill the positions from that city. If insufficient local bidders are available, the self-demotions will be permitted in seniority order up to the number of bidders. **Employees who bid to replace an existing Crew Chief will be selected per the procedures outlined in Article 11.**

(3) A Crew Chief who exercises the self-demotion process will be prohibited from bidding a-Crew Chief position, and from serving as an acting Crew Chief for two (2) years from date of demotion.

(o) Transfers from Lay-off

An employee may submit a Request for Transfer (RFT) from layoff status, and will be allowed to fill a vacancy before a new employee is hired for that vacancy, in the order of priority and under the conditions as follows:

(1) **The recall provision of Article 16 of the applicable Agreements have been exhausted (employees in the same classifications recalled to the station from which they were laid off).**

(2) RFTs filed under Article 12(l) have been processed (active employees in the same classification transferring from one station to another).

(3) RFTs under Article 12(m) have been processed (active employees who have a valid transfer from one classification to another at their own station).

(4) RFTs by active employees who desire to fill a vacancy in another classification at another station have been processed.

(5) RFTs by an employee on layoff in the same classification in which the vacancy exists and who submits an RFT after being laid off adhering to all procedural and qualification requirements under Article 12(l).

(6) RFTs by an employee on layoff in a classification other than the classification in which the vacancy exists who submits a RFT after being laid off and who meets all, procedural and qualification requirements under Article 12(m).

(7) All RFTs filed by an employee prior to layoff (off payroll) are null and void.

(8) An Employee on layoff who refuses a vacancy for which he has submitted an RFT under these procedures will not be eligible for any other vacancies during the remaining period of the layoff; however, he will retain his recall rights to his station. (see para (k) of this article).

(9) Transfer request by an employee on layoff status who has resigned per Article 14 (b) and who meets all procedural and qualification requirements under Article 12(l) and 12 (m).

(10) The Company is not obligated to contact employees on layoff to offer vacancies in their own or other classifications.

(p) **Filling of Full-time Vacancies**

Full-time vacancy(s) will be filled by the most senior qualified employee(s) requesting to fill a vacancy(s) in accordance with the following order of preference:

(1) System surplus employees (either full-time or part-time) in the same classification, provided they are senior to the most senior employee holding recall rights to that full-time classification. System surplus part-time employees electing a full-time vacancy will also be subject to the following:

(a) Any part-time employee selecting a full-time vacancy as an option on this bump sheet will be tentatively awarded the vacancy in order of seniority of those employees affected by the reduction in force. The options of all other employees will be awarded in order of seniority.

(b) After the awards are completed, the Company will match those tentative awards outlined above for those part-time employees successfully electing a full-time position against those employees requesting a full-time position in that city with a full-time vacancy. The full-time vacancy will be given to the senior employee(s) (either those part-time employees affected by the reduction in force or the local part-time employees with a valid 12(lx) on file for a full-time position at that city).

(c) If the vacancy is awarded to the local employee, the employee out of the station that was affected by the reduction in force and elected that vacancy as an option on his bump sheet will be assigned a resulting part-time vacancy at the receiving city. This employee must, at this time, agree to take the position or take layoff. If the employee awarded the position fails to report to the elected city, he will be terminated and will forfeit recall rights and relocation expenses.

(2) Employee with recall rights to a full-time position.

(3) The following blended seniority order:

(a) Employees in a full-time Higher Capacity classification in the same city requesting a voluntary demotion under the provisions of Article 12(n) will be offered full-time vacancies.

(b) Transfer requests of employees currently on payroll in the same classification in other cities blended in seniority order with part-time employees' transfer requests in the same classification within the city with the vacancy.

(c) Active part-time employees in the same classification and city as the vacancy and have a 12 (lx) transfer on file.

(4) Transfer requests under Article 12(m) (active employees who have a valid transfer from one classification to another at their own station).

(5) Transfer requests by employees on the payroll who desire to fill a vacancy in another classification at another station have been processed.

(6) Transfer request by an employee on layoff status in the same classification in which the vacancy exists and who submits a transfer request (RFT) after being laid off adhering to all procedural and qualification requirements under Article 12 (l).

(7) Transfer request by an employee on layoff status in a classification other than the classification in which the vacancy exists who submits a transfer request (RFT) after being laid off and who meets all procedural and qualification requirements under Article 12(o).

(8) Transfer requests by any employee covered by a TWU/AA Agreement other than the Maintenance Agreement awarded in seniority order.

(9) Transfer request by an employee on layoff status who has resigned per Article 14(b) and who meets all procedural and qualification requirements under Article 12 (l) and 12 (m).

(10) New hire.

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

ATTACHMENT 12.1 – TRANSFERS TO JOB VACANCIES AT THE TUL/AFW/DWH MAINTENANCE BASE

Re: Transfers to job vacancies at the TUL/AFW/DWH Maintenance Base

(a) The Company and the Local Union will collaborate on determining the Business Units at each base. Business Units are intended to be large units with multiple shops/docks, common geographical locations, and/or functional responsibilities within each maintenance base, e.g. DWH Hangar, Hangars 5-6, Hangars 1-2, Hangars 3-4, Engines, Landing Gear, Avionics Component Repair etc.. These units will have a sufficient number of employees to enable the Company to meet fluctuations in business. While employees have a home shop assignment, the parties understand that employees can be moved within the business unit to meet day to day business fluctuations. These changes to assignments within the business unit are intended to mitigate peaks and valleys in the work loads, in addition to ensuring the most efficient operation of the Business Unit. In making assignments to meet workload fluctuations the parties agree that changes in these assignments will be within the same classification, Type of Work (Title I), or Craft (Title II). Changes to home shop assignments that are in excess of fourteen (14) days will be processed in accordance with 12.1 (i) (1).

(1) The parties recognize that there will be times when the need exists to redistribute headcount within a Business Unit for a period in excess of ninety (90) calendar days. If the need is within the same type of work (Title I), or Craft (Title II), the following procedure will be used;

(a) Within the Business Unit, surpluses and vacancies will be posted for seven (7) calendar days.

(b) At the end of the seven (7) day posting period volunteers within the Business Unit will be reassigned to the openings. In the event there are insufficient volunteers, reassignments will be made in inverse seniority order from the shop(s)/dock(s) that have declared a surplus. Job tests within a type of work will be waived.

(c) An employee may voluntarily transfer within his current business unit provided he has not completed or refused any type of transfer within six (6) months.

(d) When vacancies not covered by the labor loan provision described above in paragraph (a) are approved, an employee at that Maintenance Base will be provided an opportunity to fill the vacancy.

(2) In the event leadership at the operational level is unable to resolve issues that arise under 12.1 (a) the unresolved issue will be passed to the

Chief Operating Officer of the base and the President of the Local Union for determination. In the event the parties are unable to reach a mutual decision, the Company may implement the change and the Union may take up the disputed issue as a grievance under Article 31 and 32 of the Agreement.

Excluding Higher Capacity Positions, an employee may request a transfer from one Business Unit to another or to a different type of work or craft in order to fill a vacancy, provided the employee's qualifications are sufficient for the conduct of the work to which he is to be assigned and:

(1) The employee has a minimum of twelve (12) months with the Company.

(2) The employee has not completed a transfer within the prior twelve (12) months.

(c) Transfers in (b) will be electronically processed with the on-line tool. The Company will select the individual to fill the vacancy using the on-line tool. The senior qualified employee will be reassigned to the vacancy and may not refuse the assignment.

(d) Qualifications for vacancies to be filled by intra-station transfers are deemed satisfied when an employee:

(1) Passes or has previously passed the applicable qualifying test within the previous five (5) years, or

(2) Has been assigned to the Job Test Area for a continuous period of six (6) months within the past five (5) years.

(e) After the selection has been made, it will be the Company's option to fill the resulting vacancy as follows:

(1) Filled at or by management option.

(2) Filled by reassigning volunteers from job test areas where employees are available.

(3) Filled by reassigning employees in inverse order of seniority from job test areas where employees are available.

(4) Filled by employees with requests to transfer under Article 12(l).

(5) Filled by employees with requests to transfer under Article 12(m).

(6) Filled by new hires.

(f) At the TUL/AFW/DWH Maintenance Base, an employee in a Higher Capacity Position will be allowed to demote to his Basic Classification, as outlined above, provided his seniority will allow. Upon passing the applicable qualifying test, the affected employee will then be ineligible to serve in an acting, temporary, or permanent Higher Capacity Position in that classification for a period of twelve (12) months. Additionally, he will be restricted from transferring to another vacancy within his Basic Classification for a period of twelve (12) months. If the affected employee fails the qualification test, he will remain in his Higher Capacity Position.

(g) In the event of a reduction in force, the reassignment of surplus employees will be accomplished in accordance with the provisions of Article 15 of this Agreement within thirty (30) calendar days following the crew change in which the reduction in force was effected.

(h) Within thirty (30) calendar days following the crew change in which a recall is effected, the Company may make adjustments in its manning requirements.

(i) Temporary Assignments (Labor Loans) will not exceed ninety (90) calendar days. (Requirements in excess of ninety (90) calendar days will be filled through the above paragraph (a) (1),

(1) Temporary Assignments for a period not exceeding ninety (90) calendar days will be made on the basis of available qualified volunteers as defined above. In the event there are not sufficient qualified volunteers, the Company may reassign employees in inverse order of seniority from that shop or job/skill area.

(j) This memorandum will not apply when movement of unusual numbers of employees is required, such as, shutdown or opening of a shop/line or within thirty (30) calendar days following the crew change in which a recall is affected. Under these conditions, the Company may make adjustments in its manning requirements.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 12.2- ELECTRONIC TRANSFER AND BID SYSTEM

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

September 12, 2012

RE: Electronic Transfer and Bid System

Dear Robert,

During the 2012 AA/TWU Restructuring discussions, the parties have agreed to implement changes to the promotion/transfer process under Articles 12 and 46 of the agreement that will provide greater flexibility on eligibility and notification. In addition the process provides a window of opportunity that will allow the employee to accept or refuse the vacancy through the ability to add or remove his name from the transfer list. The revised process eliminates the fifteen day waiting period and the ineligibility restriction for refusing. It also allows the employee the opportunity to set standing transfer requests with assigned preferences in real time via the web based application. The online transfer system will be available 24 hours a day from any Company or non-company location.

The process will be conducted on a weekly cycle as follows:

- On Saturday of each week at 0001 CST, the Company will post an online notification list of the stations/locations declaring vacancies for that week.**
- The transfer list for those listed vacancies will be closed on the following Friday at 2359 CST and a snapshot of the list will be taken at that time.**
- The employee may add or remove his standing transfer request or change his order of preference anytime during the above timeframe.**
- Any employee whose name appears on the list after Friday at 2359 CST may refuse the transfer by removing his name from the list by Sunday at 2359 CST. If the employee does not remove his name from the list during this forty-eight (48) hour period, he will be considered to have accepted the position.**
- The employee will be notified during JetNet sign-in of the final award.**

- Once an employee is awarded the vacancy, he will be notified of the report date which will be two (2) weeks from the date of the award.
- The employee must report to the station awarded on the specified date unless mutually agreed to by the Company and the TWU.

The Company and TWU will jointly develop an implementation plan to include the effective date, communication (including a process for telephonic support), an appropriate grace period and training so that all TWU represented employees may benefit fully from the enhancement. Following implementation, the Company and TWU will meet quarterly [or as mutually agreed] to discuss and develop resolutions to issues pertaining to the new process.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ATTACHMENT 12.3 – CREW CHIEF EVALUATION/DEMOTION PROCEDURES

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

September 12, 2012

RE: Crew Chief Evaluation/Demotion Procedures

Dear Robert,

During the recent AA/TWU Negotiations, the parties have agreed to implement the following process for conducting Post Qualifying Period Performance Evaluation for a Crew Chief.

Crew Chief Evaluation / Demotion Procedures

A. APPLICABILITY AND PURPOSE

This procedure applies to a Crew Chief covered by the Mechanic and Related Agreement. The purpose is to establish uniform procedures for evaluating Crew Chiefs for the reasons set forth below:

B. ANNUAL PERFORMANCE EVALUATION REPORT (PER)

Management must be able to recognize signs of difficulty, then by utilizing suggestions and encouragement ensure the employee consistently meets all requirements established for a particular job. To that end, a PER form (as outlined in the QAM) should be completed annually. The report will reflect Management's realistic appraisal of the Crew Chief's present performance and future expectations of his performance.

- All evaluation forms used to evaluate a Crew Chief Higher Capacity Position will be removed from the employees file twelve (12) months from the date of evaluation. During the annual review, the prior year's review, will be returned to the employee's and removed from the file (s).**

C. PERFORMANCE DEFICIENCIES

If Management recognizes signs of a Crew Chief's unsatisfactory performance Management will immediately inform the employee of the deficiencies and verbally counsel him on the specific area(s) in need of correction in a timely manner.

1. If the initial verbal counseling does not achieve the desired results, Management will contact a designated TWU Representative and advise him of the deficiencies and may solicit input on how the deficiency can be corrected. In the event verbal counseling does not correct the deficiencies Management will commence documenting the performance of the employee on a PER form.
2. Include in the report all areas of deficiency and a specified time period (e.g. 30 days) in which correction of these areas is expected.
3. The report will reflect Management's realistic appraisal of the employee's present performance expectation and future expectations. Advise the employee that failure to consistently meet the requirements of the job may result in demotion.
4. During the evaluation process Management will utilize the PER form to review areas of concern and make specific suggestions how the performance deficiencies can be corrected. Suggest a realistic program for correction and when necessary provide training in deficient areas (e.g. leadership training). Management will conduct written appraisals, on a monthly basis, until such time as the performance of the employee has improved and the deficiencies are corrected.
5. If the employee fails to correct his deficiencies at the end of the specified time period, determined on a case by case basis, he may be demoted, and if demoted, will be returned to his former basic classification in accordance with Article 12(n).
6. All evaluation forms used to evaluate a Crew Chief will be removed from the employees file twelve (12) months from the date of evaluation.

D. DEMOTION FOR CAUSE

Prior to demotion for cause Management is required to coordinate with the appropriate Human Resources department and The Local TWU to establish a review panel.

1. The employee's performance evaluation process will be reviewed by a panel composed of Management and TWU representatives. The TWU representatives will be designated by the Local President.
2. The panel will consist of four people, two members of the Transport Workers Union of America (TWU) and two members of American Airlines Management. This panel will review all supporting documentation and Crew Chief Evaluations. This panel may also interview the affected employee and Management.

3. In the event the decision of the panel is deadlocked the review will be referred to the Chief Operating Officer. If the employee believes the decision of the Chief Operating Officer is not justified he may appeal utilizing the provisions of Article 31.

4. Demotions for cause will not accompany corrective action as outlined in PPC.

5. All evaluation forms used to evaluate a Crew Chief will be removed from the employee's file(s) twelve (12) months from the date of evaluation.

6. An employee demoted for cause will not be permitted to bid another Crew Chief vacancy for a period of twenty four (24) months following the effective date of the demotion. Additionally, an employee demoted for cause will not be considered for filling Temporary or Acting Crew Chief vacancies during this time frame.

7. In no event will the return of an employee directly result in the displacement of another employee in the classification to which he returns. These procedures will not apply in the event of a reduction in force as outlined in Article 15 of the Maintenance and Stores Agreements.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ATTACHMENT 12.4 – INSPECTOR REASSIGNMENT WITHIN (I) GROUPS

September 12, 2012

**From: James B. Weel
To: Robert F. Gless
Re: Inspector Reassignments within Tulsa**

1. Internal Bid Procedures:

Current Tulsa-based Inspectors may bid on any opening at the Tulsa Base using the automated intra-station transfer procedure. Bids will be awarded to the most senior Inspector or, in the event the position is unfilled, the Company may post the position to the system. The resulting vacancy created by the intra-station move may be posted to the system, based on operational necessity.

2. Inspector Classification:

There shall be two Inspector classifications: Visual and NDT, differentiated by qualification and assignment as specified in the QAM.

3. Work Assignment:

Inspectors will be assigned within their classification to a primary hangar/shop/building. However, based on operational necessity, Management may reassign Inspectors within the station based upon classification (NDT or Visual). When reassignment is necessary, the provisions of Attachment 12.1 will apply.

4. Training:

Inspectors will be trained according to the requirements of the work area subject to bid award, if they are re-assigned or are labor loaned.

5. Qualification Testing:

There shall be two qualification tests as listed in the QAM (these are the NEW tests, not currently in the QAM):

- i. Visual qualification test, Test HCIW & HCIP**
- ii. NDT qualification test, Test HCIA & HCIB. NDT qualification test includes all of the components of the Visual qualification test plus additional requirements of NDT.**

{Original Signed on file}

ARTICLE 13 – SENIORITY LISTS

- (a) System seniority lists, published by Title Group, will give the name, personnel number, Occupational Seniority date, Company Seniority date, job classification, job protection codes, and station of each employee, covered under this Agreement. **Such The lists will be posted and maintained on the Company Website and will be updated daily to include any personnel transaction request (PTR) that has been processed**
- (b) An employee or the Union may protest any omission or incorrect posting affecting any employee's seniority by use of a "System Seniority Protest Form," also referred to as "Protest Form." There will be no time limit to protest any omission or incorrect posting affecting any employee's seniority.
- (c) The following will be the procedures for the filing of a "Protest Form".
- (1) The employee will forward the Protest Form to the Local Union office. The Local Union will forward a copy of the Protest Form to the appropriate Human Resources office. The Protest Form must be accompanied by the supporting documentation, **or the protest will not be accepted.**
- (2) The Local Union will **assist with the investigation of** the protest. The information necessary to investigate the protest will be provided by the appropriate Human Resources office upon request of the Local Union. Following the investigation, the Local Union will forward the protest and the supporting documentation to the Air Transport Director's office. **The ATD office will log the protest and forward a copy to the** Vice President of Employee Relations **or his designee.**
- (3) **The seniority protest panel will consisting of a representative of the Vice President of Employee Relations or his designee and a representative(s) designated by the TWU International. Seniority protest panel meetings will be scheduled by mutual agreement on a monthly basis. The panel will review the documentation and make a determination whether or not the seniority date should be adjusted. The panel will forward all decisions to the TWU ATD and the affected TWU Local. The decision of the panel will be available for viewing on the ATD website.**
- (d) **In the event of an adjustment to Occupational Seniority resulting from a transfer bypass, pay seniority will be adjusted simultaneously.**
- (e) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 13.1 – PAY SENIORITY ADJUSTMENTS

September 12, 2012

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

Re: Article 13 Master Seniority Lists on JetNet

Dear Robert,

Per our discussion the parties have agreed that the Company will provide a copy (hard or PDF) of the Master Seniority List for each TWU group every January, to be maintained as the file copy.

Additionally as discussed at the table, since the JetNet updates daily, the TWU can also access a soft copy at anytime. The Company commits to pursue the ability to provide employee access to the ATD website through JetNet.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 14 – LOSS OF SENIORITY

(a) An employee, once having established seniority, will not lose seniority except as provided in this Agreement.

(b) An employee who is discharged for just cause will forfeit all seniority accrued to the date of such discharge. An employee who resigns from the service of the Company will forfeit all seniority accrued to the date of such resignation. **An employee who is directly affected by a reduction in force and exercises his seniority, either at the time of layoff or after accepting layoff, and later resigns, will retain recall rights pursuant to Article 16 by notifying the Company at the time of resignation. Such notification must be in writing, dated and specify all recall rights he wishes to retain. The written notice will be signed by an appropriate member of management, who will then place a copy into the employee's personnel file and provide a duplicate copy to the employee and Talent Services.**

An employee who resigns and retains recall rights pursuant to Article 14(b) will continue to accrue seniority in accordance with Article 16(a) for the Title Group(s) for which the employee retains the recall rights.

Example:

**Emp. A. Title III FSC – SAT – Occ. Date: 5/2/2002
Holds recall rights to Title I AMT – TULE (Occ. 9/6/2000) and
Title III FSC – TULE**

Emp. A. opts for Article 14(b) and provides a written notification to retain recall rights to Title I AMT – TULE and Title III FSC TULE;

Since the notification included retention of recall rights in both Title Groups, then upon effective date of his resignation, Emp. A will continue to accrue Title I and Title III Occupational seniority indefinitely or until forfeiture (i.e. refuse recall or expiration of ten (10) years).

(c) If an employee who has been laid off is offered the opportunity to return to service, in other than temporary work, and such offer of recall is to employment of the same status as when laid off, and such employee elects not to return to service, or who fails to comply with the provisions of Article 16 (a) or (e), his seniority right of preference in reemployment will at that time terminate, and his seniority with the Company will be forfeited.

ARTICLE 15 – REDUCTION IN FORCE

(a) All demotions and reductions in force of full-time and part-time employees for lack of work will be handled separately in accordance with Occupational seniority, as provided for in **Article 10** paragraph (f).

(b) An employee who has completed his probationary period and is directly affected by a reduction in force may, at his option, **select one of the following:**

Option A – Accept layoff. Severance would be provided under Article 37 and the employee would retain recall rights per Article 16.

Option B – Request to exercise seniority at his station or in the system.

(1) **Local Option:**

Exercise his seniority to **fill a vacancy or** displace the most junior employee at his station in his own or lower classification within his Title Group, **full or part time**, or

(2) **System Vacancy Option:**

If he has six (6) months or more of seniority, he may exercise his seniority to fill a vacancy at another station in his classification in either a full-time or part-time position, **excluding Higher Capacity positions**, in which event he will have preference over employees who otherwise might qualify under the provisions of Article 12(l) or 12(m), or

(3) **System Displacement Option:**

If he has two (2) or more years of seniority, he may exercise his seniority to displace an employee, as outlined in **paragraph (c)** with the least system seniority in his own classification or any lower classification, in either a full-time or part-time position, in which he has successfully passed **or can pass the appropriate** qualification test.

(4) **Retained Seniority Option:**

If an employee is retaining seniority in another Title Group, he may exercise retained seniority **in any former or lower classification** at his **current** station. If **that** Title Group does not exist at the station where the reduction in force occurs, **then** the employee may request a transfer to any existing vacancy in the system **within the Title Group** in either a full-time or part-time position. **An employee exercising this option** will have preference over employees who otherwise qualify under the provisions of Article 12(l) or 12(m). **If there are no vacancies as referred to above, then** he may exercise his retained seniority to displace the employee with the least system seniority in any former or lower classification within the Title Group, in either a full-time or part-time position.

(5) In the applications above, the employee will be advised of and, in the order of his Occupational Seniority, offered his choice of the stations where appropriate vacancies exist and the location or locations of the least senior employees in his classification in the system provided he has sufficient seniority. The number of least senior employees in the appropriate classification (both full-time and part-time) selected for displacement will correspond to the number of employees to be laid off. The list of the least senior employees subject to displacement will be re-sized to reflect the number of employees selecting system options.

An employee who prequalifies in any test area will maintain the qualification for five (5) years. An employee who fails the prequalification test can retest within 30 days. Second and any subsequent failure will result in one year prohibition on retesting in that area from the date of the last failure.

(6) The number of least senior employees exposed to displacement under this procedure will **not** be changed because of the failure of a laid off employee to move to a job previously allocated. An unprotected employee displaced as a result of an employee exercising options above will have displacement rights provided he has the **required** Occupational seniority.

(7) Once an employee has been notified of his award, he will have twenty four (24) hours to accept or decline via the online tool unless more time is specified in the information package. If the employee does not respond within the twenty four (24) hour period, he will be considered to have accepted the award.

(8) An employee, who is unable to report after accepting his awarded option, may exercise his rights in accordance with Article 14(b) prior to the report date.

Maintenance Bases:

(c) The conditions set forth in this Article as to the sufficiency of qualifications for the classification and type of work for which the employee desires to exercise his seniority will, in the case of those employees in the Aviation Maintenance Technician, and Overhaul Support Mechanic classifications, relate to the following types of work and combinations of types of work:

(1) MAINTENANCE BASES ONLY

Type 1 – Aircraft Welding

Type 2 – Machinist

Type 3 – Aircraft Line Maintenance

Type 4 – **Bench Avionics**

Type 5 – **Plating Shop**

Type 6 – **Composite Shop**
Type 7 – Tool Maker
Type 8 – All other types of work combined.

*Not all of these areas exist at **each Maintenance Base**. This is applicable only to those Maintenance **Bases that have these types of work**.

****Bench Avionics includes Gyroscopic Instrument Overhaul, Electronics Components Overhaul, and Electrical Mechanical Instrument Overhaul.**

(a) These paragraphs will apply only to the maintenance and overhaul of transport aircraft, **engines and components**.

(b) By the terms of these paragraphs, the Company does not waive its rights to establish or otherwise apply rules relative to types of work within the meaning and intent of any other applicable provisions of this Agreement.

(c) Should the Company desire to alter or change either the types of work listed in these paragraphs, or their numbers, it will notify the Union, in writing, setting forth its reasons. If the Union disagrees, it will immediately notify the Company, in writing, setting forth its reasons. If the matter is not resolved between the parties within thirty (30) calendar days from the date the written protest was received by the Company, the changes may be placed into effect unless the Union within ten (10) calendar days after the expiration of the thirty (30) calendar days mentioned herein, appeals the matter to the System Board of Adjustment in accordance with the provisions of Article 29. The System Board will give the matter high priority.

(2) At the Maintenance Bases, it is recognized that Type 8, will aggregate all other types of work at the **Maintenance Bases** not identified and included in Types 1 through 7. Within Type 8, seniority will **determine the employee's displacement options**

(a) An employee in Types 1 through 7, who is surplus in his type of work, may exercise his seniority to **displace a less senior employee in another type of work, if he can pass or has previously passed the qualifying test, or in Type 8 at his station.**

(b) In addition, a mechanic currently in Type 8 can displace a less senior mechanic in Types 1 through 7, **if he can pass or has previously passed the qualifying test.**

(c) Any adjustment of surplus and shortage of **headcount** within Types 1- 8, will be accomplished by Company reassignment **in accordance with Attachment 12.1.**

Non A & P, Base to Base:

(3) If after the application of the above provisions, an employee's seniority will not enable him to retain a job in Types of work 1- 8 at his station, and the employee does not hold A&P licenses, he may exercise his seniority to obtain a job in his classification at another Maintenance Base in Types of work 1-8 as follows:

(a) If he has six (6) months or more of seniority, he may transfer to a vacancy in a type of work at any Maintenance Base, in which event he will have preference over employees who otherwise might qualify under the provisions of Article 12(l) or 12 (m), or

(b) If he has two (2) or more years of seniority, he may displace the employee with the least system seniority in accordance with paragraph (B) in his own classification at a Maintenance Base, provided he can pass or has previously passed the qualifying test for the classification and type of work for which he desires to exercise his seniority in accordance with paragraph (H).

A & P:

(4) If after the application of the above provision, an employee's seniority will not enable him to retain a job in **Types of work 1-8 at his station and the employee holds A & P licenses, he may then exercise his seniority to obtain a job in his **own classification or lower classification (outlined per Article 11)** within his Title group at his Station **or in the system** as follows:**

(a) If he has six (6) months or more of seniority, he may transfer to a vacancy **at his station or in the system, in which event he will have preference over employees who otherwise might qualify under the provisions of Article 12(l) or 12 (m), or**

(b) If he has two (2) or more years of seniority, he may displace the employee with the least system seniority in accordance with **paragraph (b) in his own classification in the system provided he can pass or previously passed the qualifying test for which he desires to exercise his seniority in accordance with **paragraph (h).****

(5) The parties have agreed that if an Aviation Maintenance Technician, as a result of a reduction in force, **elects to displace an Overhaul Support Mechanic,**

he will carry his classification, appropriate **pay seniority**, and chart rate with him. He will **not** receive any License Premium or any Skill Premium.

(a) He will maintain his classification, **appropriate pay seniority** and chart rate until his seniority will warrant assignment to an area requiring his skill level, wherein he will then be covered by the provisions of the Agreement governing that new shop/area.

(b) The pay protection outlined above does not apply to any voluntary transfer into an Overhaul Support Mechanic position. A voluntary transfer into an Overhaul Support Mechanic **position** will result in the employee transferring being slotted on the Overhaul Support Mechanic pay scale and becoming an Overhaul Support Mechanic for all purposes under this Agreement.

Reduction in Force of Higher Capacity Positions:

Technical Crew Chief:

(d) In the event of a reduction in force in the Technical Crew Chief classification the following will apply:

(1) A Technical Crew Chief may exercise his seniority to displace the least senior Technical Crew Chief at his station, provided he passes **or has previously passed** the qualification test and selection panel for the job he is displacing; or

(2) If the Technical Crew Chief's previous position was a **Higher Capacity** (Crew Chief or an Inspector) position **immediately** prior to becoming a Technical Crew Chief, he will be allowed to displace the least senior Crew Chief or Inspector at his station only provided he passes **or has previously passed** the qualification test for the job he is displacing; or

(3) A Technical Crew Chief may exercise his **Occupational** seniority in his **Basic Classification** under the provisions of paragraph (b)

(4) Production Technical Crew Chiefs and Instructor Technical Crew Chiefs will be handled independently for the purposes of a reduction in force.

Example: In the event the Company determines there is a need for a reduction in the Production group, then the least senior Production Technical Crew Chief, in the skill to be reduced, will be issued a layoff notice. In the event the Production Technical Crew Chief being reduced is senior to another Production or Instructor Technical Crew Chief, he may

exercise his seniority to displace the least senior Production or Instructor Technical Crew Chief, provided he passes the qualification test and selection panel for the job he is displacing at his station.

Crew Chief:

(e) In the event of a reduction in force in the Crew Chief classification the following will apply:

(1) A Crew Chief may exercise his seniority to displace the least senior Crew Chief at his station or in the system, provided he passes or has previously passed the qualification test for the job he is displacing; or

(2) If the Crew Chief's previous position was a Higher Capacity (Technical Crew Chief or Inspector) immediately prior to becoming a Crew Chief, he will be allowed to displace the least senior Technical Crew Chief or Inspector at his station or an Inspector in the system provided he passes or has previously passed the qualification test for the job he is displacing; or

(3) The Crew Chief may exercise his Occupational seniority in his Basic Classification under the provisions of paragraph (B).

Inspector:

(f) In the event of a reduction in force in the Inspector classification, the following will apply:

(1) The Inspector will be allowed to exercise his seniority to displace the least senior Inspector at his station or in the system provided he passes the qualification test for the job he is displacing; or

(2) If the Inspector's previous position was a Higher Capacity (Technical Crew Chief or Crew Chief) position immediately prior to becoming an Inspector, he will be allowed to displace the least senior Technical Crew Chief or Crew Chief at his station or a Crew Chief in the system provided he passes or has previously passed the qualification test for the job he is displacing; or

(3) The Inspector may exercise his Occupational seniority in his Basic Classification under the provisions of paragraph (B).

(g) In the event of a planned reduction in force where a substantial number of employees or a substantial number of stations will be involved, the Company will notify

the International Vice President, Transport Workers Union, via e-mail, of the number of employees by classification and station to be affected by the reduction in force, a list of known vacancies in the same classifications by location, and a list of the least senior employees by classification and location in the system who will be subject to the exercise of seniority of those employees notified of a reduction in force.

(h) An **affected** employee who desires to exercise his seniority as outlined above **will be provided a Reduction in Force letter from his manager/supervisor directing the employee to the online tool. If an employee does not respond to this, he will be laid off. From the online tool, he must select options and exercise his seniority within seven (7) calendar days from the opening of the option window (noted on the option letter). An employee in receipt of notice of layoff must within ten (10) days (exclusive of his regular days off) prove that his qualifications are sufficient for the classification and type of work for which he desires to exercise his seniority. An employee who has not proven his qualifications will have the option to elect layoff and may be entitled to severance under Article 37.**

An employee exercising seniority under this Article, who fails to **pass the appropriate skills test** for which he expressed a desire to exercise his seniority, may exercise his seniority in a lower classification at his station provided he notifies his **Manager / Supervisor** of his intention to exercise his seniority within **twenty-four (24) hours** after receipt of notice of his failure to qualify.

(i) Except in the event the reduction in force is the result of any reason set forth in Article 37(c), an employee who changes stations under the provisions of this Article, will be reimbursed by the Company for moving and travel expenses in accordance with the Employee Policy Guide or any successor document. Space available transportation for the employee and for members of his immediate family to the extent permitted by law will be furnished by the Company to an employee changing his station under the provisions of this Article. **Employees will have access to a Reduction in Force Employee Information Package via JetNet.**

Title II Plant Maintenance:

(j) A Title II Plant Maintenance Mechanic affected by a reduction in force may displace under **paragraph (b) in accordance with Occupational seniority, as provided for in Article 10 paragraph (f)**, as follows:

(1) **He can displace a less senior Plant Maintenance Mechanic in another skill at his station, provided he passes or has previously passed the qualification test, or**

(2) **He can displace a less senior Plant Maintenance Mechanic in another skill in the system provided he passes or has previously passed the qualification test.**

(3) A Plant Maintenance Mechanic will have the right to displace a Maintenance **Support Person (MSP)**.

(a) The parties have agreed that if a Plant Maintenance Mechanic, as a result of a reduction in force, elects to displace a Maintenance Support Person (MSP) he will retain his classification and appropriate pay seniority, however, he will be paid in accordance with Attachment 15.2, and be designated as a Plant Maintenance Support Person (PMSP).

(b) The pay protection outlined above will not apply to any voluntary transfers into an area designated for a Maintenance Support Person. A voluntary transfer into such an area will result in the employee being slotted on the Maintenance **Support Person pay scale and becoming a Plant Maintenance Support Person** for all purposes under this Agreement.

(k) Upon request of the Local Union President, an employee may, within seven (7) calendar days, appeal to the Reduction In Force (RIF) review panel composed of a representative of the TWU International and the Vice President – Employee Relations, any disputes regarding the Reduction In Force application or administration.

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

ATTACHMENT 15.1 – Title I Reduction in Force Procedures

September 12, 2012

Re: Title I Reduction in Force Procedures

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

Dear Robert,

During our recent discussions on the Title I Reduction in Force procedures, the issue was raised regarding the Company position on how it was going to utilize employees that are Aviation Maintenance Technicians (AMT's) but have displaced into an Overhaul Support Mechanic (OSM) position. The following outlines the criteria discussed by the parties with respect to utilization of these employees:

- Employees assigned from an AMT job to an AMT/OSM (AMTO) position will be coded as 9440 (0 Lic), 9441 (1 Lic), and 9442 (2 Lic).**
- An employee assigned to one of the above job codes will be considered as an AMT for purposes of future displacement options under Article 15 of the collective Bargaining Agreement.**
- Employees assigned to an AMTO job code will be eligible for upgrade to any bid position within their classification based on their Occupational seniority as well as for any 12-(I) transfers. However, employees will not be considered eligible for any AMT Intra-Station Transfers under the provisions of Attachment 12.1 of the Collective Bargaining Agreement. These employees may transfer as AMTO position within their assigned base.**
- An employee working in the capacity of AMT/OSM, who holds the necessary license requirements under the provisions of the QAM, may be considered for acting Crew Chief assignments within his shop. Employees assigned in such capacity will be compensated for high skill premium (HC B1) in addition to any appropriate License/Skill premium.**
- All AMTO positions will be converted to OSM positions based on attrition.**

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 15.2 – Title II Reduction in Force Procedures

September 12, 2012

Re: Title II Reduction in Force Procedures

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

Dear Robert,

During our recent discussions relative to the Title II Reduction in Force procedures, the issue was raised regarding the Company's position on how it would utilize employees that are Plant Maintenance Mechanics (PMM's) that have been involuntarily displaced into a Maintenance Support Person (MSP) position. The following outlines the criteria discussed by the parties with respect to the utilization of these employees:

- Employees involuntarily displaced from a Plant Maintenance Mechanic job to a PMM/MSP (PMSP) position will be coded as 9443 and will be placed on the appropriate Maintenance Support Person Pay Scale and will receive an additional premium of \$2.75/hr. and the Line Premium, if applicable.**
- An employee assigned the above job code will be considered as a PMM for purposes of future reduction in force options under Article 15 of the collective bargaining agreement.**
- Employees assigned to a PMSP job code will be eligible for upgrade to any bid position within their Title Group based on their Occupational seniority as well as for any 12-(I) transfers. However, employees will not be considered eligible for any PMM Intra-Station Transfers under the provisions of Attachment 12.1 of the collective bargaining agreement. These employees may transfer as PMSP position within their assigned base.**
- An employee working in the capacity of PMSP, who holds the necessary license requirements under the provisions of the QAM, may be considered for acting Crew Chief assignments within his shop. Employees assigned in such capacity will be compensated for high skill premium (HC F1) in addition to any appropriate License/Skill premium.**

- **A PMSP used in the capacity of a PMM will be paid the appropriate Title II License/Skill premium for that tour of duty.**
- **All PMSP positions will be converted to MSP positions as a result of attrition.**

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 15.3 – Title I Reduction in Force Procedures

September 12, 2012

Re: Maintenance & Related one-time Reduction in Force Procedures

**Mr. Robert F. Gless
International Representative
AA System Coordinator
Transport Workers Union of America, AFL_CIO
1791 Hurst view Drive
Hurst, TX 76054**

Dear Robert,

During the negotiations that led to the signing of the Agreement between American Airlines, Inc. (“AA” or “the Company”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering Maintenance and Related Agreement, the Company and the TWU acknowledged that a one-time process modification would be necessary to achieve the M&R cost savings related to Article 15. The parties have agreed to the following procedures that will be applied and executed on a one time basis:

Within thirty (30) days from September 12, 2012 the Company and the TWU will develop a subcommittee consisting of and five (5) members assigned by Vice President, Employee Relations and four (4) TWU members assigned by the International Vice President, Transport Workers Union. The purpose of the subcommittee will be to:

- Clarify procedures necessary to execute a “Virtual RIF” as outlined in the rejected “last best final” proposal language of May 2012.**
 - Develop an implementation plan to include the effective dates necessary to complete a Reduction in Force (RIF), in conjunction with an Early Out program, associated with restructuring.**
 - Develop a communication plan outlining the one-time process to front-line employees.**
- It is the intent of the parties to provide employees with a longer period to qualify for a new classification and remove the potential of multiple displacements associated with this workload realignment.**
 - Any disputes arising from this process will be handled in accordance with Article 30 and Article 31 of the Agreement.**

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ARTICLE 16 – RECALL FROM LAYOFF

(a) An employee who has completed his probationary period and who is laid off by the Company due to a reduction in force will continue to accrue **Occupational** seniority during his layoff. All seniority will be cancelled and recall rights forfeited if the employee is not recalled by the Company within ten (10) years from the effective day of layoff. Employees who remain on payroll will accrue seniority and retain recall rights indefinitely.

(b) A laid off employee will only have recall rights for the period indicated in paragraph (a) above to each job in the skill, classification, and station from which he was laid off. This provision regarding skill will not apply to Type 8 work at **any maintenance bases**, except that an employee **laid off** from a **Higher Capacity** job in connection with a reduction in force in that **Higher Capacity** job will not be subject to recall to that **Higher Capacity** job. An employee **laid off** from a **Higher Capacity** job will retain recall rights in accordance with paragraph (a) above to a job in the **Basic** classification **and** in his Occupational Title Group at the station from which he was laid off. An employee laid off from a full-time position will also have recall rights to a part-time position in the classification and station from which he was laid off. An employee declining a recall to a part-time position will not lose recall rights to a full-time position at that station. A Title II employee will have recall rights to his original classification and any other classification in his Title Group for which he was qualified for at the time of layoff.

(c) An employee, as described below, will retain recall rights in accordance with **paragraph (a)** to the full-time classification and station from which he was first laid off:

(1) An employee who, in lieu of layoff, exercises his seniority to displace the employee **in** the system in his own classification with the least Occupational seniority; or

(2) An employee who, in lieu of layoff, accepts a vacancy in his own classification at another station at the time of layoff or

(3) An employee who, in lieu of layoff, accepts a part-time vacancy or displaces a part-time employee will retain recall rights in accordance with paragraph (a) to the full-time classification and station from which he was first laid off.

(d) An employee who, in lieu of layoff, exercises his seniority to displace an employee in a lower classification within his own Occupational Title Group will retain recall rights in accordance with paragraph (a) to the classification and station from which he was first **laid off**.

(e) An employee who, in lieu of layoff, exercises his seniority to displace an employee in another classification and Occupational Title Group in which he holds

seniority, or who accepts a vacancy in any other Occupational Title Group at the time of layoff will accrue seniority in the Occupational Title Group to which he transferred in accordance with paragraph (d) of Article 10 of the Maintenance, Fleet Service, and Stores Agreements in addition to accruing and retaining seniority in accordance with **paragraph (a)** and retaining recall rights in accordance with **paragraph (b)**. Further, should an employee bump through one or more classifications and eventually be laid off, he will retain recall rights to each classification and **station from which he was laid off with the exception of Higher Capacity jobs.**

An employee having multiple recall rights will have the option of accepting or waiving recall rights to each classification and Title Group in which he holds seniority. If the employee waives recall rights to a classification, he will forfeit all recall and seniority rights to that classification.

(f) All employees laid off by the Company due to a reduction in force will maintain a current address **and phone number** with the Company. Any change in address **and/or phone number** must be **updated on JetNet** or by calling Employee Services at 1-800-447-2000.

(1) All notices of recall **which include instructions and a required report date** will be made **in writing (telephonic notifications are acceptable if confirmed in writing)** by certified or registered United States mail, return receipt requested, or by United Parcel Service or equivalent, confirmation of delivery requested. All employees must, **accept or refuse using the on-line tool** within ten (10) calendar days of the date of the mailing postmark **on the recall letter, An employee who has accepted recall must initiate and complete the employee portion of the background and fingerprint process via the on-line tool within seventy two (72) hours (exclusive of weekends and holidays) of acceptance of the recall. Any additional information requested by Talent Services must be provided within a reasonable specified time.** The Company will furnish the ranking Local Union Representative a copy of all recall letters.

(2) Any employee who has been laid off and is off payroll that fails to notify the Company of acceptance/refusal within the ten (10) calendar days, fails to initiate their portion of the background and fingerprint application process within the seventy-two (72) hours (exclusive of weekends and holidays) of acceptance of recall, or who fails to provide any additional information requested within the specified time, or who fails to return to duty on the required report date, will be considered to have refused recall and will lose all right to any recall and his seniority will be forfeited in that Title group.

(3) If the employee requires an extension to any of the above time limits due to extenuating circumstances, it must be requested through Talent

Services at the phone number provided in the instruction packet prior to the original deadline.

(g) An employee who has been laid off, and who has been out of service for a period of twelve (12) months or more, may be required to take **the** tests (excluding medical tests) as may be necessary to establish that he is qualified to perform the work to which he is to be assigned, provided that **the** tests are not given less than sixty (60) calendar days after his recall.

(h) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 16.1 – MULTIPLE RECALL RIGHTS

From: Stan Crosser
To: Edward Koziatek
Re: Multiple Recall Rights

March 25, 1994

There have recently been some questions regarding an employee's recall rights if he is laid off from more than one, non-bid, position and whether he maintains recall rights to only the classification and station from which he was first released (Article 16, paragraph (c) and (d)).

In accordance with Article 16, paragraph (b) of the agreement, an employee has recall rights to a job in the classification and station from which he was laid off, with the exception of bid jobs. It is our understanding that if the employee is subsequently laid off from another position, he shall retain recall rights to each job in the classification and station from which laid off with the exception of bid jobs.

Please sign below if this is your understanding of the agreement.

(Signed original on file)

ATTACHMENT 16.2- IMPLEMENTATION OF ARTICLE 16 (A)

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

September 12, 2012

RE: Implementation of Article 16 (a)

Dear Robert,

Due to the agreed upon changes in Article 16 (a) the parties have agreed to the following:

- 1. A validation committee will be established for each station having recall lists to ensure accuracy. The committee will be comprised of TWU Representatives and Company Representatives from the respective stations departments and locals. The validation process should be completed by November 12, 2012.**
- 2. Both parties agree the changes made to Article 16 (a) will be implemented upon ratification of the AA/TWU Agreement. This application will be applied prospectively from September 12, 2012.**

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ATTACHMENT 16.3 – APPLICATION OF ARTICLE 10(I) AS IT RELATES TO ARTICLE 16(A)

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

September 12, 2012

Re: Application of Article 10(i) as it relates to Article 16(a)

Dear Robert,

This letter will confirm the application of Article 10(i) as it relates to Article 16(a).

An employee is laid off from a Title I position in ORD and transfers from layoff or exercises his retained seniority into a Title V position at ORD. The employee will continue to accrue occupational seniority in Title I.

The same employee, two years later, transfers to a Title I vacancy in DFW. The employee retains Title V occupational seniority and will continue to accrue Title I occupational seniority.

The same employee, one year later, voluntarily transfers to a Title V position in ORD. Article 10(i) now applies and the employee will “not” accrue Title I occupational seniority. However, the employee will “retain” Title I occupational seniority and will retain recall rights to Title I in ORD.

In the above paragraph, Article 10(i) applies since the employee accepted a vacancy in Title I and later voluntarily transferred out of Title I.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 17 – LEAVES OF ABSENCE

(a) When the requirements of the operation will permit, an employee may be granted an unpaid Personal Leave of Absence, referred to as "PLOA," for any period of up to one (1) year. A request for PLOA must be submitted to the Company in writing. The request will state the reason for the leave and the duration of the leave. An approved PLOA will be granted in writing and will specify the expiration date of the leave. When a PLOA is granted, the employee will retain and continue to accrue seniority during the entire period of the leave.

(1) If the initial leave is requested for less than one (1) year and the requirements of the operation will permit, a PLOA may be extended for additional periods such that the total leave does not exceed one (1) year. A request for an extension of a PLOA must be submitted and approved prior to the expiration date of the current leave.

(2) An employee on a PLOA may submit a request to terminate his leave prior to the expiration date of the leave. The request must be in writing and the Company's response to the request will be in writing.

(3) Based on the requirements of the operation, the Company may cancel any PLOA at any time prior to the expiration date of the leave. In the event the Company elects to cancel a PLOA, the affected employee will be notified in writing not less than fourteen (14) calendar days prior to the effective date of the cancellation.

(4) An employee elected to a full-time governmental office (Federal, State) will be granted a Government Leave of Absence (GLOA) not to exceed the term of office, or subsequent re-election. The application for a GLOA must be made in writing to the Company, with a copy to the Union. An employee granted a GLOA will retain and accrue Occupational seniority for the period of the leave, however, no other Company benefits or privileges will be granted or accrued, nor will time on a GLOA constitute continuous service for pension plan benefits. Employees granted a GLOA must give thirty (30) days' notice of intent to return.

(b) An employee, holding a position as an International TWU Representative, an International TWU Officer, or a full time position with the International Union or any of its locals, may request through the International Union a Union Business (Pay) Continuance Leave of Absence, referred to as "UBC". The request for a UBC will be in writing from the International Union. The request will be sent to the Vice President – Employee Relations. If approved by the Company, the UBC will not exceed twelve (12) calendar months or the term of office in the event of an elected position. The written approval will state the expiration date of the leave. An employee on a UBC will continue to retain and accrue seniority throughout the leave.

(1) A UBC may be extended in the same manner as stated in Article 17(a). A request for an extension of a UBC must be submitted and approved prior to the expiration date of the current UBC.

(2) If the UBC is extended, the employee will continue to retain and accrue seniority.

(3) If an employee is on a UBC, there will be no interruption to the employee's pay and benefits, but the Company will bill the Local Union or the International Union, as applicable, for the employee's salary plus a percentage override for tax and benefit related expenses. Failure of the responsible party to pay the billing will result in the termination of the UBC for the affected employee.

(c) Leaves of absence for bona fide Union business will be granted if a written request is submitted to the employee's supervisor in advance to accommodate the request. In the case of an employee holding a position as an International Representative, an International Officer of the Transport Workers Union or an employee holding a full time position within the International Union or any of its locals, the written request must be submitted by the Director Air Transport Division of the Transport Workers Union to the Vice President – Employee Relations. During this leave for Union business, known as "UB", the employee will maintain his benefits.

(d) In lieu of a planned Reduction in Force, the Company will, to the extent possible, make Overage Leaves of absence (OL) available to TWU represented employees who have completed their probationary period. Requests for leaves under this procedure must be submitted to the Company in writing. Approved leaves will be granted in writing and will not result in the involuntary transfer of any other TWU represented employee.

(1) Prior to the authorization of any Overage Leave of Absence (OL), the Executive Vice President of Customer Service or the Senior Vice President of Maintenance and Engineering, as appropriate, will review implementation plans with the Director of the Air Transport Division.

(2) The number of such leaves of absence granted at each station will be determined by the Company.

(3) When an Overage Leave is declared, an employee who is on a leave of absence other than an Overage Leave may request to have his leave converted to an Overage Leave. It is the employee's sole responsibility to request such conversion.

(4) Upon proper application to the Company, leaves of absence under this procedure will be granted by job skill/work unit, in order of occupational seniority for periods of not less than one (1) week and no more than one (1) year. Extensions may be granted if there are no other Overage Leave requests on file.

(5) Overage Leaves, once granted, may not be refused and must be accepted by the employee requesting the leave.

(6) Due to the requirements of the service, the Company may cancel Overage Leaves granted under this procedure any time prior to the expiration date of the leave. In the event the Company wants to cancel a portion of the number of Overage Leaves, the cancellations will be in inverse seniority order.

(7) An employee who has been granted a leave of absence under this procedure must submit his current address of record to the Department Manager approving the Overage Leave in writing. Thereafter, an employee on an Overage Leave must advise the Department Manager, in writing, within ten (10) calendar days of any change in address.

(8) In the event the Company elects to cancel the leave of absence, the affected employee will be notified, in writing, via certified or registered United States mail, return receipt requested, or by United Parcel Service or equivalent, confirmation of delivery requested to the last address of record on file with the Department Manager.

(9) An employee granted a leave of absence under this procedure will not be entitled to employment and will forfeit his seniority with the Company if:

(a) He fails to return to work on the specified date at the expiration of the leave; or

(b) He declines, in writing, his intention to return to work; or

(c) He does not indicate, in writing, his intention to accept or reject employment within seven (7) calendar days after receipt of notice of cancellation of the leave of absence; or

(d) He does not return to work on the date specified in the notice of cancellation of the leave of absence. The return date will not be less than seven (7) calendar days after receipt of the notice.

(10) An employee, granted a leave of absence under this procedure, will continue to accrue Company, Occupational, and **Pay** seniority for all purposes during the leave of absence for a period not exceeding his previous service to a maximum of one (1) year.

(11) An employee, returning to duty at the expiration of an Overage Leave, will return to the work unit/shop/shift where a vacancy exists and will, thereafter, be permitted to exercise his seniority on the next available shift selection. Temporary Crew Chiefs will be utilized to fill Crew Chief vacancies of over thirty (30) calendar days, which occur as a result of Overage Leaves.

(12) An employee on an OL will receive benefits under the conditions provided below:

(a) While on an OL, the basic coverage of Medical, Dental, and Basic Life Insurance will continue for the employee. The employee must pay his portion of the costs in accordance with Company policy. If the employee is enrolled in any optional coverage, he must make payments for those benefits to remain in effect during the OL. Payments for optional coverage will be in accordance with Company policy. An employee should contact Employee Services (refer to Article 17(i) for contact methods) for the appropriate forms to calculate his individual costs.

(b) The time on an OL will be considered as time worked for purposes of vesting and credited service for retirement benefits.

(c) The time on an OL will be considered as time worked in determining vacation accrual and paid sick leave accrual.

(d) Holidays that occur during an OL will not be paid.

(e) An employee may keep all Company identification cards/badges during his OL. An employee retains full travel privileges during the OL, except for travel on other airlines which is not permitted. When traveling on an OL, the employee must prepay travel service charges at the ticket counter.

(f) Premiums for the TWU LTD Insurance Plan must be paid for in advance of the OL and for the duration of the OL. An employee should contact his Local Union for the appropriate forms and information.

(g) Benefit coverage and application not specifically provided in Article 17 will be applied in accordance with Company policy.

(e) When an **employee is placed on an unpaid leave of absence due to sickness or injury, the continuation of the leave is contingent upon review and approval by AA Medical. Employee Services will send, via certified U.S. Mail return receipt or equivalent carrier, the employee a personal information package within ten (10) calendar days from the start of the leave including a letter advising of his unpaid leave status, benefit information, and notice of the requirement for medical substantiation. The employee must provide medical substantiation for the leave to AA Medical within fifteen (15) calendar days of receipt of the package. Should AA Medical need further clarification, the employee and/or the treating physician/provider may be asked to provide additional information. The approval of the leave is contingent upon receipt of sufficient medical documentation from the employee's treating physician/provider. Approvals will be granted in writing**

and will specify the expiration date of the leave. The employee will retain and continue to accrue his seniority until he is able to return to duty or is found to be unfit for duty; except that in no case will a leave for sickness or injury exceed a total continuous period of five (5) years. **The Company will provide one hundred eighty (180) calendar days written notification prior to the expiration date of the five (5) year period. The notification will be made via certified U.S. Mail return receipt or equivalent carrier to the employee's last known address.**

(1) Application of SKLOA is referenced in Company policy.

(2) To extend the SKLOA beyond the initially approved leave period, an employee must provide updated medical information from his treating physician/provider to AA medical at least ten (10) calendar days prior to the expiration of the leave in order for AA medical to make the determination that a continuation of the leave is substantiated. The approval of the continuation of the leave is contingent upon receipt of sufficient medical documentation from the employee's treating physician/provider.

(23) An employee, who is returning from a leave granted for reasons of sickness, injury, or pregnancy, will be permitted to exercise his seniority in resuming his classification or any lower classification at the station to which he has previously been assigned.

(f) An employee granted a leave of absence under the provisions of the Family Leave Act, referred to as a Family Leave of Absence or "FMLOA" will retain and continue to accrue seniority during the leave, not to exceed ninety (90) calendar days.

(g) An employee on any leave of absence will physically report to his station on his first scheduled workday following the expiration of the leave. It is the responsibility of the employee to contact the Company prior to the expiration of his leave of absence to ensure that he knows his schedule and assignment. Failure to report or to secure a renewal of a leave of absence will terminate the leave of absence and his employment. It is the responsibility of the Company to inform the employee of the expiration date of any approved leave of absence. The Company will also inform the employee of the procedures regarding any benefits while on his leave.

(h) Any written communication, required by Article 17, between the Company and an employee on a leave of absence will be via certified or registered United States mail, return receipt requested, or by United Parcel Service or equivalent, confirmation of delivery requested.

(i) Any change in address must be filed promptly by the employee through Employee Services. Employee Services may be contacted via e-mail to Employee.Services@aa.com, or by sending correspondence to Employee Services; P. O. Box 619616; Mail Drop 5141; DFW Airport, Texas 75261, or by calling Employee Services at 1-800-447-2000.

(j) If any employee is on any leave of absence and he is affected by a reduction in force, his leave of absence will be terminated, and the provisions of Article 15 will be applied to the affected employee.

(k) The rights of an employee on a leave of absence under the provisions of Articles 17 and 18, in regard to the maximum duration of a leave, Company seniority accrual, Occupational seniority accrual, **Pay** seniority accrual, vacation accrual, sick leave accrual, credited service for pension, and reinstatement rights are listed in the chart that follows.

	Personal Leave	Union Leave	Government Leave	Overage Leave	Unpaid Sick Leave of Absence (including Maternity)	Unpaid Injury on Duty Leave	Military Leave	Family Leave
Duration of Leave	Up to a total of 12 months	Up to 12 months or term of office	Term of office	Minimum of 6 work days, up to 1 year	Up to 5 years	Up to 5 years	Up to 5 years or in accordance with Federal law	Up to 84 calendar days (12 weeks)
Accrual of Company Seniority	90 calendar days	Duration of the Leave	In accordance with Company Policy	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave
Accrual of Occupational Seniority	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave	Duration of the Leave, not to exceed 90 calendar days
Accrual of Pay Seniority	None	Duration of the Leave	None	Duration of the Leave	Duration of Leave	Duration of Leave	Duration of the Leave	Up to 30 calendar days
Vacation Accrual	Up to 60 calendar days, then reduced	Duration of the Leave	None	Duration of the Leave	Up to 60 calendar days, then reduced	Duration of the Leave	Duration of Leave	Up to 60 days, then reduced
Sick Leave Accrual	None	Duration of the Leave	None	Duration of the Leave	Up to 60 cal. days, then reduced	Duration of the Leave	Duration of Leave	Up to 30 calendar days
Reinstatement Rights	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

ARTICLE 18 – MILITARY LEAVE

(a) The reemployment and seniority status of any employee, who, while in the active service of the Company, entered the United States Armed Forces or the Merchant Marine of the United States, will be governed by the provisions of the Selective Training and Service Act of 1948, also known as the Uniformed Services Employment and Reemployment Rights Act, as amended, or other applicable law.

(b) Time spent on military leave will count as time worked for purposes of all seniority, including wage rates within the employee's classification and vacation.

(c) An employee granted a leave of absence to go on a tour of duty with the National Guard or other reserve unit will be entitled to the benefits outlined in section (b) above. The employee will provide a copy of his current and subsequent written orders to the Company. Upon request by the employee, he may use any unused vacation days during this leave.

(d) **If an** employee was subject to lay off while on Military Leave provided the employee had the seniority to exercise options either at his own station or the system and subsequently exercises those options upon return to active payroll. Under such circumstances, no adjustments will be made to his seniority (Company, Occupational, and **Pay**).

(1) An employee on Military Leave of Absence at time of lay off, lacking sufficient seniority to exercise options, will be placed on lay off status. The Military Leave will be terminated until the employee is recalled at which time the employee will be reinstated to Military Leave, if applicable. Appropriate adjustments will be made to Company, Occupational, and **Pay** seniority.

(2) An employee having sufficient seniority to exercise options at time of lay off although on Military Leave, but who subsequently chooses the layoff option upon return from Military Leave will be placed on the recall list with any adjustments to Occupational and Company **seniority** as applicable.

(e) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 18.1 – NATIONAL GUARD/RESERVISTS OVERTIME
CLARIFICATION

From: Dennis Quish
To: Marion Finley
Re: National Guard / Reservists Overtime Clarification

October 7, 1991

This letter is to summarize our recent discussions concerning national guard/reservists overtime eligibility on two week summer active duty, or weekend military drills.

It has been our policy to ask the national guard/reservist for overtime during the above duty times and charge for a refusal. Recent legislation enacted pursuant to "operation desert storm" indicates that the above employee is actually on a leave of absence status from American during active duty periods, or weekend drills.

Due to the above, it is agreed that the national guard/reservist will not be eligible, nor asked to work overtime during scheduled active duty periods, or weekend drills, due to his leave of absence status.

(Signed original on file)

ARTICLE 19 – TERMINATION OF EMPLOYMENT

(a) Employees who are laid off through no fault of their own will be given two (2) weeks' notice in writing or, at the option of the Company, two (2) weeks of pay at straight-time rates, including his base hourly rate plus any applicable license and longevity premium, in lieu of such notice.

(1) The requirement of notice will not apply to a layoff caused by an Act of God or by a strike of the employees of the Company without giving the notice required by the Railway Labor Act, as amended.

(b) Employees who resign will give the Company two (2) weeks' notice of resignation in writing. The Company may, at its option, give the employee two (2) weeks of pay at straight time rates, including his base hourly rate plus any applicable license and longevity premium, in lieu of working the notice period.

(c) In the event an employee under this Agreement is laid off, the Company will provide the following continuation of benefits to the employee and his dependents on the same basis as if he were still an active employee:

(1) Current life insurance coverage for a period of thirty-one (31) calendar days.

ARTICLE 20 – BULLETIN BOARDS

- (a) The Company will provide locked and secured bulletin boards at each station where employees are employed, marked Transport Workers Union of America, AFL-CIO, and the appropriate Local number, for the posting of official notices of Union activities not inconsistent with the Railway Labor Act, as amended. Notices will bear the signature of an officer of the Union and will not contain anything of a defamatory or personal nature attacking the Company or its representatives.

- (b) Bulletin boards will be located in areas that will be easily accessible to employees in each area as agreed to between the parties.

ARTICLE 21 – ROTATION OF SHIFTS

- (a) **At Base locations**, whenever shifts are necessary, such shifts will be on a basis of **twelve (12)** week periods. Employees required for the shift work will be rotated on the various shifts at regular intervals in a manner as to provide substantially equal time on all shifts for the employees except as otherwise provided in Article 21(b). It is understood that this provision will not require the rotation of employees assigned to specialized work not subject to shift work, nor will it bar employees from voluntarily accepting steady work on midnight shifts.
- (b) Subject to the requirements of the service, **at the bases**, shifts may be rotated or bid in a particular shop, or work unit. When bid shifts are selected, seniority will determine shift work **and days off**.
- (c) Except as provided in this Article, when an employee works more than eight (8) hours in any twenty-four (24) hour period as a result of rotation of shifts, the employee will receive only straight-time for the second eight (8) hours or portion thereof worked during such twenty-four (24) hour period. When **other than an 8 hour schedule is in place** the intent of this paragraph will apply.
- (d) An employee who is required to report for a regular tour of duty less than seven and one half (7.5) hours after the completion of the previous regularly scheduled tour of duty, including overtime, will be paid at the applicable overtime rate for all time worked during the second regular work period.
- (e) Except in an emergency, an employee will be given at least seven (7) days' notice of all shift changes. If the employee is not given seven (7) days' notice, the affected employee will be compensated at one and one half times (1.5X) his base hourly rate for the first day on the new shift.
- (f) A Union representative will, upon request of the Local President, be assigned to a fixed shift and days off. The arrangements will be worked out at each station by that Union representative and the local manager.

ARTICLE 22 – REGULAR AND RELIEF ASSIGNMENTS

(a) When a Technician has six (6) or more employees assigned to assist him on a particular project or tour of duty, he will be entitled to and will receive compensation for that period, but in no event less than eight (8) hours, at a rate not less than the rate established for Crew Chief – Aviation Maintenance Technician or Crew Chief – Plant Maintenance Mechanic, as appropriate.

ARTICLE 23 – ATTENDANCE AT HEARINGS, INVESTIGATIONS OR TRAINING CLASSES

(a) When an employee is required by the Company to attend hearings or investigations, he will be paid for the time required to be spent at the hearing or investigation in the same manner as though the time was spent at his regular work.

(b) Any employee who is required by the Company to attend training classes during regular working hours will be paid for time spent in attendance at the classes at his base hourly rate and the time will be deemed as time spent at his regular work for all purposes. Any time spent in training outside of regular work hours will be compensated for, when attendance is required by the Company, at the straight time (1X) rate. An employee required to travel on any scheduled work day in conjunction with training away from his station, before, during, or after his regularly scheduled shift will be compensated at his base hourly rate. In addition, an employee who is regularly assigned to a shift, which entitled him to shift differential, will continue to receive the shift differential for time spent in training, as long as he remains assigned to his original shift. Where a training period results in less than seven and one half (7.5) hours rest prior to the employee's regular shift in the succeeding workday, the employee will be paid in accordance with the provisions of Article 6(f).

(c) **An employee required to attend training on any scheduled day off will be compensated for the training at the rates provided in article 6(b), Weekly Overtime.** An employee required to travel on any scheduled day off in connection with training away from his base station will be compensated for all travel time at one and one half times (1.5X) his base hourly rate, but in no event for less than four (4) hours. Travel time in this Article will begin thirty (30) minutes before the scheduled departure of the flight actually taken by the employee, or any earlier flight for which he stood by, and will end thirty (30) minutes after the actual gate arrival at the destination airport on the way to training. Travel time back to the employee's home base will end with the actual gate arrival at the destination airport.

(d) When the Company provides training on a new or existing type of equipment, including Automotive/Facilities, or new or existing aircraft or its component parts, employees at the station regularly performing the type of work involved will be assigned to the training, to the extent of the number required, where the training is deemed necessary for their regular work assignments.

(1) The Company will determine the training requirements on new equipment, new type aircraft, or its component parts at a station. This will include:

(a) The number of employees covered under this Agreement to be trained.

(b) The shift or shifts from which employees to be trained are selected.

(c) The number of additional employees to be trained as a result of trained employees being assigned to other shifts by rotation or shift bid or other reasons.

(d) The type and extent of training to be given employees, including classroom, on-the-job, or any combination of types of training.

(e) The location of the training and the designated hours of the training, subject to applicable provisions of the Agreement.

(f) The work, shop, or type of work for which training will be provided.

(2) An employee selected for training under these procedures may be designated in the order of his occupational seniority, subject to his availability. When the training is applicable only to certain shifts, work locations, shops, or types of work, those employees, up to the number required, will be provided the training. In the event trained employees vacate a shift, work location, shop, or type of work, the Company will determine the training needs of other employees, remaining or filling the vacancies, if any. If additional, trained employees are required, employees assigned to the shift, work location, shop, or type of work will be provided the training. This may cause training assignments out of seniority order.

(3) Nothing in these procedures waives the qualification requirements for employees as set forth in the Qualifications Administration Manual.

(4) Nothing in these procedures is intended to change or alter in any way existing local procedures applicable to fixed, bid, rotation of shifts, fixed or rotating days off, intra-station transfers, selection for field work, overtime distribution, vacation selection, or holiday work.

(5) In the event a senior employee is not assigned to training, his existing rights under the following Articles will not be affected as a result thereof:

Article 3 – Hours of Work

Article 6 – Overtime

Article 8 – Vacations

Article 10 – Seniority

Article 12 – Promotions and Jobs to be Posted

Article 15 – Reduction in Force

Article 16 – Recall from Layoff

Article 21 – Rotation of Shifts

Article 22 – **Regular and Relief Assignments**

Article 25 – Recall and Call-In Work

(6) Under these procedures, an employee who is declared the successful bidder for a promotion to a Crew Chief – Aviation Maintenance Technician or Inspector classification at his station or another location, must qualify under the provisions of Article 12. The employee will, however, be given the applicable qualifying test at his station on the type of aircraft or equipment to which he has been assigned. Upon successful completion of the qualifying test, the employee will then be provided whatever additional training the Company may deem necessary for his new assignment.

(7) Aviation Maintenance Technicians transferring between line stations in accordance with Article 12(l) will not be required to prove qualifications, other than established license requirements, if transferring between the same types of work in comparable type of work combinations or groups as set forth in Article 15.

(8) The following procedures will be followed for filling Aircraft Mechanic vacancies in a type of work within a Line Station:

(a) When vacancies occur in a type of work, notice of the vacancies will be posted in the Station. Those requesting to fill the vacancies will be required to meet the established license requirements for the type of work.

(b) Applicants possessing the necessary licenses will then be required to take a qualification test administered by the Company. Applicants will be tested to the extent of the number required to fill the vacancies, in accordance with their relative seniority.

(c) Those who pass the test will then be assigned to the existing vacancies in the type of work in accordance with their relative seniority.

(d) An applicant who fails to pass the test will be assigned to appropriate training. Upon completion of this training, the applicant will be given another qualification test for the type of work involved. If he successfully completes the training and passes the qualification test, he will then be assigned to fill the vacancy.

(e) An applicant who fails to successfully complete the training or pass the qualification test may reapply for a subsequent vacancy in the type of work. At such time he will again be required to take the qualification test. If he fails the test, he will not be eligible for further training and may not move into the vacancy.

(1) The qualification tests referred to will be drawn up, administered, and graded in accordance with accepted industry standards. Their objective will be to provide employees a

reasonable opportunity to prove qualifications for the type of work involved.

(2) The oral and demonstration portions of these qualification tests may be witnessed by a Union representative.

(f) Vacancies in a type of work may be filled through system transfer as prescribed in Article 12(l) or with new hires when there is an insufficient number of eligible employees to fill the vacancies in the manner prescribed above. Article 23(d) **(8)** (d) will not apply to applicants who apply for the vacancy through system transfer.

(e) Training normally will be scheduled to provide at least seven (7) calendar days of notice to the employees affected, except in the event of training required to meet unanticipated conditions such as airworthiness directives, fleet campaign directives, or vendor instructions. This provision will not require the notice to employees exercising seniority under Article 15 of this Agreement.

(1) To the extent that work requirements permit, training will be accomplished during the employee's regular working hours.

(f) When an employee is required to travel outside of his station for training purposes, he will be paid reasonable, actual expenses for meals, lodging, and transportation as approved by operating management. Unreceipted expenses will not exceed, without the approval of the Company, the maximums established by the Company in the Employee Policy Guide or any successor document.

(g) When an employee is scheduled for a Taxi tow physical outside of his regular shift, he will be paid for the time spent outside of his regular shift as if it were time spent at his regular work, and overtime rates would apply, if applicable.

ARTICLE 24 – ABSENCE FROM DUTY

(a) An employee unable to report for duty will, unless prevented by reasons beyond his control, notify his immediate supervisor or other central point set up for reporting purposes by the Company as far in advance of the scheduled starting time of his shift as possible. **Notwithstanding the above, an employee may flex the starting time, up to fifteen (15) minutes without pay or penalty to the attendance record, twice per calendar year.**

(b) The Company acknowledges the right of an employee to use his sick leave benefit for the purpose intended in this Agreement, as set forth in Article 34. Accordingly, no employee will be disciplined for the use of his sick leave benefit for such purpose.

ARTICLE 25 – INTENTIONALLY LEFT BLANK

ARTICLE 26 – FIELD TRIPS

- (a) When an employee is required to perform work away from his base station on his regularly scheduled workdays, he will be paid at least eight (8) hours [ten (10) hours, if applicable] at his regular **scheduled** shift **at his** hourly rate for each regularly scheduled workday while away from his base station, whether traveling, on call, or working. All time spent, whether traveling, on call, or working, beyond eight (8) hours [ten (10) hours, if applicable] will be compensated in accordance with Articles 3 and 6. All time spent on a field trip will be treated as work time, unless the employee is released from duty.
- (b) When an employee is required to perform work away from his base station on his scheduled day off, he shall be paid at least eight (8) hours, or ten (10) hours if on a 4/10's schedule, of compensation at overtime rates, whether traveling, on call, or working.
- (c) When an employee is required to perform work away from his base **or** station on a day during which he reported to work at his base **or** station, all continuous time, whether traveling or working, will be computed as working time for all purposes.
- (d) A period of seven and one half (7.5) hours or more during which an employee is not traveling or working will break the continuity of paid hours for overtime purposes. **Following a seven and one-half (7.5) hour, or longer, break, an employee's time begins again upon his return to the job site reporting for duty.**
- (e) During the field trip assignment, the employee will, while away from his base **or station**, be paid reasonable, actual expenses for meals, lodging, and transportation as approved by operating management. Unreceipted expenses will not exceed, without the approval of the Company, the maximums established by the Company in the Employee Policy Guide or any successor document. If the field trip is outside of the United States and its territories, the Company will either provide advance payment or arrange for the payment of all expenses for required work permits, temporary visas, or any associated fees required to perform the work.
- (f) **Field trip work will be distributed among the employees qualified to perform the work necessitating the field trip in accordance with the Overhaul Base(s) or Line Maintenance Field Trip Procedures, as appropriate. The Company will discuss these procedures with the TWU 30 days before implementation (See Attachment 26.1).**
- (g) **Management has the sole right to determine the location(s) that will support the field trip.**

ATTACHMENT 26.1 FIELD TRIP GUIDELINES

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Re: Field Trip Work

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012. The tentative agreement modified Article 26(f) to permit the Company to establish field trip work distribution procedures in accordance with certain provisions in the agreement. In the interest of providing the TWU an opportunity to have some input into the development of those procedures, the Company agreed to present the TWU with the proposed field trip work distribution procedures within thirty (30) days following September 12, 2012. Thereafter, the Company will meet and confer with the TWU for a period of thirty (30) days in order to reach a mutually satisfactory resolution. The Company and TWU agreed that each party shall designate no more than three (3) representatives to participate in the meet and confer process.

In the interest of resolving any disputes over the implementation of such procedures in a timely manner, the parties agree that if the parties do not reach a mutually satisfactory solution within thirty (30) days after the Company presents the TWU with the proposed field trip work distribution procedures, the parties will jointly submit the open issues to a final and binding mediation-arbitration process.

In order to expedite the mediation-arbitration process, the parties agree to move the case to the top of the docket and it will be scheduled and heard at the next planned System Board of Adjustment for M&R.

The arbitrator will be empowered to mediate a mutually satisfactory solution. If an agreement is not reached through the one day mediation session, the arbitrator shall issue a final and binding interest arbitration award within a period of thirty (30) days following the date of the scheduled mediation, The arbitrator's award shall produce equivalent cost savings as valued by the Company and shall be consistent with any other ground rules established by the parties. The award shall be final and binding on the parties.

The parties shall share equally all costs of this mediation-arbitration process.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 27 – GENERAL

(a) All orders to and requests from an employee involving transfers, promotions, demotions, layoff, **recall**, leaves of absence, or anything affecting his pay or status (**as defined in Article 2**), will be in writing.

(b) An employee who permanently transfers at his own request to another classification of work as provided in this Maintenance Agreement, the Fleet Service Agreement, Technical Specialist Agreement or in the Stores Agreement will continue to receive his same hourly rate per hour but, in no event, will his hourly rate exceed the maximum rate for the classification to which he transferred.

(1) If his hourly rate at the time of such transfer is not the same as any regular rate per hour for the classification to which he transferred, he will immediately receive the nearest higher regular rate per hour for such classification. Thereafter, the employee shall progress on the normal progression scale in the new classification. In the case of a transfer from a higher to a lower classification caused by a reduction in force under this Agreement, the above rules will apply.

(c) Employees will be required to wear work clothing that is reasonably suitable and safe for the type of work they are assigned.

(d) Where employees are required by the Company to wear standard Company uniforms, the uniforms, including jackets, will be furnished by the Company, except that in the case of jackets, the Company will reimburse the employee for any laundry or cleaning. **Upon request, local management will launder uniforms of employees whose uniforms have been chemically-soaked.** Lettering of any description other than standard AA insignia will not be permitted on any work clothing. **However,** employees may wear the standard TWU insignia on **work clothing or** hats. TWU pins may be worn on the Company uniform jackets. Standard uniforms will be exchanged for maternity uniforms upon request.

(e) No employee will be required to work under unsafe or unsanitary conditions.

(f) **The Company and the Union mutually pledge their commitment to a culture of safety in the workplace.**

(g) The Company agrees to furnish first aid kits, good drinking water and sanitary fountains. The floors of the toilets and washrooms will be kept in good repair and in a clean, dry, sanitary condition. Employees will cooperate in maintaining the foregoing conditions. Shops and washrooms will be lighted and heated in the best manner possible, consistent with the source of heat and light available. At field stations, individual lockers will be provided for all employees where adequate space and facilities are reasonably available. Every effort will be made, as early as possible, to provide space and lockers for employees at the field stations. Additionally, the Union will have

the right to confer with the designated Company official on transportation to and from fields and stations.

(h) In order to eliminate, as much as possible, accidents and illness, a Joint Safety Committee composed of an equal number of Union representatives, not more than five (5), and Company representatives, not more than five (5), will be established at each location in the system where employees are stationed. It will be the duty of the **Joint Safety Committee** to:

(1) Receive and review Company accident, injury and job related illness reports pertinent to the Safety Committee investigation, and make recommendations to prevent recurrence. (Safety Committee members will receive copies of available monthly summaries of employee accidents and injuries and have access, upon request, to specific Company reports resulting from employee on the job accidents or injuries);

(2) Receive and investigate complaints regarding unsafe and—unsanitary working conditions and make recommendations to resolve the hazards and complaints. **The Employee/Union Representative should first notify and discuss any safety complaint with his immediate supervisor/manager. Management will address the safety concern in a reasonable time frame and will advise the Employee or Union Representative of the action taken. If the action taken is not satisfactory to the Employee or Union Representative, it will be forwarded to the Joint Safety Committee (JSC) for further review.**

(3) See that all applicable sanitary and safety regulations are complied with.

(4) Make recommendations for the maintenance of appropriate sanitary and safety standards.

(5) Joint Safety Committee meetings will be scheduled **a minimum of once per month** by mutual agreement between the Company and the Union.

(6) In the event that the Joint Safety Committee is unable, within sixty (60) calendar days, to resolve an issue which has been brought to its attention, either the Company or the Union may submit the issue to the System Joint Safety Committee which will constitute a board to review the issue. In cities where an APC (Accident Prevention Council) exists, TWU Local President will appoint a representative(s) to participate on the APC. Prior to sending an issue to the System Joint Safety Committee, all safety issues will be first submitted to the APC for resolution.

(7) The System Joint Safety Committee will consist of a representative of the TWU International and a representative of the Company's Safety office. If the issue is not resolved by the System Joint Safety Committee, either representative

may submit the issue on appeal to the System Board of Adjustment in accordance with the provisions of Article 29(d) of the Agreement.

(i) The Company will furnish all required safety devices for employees working on hazardous or unsanitary work; and employees will be required to use or wear the devices in performing that work. The Company will promptly notify the employees and the Union of the use of any material, equipment, or procedure known to be hazardous to employees exposed and the known procedures to control the hazards via a Material Safety Data Sheet (MSDS). The Company will **promptly** provide the Union with the results of any management or government health and safety survey concerning the employees represented by the Union. When the Company is made aware by the manufacturer or distributor of a product recall or equipment recall, the Company will take appropriate action to ensure the safety of its employees. The Company will also notify the Union of the issue as soon as possible and of any subsequent action that is taken.

(j) Whenever the Company establishes minimum tool requirements for any classification of employees, copies of the requirements and of any revision to the requirements will be furnished to the Union. The Union may object to any tool requirement and discuss the same with the Company, provided it serves notice within thirty (30) calendar days of receipt of the minimum tool requirements. If agreement cannot be reached on the objections, the requirements, as established, will prevail; but the Union may take up the disputed points as a grievance under Articles 31 and 32 of this Agreement.

(k) Three (3) days of **Bereavement** leave with pay for death in the immediate family will be extended to the employees covered by this Agreement. Immediate family includes mother, father, spouse, eligible domestic partner, sister, step-sister, brother, step-brother, child (dependent and non-dependent), mother-in-law, domestic partner's mother, father-in-law, domestic partner's father, step-mother, step-father, the employee's grandparents, the employee's grandchildren, and legal guardian or documented former legal guardian, or relative who is a resident of the household. To the extent that **the Company Policy** provides more expansive **Bereavement** leave benefits, those benefits will be applied to the TWU-represented employees.

(l) An employee called for jury duty will be paid as if working for all regularly scheduled hours less the fee received for jury services **for actual days served**. The employee will promptly show his supervisor the jury summons and also show the court's validation of jury service when completed.

(1) An employee assigned to jury duty for five (5) or more consecutive days during day time hours will be assigned to the day shift with Saturday and Sunday as his scheduled days off, effective for the workweek in which jury duty starts. An employee assigned to other types of jury duty, (e.g., telephone standby, single day jury duty, etc.), will have his work schedule adjusted only to the extent necessary to accommodate the actual jury service requirement. **If it is**

necessary to adjust days off, it should always be adjusted prior to the scheduled jury duty.

(2) If there is a question regarding the application of this provision, the employee's supervisor will contact Employee Relations who will establish a telephone conference with the TWU International and the Local President to resolve the matter.

(m) Upon ratification, and at local orientations of new employees, the Company will provide each employee with a pocket-size copy of this Agreement as expeditiously as possible. Spiral bound copies of this Agreement will be provided to the Local Union Officers, upon request of the Local Union President.

(n) The Company will forward to the Director of the Air Transport Division copies of Company manuals and publications expressly referred to in the Agreement. Revisions to those manuals and publications will also be forwarded.

(o) The Company will forward to the ranking Local Union Representative a copy of the regular crew list schedule for the station. The crew list schedule shall include scheduled shift hours and scheduled days off.

(p) No employee will be required to participate in a definite bomb scare investigation, as declared by Company SOC, against his wishes.

(q) The Company will provide death and permanent disability insurance coverage for employees, as set out below, applicable if a bomb explosion or hazardous material incident in or about American Airlines facilities or aircraft on the ground is the proximate cause of death or disability:

Death	\$500,000
Total Permanent Disability	500,000
Total Loss of Two Members	500,000
Total Loss of One Member	250,000

Member, as used in this Article, is defined as arm, leg, or eye.

Bomb explosion/hazardous material incident insurance will be handled by blanket coverage. Employees covered will not have to sign individual application forms, except for the designation of a beneficiary.

(r) In the event free parking facilities for employees are not available at airport locations, the Company will assume the monthly parking charge, assessed by the appropriate authority (airport, port, etc.) for parking in an area designated for employees. This provision will not apply to replacement or original charges to employees for parking decals, stickers, gate keys, or similar items. Also, where bus transportation to and from employee parking facilities is recognized by the Company as

an integral part of the employee parking arrangements that transportation will be at Company expense.

(s) In the event of the total loss **or damage** of an employee's tool box and its contents as a result of fire or theft while the box is located on Company property or while the employee is traveling and/or working on an authorized Field Trip and stored in a Company designated area, the Company will provide up to the following amounts towards the balance of the replacement cost of the tool box:

(1) **\$4,400** for the loss of a "Rollaway" toolbox

(2) **\$700** for the loss of a "Tote Box/Kit Bag"

(a) This benefit only applies to the entire loss of a toolbox and its contents. It does not cover loss of individual tools. Only tools required by the established tool list for the employee's classification will be considered for replacement. In the event an employee transfers from one station to another, the Company will arrange for the shipping and replacement insurance for the employee's toolbox.

(b) The employee must report the loss to his supervisor in writing and provide a copy of the police/security report. Losses under this provision will be settled directly with the employee based on the replacement value not to exceed the limits above.

(t) No employee will incur any cost associated with the initial issue or renewal of Company or associated Airport/Base required ID badges. When possible, an employee who is required to obtain or renew airport badges will be afforded that opportunity during his scheduled shift. **The Company will not reimburse the cost of lost or stolen badges.**

ARTICLE 28 – NO DISCRIMINATION, AND RECOGNITION OF RIGHTS AND COMPLIANCE

(a) The Company and the Union agree to make it a matter of record in this Agreement that in accordance with the established policy of the Company and the Union, the provisions of this Agreement will apply equally to all employees regardless of sex, color, race, creed, age, religious preferences, status as a veteran or military reservist, disability, or national origin.

(b) The Union recognizes that the Company will have sole jurisdiction of the management and operation of its business, the direction of its working force, the right to maintain discipline and efficiency in its hangars, stations, shops, or other places of employment, and the right of the Company to hire, discipline, and discharge employees for just cause, subject to the provisions of this Agreement. It is agreed that the rights enumerated in this Article will not be deemed to exclude other preexisting rights of management not enumerated which do not conflict with other provisions of this Agreement.

(c) Any decisions or agreements relating to the interpretation or application of this Agreement made jointly by the Company and the Union will be binding on every individual employee claiming or entitled to the benefits of this Agreement.

(d) Except as otherwise provided in this Agreement, all letters of discipline, whether warning, or suspension will be removed after a period of two (2) years from date of issuance, unless the Company and the Union agree to a shorter period. **However, it is agreed that any letters of discipline properly assessed in the event of an illegal sit-down, walkout, stoppage, strike, slowdown or curtailment of work will not be subject to the two (2) year provision.**

(e) Copies of the Peak Performance Through Commitment (PPC) Program will be available to all employees upon request. Any changes to the PPC Program will be provided and explained to the TWU prior to implementation.

(f) If the Company documents records of discussion or counseling held with an employee, the documentation will be on a form designed to ensure that the record accurately reflects the facts and the nature of the discussion or counseling held with the employee. The employee will indicate his acknowledgement of the discussion or counseling in the actual record, or, at his option, he may place a rebuttal or statement in the actual record. The employee will be provided a copy of the final actual record.

(g) Each employee will have a right to meet with his supervisor at a mutually agreeable time to discuss his performance and to review his personnel file. At that time, the supervisor and the employee will review the personnel file to ensure that the provisions of this Article have been complied with. Should the supervisor and employee agree to modifications or deletions to the counseling records, their request and

recommendation will be forwarded to the supervisor's immediate manager, who will review the matter and respond to the supervisor and the employee.

(h) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 28.1 – CR1 REGARDING SEXUAL HARASSMENT

From: Mark Burdette
To: John Orlando
Re: CR1 Regarding Sexual Harassment

October 30, 1996

You have inquired as to the Company policy concerning CR1 entries concerning investigations of sexual harassment.

Following some research, I have determined that the Company policy in this regard is as follows:

If there is an investigation of sexual harassment and the charged employee is found to be exonerated of the charges, no entry regarding the charge or investigation will be made in the CR1. Any entry previously made will be deleted from the CR1.

In other cases, a CR1 entry, if any, will reflect the nature of the discussion with the employee. As always, the employee has the prerogative of reviewing the CR1 entry and providing any additional information desired.

(Signed original on file)

ARTICLE 29 – REPRESENTATION

(a) The Union may select and designate representatives in the respective fields, stations, shops, and other working units as may be necessary for the purpose of representing the employees under the terms of this Agreement, or in accordance with the Railway Labor Act, as amended. The number of representatives that confer with management at any one time on any issue, including meetings convened under the provisions of Article 29(f), will not exceed the number of management employees present plus one (1) additional representative to act in the capacity of a scribe.

(b) The Union may designate an American Airlines System Coordinator for the employees, covered by this Agreement.

(c) The Union will notify the Company, in writing, of the names of its Accredited Representatives at each station and the System Coordinator and of any subsequent changes in the personnel. The Company will inform the Union, in writing, of the supervisors that the Accredited Representatives and the System Coordinator will deal with and any subsequent changes in the personnel.

(1) International Officers, Accredited Representatives, or Local Officers of the Union will, at any time during regular working hours, have access to the premises of the Company where employees are located, for the purpose of investigating grievances or other matters directly connected with the operation of this Agreement and its procedures for the settlement of any dispute. As a matter of courtesy, notice of an intended visit will be given to the ranking Company official or his designated representative. A visit will be subject to such reasonable regulations as may be made from time to time by the Company, but the Company will not impose regulations that will render ineffective the intent of this provision nor impair the privacy of any conference necessary to accomplish the purpose of the visit.

(d) An Accredited International Representative of the Union or designated Company official who believes that any provision of this Agreement has not been or is not being properly applied or interpreted and which has not yet become the subject of an actual grievance, will have the right, within ten (10) calendar days after such alleged misapplication or misinterpretation has been ascertained, to protest such violation, in writing, to the other party, who will evaluate such protest and render a written decision within fifteen (15) calendar days. Disputes in respect to actual grievances will be handled exclusively according to the provisions of Article 31, Grievance Procedure.

(1) This provision will apply to Local Presidents with respect to improper application or interpretation of the Agreement affecting a group of employees within the jurisdiction of their local union. The protest will be filed with the appropriate Chief Operating Officer of the Company.

(2) When an actual grievance has been filed other than under this paragraph, an Accredited International Representative or Local Union President may rescind the grievance and initiate a protest under this paragraph within ten (10) calendar days after the rescission.

(e) If no settlement is reached under Article 29(d), an appeal may be made, in writing, within thirty (30) calendar days to the System Board of Adjustment established under Article 32.

(f) The Union does not question the right of the Company supervisors to manage and supervise the work force and make reasonable inquiries of employees, individually or collectively, in the normal course of work. In meetings for the purpose of investigation of any matter which may eventuate in the application of discipline or dismissal, or when written statements may be required, or of sufficient importance for the Company to have witnesses present, or to necessitate the presence of more than one Company supervisor, or during reasonable cause or post accident drug/alcohol testing as provided in Article 29(h), the Company will inform the employee of his right to have Union representation present. If the employee refuses representation, the supervisor's record will reflect his refusal.

(1) At the start of a meeting under the provisions of Article 29(f), the Company will, except in rare and unusual circumstances, indicate the reason that causes the meeting and then provide an opportunity for the employee and his Union representative to confer for a reasonable period of time. Following that period, the 29(f) meeting will be reconvened and continue until concluded by the supervisor.

(2) Before written notification of discipline or dismissal is given, an employee will be afforded the opportunity to discuss the matter with his supervisor. If he desires, he will have a Union representative in the discussion. Nothing will be construed as preventing the Company from holding an employee out of service pending the investigation, provided that the employee will be paid for all regularly scheduled hours while held out of service, except when he is withheld for:

(a) Action constituting a criminal offense, on or off duty.

(b) Refusal or adulteration of an alcohol/drug test or verified positive drug or confirmed positive alcohol test from the date on the letter of verification/confirmation.

(c) Failure to cooperate with an investigation.

(g) Employees covered by these Agreements who are interviewed by a Company Security Department representative as part of a Security Department investigation may, upon request, have an Accredited Representative present during the interview. If a local Representative is not readily available after the request, the Company's Security

Department will not be required to wait for his availability before conducting its interview. However, the employee in that circumstance may request the presence of another TWU represented employee to be present. The role of the Representative will be that of a silent observer only. The Representative may in no way interfere nor impede the Security Department's investigation and/or interview.

(h) Employees who are required to take a reasonable cause or post accident drug/alcohol test by the Company may, upon request, have a TWU representative present as a witness during those parts of the specimen collection process indicated below.

(1) In those stations where a local TWU representative is not readily available, the Company will delay the test for up to one (1) hour from the time the employee requests or is notified of his right to union representation, whichever occurs first, in order to allow the first available representative to be present at the medical facility.

(2) If normal travel time to the medical collection facility exceeds one (1) hour, then the one (1) hour waiting period will be extended by the amount of travel time in excess of one (1) hour. This is in accordance with the FAA's directive of July 1990, which prohibits the presence or absence of a union representative from in any way hampering or delaying the collection process.

(3) Only one (1) TWU representative will be allowed to accompany the employee to the medical collection facility and into the area where the medical collector opens the drug testing kit, completes the relevant paperwork, and secures the kit after completion of the collection process. The TWU representative will be allowed to witness the opening of the collection kit by the collector, the documentation of the chain of custody procedure by the collector and the employee, and the packaging and sealing of the kit for shipment following the collection. The union representative will not be allowed to accompany the employee or collector into the restroom.

(4) In accordance with the FAA's directive of July 1990, no TWU representative will engage in any activity, which disrupts the collection process. Should the TWU representative engage in disruptive activity, the Representative will be required by the Company's Supervisor to wait in the employee/patient waiting area until the collection process and paperwork has been completed. This is pursuant to the FAA's directive.

ARTICLE 30 – GRIEVANCE PROCEDURE FOR DISMISSAL/CORRECTIVE OR
DISCIPLINARY ACTION

(a) An employee who has passed his probationary period will not be dismissed from the service of the Company or **be issued corrective or disciplinary action** without written notification of that action. The notification will include the reason or reasons for his dismissal, **corrective or disciplinary action**.

An employee who believes that he has been unjustly dealt with as a result of dismissal, corrective or disciplinary action, may submit his written grievance in person or through his representative within seven (7) calendar days of receiving the notification. Such grievance must be submitted to the Chief Operating Officer, with a copy to the appropriate Human Resources Representative. The Chief Operating Officer will fully investigate the matter and render a **his** written decision as soon as possible, but not later than twelve (12) calendar days following ~~his~~ **the** receipt of the appeal, unless mutually agreed otherwise. A copy of the written decision will be provided to the Union.

The inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration, **within the time limits prescribed in Article 30(b). For grievances related to corrective or disciplinary action, this will result in a monetary penalty of eight (8) hours additional pay to the grievant. For dismissal cases, this will result in a monetary penalty equivalent to four (4) hours of pay per day at his former regular hourly rate until the decision is issued. Any monetary penalty paid does not cancel or render any judgment regarding the merits of the grievance.**

(b) If the decision of the Chief Operating Officer is not satisfactory to the employee, the dismissal/**corrective or disciplinary action** and decision will be appealed in accordance with Article 30(c), provided, however, the appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(c) An appeal from the decision of the Chief Operating Officer will be submitted to the appropriate Area Board of Adjustment in accordance with Article 32. The System Board of Adjustment will docket the case and, if the procedural requirements for the appeal have been satisfied, promptly transmit the appeal papers to the appropriate Area Board of Adjustment in accordance with Article 32. Any dispute as to whether all of the procedural requirements for the appeal have been satisfied, or whether the case is within the jurisdiction of an Area Board, will be determined by the System Board of Adjustment, except as provided in Article 32(c)(5).

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the grievant authorizes his representative to handle his grievance for him, the submission of the grievance or appeal will be accompanied by the

statement signed by the employee fully authorizing his representative to act for him in the disposition of his grievance. Two (2) copies of all grievance answers will be given to the Local Union.

(e) If any decision made by the Company under the provisions of this Article is not appealed by the employee affected within the time limit prescribed for appeals, the decision of the Company will become final and binding.

(f) If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, all related corrective action records will be removed from the employee's personnel file. In addition, if he has been held out of service, he will be reinstated without loss of seniority and he will be paid at regular rates for his regularly scheduled hours.

(g) When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested will be borne equally by both parties to the dispute.

(h) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 30.1 – SYSTEM BOARDS OF ADJUSTMENT

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

September 12, 2012

RE: Time Limits – Article 30-Grievance Procedure for Dismissal/Corrective Action

Dear Robert,

This letter will serve to interpret the time limits referenced in Article 30 above. Specifically, what constitutes the meaning of seven (7), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 30 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his/her hands or the date received if the answer is mailed. The following examples of the grievance process will clarify our understanding:

- 1. 1st Step Answer – A grievance is filed on October 18, 2007 with the Chief Operating Officer (COO). The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 29, 2007. (12 days to render a decision – October 18 counts as Day one) Note: If the COO does not answer the 2nd step appeal in a timely manner, monetary penalties as outlined in Article 30 will be incurred.**
- 2. System Board Appeal – The employee receives his 1st step answer on October 29, 2007. If the employee is not satisfied with the COO's answer, he must appeal his grievance to the System Board no later than November 17, 2007. (20 days to appeal to the System Board from the date of his receipt).**

Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time

when he/she first has knowledge or should reasonably have had knowledge that they have been unjustly dealt with (discipline and/or discharge).

In addition, Article 30 affords the Chief Operating Officer (COO) an extension of time limits, with agreement from the Local TWU President, or his designee.

If the above accurately reflects our understanding, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 31 – GRIEVANCE PROCEDURE FOR CONTRACTUAL DISPUTES

(a) An employee who believes that he has been unjustly dealt with, or that any provision of this Agreement has not been properly applied or interpreted, may submit his grievance in person or through his representatives within seven (7) calendar days. The grievance will be presented to his immediate supervisor, who will evaluate the grievance or complaint and render a written decision as soon as possible, but not later than seven (7) calendar days following his receipt of the grievance. Inability of the immediate supervisor to complete the investigation and render his written decision within the respective time limits will permit the Union to move directly to the next step of the grievance process.

(b) If the written decision of the immediate supervisor is not satisfactory to the employee whose grievance is being considered, it may be appealed within ten (10) calendar days to the Chief Operating Officer, with a copy to the appropriate Human Resources **Representative**. The Chief Operating Officer will fully investigate the matter and will render a written decision as soon as possible, but not later than twelve (12) calendar days, unless mutually agreed otherwise, following his receipt of the appeal. A copy of the written decision will be provided to the Union.

Inability of the Chief Operating Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration **within the time limits as prescribed in Article 31(c). The written decision must be post marked or hand delivered within twelve (12) calendar days. Failure to meet this requirement will** result in a monetary penalty of eight (8) hours additional pay to the grievant. Any monetary penalty paid does not cancel or render any judgment regarding the merits of the grievance.

(c) If the decision of the Chief Operating Officer is not satisfactory to the employee, the grievance and the decision may be appealed to the System Board of Adjustment, as provided for in Article 32. The appeal must be submitted within twenty (20) calendar days of receipt of the decision rendered by the Chief Operating Officer.

(d) All grievances handled under the procedure provided above will be in writing and will be signed by the employee whose grievance is being handled. In cases in which the aggrieved employee authorizes his representative to handle his grievance for him, the submission of the grievance or appeal will be accompanied by a statement, signed by the employee, fully authorizing his representative to act for him in the disposition of his grievance. Two (2) copies of all grievance answers will be given to the Local Union.

(e) An employee who has a grievance may present his grievance to his immediate supervisor during regular work hours. An Accredited Representative of the Union may investigate, discuss, and present a grievance of an employee or employees during regular work hours without suffering loss of pay for time so spent.

(f) If any decision made by the Company under the provisions of this Article is not appealed by the employee affected within the time limit prescribed for appeals, the decision of the Company will become final and binding.

(g) When it is mutually agreed that a stenographic report is to be taken of any hearing, in whole or in part, the cost will be borne equally by both parties to the dispute. When it is not mutually agreed that a stenographic report of the proceedings is to be taken, any written record available of the hearing made by either of the parties to the dispute will be furnished to the other party to the dispute upon request, provided that the cost of the written record requested be borne equally by both parties to the dispute.

(h) Upon the request of an Accredited Union Representative, the Company will inform the Union of its decision on any grievance **involving** a formal hearing or investigation at which the **grievant** was not represented by his Accredited Union Representative.

(i) The attachment on the following page is agreed to by the parties and is incorporated as part of the agreement.

ATTACHMENT 31.1 – SYSTEM BOARDS OF ADJUSTMENT

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

September 12, 2012

RE: Time Limits – Article 31-Grievance Procedure

Dear Robert,

This letter will serve to interpret the time limits referenced in Article 31 above, specifically, what constitutes the meaning of seven (7), ten (10), twelve (12), and twenty (20) calendar days as they apply to their respective steps of the grievance process.

Pursuant to our discussions on this topic, we have agreed that the calendar day referenced in Article 31 commences immediately upon receipt of a grievance or appeal to the Company. The time frame for the employee to appeal commences immediately upon receipt of an answer if placed in his hands or the date received if the answer is mailed. The following examples of the grievance process will clarify our understanding:

- 3. 1st Step Answer – A grievance is filed on October 3, 2007.
The response from the supervisor must be in the employee's hands or postmarked, if placed in the mail, no later than October 9, 2007. (7 days to render a decision – October 3 counts as Day one)**
- 4. 2nd Step Appeal – The employee receives an answer on October 9, 2007.
If the employee is not satisfied with the supervisor's answer, he must appeal his grievance to the Chief Operating Officer (COO) no later than October 18, 2007. (10 days to appeal to 2nd step from the date of his receipt).**
- 5. 2nd Step Answer – A grievance is appealed on October 18, 2007.
The response from the COO must be in the employee's hands or postmarked, if placed in the mail, no later than October 29, 2007. (12 days to render a decision – October 18 counts as day one) Note: If the COO does not answer the 2nd step appeal in a timely manner, monetary penalties as outlined in Article 31 will be incurred.**

- 4 **System Board Appeal** – The employee receives his 2nd step answer on October 29, 2007. If the employee is not satisfied with the COO’s answer, he must appeal his grievance to the System Board no later than November 17, 2007. (20 days to appeal to the System Board from the date of his receipt).

Furthermore, we have agreed that the same methodology shall be used to trigger the seven (7) calendar days in which a TWU represented employee has to file a grievance. The seven (7) calendar days commence from the time when he first has knowledge or should reasonably have had knowledge of the alleged contractual violation.

In addition, Article 31 does afford the Chief Operating Officer (COO), with agreement from the local TWU, an extension of time limits.

If the above accurately reflects our understanding, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

ARTICLE 32 - BOARDS OF ADJUSTMENT

(a) Boards of Adjustment

(1) Pursuant to the provisions of the Railway Labor Act, as amended, the parties have established a System Board of Adjustment, and Area Boards of Adjustment for employees covered by this Agreement.

(2) The Boards will have jurisdiction only over disputes between the Company and the Union or any employee or employees governed by this Agreement growing out of grievances involving interpretation or application of this Agreement, including disputes over the content of an employee's personnel file, whether hard copy or electronic, to the extent such information can be used for discipline. The Boards will have no jurisdiction, whatsoever, over proposals or disputes relating to general changes in hours of work, rates of pay, rules or working conditions. Proposals relating to general changes in hours of work, rates of pay, rules or working conditions will be handled in the manner provided for in Article 47 of this Agreement. Board Hearings may be postponed, in writing, by mutual agreement of the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees.

(b) System Board of Adjustment

(1) The System Board of Adjustment will be composed of a Company member, a Union member and a neutral referee, acting as Chairman. The neutral referee will serve for an indefinite term; however, either party may cause the services of the neutral referee to be terminated, except in cases already submitted to him that are pending a decision, by giving written notice to the other party and to the neutral referee.

(2) If a neutral vacancy occurs and the Company and the Union cannot agree on a successor within thirty (30) calendar days, the American Arbitration Association will be requested to select a neutral in the manner described in Rule 12 of its Voluntary Labor Arbitration Rules, as amended.

(3) The System Board will hear and determine all disputes properly before it, which are not within the jurisdiction of the Area Boards.

(4) The System Board will meet in the city where the general offices of the Company are maintained, unless a different location is agreed upon by the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees.

Postponements must be submitted and approved in writing by both the Company and the Union board members at least seven (7) calendar days prior to the scheduled hearing, unless the board members agree otherwise.

(c) Area Boards of Adjustment, Discipline and Dismissal Cases

(1) Area Boards of Adjustment will be maintained in the city where the office of the appropriate Local Union is maintained, unless a different place of meeting is agreed upon by the parties to the dispute. The jurisdiction of each such Board will be limited to discipline and dismissal cases arising in the area in question, except as provided in Article 32(c)(5).

(2) Each Area Board will be composed of one member appointed by the Company, one member appointed by the Union, and a neutral referee acting as Chairman. However, by mutual agreement of the Local Union and the appropriate Human Resources Office, an additional neutral referee may be selected to hear Area Board cases scheduled in cities other than those designated in the above paragraph. Members of the Area Boards appointed by the parties will serve at the pleasure of the party making the appointment, except that a Board member will continue to serve until his successor has been appointed. Each neutral referee will serve for an indefinite term; however, either party may cause the services of a neutral referee to be terminated, except in cases already submitted to him that are pending a decision, by giving written notice to the other party and to the neutral referee.

(3) If the position of a neutral referee of an Area Board becomes vacant and the Company and the Union cannot agree on a successor within thirty (30) calendar days, one will be selected in the same manner as the filling of a vacancy under Article 32(b)(2).

(4) Each Area Board will hold hearings at a location in its city, mutually agreed upon by the Local Union and the appropriate Human Resources Office.

(5) In order to expedite Area Board hearings, the parties may agree to hear procedural issues, such as alleged Article 29(f) violations, timeliness issues, or jurisdictional issues, prior to the presentation of the merits of the case.

(d) Procedures Generally Applicable to the Boards

(1) All disputes referable to the Boards will be sent to the appropriate Board based on the primary issue in dispute. Any disagreement as to which Board has jurisdiction will be resolved by the System Board.

(2) An appeal to a grievance decision arising out of Articles 29, 30, and/or 31 will be submitted in writing, as provided below, and will include the following information:

(a) The name, personnel number, job classification, and the number of the Local Union for the employee(s) involved;

(b) A statement that the provisions of Articles 29, 30, and/or 31 have been exhausted;

(c) A statement of the nature of the dispute, including the articles in question, and whether the dispute involves discipline/discharge or a contract interpretation or application;

(d) The position or contention of the party filing the submission;

(e) The remedy sought.

(3) The written appeal will be sent to the International TWU in the form of a petition. The International TWU will assign a case number and forward the appeal and two (2) copies, with the case number noted on each, to the Employee Relations Department. The appeal must be received by the Company within the time limits described in Article 31. The scheduling of cases to be heard before the Boards is an administrative matter addressed by mutual agreement between the Union and the Company. Any disagreement as to which Board will be the appropriate board will be determined by the System Board.

(4) Unless the parties agree otherwise, the case with the lowest docket number pending before a Board will be scheduled first. The aforementioned scheduling procedure will be followed until there are a sufficient number of cases scheduled to insure full days of hearing. Cases so scheduled but not heard for lack of time will be rescheduled in accordance with the above scheduling procedure.

(5) If the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees, designated Company representative and the designated Union representative for any Board jointly consider a case of sufficient urgency and importance to warrant an expedited hearing, a hearing will be scheduled within fifteen (15) calendar days of the decision to expedite the case.

(6) Employees and the Company may be represented at Board hearings by such person or persons as they may choose and designate. Evidence may be presented either orally or in writing, or both. The advocates will exchange all documents they may enter and the names of witnesses they may call in their direct case no later than ten (10) calendar days prior to the date set for the hearing. Nothing in this paragraph will require either advocate to present the documents or the witnesses provided above during the course of the hearing. The advocates will not be restricted from entering documents or calling witnesses that become known subsequent to the ten (10) calendar day exchange. **The advocate will provide the document(s) or witness name(s) at least forty-eight (48) hours prior to the scheduled start time of the hearing. In the event of**

postponement, all associated cost will be borne equally by both parties. If advocate “A” presents additional documents and/or witnesses with less than 48 hours’ notice to the other party, advocate “B” can accept the documents and/or witness, and the case remains on schedule, or reject the documents and/or witness at which point advocate “A” may opt to continue without presenting the new documents and/or witness or postpone the case. In addition advocate “B” can accept the documents and/or witness and opt to postpone the case. All associated costs for postponement will be borne by the party introducing documents and/or witness with less than 48 hours.

(7) Upon the request of either party to the dispute, or of two (2) Board members, the neutral referee will summon witnesses to testify at Board hearings. The Company will cooperate to ensure that all witnesses summoned by the board will appear in a timely fashion. Reasonable requests by the Union for employee witnesses will be honored. The requests for witnesses will normally not be greater than the number, which can be spared without interference with the service of the Company. Disputes arising from this provision will be immediately referred to the Director of the Air Transport Division and the Vice President – Employee Relations, or their respective designees, for resolution.

(8) A majority vote of all members of a Board will be sufficient to make a finding or a decision with respect to any dispute properly before it, and such finding or decision will be final and binding upon the parties to such dispute. The Union and Company will at all times have their respective Board members available at the convenience of the various neutral referees, and alternate members will be provided by the Union or Company, as the case may be, whenever its regular Board member is not available. If an alternate member is not provided within a reasonable period of time, the neutral referee will proceed with the hearing and decision of the matters before the Board without participation by the absent member. In that case, the decision of the neutral referee will constitute the decision of the Board.

(9) The failure of a Board to decide a dispute under the procedure established in this Agreement will not serve to foreclose any subsequent rights or procedures which the Railway Labor Act, as amended, may provide with respect to the settlement of those disputes, and nothing in this Agreement will be construed to limit, restrict or abridge the rights or privileges accorded to either the employees or to the employer, or to their duly Accredited Representatives, by said Act.

(10) Board findings and decisions will be stated in writing and will be rendered within thirty (30) calendar days from the close of hearing, unless the period is extended by agreement of the parties to the dispute. In each case a copy of the finding or decision will be furnished to the Company, the Union, and the employee or employees that are parties to the dispute. If a dispute arises as to the interpretation of the finding or decision, then, upon request of the Company,

the Union or the employee or employees that are parties to the dispute, the Board will interpret the finding or decision.

(11) The System Board and each Area Board will keep complete and accurate records of all matters submitted to it and of all findings and decisions made. A stenographic record at all Boards will be taken if requested by either party to the dispute. In that case, the cost of such record will be borne by the requesting party. The other party, upon request, will be furnished a copy of the record, in which case the cost of that record will be borne equally by both parties to the dispute.

(12) Each party will assume the compensation, travel expense and other expenses of its Board members or the witnesses it summons.

(13) So far as space is available, witnesses who are employees of the Company will receive free transportation over the lines of the Company from the point of duty or assignment to the point at which they must appear as witnesses and return, to the extent permitted by law.

(14) Each Board, upon agreement of a majority of its members, will have the authority to incur expenses necessary for the proper conduct of the business of the Board. Those expenses, as well as the expense of each neutral referee, will be shared equally by the parties. Union Board members who are employees of the Company will be granted necessary leaves of absence for the performance of their duties as Board members. So far as space is available, the Board members will be furnished free transportation over the lines of the Company for the purpose of attending Board meetings to the extent permitted by law.

(15) Every Board member will be free to discharge his duty in an independent manner, without fear that his individual relations with the Company, the Union or with the employees may be affected in any manner by any action taken by him in good faith in his capacity as a Board member. Each party will specifically instruct each Board member selected that he will at all times, while serving in that capacity, act not as a partisan or advocate of a partisan group or cause but will act and serve solely to render impartial findings and just decisions.

(e) Procedures for Finalizing Awards: The following procedures are provided in order to standardize the arbitration process and avoid any controversy regarding the deliberations and discussions associated with the publication of System and Area Board of Adjustment awards:

(1) Executive Sessions for every case should take place at the conclusion of the Hearing, or at such time as agreed upon by a majority of the Board at the conclusion of the Hearing. This postponed session may be necessary due to the submission of briefs or other post-hearing issues, and should be the exception, not the rule.

(2) An arbitrator's draft decision, distributed to the Board unsigned, may be changed to any extent agreeable to a majority of the Board. A written decision, once executed and signed by the neutral arbitrator, may only be modified as to content by agreement of all Board members.

(3) The Board members are not to discuss the decision of the Board with anyone other than the Board members prior to the publication of the award by the Administrator of the System Board.

(4) No ex-parte communication concerning the case (that is, discussion held without the presence of the full Board) are permitted at any time.

(5) The details of the Board's deliberations must be held confidential by virtue of the Board's intended neutrality. No Board member should divulge the nature or content of the discussions held between the Board members in reaching their decision.

In the interest of simplifying and streamlining the grievance tracking process, the parties agree to discuss and explore an automated grievance tracking system.

ARTICLE 33 – NO STRIKE – NO LOCKOUT

(a) It is the intent of the parties to this Agreement that the procedures set forth in this Agreement will serve as a means of amicable settlement of all disputes that may arise between them, and, therefore:

(1) The Company will neither cause nor permit a lockout during the life of this Agreement.

(2) Neither the Union nor the employees will engage in a strike, sitdown, walkout, stoppage, slowdown, or curtailment of work for any reason during the life of this Agreement.

ARTICLE 34 – SICK LEAVE/UNUSED SICK LEAVE

(a) An employee who completes six (6) months of service with the Company will be credited with three point three (3.3) hours of sick leave for every one hundred and seventy-three point three (173.3) hours paid during that six (6) month period, to a maximum of twenty (20) hours, for use during the calendar year in which the initial six (6) months period is completed.

(b) Upon being credited with the initial hours of sick leave, an employee will thereafter accrue three point three (3.65) hours of sick leave for every one hundred and seventy-three point three (173.3) hours paid of service with the Company, up to a maximum of forty (40) hours in any calendar year. Except for the initial six (6) months of credit, sick leave accrued during a calendar year will not be used prior to January 1 of the following year.

(c) Unused sick leave will be cumulative up to a maximum of one thousand and two hundred (1,200) hours.

(d) Except as specified in Article 34(h)(1) and 34(h)(2), only days absent due to illness or injury of the employee which are not compensable under the applicable Workmen's Compensation Laws will be paid for from his allowed sick leave. On any single occurrence, provided the employee has sick leave available, up to the first **eight (8)** hours of absence will be paid at fifty percent (50%). For example, if the employee misses one (1) day, he would receive four (4) hours of SK and four (4) hours of SKU. If the occurrence should extend beyond **eight (8)** hours of absence, all subsequent hours of sick leave within that occurrence will be paid at one hundred percent (100%) to the extent the employee has sick leave available.

(e) The intended purpose of the sick leave benefit is to protect the earnings of the employee during necessary absence from work due to illness or injury, and to aid the employee in meeting bills when sickness or injury have temporarily taken away his ability to work. The parties acknowledge that the statements in the booklet entitled, "Attendance Control Guidelines and the Sick Leave Benefit", originally distributed in August of 1969, do not conflict with the rights of employees under this Agreement. Accordingly, the Company will take the following actions before issuing a disciplinary notice for unsatisfactory attendance to an employee with a sick leave balance when such disciplinary notice considers occasions of absence involving sick leave.

(1) The supervisor will conduct a full discussion with the employee concerning his attendance record.

(2) If abuse of the sick leave policy referred to in Article 34 is suspected, the employee will be so advised of the reasons for suspected abuse. The employee may request those reasons in writing.

- (3) Requiring the employee to provide a doctor's slip stating he was treated for an illness or injury for sick leave eligibility in accordance with Article 34.
- (4) A disciplinary notice issued subject to these conditions and actions will include the charge of suspected abuse of sick leave in connection with the involved absence(s).
- (5) These procedures will not apply to any incident where an employee is charged with the fraudulent abuse of the sick leave benefit.
- (f) When an employee has a sick leave balance, it will not be the policy of the Company to require a slip from his doctor stating treatment for an illness or injury for all absences of one (1) to three (3) days in order for an employee to be eligible for sick leave pay, however, the Company reserves the right to require a doctor's slip whenever circumstances indicate suspected abuses of the sick leave policy.
- (1) Any employee suspected of abusing sick leave and who may be required to furnish a doctor's slip stating that he was treated for an illness or injury will first have the circumstances leading to the suspicion fully discussed with him. He may, if he so desires, have a Union representative present during the discussion. Subsequent to this discussion, if the Company decides that a doctor's slip is required, he will be given written notice of this requirement. Upon request of the employee, the specific reasons for the suspected abuse will be supplied to him, in writing. The requirement for this slip from the doctor will expire ninety (90) calendar days from the effective date of the written notice.
- (2) Upon request of the Local Union President, any employee claiming harassment as a result of being required to furnish a doctor's slip will have the opportunity to present his written claim for relief to a panel composed of the Vice President – Employee Relations and the Director of the Air Transport Division or their designee.
- (3) In the event the employee's claim is determined to be valid, the employee will have eight (8) hours of sick pay added to his sick leave account. In the event it is determined to not be valid, the employee will forfeit eight (8) hours of sick pay from his sick leave account.
- (g) When an employee, including a probationary employee, is on a leave of absence due to illness or injury, classification seniority will continue to accrue for a period not to exceed thirty (30) calendar days for any period of leave.
- (h) During an employee's absence due to an occupational illness or injury compensable under the applicable Workmen's Compensation Law, he will receive from the Company the following benefits:

(1) For the first ten (10) work days absent, the difference between his regular pay (including shift differential) and Workmen's Compensation payments;

(2) At the conclusion of the period referred to in (1) above, a disabled employee drawing Workmen's Compensation may, at his option, draw upon his accrued sick leave up to the extent of his accrual at the rate of up to one half regular pay (including shift differential). However, the sum of his Workmen's Compensation weekly payments plus his sick pay benefits will not exceed the employee's regular base weekly pay (including shift differential). Corresponding deductions will be made from his available sick leave accrual. Deductions will be to the nearest 0.1 of an hour up to a maximum of one-half day of sick leave.

(3) These benefits will be in lieu of any other payment provided for in this Article for all absences due to the same illness or injury.

(i) In the event that the Company challenges the payment of benefits under Article 34(h), occurring during the statutory waiting period under the applicable state Workmen's Compensation Laws, the employee will receive pay continuance for his regularly scheduled hours at his base hourly rate from the Company up to the maximum days provided in the waiting period. The challenged payment by the Company will be resolved in the following manner:

(1) The Company or the employee may, within seven (7) calendar days, appeal in writing through a review panel composed of a representative of the TWU International and the Vice President – Employee Relations, which will hear and resolve the case. The panel will be limited to determining whether the pay continuance, made to the employee under this provision, will be considered a benefit under Article 34(d) or 34(h), or whether the employee should return to the Company the benefit he received under this provision. In the event the panel is unable to resolve the issue, the case may be submitted to the System Board of Adjustment for final and binding resolution.

(2) If the Company or the employee fails to appeal the challenged payment, the pay continuance benefit will be considered payment under Article 34(d), and will be charged to the sick leave benefit.

(j) The employees and the Union recognize their obligations to prevent absence for reasons other than illness or injury, or other abuse of the sick leave privilege, and pledge their wholehearted cooperation to the Company to prevent abuse.

(k) A lump sum payment for his unused sick leave hours, if any, will be made to each employee upon the employee's effective date of retirement.

(1) For each eight (8) hours of unused sick leave, (up to a maximum of twelve hundred (1200) hours) the Company will pay an employee, twenty-five dollars (\$25.00). For example: An employee retires on January 1, 2001. He has a total

accumulation of one thousand and two hundred (1,200) hours of unused sick leave. Following that date, the employee will receive a lump sum payment of three thousand seven hundred fifty dollars (\$3,750).

(2) Hours of unused sick leave in Article 34(k) will mean those hours credited or accrued in each calendar year and limited to the cumulative maximum in the manner provided under the provisions of Article 34(c) and not used by the employee up to the date of retirement.

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

ATTACHMENT 34.1 – COMPENSATION CLAIM (ID) PANEL

From: Charles Pascuito
To: Ernest Mitchell
Re: Compensation Claim (ID) Panel

February 18, 1978

Procedures for the Company and employees to follow on occasions when injury-on-duty payments during statutory waiting periods are challenged, as outlined in Article 34(h), are as follows:

1. The Company will notify the employee in writing that payment for alleged injury on duty is being challenged.
2. The employee may appeal by a written protest jointly addressed to his supervisor and the local union ranking official.
3. The appeal may be submitted to the Special Injury On Duty Panel provided under Article 34 within thirty (30) days of notice of protest to the supervisor. If the issue is not resolved by the Special Injury On Duty Panel, it will be submitted to a designated permanent referee who will render an immediate decision, without a written opinion within twenty-four (24) hours of the hearing.
4. Expenses for the hearing before the special designated referee will be borne in the same manner as for grievances under the Agreement.

(Signed original on file)

ARTICLE 35 – TEMPORARY EMPLOYEES

- (a) Temporary employees will not be employed during the duration of this Agreement, unless there is a mutual consent between the Vice President – Employee Relations and the TWU Director Air Transport Division or his designee.
- (b) Temporary employees may be hired by the Company to accomplish and perform work of any emergency nature not to exceed forty-five (45) calendar days; but if qualified employees laid off due to a reduction in force are available at the station or locality where the work is to be performed, they will be given the first opportunity of that employment.
- (c) Notwithstanding the above, temporary employees may be hired at each airport/base to accomplish and perform work twice within the calendar year for periods not to exceed forty-five (45) calendar days for each occurrence. If qualified employees laid off due to a reduction in force are available at the station or locality where the work is to be performed, they will be given the first opportunity of employment.
- (d) Any additional temporary employees hired under this Article not subject to paragraphs (b) and (c) above, will be subject to mutual consent between the Vice President – Employee Relations and the TWU Director-Air Transport Division. In the event the Company needs full time temporary employees, regular part time employees at the location will be offered temporary full time opportunities prior to hiring full time temporary employees.
- (e) Temporary employees will not accrue occupational or **pay** seniority, except that employees, who are on layoff status or formerly part time, will accrue occupational seniority during periods of temporary employment. When a temporary employee becomes a regular employee, without a break in service, occupational and **pay** seniority will be retroactive to the original date of temporary employment. The employee will be subject to the provisions of Article 9(a).

ARTICLE 36 – MEAL PERIODS

(a) Meal periods will be thirty (30) minutes, except when a longer period is agreed upon between the parties.

(b) Meal periods will be scheduled to begin not earlier than three (3) hours after commencement of work that day and not later than five hours after commencement of work that day. The commencement of work is from the start of the employee's regular shift. If an employee is not scheduled for a meal period within the foregoing time span, the meal period will be provided immediately before or after it. In the event that a meal period has not been provided in accordance with the foregoing, the employee is then free, if he so desires, to take his meal period.

(c) In the event an employee is not provided a meal period as outlined in paragraph (b) above, the employee will be coded as No Meal by his Manager, and will be permitted to badge off shift 30 minutes prior to his scheduled off time.

ARTICLE 37 – SEVERANCE ALLOWANCE

(a) Any employee with one (1) year or more of service who is laid off for reasons other than those in paragraphs (b), (c), and (f) will receive severance allowance as provided in paragraph (e), subject to the limitations in this Article.

(b) Severance allowance will not be paid for layoffs of less than four (4) months duration, which are due to seasonal schedule reductions.

(c) Severance allowance will not be paid if the layoff is the result of an Act of God, a national war emergency, revocation of the Company's operating certificate or certificates, grounding of a substantial number of the Company's aircraft for safety reasons, dismissal for cause, resignation, retirement, or a strike or picketing causing a temporary cessation of work.

(d) At the time of layoff, the Company will advise the employee in writing of the reasons for his release and whether it is for reasons outlined in paragraphs (a), (b), or (c) above. If the employee is released for reasons in (a) above, he will be eligible for the immediate payment of the severance allowance as provided in this Article. If the employee is released for reasons in paragraph (b), and, if at the expiration of four (4) months from the date of layoff he is not offered reemployment in other than a temporary job in accordance with Article 16, his layoff will be presumed to have been caused by factors covered in paragraph (a) above, and he will become entitled at that time to severance allowance, as provided in this Article. Temporary work which does not exceed a continuous period of forty-five (45) calendar days will not be considered as breaking the four-month period of layoff.

(e) The amount of severance allowance payable under this Article to employees eligible is contained in the following table and will be based on length of compensated service with the Company from date of employment and will be in addition to all other benefits in this Agreement. **Severance payouts will be paid as a lump sum.**

(1) Severance for part-time employees will be based on the employee's Company seniority and the scheduled hours at the time of layoff. If the employee's scheduled hours have been reduced within sixty (60) calendar days of the layoff notice, an average of the previous six (6) months scheduled hours will be used to determine the "scheduled" hours for the purposes of pay.

(2) A week of severance allowance will be computed on the basis of the employee's regular straight-time hourly rate at the time of layoff, multiplied by forty (40) hours for full time but for part time hours as outlined above.

<u>If employee has completed:</u>	<u>Severance Allowance:</u>
1 year of service	3 weeks
2 years of service	3 weeks
3 years of service	4 weeks

4 years of service	5	weeks
5 years of service	6	weeks
6 years of service	7	weeks
7 years of service	8	weeks
8 years of service	9	weeks
9 years of service	10	weeks
10 years of service	11	weeks
11 years of service	12	weeks
12 years of service	13	weeks

(f) If the employee is not reemployed by the Company within four (4) months from the effective date of his layoff, and he has at least one year's seniority as of the date of layoff, he will be entitled to an additional two (2) weeks' severance allowance. **Payment of this provision is limited to one time.** In the event the employee is recalled to work under Article 16 before the expiration of four (4) months from the date of his layoff and is again laid off, he will be entitled to the additional two (2) weeks' severance allowance if he is not reemployed by the Company within four (4) months from the effective date of such subsequent layoff.

(g) Severance allowance will not be granted when, (1) the employee elects to exercise his seniority to remain with the Company in his own or a lower classification in accordance with Article 15; (2) he has, within four (4) months of layoff, been offered a job in accordance with Article 16, and has refused such job; or (3) he accepts any other employment offered by the Company prior to the expiration of four (4) months from the date of layoff.

(h) An employee recalled to work under the terms of Article 16, who is again laid off under conditions that would entitle him to severance allowance, will be entitled to the amount specified for his years of compensated service with the Company in accordance with paragraph (e) of this Article, less the dollar amount received on the occasion of the previous severances, provided that the dollar amount deduction will not be made if the employee completes at least one (1) additional year of compensated service with the Company from the date on which he reported for duty upon the occasion of the prior recall.

(i) An employee who has been given severance allowance at the time of layoff and who is rehired in less than the number of weeks covered by the severance allowance (plus an additional two (2) weeks if he also received two (2) weeks' pay in lieu of notice) will have the amount of overpayment deducted from his subsequent earnings.

(j) An employee who has been reemployed under the conditions outlined in Article 37(h) and (i) will retain all seniority and length of service credit for pay and other purposes accrued prior to the date of his severance.

ARTICLE 38 – UNION SECURITY

(a) All employees covered by this Agreement will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying an initiation fee and membership dues (not including fines and penalties), or agency fees in accordance with applicable law. An employee may have his membership dues deducted from his earnings by signing the form "Assignment and Authorization for Check-Off of Union Dues", also referred to as "Check-Off Form" or, if no such authorization is in effect, he must pay his initiation fee and membership dues directly to the Union.

(b) All new employees of the Company hired on or after the effective date of this Agreement will become members of the Union sixty (60) calendar days after the date of employment with the Company and will, as a condition of employment, maintain membership in the Union so long as this Agreement remains in effect, to the extent of paying initiation fees and membership dues, or in lieu of maintenance of membership, agency fees in accordance with applicable law. The Company will allow the Union an opportunity, during local orientation, to meet with new employees and transferees regarding Union matters.

(c) If any employee who has resigned from the Company or has been laid off is reemployed or recalled, he will be considered as a new employee for the purposes of this Article and will be governed by the provisions of paragraph (b).

(d) Employees who are or become members of the Union under paragraphs (a) or (b) above will pay membership dues as set forth in this article, except that payment for membership dues will not be required as a condition of employment during leaves of absence without pay or during periods of transfer to a classification or position not covered by this Agreement.

(e) "Member of the Union", for purposes of this Article will mean any employee who is a member of the Union and is not more than sixty (60) calendar days in arrears in the payment of initiation fee and membership dues as specified herein, or agency fee payer not more than sixty (60) calendar days in arrears in the payment of his fees.

(f) When an employee who is a member of the Union becomes delinquent within the meaning of paragraph (e) above, the following procedure will apply:

(1) The Director of the Air Transport Division of the Union will notify the employee in writing, certified mail, return receipt requested, that he is delinquent in the payment of the initiation fee and membership dues or agency fees, as specified herein, and accordingly, is subject to discharge as an employee of the Company. Such letter will also notify the employee that he must remit the required payment within fifteen (15) calendar days of the date of mailing of the notice, or be subject to discharge. This provision will be deemed to be complied with if the Union sends, but the employee refuses receipt of the above mailing.

(2) If, upon the expiration of the fifteen (15) calendar day period, the employee still remains delinquent, the Director of the Air Transport Division of the Union will certify, in writing, to the Vice President-Employee Relations of the Company, copy to the employee, that the employee has failed to remit payment within the grace period allowed and is therefore to be discharged. The Vice President-Employee Relations after being presented with the appropriate documentation will take proper steps to discharge such employee from the services of the Company.

(3) An employee discharged by the Company under the provisions of this paragraph, will be deemed to have been discharged for cause within the meaning of the terms and provisions of this Agreement.

(g) Any discharge under the terms of this Article will be based solely upon the failure of the employee to pay or tender payment of initiation fee and membership dues or agency fees, as specified in this Article, and not because of denial or termination of membership in the Union upon any other ground.

(h) Any grievance by an employee concerning the interpretation or application of the provisions of this Article will be subject exclusively to the following procedure:

(1) An employee who believes that the provisions of this Article pertaining to him have not been properly interpreted or applied may submit his request for review, in writing, within five (5) calendar days from the date the grievance arises, except that a grievance arising under paragraph (f)(1) must be filed within the fifteen (15) calendar day period specified in that paragraph. The request will be submitted to his immediate supervisor who will review the grievance and render his decision, in writing, not later than five (5) calendar days following the receipt of the grievance.

(2) The immediate supervisor will forward his decision to the employee with a copy to the Local Union Accredited Representative. If the decision is not satisfactory to both the employee and the Union, then either may appeal the grievance directly to the System Board of Adjustment, established under Article 32 of this Agreement, within ten (10) calendar days from the date of the decision. The terms and provisions of such Article will be applicable, except as otherwise specified in this Article.

(3) If the Union should appeal the decision to the System Board of Adjustment, it will prepare a joint submission of the grievance setting forth the Union's and the employee's position and forward copies to the employee, the Vice President-Employee Relations of the Company and to the members of the System Board of Adjustment. If the employee should appeal the decision, he may request the Vice President-Employee Relations to prepare the submission papers in his behalf for the System Board of Adjustment. In this event, such

request will be made by the employee, in writing, to his immediate supervisor who will transmit, through the local Manager all facts, data and information concerning the grievance, together with a copy of the decision from which the appeal is taken. The Vice President-Employee Relations will forward copies of the employee's separate submission to the employee, the local Manager, the Director of the Air Transport Division of the Union and to the members of the System Board of Adjustment.

(4) During the period a grievance is filed under the provisions of this paragraph and until after final award by the System Board of Adjustment, the employee will not be discharged from the Company because of noncompliance with the terms and provisions of this Article. In the event the employee's grievance is denied because he has not tendered dues owed under this Article, he will be considered discharged for cause. In any proceeding under this Article, the employee, the Company, and the Union will be allowed to present any facts or arguments supporting their position concerning proper application of this Article.

(i) The Union agrees that it will indemnify the Company and save the Company harmless from any and all claims, which may be made by the employee or employees against the Company by virtue of the wrongful application or misapplication of any of the terms of this Article.

(j) The Company will not interfere with, restrain or coerce employees because of membership or lawful activity in the Union, nor will it, by discrimination in respect to hire, tenure of employment or any term or condition of employment, attempt to discourage membership in the Union.

(k) The Union agrees that neither the Union nor its members will intimidate or coerce any employee in respect to his right to work, in the proper exercise, performance, or implementation of his duties and responsibilities with the Company, or in respect to Union activity or membership. Further there will be no solicitation of employees for Union membership on Company time. The Union further agrees that the Company may take disciplinary action for any violation of this provision.

(l) During the life of this Agreement, the Company agrees to deduct from the pay of each member of the Union and remit to the Union membership dues uniformly levied in accordance with the Constitution and By-laws of the Union and as prescribed by the Railway Labor Act, as amended, provided such member of the Union voluntarily executes the following agreed upon Check-Off Form. This form will be prepared and furnished by the Union.

ASSIGNMENT AND AUTHORIZATION
FOR CHECK-OFF OF UNION DUES

To:

Internal Mail Address:

Manager – Payroll Customer Service
M.D. #790 **TUL**

U.S. Mail Address:

American Airlines, Inc.
Manager – Payroll Customer Service
7645 East 63rd Street **Suite 600**
Tulsa, Oklahoma 74133-1275

I, _____,

(Name: Initials and last name)

hereby assign to the Transport Workers Union of America, AFL-CIO, my Union dues from any wages earned or to be earned by me as your employee. I authorize and direct you to deduct the flat sum of _____, which is the bi-weekly equivalent of my monthly membership dues, or such bi-weekly equivalent as may hereafter be established by the Union as my membership dues, from each bi-weekly paycheck and to remit the same to the Union.

This assignment, authorization, and direction may be revoked by me, in writing, after the expiration of one year from the date hereof, or upon the termination date of the labor agreement in effect at the time this is signed, whichever occurs sooner.

This authorization and direction is made subject to the provisions of the Railway Labor Act, as amended, and in accordance with the existing Agreement between the Union and the Company.

Employee Signature: _____

Personnel Number: _____

Cost Center: _____

Department: _____

Local Union Number: _____

Date: _____

(m) When a member of the Union properly executes such "Check-Off Form", the Director of the Air Transport Division of the Union will forward an original copy to the American Airlines, Inc. **Manager – Payroll Customer Service: 7645 E 63rd ST STE 600, Tulsa, OK. 74133-1275.**

Any Check-Off Form which is incomplete or improperly executed will be returned to the Director. Any notice of revocation as provided for in this Article or the Railway Labor Act, as amended, must be in writing, signed by the employee and delivered by certified mail, addressed to their respective Local Union Office. Each Local Union Office will forward a copy to the American Airlines, Inc. **Manager – Payroll Customer Service Tulsa, Oklahoma E 63rd ST STE 600, Tulsa, OK. 74133-1275,** for future Union dues withholding. Check-Off Forms and notices received by the Manager – Payroll Customer Service will be stamp-dated on the date received and will constitute notice to the Company on the date received, and not when mailed.

(n) When a Check-Off Form, as specified herein, is received by the Manager – Customer Service on or before a given payday, deductions will commence with the first regular paycheck following said payday, and will continue thereafter until revoked or cancelled as provided in this Article. The Company will remit to the Union a check in payment of all dues collected on a given payday, on or as soon after the payday as possible. These remittances will be subject to normal accounting practice with respect to adjustments necessary because of the methods involved in the deduction procedure. The Company remittance of Union membership dues to the Union will be accompanied by a list of names, personnel numbers and station numbers of the employees for whom deductions have been made in that particular period, arranged in order of their personnel numbers. Additionally, the Company will supply in duplicate to the office of the Union a listing of those employees who are on leave of absence; have accepted a position outside the bargaining unit; or have terminated employment with the Company.

(o) No deductions of Union dues will be made from the wages of any employee who has executed a Check-Off Form and who has been transferred to a job not covered by the Agreement, or who is on leave without pay. Upon return to work within a classification covered by this Agreement, deductions will be automatically resumed provided the employee has not revoked the assignment in accordance with this Article, and provided it is in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

(p) An employee who has executed a Check-Off Form and who resigns or is terminated from the employ of the Company for reasons other than layoff will be deemed to have automatically revoked his assignment and if reemployed, further deductions of Union dues will be made only upon execution and receipt of a new Check-Off Form. Provided, however, that upon return from layoff, leave of absence, or reinstatement from disciplinary discharge to work within a classification covered by this Agreement, deductions will be automatically resumed. In cases where Check-Off is not reinstated by the Company due to mechanical or software errors, the Company will collect the back dues at a maximum of fifty (50) dollars per month and remit to the

Union, provided the employee has not revoked the assignment in accordance with this Article, and such deductions are in accordance with the other appropriate provisions of this Article and of the Railway Labor Act, as amended.

(q) Collection of any back dues owed at the time of starting deductions for any employee, and collection of dues missed because the employee's earnings were not sufficient to cover the payment of dues for a particular pay period, will be the responsibility of the Union and will not be the subject of payroll deductions.

(r) Deductions of membership dues will be made in a flat sum from each paycheck provided there is a balance in the paycheck sufficient to cover the amount after all other deductions authorized by the employee or required by law have been satisfied. In the event of termination of employment, the obligation of the Company to collect dues will not extend beyond the bi-weekly period in which his last day of work occurs.

ARTICLE 39 – FITNESS FOR DUTY

(a) If two or more members of management determine there is a serious question as to an employee's physical fitness to perform his assigned work, one or more of the following may be required of the employee. The employee will be notified in writing which will include an explanation of the reason(s) for the evaluation.

(1) If he is currently under the care of a physician, he may be required to provide medical documentation regarding such treatment.

(2) If he is not currently under the care of a physician or does not provide medical documentation to AA Medical from his own personal physician in timely manner, management may request a fitness for duty evaluation through the Company Medical department.

(3) As soon as the medical information is received either from the employee's treating physician or the company provided medical evaluation, it will be reviewed by an AA physician or the AA Medical Review Board (hereafter referred to as the MRB) at the next scheduled MRB (normally within two (2) weeks). The Company physician or MRB will consider the information provided by the treating physician or the medical evaluation as well as the employee's AA Medical file.

Note: During any time the employee is absent from work due to these situations, he will be compensated from his existing sick bank unless he is on "withhold with pay" status.

As a result of the Company physician and/or MRB review, one of the following will apply:

(a) The employee may be cleared to full duty;

(b) Temporary restrictions may be assigned: A temporary restriction is a restriction assigned by the employee's treating physician or AA Medical, until the employee's fitness for full duty can be established.

(c) Permanent restrictions may be assigned: A permanent medical restriction is a work restriction that is based on the presence of a medical condition which is unlikely to change substantially in the immediate or foreseeable future.

(b) Temporary Restrictions

If temporary restrictions are assigned, AA Medical will notify the employee and local management, **in writing**, of the temporary restrictions. Local Management will determine if the restrictions can be accommodated in the workplace, **and may seek**

input from Medical and the Union. AA Medical will work with the employee and his treating physician to address the temporary restrictions. (In some cases, the temporary restrictions may become permanent restrictions.) **In the event the employee's treating physician disagrees with the temporary restrictions that have been assigned by AA Medical, the employee may initiate a second review by AA Medical; provided, the review process will not be initiated until the employee has provided his medical records to AA Medical and AA Medical continues to recommend temporary restrictions with which the employee's physician disagrees. The second review must be accompanied by newly available or additional medical information relating to the established restrictions (e.g. physician to physician review, if appropriate). AA Medical commits to a timely review of the medical facts.**

(c) Permanent Restrictions

If the employee is assigned permanent restrictions, AA Medical will notify the employee in writing of the permanent restrictions. (A form will be included in the MRB letter.) An employee who has been assigned permanent restrictions by the MRB is encouraged to seek local accommodation in his existing job with local management. If local management is unable to accommodate the restrictions, the employee may file an appeal as stated below, or request a broader accommodation or job search assistance from the Accommodation Review Board (hereafter referred to as the ARB). In the event that the employee's treating physician disagrees with the permanent restrictions that have been assigned by the MRB, the employee and his treating physician may appeal the MRB's decision within fifteen (15) calendar days of the date of written notification. The employee will be permitted to exercise his seniority in resuming his classification or any lower classification in work which he is qualified to perform or, at his option, have a review of his case in the following manner:

(1) Once AA Medical has been notified of the appeal the Company will, at the written request of the employee or his Union representative, ask that the two medical examiners, the employee's treating physician, and the AA Medical physician agree upon and appoint a third qualified and neutral medical examiner for the purpose of conducting a further medical evaluation of the employee. AA Medical will research the qualifications and credentials of physicians qualified as medical examiners for the appropriate medical condition and/or restrictions to be reviewed. AA Medical will provide a written list of medical examiners to the employee's treating physician with a copy to the employee. AA Medical will also review a list of qualified medical examiners provided by the employee's treating physician if provided.

(2) The employee's treating physician should notify AA Medical of the choice of medical examiner within fifteen (15) calendar days of the date of the letter. The employee must provide a medical release to AA Medical prior to the scheduling of an appointment with the medical examiner. Provision and disclosure of the medical records will be in conformity with applicable

government regulations. AA Medical will schedule the appointment, will notify the employee in writing and will provide all appropriate Company medical records to the medical examiner. Additionally, if the employee or the employee's treating physician has additional medical information, it must be submitted to AA Medical along with the medical release for forwarding to the medical examiner prior to the appointment.

(3) The three (3) doctors, one representing the Company, one representing the employee affected, and one as the neutral medical examiner (approved by the Company doctor and the employee's doctor), will constitute a board of three (3), the majority vote of which will decide the case.

(a) The expense of the third medical examiner will be borne by the Company including all expenses related to travel such as airfare and hotel. Copies of the medical examiner's report will be furnished to AA Medical and the employee's treating physician. If the employee fails to show for the scheduled appointment and has no justifiable reason, he will be responsible for any no-show fee.

(b) If the majority opinion of the Board of three (3) medical examiners upholds the employee's case, he will be restored to his former job. Back pay will apply from the date the employee files his Article 39 appeal. The employee will be compensated at his regular rate of pay, less any amount he may have received as compensation during the interim period. If the employee used sick leave or vacation allowance, his sick leave or vacation allowance will be replenished.

(c) Should the third party medical examiner agree with the permanent restrictions assigned by AA Medical, the employee may request accommodation through the ARB.

(d) The decision of the third party medical examiner is final and binding on all parties.

Note: This process will not supersede the Company's Alcohol/Drug Policy, FAA, or DOT rules.

(d) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 39.1 – ACCOMMODATION REVIEW BOARD

September 12, 2012

**Robert Gless
AA System Coordinator
Air Transport Division
Transport Workers Union of America, AFL-CIO**

Re: ACCOMMODATION REVIEW BOARD

Robert,

In follow up to today's conversation I am providing information on how your field representatives should handle employee requests regarding the process of the Accommodations Review Board and how it relates to their permanent medical restrictions.

If permanent restrictions are assigned, AA Medical will notify the employee and the TWU ATD Designees in writing of the permanent restrictions. Once an employee has exhausted the provisions of the contract and is still restricted from performing his job, the employee should forward to HR, in writing, with a copy to the Local Union President, a request for review by the ADA System Accommodations Committee.

HR is the designated contact point for such accommodation review requests. Employees who have been assigned permanent restrictions by the MRB are encouraged to seek local accommodation in their existing job with their local management. If local management is unable to accommodate the restrictions, the employee may request a broader accommodation or job search assistance from the Accommodation Review Board.

The ARB will consist of:

Human Resources (Chairperson)

Employee Relations

TWU ATD Designees

Legal

Medical

Local Management

Local Union Representative – Designated by the Local President

The function of the ARB is to discuss all aspects of the employee's request, his restrictions and ability to perform his essential job functions, and whether the Company can reasonably accommodate the restrictions without undue hardship, in an attempt to return the employee to his previously held position. The ARB works with management, union representatives and Human Resources prior to

making a recommendation. If the employee is unable to return to his previous position, a job search within AMR is recommended.

If a job search is recommended, the ARB Chairperson will assist the employee in an attempt to identify other open positions within all of AMR in which the employee will be able to work, with or without a reasonable accommodations, and for which he may be qualified (may include non-TWU represented positions). This assistance may include coordinating access to internal Company postings; resume writing techniques and skill assessment.

The ARB will do all possible to work with local management to implement the recommendation of the board.

Sincerely,

**James B. Weel
Managing Director
Employee Relations**

ARTICLE 40 – RETIREMENT BENEFITS

(a) The Company has maintained a retirement plan for the employees for a number of years. The full text of **“The Retirement Benefit Plan of American Airlines, Inc. for Employees Represented by the Transport Workers Union of America, AFL-CIO” (successor to “The American Airlines, Inc. Retirement Benefit Plan for Maintenance and Related Employees”)** (“Plan”) is on file with the Company and is available to the employees in accordance with government regulations. **The Plan has been amended to enhance and clarify benefits over time. The Plan is frozen effective 11:59 p.m. on October 31, 2012.**

(b) The following changes to the Plan were made by Letter dated 08/09/80.

(1) For an employee member who was first eligible to join the Plan prior to January 1, 1956, credited service will be counted from the January 1st or July 1st following his or her completion of one year of Company service.

(2) For the employee member who was first eligible to join the Plan between January 1, 1956 and April 1, 1978, credited service will be counted from the January 1st or July 1st following his or her completion of one year of Company service and the attainment of age twenty-five (25).

(3) For the employee member who was first eligible to join the Plan April 1, 1978 or later, credited service will be counted from the first of the month coincident with or next following his or her completion of one year of Company service.

(4) After December 31, 1976, credited service will not include periods of unpaid hours in excess of one hundred eighty (180) hours in a calendar year. A leave of absence for Union business for which the employee member has been paid by the Union will be counted as credited service for the Plan.

(c) The following changes to the Plan were made by Letter dated 08/01/85.

(1) Effective for employees who are on the active payroll on September 1, 1985, Credited Service under the Retirement Benefit Plan will include any periods of employment during which an employee would have accrued Credited Service if the age 25 eligibility restriction had not existed in prior years. Credited Service will be counted from the January 1st or July 1st following completion of one (1) year of Company service.

(2) For purposes of the preceding paragraph, "on the active payroll" means actually at work. It will also include employees who retire from the active payroll in the calendar month preceding September 01, 1985, those who are on a paid sick or vacation period, on an overage leave, or on a Union leave on September 01, 1985. It does not include employees who are on a personal leave of

absence, unpaid sick leave, or other unpaid absence from work on September 01, 1985, unless they actually return to work.

(d) The following changes to the Plan were made by Letter(s) dated 05/05/89.

(1) A new vesting schedule will apply to employees who perform at least one hour of service for which they are paid on or after January 1, 1990.

(2) The new vesting schedule will provide that such employees will become 100% vested after completing five years of vesting service as defined in the plan. Prior to completing five years of vesting service, employees will have 0% vested benefits.

(3) Rules for counting vesting service and for applying breaks in service remain unchanged from the current plan.

(4) The Company agreed to retroactively credit all pensionable hours worked past age 65 for TWU represented employees who retire from the active payroll after January 1989.

(e) The amendments covered in Article 40(e) will be applicable only for those members classified as "Maintenance & Related", who are on active payroll or on an approved leave of absence with recall rights as of 03/01/01 and whose benefits commence on or after the first day of the month following 03/01/01.

(1) Final Average Compensation

The compensation used for calculating a member's retirement benefit will be the average of the highest forty eight (48) consecutive months of pay out of the one hundred and twenty (120) consecutive months of pay preceding the date of retirement. The definition of the compensation used to determine the forty-eight (48) and one hundred and twenty (120) month periods is unchanged. Various formulas exist for benefits, e.g., $1.667 \times \text{Final Average Earnings} \times \text{Years of credited service}$, which are also unchanged.

(2) Eligibility For Benefits – Early Retirement

A member will be eligible for early retirement on or after attaining the earlier of:

(a) age 55 and fifteen (15) years of credited service; or

(b) age 60 and ten (10) years of credited service.

(3) Early Retirement Benefits

Pension benefits determined as of early retirement will be reduced 3% for each year that the member is less than age 60.

(f) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

(g) After October 31, 2012, no further benefits will accrue under the Plan. Benefits for current employees who are participants in the Plan will be determined based on their pension accrual calculated as of October 31, 2012 and no new participants will be added to the Plan after October 31, 2012. This pension freeze will not result in the loss of any pension benefits accrued through October 31, 2012. Service performed after October 31, 2012 will not be counted for any purpose except as otherwise required by law. The benefits accrued as of October 31, 2012, will remain obligations of the Plan and its related trust on behalf of existing Plan participants and will be paid in accordance with the terms of the Plan.

(h) Subject to paragraph (g), the Company will continue to maintain the Plan and its related trust. The Company may amend the Plan, from time to time, as it determines in its sole discretion to be necessary or appropriate to implement the pension freeze described in paragraph (g) or to maintain the Plan's tax-qualified status or otherwise comply with applicable Federal law.

(i) On November 1, 2012, the Company will enroll all current employees, except those described in paragraph (i)(1) below, and all future new-hire and transfer employees in the Super Saver - A 401(k) Capital Accumulation Plan for Employees of Participating AMR Corporation Subsidiaries ("Super Saver Plan"), a defined contribution plan, or equivalent plan.

(1) Employees who already have a Super Saver Plan, (or equivalent plan), contribution election on file as of the date they would otherwise be automatically enrolled will not be automatically enrolled in the Super Saver Plan (or equivalent plan) and their previous contribution election will remain in place.

(2) Employees who are automatically enrolled into the Super Saver Plan, will be enrolled at an employee-deferral rate of 3% pre-tax contribution.

(3) The Company, subject to any laws limiting the amount of benefit which can be contributed to or accrued under a plan qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended from time to time, and its regulations, will, for each employee who has at least one year of Eligibility Service, contribute to the Super Saver Plan on a pre-tax basis for each Plan Year as an Employer Matching Contribution 100% of the aggregated amount of the employee's Employee Before-tax Contributions and employee's Employee Designated Roth Contributions,

up to a total amount of 5.5% of an employee's Eligible Compensation (as defined in the Super Saver Plan). Eligible Compensation for the purposes of determining any matching contribution or Company contribution, eligible compensation will be the sum of all 401(k) deferrable compensation, e.g. wages, overtime, CSW, etc. except for the following:

- Uniform Cleaning Allowance
- Overtime Meal Allowance
- Co-Terminal Expenses
- Expense reimbursements
- Approved expense allowances
- Company paid life insurance premiums
- Value of NRSA passes
- Pre-tax flexible benefit plan contributions
- Disability/Workers' Compensation payments
- Severance pay
- Termination Sick Premium
- Company paid employee expenses
- Benefit pay
- Tips
- Gain Sharing payments

(4) The Super Saver Plan shall remain in effect and the benefit levels shall not be reduced during the term of this Agreement. However, the provisions of the Super Saver Plan may be modified from time to time to maintain the plan's tax-qualified status or to otherwise comply with applicable Federal law and may also be amended at the Company's sole discretion, provided no such discretionary amendment shall reduce the benefit levels stated above in subsection (i)(3) during the term of this Agreement or be inconsistent with the terms of this paragraph (i) or its subparagraphs. The Company will provide the Union with a copy of any amendment.

(5) Capitalized terms in this paragraph (i) not otherwise defined in this Agreement, but defined in the Super Saver Plan, will have the same meaning as set forth in the Super Saver Plan.

ATTACHMENT 40.1 – PRE-RETIREMENT SURVIVOR BENEFIT CHARGE

From: Mark Johnson
To: John Orlando
Re: Pre-retirement Survivor Benefit Charge
Revised March 1, 2001
October 19, 1995

This letter follows up our conversation of today regarding the charge for the pre-retirement survivor benefit.

The Retirement Equity Act of 1984 mandated that pension plans provide a benefit for the surviving spouse of an employee who dies vested, but prior to retirement. This is known as the Qualified Pre-retirement Survivor Annuity (QPSA). Because this requirement adds to pension costs, employers are allowed to recover the cost by reducing the employee's pension at retirement. The AA reduction at retirement for QPSA coverage does not fully cover the cost of providing this benefit. QPSA coverage is still heavily subsidized by American.

QPSA coverage is mandatory and automatic unless the employee and spouse sign a waiver. The benefit and how the charge is calculated are explained in detail in the Summary Plan Description. The calculation is based upon a percentage by age for the number of years coverage was in effect. There is no charge for providing the coverage past age 65, although the employee is charged for those years under age 65. Once an employee is at least age 55 with 15 years of credited service or age 62 with 10 years of credited service, the charge also stops accumulating. The charge is based only on the mandatory 50% survivor benefit. Employees who have elected a larger survivor benefit are not charged more.

Since the actual QPSA calculation is complex and can only be done accurately when an exit date has been established, for estimate purposes only we show a uniform \$20 monthly reduction. We use \$20 because we rarely see a QPSA reduction of \$20 or more, for simplicity in preparing estimates, \$20 is shown on all estimates, even for employees who never had the coverage, or will not be charged this exact amount.

At retirement those employees who never had coverage will, of course, have no reduction. For those who were covered, the reduction will be individually calculated based on their age and years of coverage.

As we discussed, normally about 300 TWU members retire each year. However with the early out, we may be asking as many as 7,000 TWU members to take a close look at their pension plan. Although the QPSA explanation has been in the Summary Plan Description, with this kind of scrutiny we are learning that we can improve how we communicate very important, but unfortunately often very technical pension information.

Thank you for bringing this issue to my attention and I hope this explanation is helpful.
Please let me know if you have any questions.

(Signed original on file)

ARTICLE 41 – BENEFITS

(a) The parties recognize that controlling the spiraling costs of health care has become a national priority and a critical mutual objective for both the Company and the employees. In order to provide maximum flexibility and choice for individual employees, while helping to assure the Company’s continued financial strength, effective **January 1, 2013** the Company will implement **new plan design options**, which limits the impact of future health cost increases for both the Company and the employees as follows:

(1) The Company will provide **two medical plan options, a Standard medical plan option and a Core medical plan option, which is a Health Savings Account compatible medical option. With the exception of the Standard medical plan design features in the chart below, all other plan provisions are subject to change at Company discretion. Plan design features and other plan provisions in the Core medical plan option (which are not incorporated into this agreement) may change at Company discretion and advance notice of any changes will be provided to the TWU prior to implementation. To the extent the Company is offering the “Value” medical option in any Plan Year to employees, employees eligible to enroll in the Standard and Core medical options will be eligible to enroll in the Value option. The Company, at its sole discretion, may change plan design and contributions in the Value option or otherwise amend or eliminate the Value option.**

(2) **Aggregate employee contributions for the Standard and Core medical options for 2013 will be 18%, 2014 will be 19%, 2015 will be 20% and 2016 and thereafter will be 21% of the total projected cost of healthcare expenses (which include medical/Rx and administrative expenses) for the Standard and Core medical plan options. Contributions for the Standard and Core medical plan options will increase annually with projected inflation for all expenses related to these two (2) medical plan options;**

(3) **Coverage tiers for contribution rates will be as follows:**

New Coverage Tiers	Employee Premium Multiplier
Employee Only	1.0
Employee + Spouse/Domestic Partner	2.6
Employee + Child(ren)	1.8
Employee + Family	3.5

- (4) **Part-time employees will be offered the same medical plan options as full-time employees at the same contribution rates.**
- (5) **Notice of changes to the Value Plan will be provided to the TWU in advance of implementation.**
- (6) The TWU and the Company have agreed that a review committee will be established to review planned administrative changes to the **standard medical plan option**. This committee will have the right of appeal to the Sr. Vice President – Human Resources in the event of a dispute.
- (7) The TWU and the Company will participate on a joint committee to develop programs and procedures which will reduce the rate of increase in costs in order to minimize the impact on employees.
- (b) The annual deductible under the **standard medical plan option will be \$750 per individual with a maximum family deductible of \$2,250. The standard medical option annual deductible will increase \$50 in 2015 and 2017 until the deductible reaches \$850 for employee only coverage, \$2550 for family coverage per calendar year for in-network services. Plan design features are listed below.**

	Standard medical plan option	Core medical plan option
Plan Design Features	Contractual	Non-contractual
Spending Accounts	HRA	
Spending Account Funding (2013 only)	\$375 emp / \$375 spouse	
In Network Deductible (Single/Family)	\$750 / \$2,250	
Out of Network Deductible (Single/Family)	\$3,000 / \$9000	
Coinsurance (In/Out)	20% / 40%	
In Network Out of Pocket Max (Single/Family)	\$2,000 / \$5,000	
Out of Network Out of Pocket Max (Single/Family)	\$6,000 / \$15,000	
Primary Care Physician Copay (In/Out)	\$30*/40%	
Specialist Copay (In/Out)	20% / 40%	
Retail Clinics Copay (In/Out)	20% / 40%	
Preventive Care*	\$0	
Emergency Room	Deductible / Coinsurance \$100 CoPay	
Pharmacy (Retail)		
Generic	20% (\$10 min / \$40 max)	
Formulary Brand	30% (\$30 min / \$100 max)	
Non-Formulary Brand	50% (\$45 min / \$150 max)	
Pharmacy (Mail)		
Generic	20% (\$5 min / \$80 max)	
Formulary Brand	30% (\$60 min / \$200 max)	
Non-Formulary Brand	50% (\$90 min / \$300 max)	
2013 Full Time Monthly Contribution rates		
EE Only	\$70.69	\$57.40
EE + Spouse / Domestic Partner	\$183.81	\$149.25
EE + Child(ren)	\$127.25	\$103.33
EE + Family	\$247.43	\$200.91

*Not subject to deductible
For the Standard Option:

- **Preventive Care is not subject to deductible if provider is in network; deductible and co-insurance apply if provider is out of network**
- **Deductibles do not apply toward Out of Pocket maximum**
- **Medical Coinsurance apply towards Out of Pocket maximums**
- **Pharmacy co-insurance (and min/max amounts) do not apply towards deductibles but do apply towards Out of Pocket maximums**

(c) Effective **September 12, 2012**, a newly hired employee will be subject to a one (1) calendar month service waiting period before the employee may be covered under the American Airlines Group Life and Health Benefits Plan as described in Article 41. The employee may not purchase coverage under the Group Life and Health Benefits Plan for the first month of employment with American Airlines, Inc. After one (1) month of service, the employee will automatically be placed in the American Airlines Group Life and Health Benefits Plan **in the Core medical plan option** with contributions in accordance with Article 41. Coverage will begin on the day that the employee has completed one (1) month of service with the Company, provided he is actively at work on that day, or on vacation, or on a scheduled day off. Otherwise, the employee will be covered on the date he returns to work.

(d) **To the extent the Company is offering incentives in any Plan Year to employees for participating in the Healthmatters wellness program, employees enrolled in the Standard and Core Plans will be eligible for those incentives provided they meet the criteria (as established by the Company at its discretion) for earning the incentive.**

(e) Dental Plan

Expenses under the Dental Plan 1, excluding Orthodontic and Preventive Expenses will be covered at 80% of reasonable and customary charges, after the deductible is met. Preventive Dental Care will be covered at 100% with no deductible for a maximum of two (2) annual visits per calendar year, subject to reasonable and customary charges. The annual individual plan maximum will be \$1,500. In addition, adult orthodontia will be added with a lifetime maximum of \$1,500.

(f) Life Insurance

The Company will provide several options regarding life insurance.

(1) For an employee whose base monthly salary is \$1,500 or over, his basic life insurance coverage will be two times his base annual salary taken to the next higher multiple of \$100, but not more than \$70,000.

(2) Coverage for an employee under Contributory Plan I will be 50% of his Basic Coverage.

(3) Coverage for an employee under Contributory Plan II will be an amount equal to his Basic Coverage, plus one times his base annual salary taken to the next higher multiple of \$100.

(4) In addition to the above Company provided plans, the TWU will offer an optional Whole Life Insurance Plan for its members. The Company will provide payroll deduction of premiums for employees electing this coverage.

(g) Optional Short Term Disability

The Company provides an Optional Short Term Disability Plan (OSTD). The OSTD plan provides salary replacement of 50%, except where a statutory plan meets or exceeds 50% of salary replacement. The OSTD plan is 100% employee paid. If the employee does not elect to participate when first solicited during open enrollment, evidence of insurability may be required by the carrier providing the coverage.

(h) Hearing Aid Coverage

Expenses incurred at the direction of a physician for hearing aids and examinations in connection therewith are covered under the Major Medical Expense Benefits portion of the Plan **in accordance with the network design outlined in (b) above.**

(i) Vision Plan

The Company **will continue to offer a voluntary vision plan at the same contributions as other workgroups.**

(j) Donor Expenses

Expenses incurred for a donor and/or recipient in a transplant operation are covered under the Major Medical Expense Benefits portion of the Plan.

(k) Dependent Coverage

Dependent coverage is subject to the rules established by the Insurance Carrier and published in Company regulations.

(l) Retiree Medical - effective for retirements on or after November 1, 2012:

(1) Early retirees age 55 – 64 will have access to a Company sponsored retiree medical plan option. Contribution rates for this coverage will be

100% of projected annual expenses (which includes administrative expenses) using data, assumptions, and methodologies for calculating future retiree healthcare costs.

(2) Retirees age 65 and over will be offered access to a guaranteed issue Medicare supplement plan through a third party administrator at the retirees' expense.

(3) The Retiree life insurance benefit will be discontinued.

(4) The Company shall not be required to maintain, fund, or provide for a Company sponsored retiree medical plan or retiree life insurance benefits.

(m) Monitoring Insurance Plan

In connection with the administration and processing of claims under the group insurance plan, the Company will continue to monitor and to urge the insurance company to improve claims processing under the plan.

n) Company's Right to Modify Plan

Although it is the intention of American Airlines, Inc. to continue to make available to its employees a Group Insurance Plan of the type similar to that, which is now available, the Company will reserve the right to modify the Plan consistent with this Article.

ATTACHMENT 41.1 PREFUNDING

September 12, 2012

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

“Employee and Company Prefunding Contributions”

Dear Robert,

During the restructuring agreement negotiations, the parties agreed that upon implementation of the changes to the Retiree medical plan program an active employee who currently prefunds for retiree medical will be refunded the employee’s prefunding account (which reflects investment experience), excluding employees who have already received employee prefunding refunds.

In addition, the parties agreed that contingent on the successful resolution of the Section 1114 process, as soon as practicable after termination of the Trust Agreement for the Group Life and Health Benefits Plan for Employees of Participating AMR Corporation Subsidiaries (Union Employees), the Company prefunding contributions for each participating active employee, and investment earnings attributable thereto, will be distributed to the employee (subject to applicable tax withholdings and/or excise tax), excluding employees who have already received refunds of their employee prefunding accounts. The refund will be made to the employee no later than 120 days following September 12, 2012.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

ARTICLE 42: INTENTIONALLY LEFT BLANK

ARTICLE 43 – PART-TIME EMPLOYEES

The Company may utilize part-time employees in all classifications under this Agreement and at all stations/locations/bases where those classifications are assigned. The provisions of the Agreement will apply except as follows:

(a) Any full-time employee may volunteer in accordance with his seniority to fill a part-time vacancy. A part time employee may, in accordance with his seniority, fill a full-time vacancy at his station/location/base [12(lx)] or, in accordance with his seniority under the provisions of Article 12(l), fill a full-time or part-time vacancy at another station/location/base.

(b) Any vacancy(s) may be declared by the Company to be part time vacancy(s), without regard to pending transfer/upgrade request(s) to the station/location/base with the vacancy(s) and without regard to the existence of furloughed employee(s) with recall rights to the station/location/base with the vacancy(s), but as limited by subparagraph (1) below.

(1) The number of part-time employees will not exceed fifteen per cent (15%) of the employees covered by this agreement. This fifteen percent (15%) ratio will not apply to any particular classification, station, location, or base, but will be on a total system-wide basis

(c) Part-time vacancies may be filled by the Company with the most senior qualified employee requesting to fill the vacancy(s) in accordance with the following order of preference:

(1) System surplus employees (either full-time or part-time) in the same classification, provided they are senior to the most senior employee holding recall rights to that part-time classification;

(2) By an employee with recall rights to the station/location/base;

(3) The following blended in seniority order:

(a) Employees in a full-time or part-time bid classification status in the same city requesting a voluntary demotion under the provisions of Article 12(n) will be offered part-time vacancies;

(b) Transfer requests of employees currently on payroll in the same classification in other cities (Article 12(l) of the Maintenance Agreement blended in seniority order with full-time employees transfer requests in the same classification within the city with the vacancy;

(c) Active full-time employees in the same classification and city as the vacancy and have a transfer on file;

- (4) By employees with valid 12(m) requests on file;
- (5) By employees on layoff status with valid transfer requests on file to the station/location/base;
- (6) By new employee(s).

A full-time employee's refusal of part-time work will not affect that employee's seniority or recall rights under this Agreement.

- (d) A part-time employee will be scheduled in either of the following two (2) methods:
 - (1) No less than four (4) consecutive hours, but no more than six (6) consecutive hours in a work day and for a maximum of five (5) consecutive work days in a work week.
 - (2) For up to eight (8) consecutive hours in a work day, exclusive of a meal period, and up to a maximum of three (3) days in a work week.
 - (a) The employee may be scheduled to work up to a maximum of twenty-four (24) hours in a work week; and
 - (b) The employee may be scheduled to work up to a maximum of three (3) consecutive days which will include some combination of Friday, Saturday, Sunday, or Monday.

Provided, however, employees hired prior to February 11, 1983 will be scheduled for no less than twenty (20) hours per week; and all employees hired after February 11, 1983 and prior to January 1, 1984 will be scheduled for no less than sixteen (16) hours per week under either option above. However, such employees may, at their option, bid for work schedules containing fewer scheduled hours.

(e) No two (2) part-time shifts in a work unit will be scheduled back-to-back within a nine (9) hour period (e.g., no two (2) four (4) hour, no four (4) and five (5) hour, and no two (2) four (4) hour shifts with one (1) hour break). No two (2) part-time shifts within a work unit will overlap for 30 minutes or less.

(f) For a part-time employee scheduled to work in excess of five (5) hours, the Company will schedule a thirty (30) minute unpaid lunch period (if such period is required); and no part-time employee's lunch period will encompass his first hour or his final thirty (30) minutes of work. The provisions of Article 36(b) shall not apply.(1) At times, due to operational problems, a part-time employee may not receive a scheduled thirty (30) minute unpaid lunch period. We have agreed, therefore, that in those instances where a part-time employee who is scheduled in excess of five (5) hours and, for operational reasons, is not granted a lunch period during his tour of duty, will be

eligible for a "penalty lunch" in the form of thirty (30) minutes additional pay at straight-time rates. For example: An employee is scheduled for five (5) hours and forty-five (45) minutes, but due to off schedule operations, is unable to get away for a schedule lunch break during his tour of duty. He will be paid five (5) hours and forty-five (45) minutes for time worked, plus a thirty (30) minute penalty period for not receiving his entitled lunch period.

(2) This agreed-to "penalty lunch" will not be applicable to any employee scheduled to work less than five (5) hours, but whose hours are extended beyond the five (5) hour period. This employee may be scheduled a lunch period at management's option, if in management's view the operation permits. This lunch period may be given during the employee's final thirty (30) minutes of work or waived by the employee. In any case, this employee will not be eligible for a penalty lunch.

(g) (1) A part-time employee scheduled to work on a holiday will be paid one and one-half times (1.5X) for all hours worked and one –times (1X) for the difference between the hours actually worked and the hours normally scheduled on that work day.

(2) Part-time employees regularly scheduled to work five (5) or more days in a workweek will receive holiday payment on the same basis as full time employees.

(3) Part-time employees regularly scheduled to work less than five (5) days in a work week will be eligible for holiday pay for the day on which the holiday actually falls if scheduled to work on the actual holiday. If not scheduled to work on the holiday, he will be paid one-fifth (1/5th) of his regularly scheduled work hours for that work week at straight-time rates for the holiday.

(4) A monthly report of extended hours by shift for part-timers will be maintained at each station and shared with the local TWU President monthly.

(5) For purposes of day-to-day assignments, part time Crew Chiefs may have full-time employees on his/her crew, provided that such full time employees are not part of the basic bid or working a regular full time shift in a utility/support/"as assigned" group. (Vacation relief is not included in this restriction.)

(h) A part-time employee will accrue Company, Occupational and Classification seniority on the same basis as a full-time employee.

(i) A part-time employee will accrue Sick Leave, Vacation, Pension, and Group Life and Health Benefits in accordance with the provisions in the appropriate Articles. Injury on Duty benefits will be in accordance with Article 34. Vacation, Sick Leave and Injury on Duty pay will be based on a part-time employee's normal work schedule. In the case

of a part-time employee in Title Groups I and II, the payment of sick leave will be in accordance with the 50% application contained in Article 34.

(1) Equivalent full-time service is determined by hours paid, not to exceed 80 hours in a bi-weekly period, not to exceed 2080 hours annually, whether paid at straight-time or overtime rates. For example, hours during which overtime is paid are counted in the same manner as straight-time hours without reflecting overtime pay.

(2) Sick Leave:

Upon completion of six (6) months equivalent full-time service (1,040 part-time hours paid), as defined in (1) above, the employee will be credited with twenty (20) hours Sick Leave for use during the balance of that calendar year. Thereafter, Sick Leave credit of three point three (3.3) hours for each 173.3 hours paid is accrued. If, after dividing part time hours by 173.3 the remaining hours are more than 86.6, credit the employee with an additional three and one half (3.5) hours Sick Leave. Remaining hours less than 86.6 are disregarded. The maximum credit in any calendar year is forty (40) hours. Sick Leave, other than the original twenty (20) hours credited, is not usable until January 1 of the year following its accrual.

(3) Vacations:

Vacation accrual is on the basis of equivalent full-time service as followed.

(a) Number of Vacation Days

The number of vacation hours accrued will be determined by length of service (as for full-time employees) adjusted for leave of absence.

(b) Number of Hours Per Day of Vacation

Compensation for a vacation period for part-time employees or employees changing from full-time status to part-time status or vice-versa either in the vacation accrual year or the vacation usage year, will be based on the following.

(1) Total hours worked in the accrual year (not to exceed 2080 hours (eighty (80) hours bi-weekly) divided by 173.3 hours = equivalent months of service (rounded to nearest whole number - 5/10 or above round up, 4/10 or below round down).

(2) Equivalent months of service times the following accrual schedule equals the number of equivalent workdays for pay accrual.

Length of Service as of December 31 or Any Year	Accrual Rate Per Month During The Year Ending Dec. 31	Maximum Vacation Accrual
Less than 5 years	0.5 work day	5 workdays
5 years but less than 10 years	1.0 work day	10 workdays
10 years but less than 15 years	1.5 work days	15 workdays
15 years but less than 20 years	2.0 work days	20 workdays
20 years or more	2.5 work days	25 workdays

(3) Number of workdays from (2) above x 8 hours = total hours of vacation pay.

(4) Total hours from (3) above divided by number of vacation days eligible based upon length of service will equal the hours per days of pay for a part-time employee.

(5) It is not intended that a part-time employee working less than a five (5) day workweek would be eligible for a longer vacation than a full-time employee with equivalent service.

(5 4) Group Life and Health Benefits Plan:

(a) Part-time employees will be covered by Article 41 with the following exceptions in coverage:

(1) Basic term life insurance coverage will be no less than equal to the basic term life insurance provided to any other part-time employee within American Airlines.

(2) Accidental Death and Dismemberment Insurance coverage is \$10,000.

(3) Weekly Income for Accident and Sickness benefits are based on the average of straight-time earnings in the last 6 months

with a maximum benefit of 50% of such average weekly earnings. Maximum benefit will be \$100 per week.

(b) Full-time employees who convert to part-time status will continue to be eligible for all Group Term Life Insurance and Health benefits coverage held as a full-time employee.

(j) Overtime (call in contiguous or within one (1) hour of the beginning of a full-time employee's shift or holdover contiguous or within one (1) hour of the end of a full-time employee's shift) will first be proffered to full-time employees available at the time overtime is required. If those full-time employees are not available for the needed overtime, then the Company may require part-time employees to work beyond their scheduled hours at straight-time rates up to eight (8) hours in a workday. The Company will proffer day-off overtime, when day-off overtime is required by the Company to be worked, to full-time employees before such proffer is made to part-time employees. Part-time employees will be assigned overtime before full-time employees are assigned.

(1) Overtime rates will be paid to part-time employees after eight (8) consecutive hours in a workday have been worked and at the rates provided in this Agreement.

Part-time employees who work in excess of eight (8) hours (excluding lunch) are entitled to overtime in the same manner as full-time employees.

(2) Day off overtime. Time worked on an employee's regularly scheduled day off will be paid as follows:

(a) If an employee has not worked forty (40) hours or five (5) workdays during the workweek, he will receive straight-time pay (1X) for all hours up to eight (8) hours on an employee's day off. Any hours over eight (8) will be paid in accordance with Article 6(a) of this Agreement.

(b) If an employee has worked forty (40) hours or five (5) workdays during the workweek, he will receive one and one half times (1.5X) his regular hourly rate.

(d) The provisions of Article 6(b)(4), 6(b)(5), and Article 25(b) do not apply to part-time employees.

(k) Part-time Crew Chief positions will be bid in accordance with Article 12 of this Agreement. Part-time employees and part-time Crew Chiefs will be excluded from the ratio computation and ratio provisions of Article 11. Furthermore, a part-time Crew Chief will only have part-time employees assigned to his crew except as provided for in Article 43(g)(5).

(l) Part-Time Utilization and Part-Time Review Committee

(1) In connection with part-time utilization, the TWU and the Company have agreed that full-time employees would not be arbitrarily replaced with part-time employees. The intent of this agreement is to insure that flight schedules, volumes, and good business practice dictate the optimal split between full-time and part-time employees at a location.

(2) Further, it is agreed to maintain a joint AA-TWU Part Time Review Committee, composed of two (2) representatives from each party to review utilization of part-time staffing. This Committee will be a standing committee that meets on a predetermined periodic schedule, as well as an ad hoc basis. The Committee will have access to the information necessary for making determinations as to whether the part-time/full-time mix is and continues to be in accordance with the principles outlined above as well as those specific scheduling and staffing provisions outlined in the Agreement. This Committee will review part-time issues brought to its attention, and will take the necessary and appropriate action to resolve those issues.

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

ATTACHMENT 43.1 – PART-TIME UTILIZATION

Re: Part-Time Utilization

During the recent negotiations, the TWU expressed a desire to prohibit the expansion of part-time employees under the Mechanic and Related Agreement. The Company recognizes that it has not utilized part-time employees historically in several classifications and very few in others. In an effort to resolve the matter, the Company does not intend to change its historical application, but at the same time must protect its contractual right in the event the operation requires its application. Therefore, the Company commits to the following:

During the life of this agreement, if the Company was to add part-time positions at locations where they do not exist today, the Company will notify and discuss the plans with the International TWU prior to the implementation of the part-time positions.

(Signed original on file)

ATTACHMENT 43.2 – PAYMENT OF OVERTIME ON C/S (CLARIFICATION)

Re: Payment of Overtime on C/S (Clarification)

A 1996 letter from Mary Fives to field HR Managers described the payment of overtime in conjunction with a C/S when a regular work period of eight hours was contiguous with the C/S. However, the letter did not address what rate was applicable when the regular shift and the C/S are not contiguous. Attached are three Part Time Review panel decisions which help us answer this question.

First, case number M-61-92 tells us that the regular shift and the C/S hours were contiguous. The decision was to pay overtime for hours worked exceeding the C/S. This confirms what is stated in the 1996 Five's letter and is consistent with language in Article 6(a)(1) and Article 6(j) which state:

Article 6

(a)(1) – One and one half times (1.5x) the regular hourly rate for each hour worked in excess of eight hours.

(j) – If overtime on any workday or work week is due to an authorized exchange of days off or shifts by employees (which must be approved in advance by the appropriate supervisor), said time will be compensated for at straight time rates; provided, however, any continuous work, exclusive of meal periods, in excess of eight (8) on any shift or tour of duty will be paid at the overtime rates provided in paragraph (a) and (b) of this Article.

Case numbers M-254-95 and M-425-94 tell us that if there is a break in service (time off between the regular tour of duty and the C/S) straight time rates would apply. This break in service interrupts the continuous nature of the work thereby breaking the time and one half-pay rate.

Example:

Employee works:

0600 - 1430 Regular tour of duty 8 hours	Straight time rates (1 hour break)
1530 - 1930 C/S work 4 hours	Straight time rates
1930 - 2190 Company extension 2 hours	Straight time rates

Given the complex nature of the C/S overtime issue, we recommend that, before authorizing a change of shift, ample consideration be given to the possibility of an extension beyond a C/S and what penalty might be assessed against the Company in the form of overtime when that extension occurs.

ATTACHMENT 43.3 – INTERPRETATION AND APPLICATION OF ARTICLE 43(j)

Re: Interpretation and Application of Article 43 (j)

The following procedure demonstrates the correct interpretation and application of the 43(j) provision and of the M-962-97 Opinion:

First, identify the beginning and end of the overtime need. Then determine the method that will be used to fill the need (Holdover or Call In). If Holdover is chosen, begin at step one. If Call in is chosen, begin at step two.

1. Identify the FT shifts that end within the one-hour window before the overtime need. If no FT, go to step two. If step two has already been completed, go to step three.
2. Identify the FT shifts that begin within the one-hour window after the overtime need. If no FT, go to step one. If step one has already been completed, go to step three.
3. If there are no FT employees in the window at either end, then look for the PT shift nearest the overtime need in either direction (Holdover or Call In, at management option). After identifying the PT shift nearest to the overtime need, the proposed extension of that PT shift redefines the need. Therefore, the one-hour window expands proportionally. Repeat step one (Holdover) or step two (Call in) with the newly defined overtime need and window. Again, management has the option of which method to use to fill the overtime. Therefore, if there are no FT found in the new window, it is not necessary to move to the subsequent step.

Step 3 – Example: Steps one and two were completed and no FT shifts were found on either side of the overtime need. The holdover option is chosen. The chart above shows the end of the PT shift nearest the overtime need is 1300. The overtime need is now redefined to be 1300 to 1600. The one hour window expands proportionally. Prior to proffering to PT, we look for the end of a FT shift within the new one hour window 1200 to 1300. If no FT shift ends within the window, you may proffer to PT. As a reminder, once you proffer an employee, whether it be hold over or call in, you are obligated to continue proffering that option until it has been exhausted.

In summary, in order to ensure you are in compliance with the provisions of Article 43(j), before you extend a PT employee, always look back one hour from the end of the PT shift you are extending. If a shift ends or begins within this window, you must proffer to FT first.

ATTACHMENT 43.4 – MISCELLANEOUS PART-TIME PROVISION APPLICATIONS

From: James Weel
To: James Little
Re: Miscellaneous Part Time Provision Applications

March 1, 2001

In the course of the 2001 Maintenance and Related contract negotiations, the parties sought to reduce the number of letters associated with the agreement by incorporating into relevant articles, attaching to relevant articles, modifying, or in some cases, deleting letters that were no longer applicable. In the course of doing this, more than twenty (20) letters pertaining to Article 43 were addressed. Most letters were eliminated, incorporated into the body of the article, or attached to the article; however this letter represents various important aspects of the application of the part time provision that could not be captured elsewhere. The items listed below represent our mutual understanding of the proper application of the aspects represented in each bullet.

1. First Vacation Eligibility (from letter dated 2/3/84):

Q. Must a part time employee have completed six months with the Company before being eligible to take his first vacation?

A. No. An employee is immediately eligible to take any vacation that has been accrued in the previous calendar year, even if he has not yet completed six (6) months.

2. Eight (8) hour part timers/ Holidays (from letter 10/14/85):

This will confirm our discussions on the provisions of Article 43 (d) (2) of the Labor Agreement effective September 1, 1985, pertaining to part time employees who may be scheduled for up to eight (8) hours on specified days. If any of these days should fall on a holiday and a reduced workforce is needed on these holidays, full time employees will have preference over such part time employees for eight (8) hour shifts on the actual holidays.

3. Part timer CS/ Holiday pay (from letter 12/16/96):

Q. If two part timers are scheduled to work the holiday and one part timer agrees to work for the other part timer (CS), how is each employee compensated?

A. All hours worked on a holiday, regardless if part of the employee's shift is the result of a CS, are paid at 1.5X his regular rate of pay. The holiday moves for the other employee who CS'd off to his next scheduled work day.

4. Part time Holidays and Vacations (from letter 11/17/83):

Holidays-for the purposes of canvassing for volunteers, either full time or part time, and notification of those required to work on a holiday will be done on separate lists within the classifications and/or work units.

Vacations:

- A. Full time vacation selection and part time vacation selections will be administered as separate lists and vacation relief will be administered on separate schedules

The following is an alternative proposal that may be elected on a city-by-city basis:

- B. All vacation selections at a station/work unit/department will be posted for selections, full time and part time, as one common vacation list. Vacation relief selections will also be administered on one common vacation relief schedule. The Company will attempt to provide proper numbers of full time and part time vacation relief selections commensurate with scheduled vacations for the bidding period and whenever possible full time employees will relieve full time employees, and part time employees will only relieve part time employees. However, when necessary due to vacation selections not balancing with vacation relief employees (part time to part time, full time to full time) part time employees bidding and being awarded vacation relief selections may be assigned to relieve full time employees.

6. Cross utilization (from letter 11/17/83):

Available work in a higher classification which is planned to continue in excess of a four (4) week period for the appropriate work unit will be posted for bid and assigned to the most senior available employee bidding, subject to the classification qualifications including licenses.

7. Temporary upgrade (from letter 4/5/84):

- Q. Can a part time employee fill a locally posted temporary upgrade?
- A. If there are no full time volunteers, then the senior part time employee volunteering is entitled to fill the full time crew chief vacancy on a temporary basis. For that temporary period, he would be a full time crew chief eligible to supervise the work of full time and part time employees.

These excerpts have attempted to cover most of the areas of question that are not otherwise covered in the agreement.

(Signed original on file)

ARTICLE 44 - INTENTIONALLY LEFT BLANK

ARTICLE 45 – EFFECT ON PRIOR AGREEMENTS

- (a) This Agreement will supersede and take precedence over all Agreements, Supplemental Agreements, Amendments, Letters of Understanding, and similar related documents executed between the Company and the Union prior to the signing of this Agreement, provided that all rights and obligations, monetary or otherwise, which may have accrued because of services rendered prior to the effective date of this Agreement, will be satisfied or discharged.
- (b) The attachment on the following page is agreed to by the parties and is incorporated as part of the Agreement.

ATTACHMENT 45.1 – LOCAL AGREEMENTS

From: A. Pasciuto
To: Ernest Mitchell
Re: Local Agreements

August 9, 1980

During our negotiations on amendments to the current Basic Agreement, we have discussed problems regarding side agreements, practices and exceptions developed at local stations over the years.

This will confirm our agreement that, effective as of the date of ratification by TWU members of the amendments to the current Basic Agreement, all local side agreements, practices, and exceptions, whether written or unwritten, which conflict with the terms and conditions of the Basic Agreement (including the appendices, letters and memoranda attached thereto), or which are not expressly provided for in such Basic Agreement and limit the Company in the exercise of its management rights, shall be null and void unless such local agreement, practice, or exception has been approved in writing by the International Vice President, Air Transport Division, and the Vice President-Employee Relations of the Company, or their designees.

Any dispute as to the interpretation or application of this Agreement will be settled by following the grievance procedures specified in the Basic Agreement.

(Signed original on file)

ARTICLE 46 – ONE STATION AGREEMENTS

(a) The following nine (9) sets of two (2) or more stations will be treated as one station per set:

(1) Houston Hobby Airport (HOU) and Houston Intercontinental Airport (IAH), the combined stations known as 1HO

(2) John F. Kennedy Airport (JFK), LaGuardia Airport (LGA), Newark Airport (EWR), and Islip Airport (ISP), the combined stations known as 1NY.

(3) Chicago O'Hare Airport (ORD), Chicago Midway Airport (MDW), and Milwaukee Airport (MKE), the combined stations known as 1OR.

(4) Los Angeles Airport (LAX), Burbank Airport (BUR), Santa Ana Airport (SNA), Ontario Airport (ONT), and Long Beach (LGB), the combined stations known as 1LA.

(5) San Francisco Airport (SFO), San Jose Airport (SJC), and Oakland Airport (OAK), the combined stations known as 1SF.

(6) Washington Reagan Airport (DCA), Dulles International Airport (IAD), and Baltimore Washington International Airport (BWI), the combined stations known as 1WA

(7) Miami International Airport (MIA) and Fort Lauderdale Airport (FLL), the combined stations known as 1MI.

(8) Dallas Fort Worth Airport (DFW), Love Field Airport (DAL) the combined stations known as 1DF.

(9) **Under a reduction in force only will DFW and DWH be considered as a one station set. (For Title I see LOM 6)**

(10) Tulsa Maintenance Base (TULE) and Tulsa Airport (TUL), the combined stations known as 1TU.

(b) An employee who is based at any of these One Station Sets will be:

(1) Given preference over an employee from a station outside the one station set with respect to Bid Job Vacancies, Non-Bid Vacancies, and Reclassifications.

(2) Deemed to be based at the one station set in the event of:

(a) A surplus of employees at one station within the one station set when vacancies exist at other stations within the one station set.

- (b) A reduction in force at one station within the one station set when there are no vacancies available at other stations within the one station set.
- (c) A reduction in force at any or all of its stations.
- (d) A recall of laid-off employees to any or all of its stations.
- (e) Temporary assignments between stations within the one station set.

(c) Bid Job Vacancies

(1) A bid job vacancy will be filled by honoring requests of qualified employees for reassignment from one station to another station within the one station set. To be considered qualified, the employee must hold, as a result of having been selected as a successful bidder, a job in the same classification as the vacancy and involving the same requirements, including qualifying tests and completion of the trial period. The method for an employee to let his request be known is the same as outlined in Article 46(d), entitled Non-Bid Job Vacancies.

(2) Vacancies remaining after the requests have been honored are to be posted for bid in accordance with the requirements of the Agreement.

(d) Non-Bid Vacancies

(1) When a non-bid vacancy arises within the one station set, requests for lateral reassignment between its stations will be honored before transfer requests from stations outside of the one station set are considered, and before new employees are hired. An employee wishing to be reassigned should file a written request for such reassignment with his supervisor. All requests will be valid until the following January 1st and July 1st. Each January 1st and July 1st, a request for reassignment not submitted within the preceding thirty (30) calendar days will be voided, and it will be necessary for a new request to be submitted. Under this procedure, the Company will not require, as a condition of being eligible to request reassignment, that an employee have completed six (6) months of service in his current job; provided, that an employee will normally (except as set forth in the next sentence) be required to have completed his probationary period before being eligible to request such reassignment from one station to the other. It is agreed that the Company will recognize an approved (Union and Company) six (6) month waiting requirement waiver, if the Company is anticipating hiring off the street at the station or location.

(2) Selection to fill a vacancy will be made on the basis of the most senior qualified employee in the same status requesting the reassignment. Upon

award, the employee will be reassigned within fifteen (15) calendar days, unless agreed to otherwise by the employee. Employees on medical restrictions are not eligible for reassignment to a vacancy under Article 46(d), unless qualified to perform all duties of the vacancy.

(3) If there are no requests, or an insufficient number of requests to fill all vacancies, requests for transfer on file from stations outside the one station set, as provided in Article 12(l), will be honored.

(e) Reclassification

If an employee is eligible for upgrading from one classification to another, in accordance with Article 12(m), this will be done within the one station set prior to offering the upgrade opportunity to an employee from a station outside of the one station set.

(f) Surplus Employees at One Station, Shortage at Another Station Within the One Station Set

(1) Where there is a surplus of employees at one station and a corresponding shortage of employees at another station within the one station set, the number of employees involved will be equalized through reassignment of volunteers, if any. Selection of volunteers will be made on the basis of the most senior qualified volunteers. If no employee volunteers or an insufficient number volunteer, then the selection will be made on the basis of the most junior qualified employee from the surplus at the one station to the shortage at the other station.

(2) If an employee who is the most junior of those who are surplus refuses reassignment to the station where there is a shortage, then the employee may accept layoff with recall rights to the original station of surplus, blended in seniority order with transfers from other stations within the one station set. An employee who accepts layoff as described above will not be afforded the provisions outlined in Article 46(g) or the provisions of Article 15 of this Agreement. The equalization of any employee surplus and/or shortage as between the stations of the one station set will precede the honoring of any requests for transfer to or reassignment between those stations as provided in Article 46(c) and 46(d).

(g) Reduction in Force

If there is a surplus of employees at one station but no corresponding vacancy at the other stations, there is a surplus within the one station set, and a reduction in force becomes necessary to be made as follows:

(1) Lay off the most junior employee who is surplus within the one station set.

- (2) The employee may accept layoff or exercise his seniority within the one station set or on the system, in accordance with the provisions of Article 15 of the Agreement.

It is understood between the parties that in the Crew Chief classification, the Crew Chief will have the option of displacing the lowest senior Crew Chief of the one station set or to exercise his seniority to displace a non bid position/vacancy at his current station.

(h) Recall

Employees, involuntarily moved from one station to another station within the one station set as a result of a reduction in force, will maintain recall rights back to the original station. This recall will not be applicable to any bid job that was affected by a reduction in force. Vacancies existing after the preceding recalls have been processed at any station are considered a vacancy within the one station set, and the recall of a laid-off employee (one who left the one station set or separated from the payroll) will be to that vacancy and in accordance with Article 16.

(i) Expenses

Where an employee is reassigned from one station to another station within the one station set, whether by employee request or by direction of the Company, no expenses incurred as a result of that move will be paid by the Company.

(j) Temporary Assignments Between Stations

Employees regularly based at one station will not be assigned to work at another station within the one station set, except in the event of an emergency, alternate field operations, including current practices.

- (1) When those assignments are made, employees will be regarded as working and will be paid their base hourly rate while traveling from one station to another station within the one station set.

- (2) When an employee, regularly assigned to one station, is assigned to duty at another station within the one station set, his transportation costs will be reimbursed in accordance with the applicable Company policy.

- (3) All assignments will be offered to the senior qualified employee from the station and work unit from which the Company determines the manning will be sent. If there are not enough volunteers, the most junior qualified employee will be assigned.

(k) Changes to One Station Sets

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 – Maintenance and Engineering, American Airlines, will be held for the purpose of reviewing the long term implications of staffing in new cities by TWU represented employees. Any changes must be mutually agreed to by the parties.

ARTICLE 47 – DURATION OF AGREEMENT

THIS AGREEMENT will become effective as of **September 12, 2012** and will continue in full force and effect until and including **September 12, 2018** and will renew itself until each succeeding **September 12** 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 no earlier than **sixty (60)** calendar days **on or after September 12, 2016 [24 months prior to amendable date]**

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 those 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.

IN WITNESS WHEREOF, the parties have entered this Agreement on the 12th day of September 2012, and have signed this Agreement on September 12, 2012.

FOR TRANSPORT WORKERS
UNION OF AMERICA

FOR AMERICAN
AIRLINES, INC.

James C. Little
International President
Transport Workers Union

Denise Lynn
Sr. Vice President
People

Garry L. Drummond
International Vice President
Director – Air Transport Division
Transport Workers Union

Laura Einspanier
Vice President
Employee Relations

Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union

James B. Weel
Managing Director
Employee Relations

Donald M. Videtich
International Representative
Air Transport Division

Mark Nelson
Principal
Employee Relations

Anthony McCoy - TWU
International Staff Specialist
Air Transport Division

WITNESS:

Bob Owens
Jorge Rojas
Paul McCormick
Gary Peterson
John Ruiz
Charles Meyers
Howard Blaydes
John Mizwa
Larry Pike
Glenn Jeanes
John Hewitt
Brian McMahon
Donald Dougherty
Robert Todd
John Compton
Vincent Argentina
Paul Hildmann
Eddie Suarez
Scott Reardon
Bill Houseman

WITNESS:

James Ream
Ken Durst
Bill Collins
Mark Easton
Kevin Lyons
Evita Rodriguez
Russ Newill
Chuck Beaston
David Vance
Gary Bird
Joe de la Cruz
Matt Pfeifer
John Shelburg
Richard Czuchlewski
Thomas Wilson

LETTER OF MEMORANDUM – 1 – 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 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)

LETTER OF MEMORANDUM – 2 – 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)

LETTER OF MEMORANDUM – 3 – 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)

LETTER OF MEMORANDUM – 4 – AFW, **DWH** AND TULE CHRISTMAS BASE CLOSING

From: James B. Weel
To: James C. Little
Re: AFW, **DWH** and TULE Christmas Base Closing

Revised September 12, 2012

This will confirm our agreement that the AFW, **DWH** and TULE Maintenance Bases will be closed for one (1) week during the Christmas holiday period, requiring all employees to take vacation. (Except the Central Utility Plant, Coffee Maker/Oven Shop, Slide Shop and the Battery shop at AFW **DWH** and Central Utility in Tulsa.)

Administrative details will be determined by mutual agreement. The actual weeks of closure will be determined by mutual agreement.

Due to operational requirements, employees may work during the Christmas Base closure period under the following procedures:

Prior to the start of vacation selection, the Company will identify the areas and the manning requirements needed for the following years Base Closure period. The employees will be allowed to sign a volunteer sign-up sheet showing his desire to work during the following year's Base Closure Period.

- a. Volunteer assignments will be awarded by occupational seniority and notified of their ability to work, by posting, no later than seven (7) calendar days prior to the start of the normal vacation selection.
- b. Employees in those shops, docks, or work units identified for the base closure may volunteer to work, for option blocks available by seniority if operationally required, up to the number of employees needed within each shop, dock, or work unit.
- c. Volunteers who are selected will be required to report for duty during the Period of Base Closure and, accordingly, will be guaranteed work or compensation in lieu of work, if work is not assigned.
 1. An employee volunteering to work and then subsequently transferring to another shop/dock/work area will be allowed to volunteer in his new area if his seniority will allow, or the employee will be allowed to fulfill his obligation to work in the shop/dock/work area where he had previously volunteered.
 2. Employees volunteering to work are volunteering to work any shift. Every attempt will be made to assign volunteers to work their

normally scheduled shift; however, due to operational requirements, employees may be reassigned to other shifts by inverse seniority only.

3. Employees scheduled for vacation or FLEX vacation during the base closure period may volunteer to work and be compensated in accordance with Article 8 and applicable IRS laws. Employees who have selected POH may also volunteer to work

Note: Current IRS guidelines do not allow for deferring Flex Vacation into the following year, regardless of what week your Flex vacation was scheduled.

4. All provisions of the current AA/TWU labor agreement will apply.
- d. If additional employees are needed to work base closure, the following will apply:
1. Employees in those shops, docks, or work units identified for the base closure may volunteer to work, if operationally required, up to the number of employees needed within each shop, dock, or work unit. If option blocks were offered prior to previous vacation selection a year in advance, the same offer must be maintained.
 2. If an employee volunteered during the previous vacation selection a year in advance, he will be allowed to work additional days if available.
 3. Volunteer lists will be posted and awarded in each shop, dock, or work unit thirty (30) days prior to the start of the base closure period.
 4. Volunteers will be selected by Occupational Seniority to work within their own respective shop, dock, or work unit. Every attempt will be made to assign volunteers to work in their regularly assigned work area; however, due to operational requirements, volunteers may be reassigned to other work areas by inverse seniority only.
- e. In the event there are insufficient volunteers:

Employees with scheduled vacation, FLEX vacation, POH and not volunteering will not be required to work.

On the Aircraft docks only, if additional volunteers are needed, they will be selected from within the appropriate **Hangar Operation Center (HOC)**. In the event of insufficient volunteers, no employee will be required to work.

Employees not able to select vacation, Flex vacation, or POH will be allowed to work.

- f. A separate volunteer list will be maintained and posted for each classification (e.g. Crew Chief, Inspector, Aviation Maintenance Technician, Plant Maintenance Mechanic, Overhaul Support Mechanic, etc...). Crew Chiefs may volunteer to work as a Crew Chief and may volunteer to work in their non-bid classification. Assignments will be made in accordance with the above procedures and Crew Chiefs volunteering to work in their non-bid classification will be allowed to work within each shop, dock, or work unit by operational seniority.
- g. Unless otherwise noted, the holiday will be observed on the first day following the employee's vacation or days off in accordance with Article 7.
- h. Overtime work required on the days off either preceding or following the base closure/vacation week (unless otherwise noted) will be solicited in accordance with the local overtime administrative guidelines within each shop, dock, or work unit.
- i. Holiday work required on the designated Holiday Off (unless otherwise noted) will be solicited in accordance with the local holiday administrative guidelines within each shop, dock, or work unit, provided that no employee will be required to work the holiday or days off preceding the base closure period.

(Signed original on file)

LETTER OF MEMORANDUM – 5 – 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 related 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 related 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)

LETTER OF MEMORANDUM – 6 – DWH OPERATION

From: James B. Weel
To: Robert F. Gless
Re: DWH Operation

September 12, 2012

This will confirm our understanding reached during the discussions leading up to 1113C Bankruptcy proceedings for Title I employees.

- DWH will be identified, in the Collective Bargaining Agreement and the Qualification Administration Manual (QAM), as a Base and a separate station from DFW.
- In the event of a reduction in force, permanent shutdown, or temporary station closure of DWH or DFW, any incumbent member, of the local TWU, will be allowed an additional option “to exercise their Occupational Seniority at the other station, provided they have Occupational Seniority to do so,” all others will *only* be allowed to exercise their seniority in accordance with Article 15 and 16 respectively.
- DWH will maintain the following classifications. Examples of these classifications and skills are:
 - Quality Control
 - Crew Chief / Technical Crew Chief / AMT – Systems
 - Crew Chief / Technical Crew Chief / AMT – Structures
 - Crew Chief / Technical Crew Chief / AMT – Avionics
 - Overhaul Support Mechanic (OSM)

Additional Base skills may be added to meet the need of the operation; however, the Company will meet and confer with the TWU prior to the addition of the new skill. Examples of these are:

- AMT – Machinist
 - AMT – Welder
 - Cleaners
- New hire employees and transfers into DWH will be restricted from moving outside the station in accordance with the provisions of Article 12.
 - Vacation selections will be administered in accordance with Article 8.

- **Base Closure will be administered in accordance with Letter of Memorandum 6**
- **Each work unit will have a separate overtime distribution list and overtime will be administered in accordance with the Base Maintenance Overtime Guidelines.**
- **Under the Company Business Plan, upon the closure of the AFW Maintenance Base the following shops and appropriate headcount, including OSM's, will be reassigned to DWH, as agreed upon by the company and union.**
 - **Slide Shop**
 - **Coffee Maker / Oven**
 - **Battery**
- **The OSM's percentage at DWH will be capped at 30% of the total population of Title 1 employees at DWH. Prior to adding additional OSM's to the station, the company will meet and confer with the TWU to provide the number and shop to which the OSM's will be utilized.**
- **The Company will meet and confer with the TWU prior to any expansion of the facility, outside the items contained in this letter of agreement.**

(Signed original on file)

LETTER OF MEMORANDUM – 7 – MAINTENANCE SUPPORT PERSON UTILIZATION

September 12, 2012

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

Dear Robert,

During the restructuring agreement negotiations the parties agreed to expand the duties of a Maintenance Support Person (MSP). This change would require a review of local procedures to ensure that the MSP could be fully utilized as intended; e. g. a MSP would be solicited for overtime to cover MSP work.

Therefore, a review of all local procedures will be conducted by local Management. If it is determined that a specific procedure needs to be addressed, the Manager will do so with the local TWU Representative. If a resolution is not reached the Manager may make the necessary changes to resolve the issue. If the local TWU Representative believes that the change will result in a violation of the agreement he is free to seek relief under Article 29 or 31, whichever is appropriate.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

LETTER OF MEMORANDUM – 8 – LOCAL LETTERS OF AGREEMENT

September 12, 2012

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

Dear Robert,

During the restructuring agreement negotiations the parties agreed that the following letters of agreement would be no longer in force.

- ORD Overtime Agreement
- STL Overtime Agreement
- NE Wallen Report Policy
- MIA Overtime Agreement
- LAX Overtime Agreement
- SFO Overtime Agreement
- DFW Overtime Agreement
- ORD Field Trip Policy
- STL Field Trip Policy
- MIA Field Trip Policy
- LAX Field Trip Policy
- SFO Field Trip Policy
- DFW Field Trip Policy
- ORD Holiday Off Distribution
- STL Holiday Off Distribution
- DFW Holiday Off Distribution
- ORD Labor Loan – Movement of Personnel Policy
- STL Labor Loan – Movement of Personnel Policy
- DFW Reassignment of Manning Procedures
- ORD Avionics-Mechanic Work Assignment Procedures
- MIA Avionics/AMT Work Assignment Procedures
- DFW Avionic/AMT Work Assignment Procedures
- ORD Man for Man Coverage Procedures
- ORD Shift Bid Procedures
- STL Shift Bid Procedures
- NE Shift Bid Procedures

- DFW Shift Bid Procedures
- MIA Shift Bid Procedures
- LAX Shift Bid Procedures
- SFO Shift Bid Procedures
- ORD Floating VC Day Policy
- ORD Personal VC Days Policy
- 12(m) Upgrade to AMT (QAM)
- DFW Fuel Tank Work Procedures
- ORD Fuel Tank Work Procedures
- MIA Fuel Tank Work Procedures
- Line Maintenance International Work Letter

Any future Local Letters of Agreement(s) must meet the provisions of Attachment 45.1, and must be approved in writing by the International Vice President, Air Transport Division, and the Vice President-Employee Relations of the Company, or their designees.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

LETTER OF MEMORANDUM – 9 – AVIONICS UTILIZATION

September 12, 2012

From: James B. Weel
To: Robert F. Gless
Re: Avionics Utilization

During our recent negotiations, we discussed the Company's position regarding Avionics personnel and their utilization within Line Maintenance. This letter outlines the issues discussed and agreed to by the Company and the Union.

Recognizing the need to improve our competitiveness, the Company expressed a need to streamline the Avionics department by narrowing and focusing the primary scope of the Avionics personnel. At the same time, the Company has made clear its intention to expand the skills of the General AMT population to include avionics skills for new and existing fleet types. However, until such time as the Company attains the appropriate level of avionics skill within its General Line Maintenance AMT population, the Company will maintain the Avionics job test area in Line Maintenance. This letter also confirms our understanding that our [mutual] intent is to not extend the Avionics work or scope in operations where it does not function today.

While it is understood that in most instances, during normal work hours, the alignment of work will be in line with the below processes and duties, nothing precludes Line Maintenance AMTs in either the Avionics AMT job test area or the General AMT job test area from doing any bill of work or performing duties for which they are qualified. Avionics AMT's will accomplish their assigned work utilizing a "Cradle to Grave" concept unless otherwise directed by management. When necessary for operational efficiency, AMT's may be cross-utilized between the two job test areas while on shift.

Avionics AMT's Processes and Duties:

- Troubleshoot wiring, relays, defective connectors and contactors of any aircraft system.
- Auto Pilot/Auto flight Systems
- Communication Systems
- Power Systems
- Instruments/ Navigation systems
- Lower Minimum Program

The Parties agree to form a Committee comprised of TWU and Management, to review and recommend possible changes to the above scope of work.

This letter constitutes the sole letter in place between the Company and the TWU with regard to Line Maintenance Avionics. All other letters are null and void.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

LETTER OF MEMORANDUM – 10 – EARLY OUT

September 12, 2012

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

Early Out Incentive Allowance

Dear Robert,

During the 2012 restructuring negotiations, the TWU expressed an interest in reaching an agreement on an Early Out program that would provide a means to mitigate involuntary furloughs for TWU represented employees.

In the interest of reaching a consensual agreement for those TWU employee groups that will experience furloughs as a result of the terms and conditions agreed to within the respective AA/TWU restructuring agreements, the Company agrees to provide the following incentives on a one time basis:

Eligibility: Any TWU represented employee covered by the Mechanic and Related, Fleet Service, Stock Clerk, Dispatch or Maintenance Control Technician agreement who is on active payroll or an approved Leave of Absence as of September 12, 2012

- 1. For employees who were system or station protected prior to September 12, 2012 and who are subject to a reduction in force in accordance with Article 15 of the AA/TWU agreements in connection with implementation of the restructuring agreement:**
 - a. Provide regular severance in accordance with Article 37 of the AA/TWU agreement, except for the additional two (2) weeks under Article 37(f).**
 - b. Provide the \$12,500 special severance payment under Article 44**
 - c. In order to receive a. and b. above, the employee will be required to forfeit all seniority, and relinquish any and all claim for re-employment and recall.**

2. For all employees, whether affected by a reduction or force or not, who are willing to voluntarily separate from the Company to reduce the involuntary reductions at that station or on the system and who are 45 years of age or older and have 15 years or more of Company seniority, the Company will:

a. Provide regular severance in accordance with Article 37 of the AA/TWU agreement, except for the additional two (2) weeks under Article 37(f).

b. Provide the \$12,500 special severance payment under Article 44 (if the employee was system or station protected prior to DOS)

c. Provide a \$10,000 separation allowance for full time employees/\$5000 for part time employees

d. In order to receive a., b. and c. above, the employee will be required forfeit all seniority, and relinquish any and all claim for re-employment and recall.

e. The Company has committed to granting all Early-Out requests for eligible Title I and Title II employees. Employee's last day of work will be dependent on the operational requirements, but the Company will consider seniority and an individual's preference to the extent possible when awarding dates. The Company will commit to working with the Locals to assist with exit dates of those who select an Early-Out.

The above will result in employees electing lay off and receiving severance outside the normal operation of Article 15 and Occupational seniority, therefore this agreement requires the International TWU's agreement. If you agree with the 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

Examples of estimated pre-tax payout amounts by TWU classification

	<u>Regular Severance¹</u>	<u>Sys. Protection Special Severance</u>	<u>Special Incentive</u>	<u>Total</u>
AMT - Line	\$17,030	\$12,500	\$10,000	\$39,530
AMT - Base	\$16,744	\$12,500	\$10,000	\$39,244
OSM	\$11,450	\$12,500	\$10,000	\$33,950
PM Mech - Line	\$15,314	\$12,500	\$10,000	\$37,814
PM Mech - Base	\$15,028	\$12,500	\$10,000	\$37,528
PMM	\$9,989	\$12,500	\$10,000	\$32,489
A/C Cleaner Parts	\$9,672	\$12,500	\$10,000	\$32,172
Washer Utility	\$9,937	\$12,500	\$10,000	\$32,437
Person Cabin	\$9,209	\$12,500	\$10,000	\$31,709
Cleaner	\$4,290	\$12,500	\$10,000	\$26,790
Bldg Cleaner	\$4,290	\$12,500	\$10,000	\$26,790
FSC - FT	\$11,159	\$12,500	\$10,000	\$33,659
FSC - PT	\$7,811	\$12,500	\$5,000	\$25,311
Ground Svc.	\$11,159	\$12,500	\$10,000	\$33,659
Stock Clerk	\$11,159	\$12,500	\$10,000	\$33,659
MCT	\$21,788	\$12,500	\$10,000	\$44,288
Dispatch	\$25,548	\$12,500	\$10,000	\$48,048

¹Assumes 13 weeks' severance at max. rate including applicable premiums

LETTER OF MEMORANDUM – 11 – “ME TOO, PROVISION”

REMOVED DUE TO IMPLEMENTATION OF MEMORANDUM OF UNDERSTANDING.

LETTER OF MEMORANDUM – 12 – PROFIT SHARING PLAN

REMOVED DUE TO IMPLEMENTATION OF MEMORANDUM OF UNDERSTANDING.

**LETTER OF MEMORANDUM - 13 – SMS, ASAP AND JUST POLICY
CLARIFICATION**

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

September 12, 2012

**Re: Safety Management Systems, Aviation Safety Action Partnership and Just
Policy Clarification**

The primary purpose of the following is to ensure the critical elements listed below are protected as they relate to Transport Workers Union membership and their role in the American Airlines Safety Management System, the Just Policy and Safety Culture initiatives, and any other collaborative related programs.

It is also understood by the parties that nothing in the Just Culture policy or the ASAP program will supersede a members right to Union Representation and will be afforded the rights as described in Article 29 paragraph (f) for any and all aspects of the process.

In accordance with the Just Policy Memorandum of Understanding between the TWU and American Airlines signed on June 15, 2011:

- a) For coaching/counseling conducted by the ASAP ERC, the ASAP ERC may coach/counsel individuals when At Risk Behavior (or repetitive At Risk Behavior) is identified. All actions taken for accepted ASAP reports involving Human Error or At Risk Behavior will be tracked in the confidential ASAP database (CERS/WBAT) or agreed to equivalent. The ASAP Program Manager will have primary authority for reviewing the database for potential repetitive behaviors to be discussed by the ASAP ERC per the M&E ASAP MOU.**
- b) All coaching/counseling of At Risk Behavior identified during a MEAA investigation will be conducted by a Just Culture certified Compliance Manager/Specialist. All coaching/counseling of At Risk Behavior will be documented in the confidential MEAA database within the associated**

event. Coaching/counseling and identification of repetitive At Risk Behavior will be conducted per the Just Policy.

- c) All details related to coaching/counseling of At Risk Behavior as the result of a MEAA or ASAP investigation will remain confidential, documented by the Company only within the respective program database, and will not be used to support any current or future case for corrective/disciplinary action.
- d) Any information gathered in a MEAA or ASAP investigation will not be used against an employee in any other forum.
- e) Coaching/counseling records (MEAA/ASAP) will only be reviewed by a qualified member of the DOM Compliance Team or the ASAP ERC to identify repetitive At Risk Behaviors for review and action taken per the Just Culture Algorithm™.
- f) Records of coaching/counseling of At Risk Behavior identified in a MEAA or ASAP investigation will not be considered corrective/disciplinary action, or grounds for future disciplinary action.
- g) Beginning a disciplinary investigation, may only be initiated as the result of a determination of reckless behavior or repetitive at-risk behavior that may warrant some form of corrective/disciplinary action. The determination of reckless behavior or repetitive at-risk behavior is made only by a Just Culture certified Compliance Manager and ratified by the DOM and TWU SFCC or the DOS, or the ASAP ERC Committee per the Just Policy.
- h) No member of DOM Compliance Team or the ASAP ERC team who has investigated an incident will be allowed to participate in any other investigation or hearing. At no point will Human Resources or any AA Representative involved with an investigation, be provided with or use any portion the information disclosed in an ASAP, Just Policy, or MEAA; including access to any ASAP, MEAA, or Just Policy Database.

In order to provide the qualified resources necessary to support the TWU membership in the Safety Management System, Just Policy and Safety Culture initiatives, the company will provide two TWU resources for Base Maintenance, and two resources for Line Maintenance. These resources will be designated Safety Management System positions and will fall under the Director of Maintenance organization. The Director of Maintenance will maintain AutoTA and approve and cover company related expenses for the resources.

Safety Management System positions will be responsible for leading, training and coordinating with the TWU workforce these Safety Management System functions:

- **Just Culture/Just Policy**
- **MEAA Investigations**
- **ASAP/Voluntary Reporting**
- **Self-Audit Programs**
- **CASS Process**
- **FOQA**
- **Maintenance LOSA**
- **FAA/NTSB Related Events**

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

LETTER OF MEMORANDUM – 14 – M&E BUSINESS IMPROVEMENT PROCESS

September 12, 2012

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

RE: Business Process Improvement

During the recent pre-1113c negotiations that led to the signing of the Agreement between American Airlines, Inc. (“American”) and the Transport Workers Union of America, AFL-CIO (“TWU”) covering Aviation Maintenance Technicians and Plant Maintenance employees effective September 12, 2012, the parties discussed developing a Business Improvement Process.

American Airlines and the Transport Workers Union firmly believe that the future success of our Maintenance and Engineering is directly dependent upon its people. Both parties recognize that when our employees and Union members are fully engaged and involved in decisions that affect them, we improve our ability to exceed our customers’ and shareholders’ expectations and we are more likely to win customers and keep American jobs in the United States of America.

The Transport Workers Union and American Airlines have worked collaboratively in the past, demonstrating the value of combining our intellectual resources to cut costs, improve quality and increase overall value of the Maintenance and Engineering business unit to the company and its shareholders. The parties agree that formalizing our agreement to collaborate serves the interests of American Airlines and the Transport Workers Union. The focus of our collaboration will be in areas of business process improvements that enable us to secure our position of leadership in commercial aircraft maintenance.

Purpose

The purpose of this memorandum is to establish a mutually agreed Business Improvement Process that supports the mutual interests of American Airlines and the Transport Workers Union. The parties agree to work together to create a customer-focused workplace where we continuously deliver the highest quality, best value products and services to our customers, while serving the interest of the employees by protecting jobs and employee wages.

It is mutually agreed that a highly competitive, customer-focused workplace is achieved when the Union and the Company work collaboratively to:

- Continue to seek methods and processes that involve employees in improving the way work is performed so that the employees' skills and abilities are effectively utilized without breaking contractual agreements. In this manner, improvements can be made in operating effectiveness for customers and result in more job satisfaction.
- Sustain and empower self-directed teams who have clearly defined goals and tasks with more authority and responsibility.
- Continue to explore approaches, which will help increase team stability, while protecting existing employee rights and educate employees to better understand customer needs and company goals.
- Successfully implement Business Process Improvement efforts so that decisions are made at the lowest appropriate level to expedite the decision-making processes required by customers resulting in reducing redundant activities.

Empowerment

The method of obtaining success will be through Empowerment Efforts. This approach is an aggressive, highly structured process of transferring responsibility, authority, accountability, and decision-making to high-performing, self-directed work teams.

The following business improvement opportunities are intended to be illustrative and not necessarily an all-inclusive list of targets that management and Union may jointly choose to address. The list may be revised, added to, or otherwise modified by mutual agreement of both parties.

- Workload Allocation
- Communication
- Manpower and Time Standards
- Cost and Performance Benchmarking
- Training
- Safety and Compliance
- Maintaining Certifications
- Work Area Configuration
- Business Process Standardization
- Continuous Process Improvement

Specific Goals and Objectives in Performance

In following areas Union and Company agree to accomplish the above business improvement opportunities to become best in class.

- Engines
- Landing Gear
- CRC
- Wheel and Brake
- CRO
- Airplane Overhaul
- APU Center
- Line Maintenance

Summary

While change is difficult, we jointly understand that in the current, highly competitive, constantly changing global marketplace in which we are engaged, we must continue to change to create a workplace so that our customers are continuously delivered the highest quality, best value products and services, delivered efficiently and economically, while serving the interest of employees by enhancing the work environment and safety, improving job security and employee wages

Business Process Improvement is our jointly designated effort to transform our respective roles, satisfy our customers better than any competitor, and ensure our mutual success. The parties recognize that this continuing endeavor depends upon the ability of employees and the Company to grow and prosper.

The provisions of this letter apply only to those terms mutually agreed by the Union and the Company.

Sincerely,
{Original Signed on File}

Agreed to:
{Original Signed on File}

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

Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO

LETTER OF MEMORANDUM – 15 – HOURS OF WORK

September 12, 2012

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

Dear Robert,

During the restructuring agreement negotiations the parties agreed to modify Article 3, Hours of Work, to provide that the workday will consist of not less than eight (8) hours and not more than twelve (12) hours.

Because of the timeframe for the restructure agreement negotiations, the parties did not address the various applications of the provision of a shift of more than eight (8) hours, such as holiday pay and sick leave hours, if the Company subsequently designs a schedule that consists of more than an eight (8) hour workdays.

Therefore, if the Company does design such a work schedule the parties agree to meet to address the associated pay and hour applications.

If this letter accurately reflects the agreement of the parties, 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
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

LETTER OF MEMORANDUM – 16 – AFW CLOSURE

September 12, 2012

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

Dear Robert,

As a result of the bankruptcy filing on November 29, 2011, it was determined by the Company that the aircraft maintenance base at AFW would be closed. However, since the closure will not take place immediately, references to the AFW base have been left in various sections of the contract, to avoid any immediate confusion. These references will become null and void following the ultimate closure of AFW.

**Sincerely,
{Original Signed on file}**

**James B. Weel
Director
Employee Relations**

LETTER OF MEMORANDUM - 17 – STATION STAFFING

September 12, 2012

**Mr. Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1791 Hurstview Dr.
Hurst, Texas 76054**

Dear Robert,

This will confirm our understanding reached during the negotiations leading up to the agreement signed on September 12, 2012.

During these negotiations, we agreed that the following seventeen (17) stations will continue to be staffed with TWU represented employees following the implementation of Article 1(d). Those stations will remain staffed, with TWU represented Title II employees, so long as the annual departures are at or above 2555 from the effective date of this agreement up to and the day prior to the amendable date.

ATL	JFK	MIA	STL
AUS	LAS	ORD	TPA
BOS	LAX	SAT	
DCA	LGA	SFO	
DFW	MCO	SJU	

Beyond the amendable date, Article 1(d) will apply.

**Sincerely,
{Original Signed on File}**

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

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

**Robert F. Gless
Deputy Director
Air Transport Division
Transport Workers Union of American, AFL-CIO**

LETTER OF MEMORANDUM – 18 - DFW TITLE I PROCESS IMPROVEMENT

From: James B. Weel

To: Robert F. Gless

Modified (September 12, 2012)

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 AMT Hangar**
- B. Line Maintenance AMT Terminal**
- C. Line Maintenance Avionics (REI) Hangar**
- D. Line Maintenance Avionics (REI) Terminal**

II. DFW work units will bid their shift, not rotate, and when fixed days off are selected, occupational seniority will determine both the shift and days off.

III. Vacations – Work units A&B / C&D will be combined for vacation selections, Crew Chief's and Mechanics in these work units will bid vacation together. All other work units remain as now handled separately.

IV. DFW Line Maintenance will be separated into two independent work areas for bidding and overtime purposes, hangar operations and terminal operations, beginning with the first shift bid of 2013. Bidding will take place three times annually, with one crossover bid, between the hangar operation and terminal operation, per year.

V. Ten percent (10%) of the employees working in the Avionics work unit will be allowed to bid out of Avionics into the AMT work unit, provided a prequalified AMT has submitted a request to transfer into the Avionics work unit. The selection to opt out or into the Avionics work unit must be accomplished 30 calendar days prior to the crossover bid; once awarded, the change is final and binding on both employees. If no employees from the AMT work unit submit a request to transfer into the Avionics work unit, nothing would preclude management from awarding the Avionics employee(s) request to the AMT work unit and management would be under no further obligation to backfill the vacated Avionics position(s).

VI. The DFW “as assigned” crew is to be bid annually and will bid their schedules on a monthly basis, current practice, to allow for flexibility by crew. This change will become effective the first bid of 2013. If insufficient relief bids are filled, the most junior Mechanic in the crossover bid, 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. 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 **or on the DFW Website** 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

Mechanic's assigned to the AMT or **Avionics** work units will be required to take a qualifying test, as a prerequisite, for assignment to these work units at the DFW station, **and** he must have the required A & P licenses.

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. **Overtime solicitation will be separated between the hangar and terminal, beginning January 1, 2013. Changes to the current DFW overtime guidelines will be modified between the parties to meet this need.**

XI. **Reassignment of manning will be done by moving of the most junior employee(s) in the work area with the overage, to the work area with the shortage, unless a more senior employee, at the start of the shift, voluntarily makes himself available for reassignment.**

The parties agree that they may revisit the above practices, if necessary. If changes are suggested or desired, by either party, the parties will discuss the same and incorporate any changes as an amendment to this Memorandum, if by mutual agreement. Any dispute that arises, which is not by mutual agreement, will be settled by the grievance procedures specified in the Agreement.

Agreed to:
{Original Signed on file}
Robert F. Gless
Deputy Director - ATD
AA System Coordinator
Transport Workers Union of America, AFL-CIO