

AmericanAirlines®

March 14, 1996

Mr. John Orlando
International Vice President
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

Dear John:

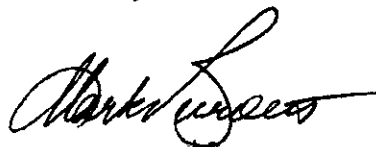
We have discussed the Crew Chief Self Demotion process which was provided for in the August 15, 1995 agreement.

A situation could exist in which a Crew Chief who wishes to self demote under the special self demotion letter of agreement would be junior to another employee in the non-bid classification who still held recall rights to the non-bid classification.

We have agreed that under such a circumstance, the Crew Chief would be prohibited from exercising the ability to self demote, since, absent his Crew Chief position, he would have been impacted by the reduction, and that we did not wish to create a situation where an employee senior to the self demoting Crew Chief would still be displaced while the junior employee (the self demoting Crew Chief) assumed a position in the non-bid classification.

If the preceding meets with your understanding, please sign where indicated below and return a copy of this letter for our file.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark L. Burdette", with a stylized flourish at the end.

Mark L. Burdette
Managing Director
Employee Relations, Ground

Agreed and Accepted:

John M. Orlando

bcc: D.P. O'Hare
J.G. Allen
D.A. Newgren
M. Fives-Wertis
M.K. Tinsman
J.D. Haden
C.T. Tagorda
P.K. Howerton