

AGREEMENT

between

AMERICAN AIRLINES, INC.

and

TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

covering

STOCK CLERK AND CREW CHIEF STOCK CLERK EMPLOYEES

of

AMERICAN AIRLINES, INC.

Effective date - **March 01, 2001**

PREAMBLE

THIS AGREEMENT entered into this **1st day of March, 2001** by and between AMERICAN AIRLINES, INC. (sometimes referred to as the "Company") and TRANSPORT WORKERS UNION OF AMERICA AFL-CIO (sometimes referred to as the "Union"), as representative of the employees in the classifications listed, pursuant to the terms of the Railway Labor Act, as amended, in the mutual interest 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 **under this Agreement**. In making this Agreement, both the Company and the employees recognize their duty to comply with the terms **of this Agreement** 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) The Company recognizes the Union as the exclusive and sole collective bargaining agency for all employees within the United States within the classifications of work enumerated, pursuant to the certification from the National Mediation Board dated November 28, 1945, together with the National Mediation Board's File No. C-2380 dated November 28, 1955.

(b) It is intended that work now being performed (and to the extent it will continue to exist) will be performed by employees covered by this Agreement, except that nothing **will** prohibit the Company from scheduling or assigning any employee to perform work in any classification under the Maintenance and/or Stores Agreements, under the provisions of **Article 1 and Article 11** of this agreement **and Article 11** of the Maintenance Agreement. It is further understood that although the parties do not intend by this Article to give to employees covered by this Agreement work currently being performed by other Company employees, covered or uncovered, or to take away from employees covered by this Agreement work currently being performed by them, the scheduling and assignment of employees under the provisions of **Article 1 and Article 11** of this Agreement and Article 11 of the Maintenance Agreement to perform this work are not contrary to this intent.

The Company may determine the location and number of Stock Clerk positions required to support the operations, subject to the provisions of Article **42** of this Agreement and in accordance with Article 11 of the Maintenance Agreement.

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 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) Contracting Out of Work. In the interest of providing stable employment but nevertheless to permit the Company to maintain and continue the development of air transportation under applicable laws, the Company will perform work to the extent performed under this Agreement as its present employees, **covered under this Agreement**, have the normal time and the skills to perform, and for which the Company can reasonably make available the necessary facilities.

(1) Additionally, it is agreed that the Company may continue to contract out work not exceeding the scope of its present contracting out practices. **The Company will provide to the Union, in January and July of each year, a report, which indicates the extent of the Stock Clerk work, which has been contracted out.**

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

(3) At the request of the Director of the Air Transport Division of the Union, discussions may be initiated with the Vice President – Employee Relations, quarterly or on reasonable request, to ascertain the amount and type of work **under this Agreement** which has been contracted out during the previous calendar quarter **for purposes of assuring consistency with the obligation of Article 1 (d) (1) of this Agreement.**

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

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

(f) 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(f)(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.

(g) 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.

(h) 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.

(i) 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 list 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.

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

March 9, 1950

Mr. Francis A. O'Neill
Chairman
National Mediation Board
Washington, D.C.

Re: Contracting Out Work

Dear Mr. O'Neill:

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

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

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

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

Nobody on the payroll will benefit by a program which would require us to hire temporary employees to take care of peak or non-recurring work, and to discharge them as soon as the peak had gone. This, from our point of view, is a wastefully expensive way of doing business, because it is inefficient. We must, therefore, retain the right to give to others the work that our regular employees have not time to handle.

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

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

Sincerely yours,

C. R. Smith
President

**AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261-9616**

August 15, 1995

**Mr. Edward R. Koziatek
Director, Air Transport Division
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054**

Re: Contracting Out Work

Dear Mr. Koziatek:

This will confirm our understandings reached during the negotiations leading up to the agreement signed on August 15, 1995. During these discussions, we discussed the issue of contracting out on numerous occasions and the Company's need to contract out that work as provided for in the labor agreement.

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

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

Very truly yours,

**Jane G. Allen
Vice President
Employee Relations**

**Agreed to:
Edward R. Koziatek**

**AMERICAN AIRLINES, INC.
P.O. Box 619616
DFW Airport, Texas 75261 -9616**

May 5, 1989

**Mr. John J. Kerrigan
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
80 West End Avenue
New York, New York 10023**

Re: New TWU Cities

Dear Mr. Kerrigan:

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

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

Very truly yours,

**Charles A. Pasciuto
Vice President
Employee Relations**

Agreed to this date:

John J. Kerrigan

AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261-9616

August 15, 1995

Mr. Edward R. Koziatek
Director, Air Transport Division
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Re: Seat Miles Scheduled by Commuter Air Carriers

Dear Mr. Koziatek:

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

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

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

Very truly yours,

Jane G. Allen
Vice President
Employee Relations

Agreed to:
Edward R. Koziatek

ARTICLE 2 - DEFINITIONS

(a) ~~The word "employee"~~ **"Employee"** as used herein shall **will** mean an employee in the classifications covered by this Agreement.

(b) **"He" or any other** masculine pronoun **will** be understood to designate any employee, whether male or female as used herein shall **will** mean Service personnel, the majority of whose regular work assignments consist of receiving, shipping, storing, recording and disbursing equipment and supplies at stations where the Company maintains personnel for such purposes or who may be assigned to drive related automotive equipment

The term "Base Warehouse Stock Clerk" as used herein shall mean Service personnel, the majority of whose regular work assignments consist of receiving, shipping, storing, disbursing equipment and supplies at TUL and AFW Base warehouses and the HDQ Complex where the Company maintains personnel for such purposes within the warehouse-

(d) **The term "Company" as used in this agreement will refer to American Airlines Inc.**

(e) **The term "Successor" as used in this agreement will include, without limitations, 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.**

(f) **The term "Successorship Transaction" as used in this agreement will mean any transaction, whether single step or multi-step, that provides for, results in, or creates a Successor.**

(g) **The term "Affiliate" as used in this Agreement will mean (a) any entity that controls the Company or any entity that the Company controls, and/or (b) any other corporate subsidiary, parent, or entity controlled by or that controls any entity referred to in (a) above.**

(e) The term "Crew Chief" is one of the bid jobs hereunder designated by management. A Crew Chief shall be responsible to management for the overall performance of the employees assigned to his crew. 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. Crew Chiefs will be responsible for the timely and satisfactory completion of work assignments as set forth in the Crew Chief classification description.

(h) **"Qualification" 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 or in the Qualification and Administration Manual (QAM).**

(i) **"Qualifying test" will mean the tests for competency in a particular classification or type of work, as established in the Qualifications and Administration Manual (QAM). All employees hired or transferring into the Stock Clerk classification prior to August 15, 1995, will be exempt from such qualifying test.**

(j) **"Department head", "chief operating officer" or any other management title referred to in the Agreement will mean that individual or any other person properly designated and appointed by him to act in his stead.**

(k) References to the titles of Union officials will mean that individual or any other person properly designated and appointed by the Union to act in it's stead.

(l) "On call" will mean an employee's status 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.

(m) "Protected employee" will mean all employees covered by the job security provisions of Article 40 ~~42~~. The term "unprotected employee" **will** mean all employees not covered by the job security provisions of Article 40 ~~42~~.

(n) "Chart rate" will mean those regular hourly rates of pay appearing in **Article 4**.

The term "regular hourly rate", "regular pay", "pay as if working" or "base hourly rate" will mean the "chart rate" plus any applicable longevity pay, premiums and/or differentials.

(o) "Classification seniority" (pay seniority) will govern pay raises and placement on the **appropriate** pay scale. This seniority is governed by the **applicable Articles of this Agreement**.

(p) "Company seniority" will be the time based on the employee's hire date with the Company. This seniority is governed by Company policy.

(q) "Occupational Seniority" will be the Occupational Group Title seniority referred to in Article 10 of this agreement.

(r) "Status" denotes if an employee is either full time (full time status) or part time (part time status).

(s) The term "Emergency" will mean a sudden, generally unexpected occurrence or set of circumstances demanding immediate action.

(t) "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 eight (8) hours, exclusive of meal periods.

(b) 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 **a guaranteed** five (5) workdays of eight (8) hours each within the workweek **at the applicable rate of pay.**

(c) Each employee **will** be scheduled 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; (provided that when this is done, Friday **will** be considered the first scheduled day off and Saturday **will** be considered the second scheduled day off for purposes of overtime, in accordance with Article 6(b)), except that when an employee's days off are changed to Friday and Saturday, the first Saturday following such change **will** be paid, if worked, at the rate of **one and one-half times (1.5X) his regular hourly** rate.

(d) At stockrooms or warehouses where employees are required to maintain continuous operation of departments or assignments, days off **or shifts** may either be fixed, **bid** or rotated in accordance with the preference of a majority of the employees involved, consistent with the requirements of the service. When fixed days off are selected, seniority will determine days off.

(e) 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.

(f) Part time employees' hours **will** be governed by the provisions of Article 43.

(g) **Where the Company maintains a seven day operation, individual work units may be scheduled in whole or in part on a four (4) days of ten (10) hours each basis, when mutually agreed between the Company and the Union. This agreement must be approved by the ATD Director and the Vice-President overseeing the work unit. When a 4/10's schedule is adopted, it will be subject to the provisions outlined below.**

(1) **It is understood there are very 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 increased expense for the Company and no loss of productivity or any other recognizable degradation of performance.**

(2) **It is understood and agreed that either party will have the right to cancel a 4/10's schedule with thirty (30) calendar days notice to the other party.**

(h) **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(c), except as modified below.**

(1) **Nothing will prohibit the Company from scheduling Thursday, Friday, and Saturday as the three (3) consecutive days off. When this is done, Thursday will be considered the first scheduled day off. Friday will be considered the second scheduled day off, and Saturday will be considered the third scheduled day off for purposes of overtime, in accordance with Article 6; except that when an employee's days off are changed to include Friday and**

Saturday, the first Saturday following the change will be paid, if worked, at the rate of one and one half times (1.5X) his base hourly rate.

(2) Nothing will prohibit the Company from scheduling Friday, Saturday, and Sunday as the three (3) consecutive days off. When this is done, Friday will be considered the first scheduled day off. Saturday will be considered the second scheduled day off, and Sunday will be considered the third scheduled day off for purposes of overtime, in accordance with Article 6; except that when an employee's days off are changed to include Friday and Saturday, the first Saturday following the change will be paid, if worked, at the rate of one and one half times (1.5X) his base hourly rate. If the first Saturday following the change is worked, the first Sunday following the change will be paid, if worked at the rate of two times (2X) his base hourly rate, otherwise the first Sunday following the change will be paid, if worked, at the rate of one and one half times (1.5X) his base hourly rate.

(i) The following rules will apply to the Tulsa and AFW Maintenance Bases employees, excluding Line Maintenance at Tulsa, and apply only with reference to the assignment of employees to work schedules that include Saturday and/or Sunday.

(1) Crew Chiefs will not be included in these rules since they bid for jobs on a seniority basis.

(2) Employees scheduled on shifts that start during the last hour of Sunday (continuing into Monday) are not to be counted as Sunday workers in the application of these rules. Employees scheduled on shifts that start during the last hour of Friday (continuing into Saturday) are to be counted as Saturday workers for the purpose of the application of these rules only.

(3) An employee may bid by seniority within his work unit for a five day work schedule that includes both Saturday and Sunday or one that includes a Saturday or a Sunday.

(4) If insufficient number of employees bid, the Company may assign employees to such a work schedule, on the basis of inverse seniority within a work unit.

(5) The Company will not establish five day work schedules that include Saturday and Sunday work for employees totaling more than one-seventh of the employees subject to these rules.

(6) The Company will not establish five day work schedules that include a Saturday for more than one-seventh of the employees subject to these rules and will not establish five day work schedules that include a Sunday for more than one-seventh of this same total number.

(7) Employees who work a schedule that includes just Saturday (one-seventh) or Sunday (one-seventh) will rotate so as to share being off on a Saturday or a Sunday during the week, unless fixed days off have been established pursuant to Article 3(d) of this Agreement.

(8) The Company will continue to make every reasonable effort to arrange work schedules so that, whenever practicable, days off will be Saturday and Sunday.

(9) Upon request of the Local Union President, the Company will provide the Union with a listing of the total number of employees at the base, excluding Line Service, showing those among this group who are regularly scheduled to work both Saturday and Sunday or just Saturday or Sunday.

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 **below**, which is incorporated and made part of this Agreement.

(a) During the period of this Agreement, the regular rates of pay for the bid classifications of work covered **in this Agreement will** be as specified below.

(1) An employee who is the successful bidder for promotion into a Crew Chief **or Tech Crew Chief** classification on or after **March 1, 2001**, or who holds a Crew Chief **Tech Crew Chief** position on that date, **will** receive his/her non-bid **chart** rate plus a bid position **premium** of **\$1.75 per hour**. Employees who receive this bid position **premium** will continue to receive that **premium**, providing they hold a bid position.

(2) **An employee working as an acting Crew Chief will receive his/her non-bid chart rate plus a premium of a \$1.75 per hour.**

This bid position **premium** is added to the non-bid **regular** rate of pay and will be considered as **base regular** pay for accrual of all pay related benefits. Length of service increases will be based upon the non-bid classification date.

(b) During the period of this Agreement, the regular rates of pay for the non-bid classifications of work **will be as specified on the appropriate pay chart** below:

(1) **The following charts apply to any** incumbent employees **whose**, progression from one step to the next, **on the date of ratification, was** based on six (6) months of service in the classification **at** each step. These rates of pay and the progression are subject to the provisions of **Article 4** below.

Stock Clerk

Effective Dates
Pay Progression

Pay steps for employees On 6 month progressions

		3/01/01	3/01/02	3/01/03
Date of Hire	1 st step	\$9.55	\$9.84	\$10.13
6 months	2 nd step	\$10.13	\$10.43	\$10.74
1 year	3 rd step	\$10.70	\$11.02	\$11.35
18 months	4 th step	\$11.50	\$11.85	\$12.20
2 years	5 th step	\$12.30	\$12.67	\$13.05
30 months	6 th step	\$12.89	\$13.27	\$13.67
3 years	7 th step	\$13.47	\$13.87	\$14.29
42 months	8 th step	\$14.05	\$14.47	\$14.91
4 years	9 th step	\$14.63	\$15.07	\$15.52
54 months	10 th step	\$15.22	\$15.67	\$16.14
5 years	11 th step	\$15.80	\$16.27	\$16.76
66 months	12 th step	\$16.38	\$16.87	\$17.37
6 years	13 th step	\$16.95	\$17.46	\$17.98
78 months	14 th step	\$17.53	\$18.05	\$18.59
7 years	15 th step	\$18.10	\$18.64	\$19.20
90 months	16 th step	\$20.08	\$20.68	\$21.30
8 years	Thereafter	\$22.05	\$22.71	\$23.39

(2) **The following charts apply to any** employees **whose** progression from one step to the next shall be based on twelve (12) months of service in the classification **at** each step. These rates of pay and the progression are subject to the provisions of **Article 4** below.

Effective Dates

	DOS (3/1/01)	DOS +12 (3/1/02)	DOS +24 (3/1/03)
1st Step	9.55	9.84	10.13
2nd Step	10.70	11.02	11.35
3rd Step	12.30	12.67	13.05
4th Step	13.47	13.87	14.29
5th Step	14.63	15.07	15.52
6th Step	15.80	16.27	16.76
7th Step	16.95	17.46	17.98
8th Step	18.10	18.64	19.20
Thereafter	22.05	22.71	23.39

(c) **An** Employee assigned to **either** the Tulsa or **the** Alliance **Overhaul** Maintenance Base while working a regular five-day schedule which includes a Saturday and/or a Sunday, **will** receive the Line **Premium** of ten (10) cents per hour.

(1) Whenever a Stock Clerk is required or assigned to drive an automobile, station wagon, or truck, for two (2) hours or more of a day, such an employee shall be compensated for actual hours driven that day at the prevailing rate of pay of **\$1.50 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)** above, are non-competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in any classification **covered by this Agreement** 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)** above. As market conditions change, the Company may, in its sole discretion, change its designated starting rate. **The** 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.

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 classification seniority** as defined in this Agreement.

(e) Longevity Pay (Effective 2/29/92)

Each employee in a job classification under this Agreement will have longevity pay increments added to his regular rate per hour following completion of the years of accredited service as indicated below:

3 years	.03 cents		12 years	.12 cents
4 "	.04 "		13 "	.13 "
5 "	.05 "		14 "	.14 "
6 "	.06 "		15 "	.15 "
7 "	.07 "		16 "	.18 "
8 "	.08 "		17 "	.21 "
9 "	.09 "		18 "	.24 "
10 "	.10 "		19 "	.27 "
11 "	.11 "		20 "	.30 "

Longevity **premium** increments will be effective **on** the date the employee completes the required amount of accredited service. Longevity **premium will** be compounded in the calculation of overtime rates and **will** be part of base pay calculations for pension purposes.

Accredited service with the Company, for determining longevity **premium** increments, **will** be defined as: Active service on the Company's payroll in any capacity, except such service prior to resignation, discharge, or layoff when recall rights have expired; the entire duration of Military or Union Business Leave of Absence; and Injury-on-Duty Leave of Absence, up to a maximum of five (5) years; for those employees with over six (6) months of service with the Company, a Sick Leave of Absence up to a maximum of five (5) years, and Personal or Maternity Leave of Absence up to a maximum of ninety (90) **calendar** days.

(f) License Premium Pay Effective
May 13, 1989

1. Employees classified as Crew Chief-Stock Clerk, **Technical Crew Chief-Stock Clerk** or Stock Clerk, who hold both FAA Airframe and FAA Powerplant licenses and who are designated and approved by the Company's Maintenance Department to perform aircraft maintenance work, as described in the Aircraft Mechanic classification description contained in the Maintenance Agreement, will receive **the applicable license** a premiums 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.

not exceed two dollars (\$2.00) per hour under this paragraph (f).

(g) When an employee, is cross utilized in excess of the time parameters outlined in Article 11(g) 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(g).

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

Stores Truck Driving at JFK Airport
633 Third Avenue
New York, N. Y. 10017

May 25, 1974

Mr. William G. Lindner
International Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Stores Truck Driving at JFK Airport

Dear Mr. Lindner:

During the negotiations leading to the current agreement, the issue of Stores truck driving at John F. Kennedy International Airport was discussed at a meeting between the Union (represented by R. Cheifetz, J. Vitti and M. Andreo) and the Company (represented by B. Kreder, J. Cassin and H. Antosh). This letter confirms the agreement reached at that meeting for general rules to provide guidance for both parties concerning the handling of Stores truck driving at Kennedy under present conditions.

The following general rules were agreed upon:

1. Routine Deliveries - Where the time element is not a factor, an AA truck will be used with an AA driver.
2. Where Time Element Is A Factor - and rapid delivery of material is essential to timely repair or return to service of aircraft or ground equipment, then the fastest means possible (such as helicopter) will be used.
3. It is agreed that one in-service truck will always remain at JFK to support requirements of the operation and that this may necessitate occasional variance from the above procedures. It is also agreed that the Company will make every effort to rent a vehicle if necessary to comply with the above procedures.

The above procedures apply to deliveries from JFK to EWR, LGA, or any other location supported by JFK. Meetings will be conducted with JFK Stores Supervisors, Stock Clerks, TWU officials and AA Management to discuss these procedures in detail and assure complete understanding and compliance.

This letter does not eliminate any of the previous agreements that affect any Stores practice not specifically identified in this letter.

Very truly yours,

B. O. Spurlock, Jr.
Director
Employee Relations

ARTICLE 5 - SHIFT DIFFERENTIAL

(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 fifty-one (51) cents per hour.

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 fifty eight (58) cents per hour.

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:

(1)	12:00	noon	4:59 p.m.	51¢
(2)	5:00	p.m.	5:59 a.m.	58¢
(3)	6:00	a.m.	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 **regular 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, fifty-eight (58) cents per hour shift differential if he rotates through a shift to which a fifty-one (51) cents per hour shift differential would otherwise be applicable and a shift for which no shift differential is applicable; or, sixty-one (61) cents per hour shift differential if he rotates through a shift to which a fifty-eight (58) 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.

ARTICLE 6 – OVERTIME

- (a) Daily Overtime: Overtime rates **will** be paid on a daily basis as follows:
- (1) One and one half times **(1.5X) his base** hourly rate for each hour worked in excess of eight (8) hours and less than twelve (12) hours.
 - (2) **Two times (2X) his base** hourly rate for each hour worked in excess of twelve (12) hours.
 - (3) **If an employee is on a 4/10's schedule, he will receive daily overtime as provided below.**
 - (a) **One and one half times (1.5X) his base hourly rate for each hour worked in excess of ten (10) hours.**
 - (b) **Two times (2X) his base hourly rate for each hour worked in excess of fourteen (14) hours.**
 - (4) 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.
 - (5) When an employee works overtime in conjunction with his regular shift, he **will** be entitled to a minimum of one (1) hour of overtime.
- (b) Weekly Overtime: Time worked on an employee's regularly scheduled days off **will** be considered overtime and **will** be paid as follows:
- (1) One and one half times **(1.5X) his base** hourly rate for the first eight (8) hours worked on an employee's first scheduled day off and **two times (2X) his base** hourly rate thereafter.
 - (2) **Two times (2X) his base** hourly rate for time worked on an employee's second scheduled day off, provided he has worked his first scheduled day off.
 - (3) When an employee works on his second scheduled day off, without having worked his first scheduled day off, he **will** be compensated for **that** day as though it **was** the first scheduled day off, in accordance with **Article 6(b)(1)**.
 - (4) **If an employee is on a 4/10's schedule, he will receive weekly overtime as provided below.**
 - (a) **One and one half times (1.5X) his base hourly rate for the first ten (10) hours worked on an employee's first scheduled day off and two times (2X) his base hourly rate thereafter.**
 - (b) **Two times (2X) his base hourly rate for time worked on an employee's second and/or third scheduled day off, provided he has previously worked one (1) scheduled day off at the rate of one and one half times (1.5X) his base hourly rate.**

- (5) 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 the crew or appropriate work unit as equitably as practicable.
- (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 locally established and agreed upon guidelines**. **In the absence of guidelines, the Company may assign the employee(s)** who are lowest on overtime **hours** to perform **that** work.
- (3) The supervisor's record of overtime, 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 a meal period. An employee working two (2) or more hours of overtime **will** be granted a meal allowance of three dollars (\$3.00).
- (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 and up to twelve (12) **[fourteen (14), if on a 4/10's schedule]** hours 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.
- (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) and (b)**.

(j) In no event, except as provided by Article 7, **will** any employee receive more than **two times (2X) his base** hourly rate under this Agreement.

(k) **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.**

(l) **At those stations where there is no existing local guideline governing the assignment of overtime, a guideline will be established and mutually agreed upon by the Company and the Union.**

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

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

AmericanAirlines

March 13, 2000

Mr. James C. Little
International Representative
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

Dear Jim:

A grievance recently filed out of Local 513 has raised an issue that I believe requires a need to communicate the proper interpretation and application of Article 6(a)(5) of the AA/TWU labor agreements for Fleet Service Clerks, Maintenance and related and Stores.

The issue centers on the minimum one-hour requirement under 6(a)(5) for an employee on day off overtime. The situation in DFW arose from the proffer of a PH (penalty hour) to an employee on day off overtime. The employee worked seven (7) minutes beyond the quit - time of the overtime period. The Company paid the employee at double time for the seven (7) minutes. The employee has grieved for one (1) hour of double time, citing 6(a)(5) as applicable.

The language in Article 6 (a) (5) is clear. The minimum one (1) hour is paid for overtime in conjunction with the regular shift. Day off overtime does not fall within the meaning of regular shift.

What may not be immediately clear is who on a given crew is on their regular shift and who is working day off overtime. If we need to hold a crew to finish a flight or other assignment, we call for a "Penalty Hour". We have used and applied that term that way for a very long time. Employees on their regular shift would be entitled to the provision of 6(a)(5) and would receive a full hour of overtime. Employees on day off overtime, who have worked eight (8) hours, would be entitled to double time for just the time worked. Most employees are aware of their contractual entitlement.

Jim, the issue seems to have manifested itself because of the term used, "Penalty Hour" and the administration for pay between the CSM and the support staff. Despite this, the Company and the TWU are bound by the terms of the agreement and employees should be paid based on those terms.

For those on regular shift it will be a PH, for those on day off overtime it will be paid in tenths. As is the normal practice, the employee can choose to stay or be released from work.

By the distribution of this letter, I wanted to make you aware that prospectively and regardless of the dialogue between the CSM and/or Crew Chief regarding a Penalty Hour, the Administrative staff will pay based on the contract.

The intent of the Company is to keep the focus on the operation for both the employee and the management and not to get bogged down in debate over the proper payment for the time worked. The contract provides us that guidance and we want to apply it, as it is intended.

Sincerely,

**James B. Weel
Managing Director
Employee Relations-Ground**

**cc: D. Newgren
Field HR Managers
M. Tinsman
T. Vaughn
M. Cook
T. Gillespie**

ARTICLE 7 - HOLIDAYS

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

<u>Holiday</u>	<u>Observance</u>
New Year's Day	January 1st
Presidents Day	Third Monday in February
Good Friday	Friday preceding Easter
Memorial Day	Last Monday in May
Independence Day	July 4th
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Thanksgiving Day	Fourth Thursday in November
Friday following Thanksgiving	Friday following Thanksgiving Day
Christmas Day	December 25th

(b) An employee required to work on any of the above holidays **will** receive **two** and one-half **(2.5x) times his** regular **hourly** rate for at least eight (8) hours, except when an employee requests and is granted fewer hours in which event he **will** receive **two** and one-half **(2.5x) times his regular hourly rate** for all hours actually worked and straight time for the difference between the hours actually worked and eight (8) hours.

(c) If any of the above holidays fall on an employee's day off, his next workday **will** be observed as the holiday. The Company may designate the employee's last workday before such holiday to be observed as the holiday with his consent.

(d) If any of the above holidays fall within an employee's 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 paragraph (b) above.

(e) Payment for a holiday as such 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 except when absolutely required for the operation. An employee not required to work on the holiday **will** receive eight (8) hours' pay at straight-time rates. The Company will request not later than seven (7) calendar days prior to each holiday 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.

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

October 14, 1985

Mr. E. R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
Bldg. "A", Norwood Office Park
1501 N. Norwood Dr., Suite 125
Hurst, Texas 76053

Dear Ed:

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.

Very truly yours,

S. L. Crosser
Director
Employee Relations

SLC/jlh

Agreed:

E. R. Koziatek

December 1, 1992

Mr. Edward R. Koziatek
International Vice President - TWU
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Ed:

This will confirm our discussions recently on the application of the holiday provision of the labor agreement when such holiday encompasses a vacation period including the days off at the end of the vacation period.

We have agreed that when such holiday falls within the vacation period including the days off at the end of the vacation period, employees observing their holiday on their first workday shall be grouped together for holiday work assignments with those employees whose holiday is on the same day either as a result of that day being the actual holiday or that day being the first workday following their scheduled day off. In essence, the provisions of Article 7 (c) and 7 (d) shall be treated equally in determining the staffing requirements. As examples:

July 4th holiday falls on Saturday

Employee A is on vacation June-20th thru July 5th -
Days off are Saturday/Sunday

Employee B has Days off Saturday/Sunday (July 4th and 5th)
Both employees are to be treated the same as far as the holiday work schedule on July 6th (holiday work/holiday off for both employees).

The same would hold true if the actual holiday fell on the Sunday or Monday.

Example 2

Employee on vacation August 29 thru September 13. Labor Day is Monday September 7. This employee's holiday would move to the next scheduled workday-September 14 and the employee would either be scheduled to work or take a Holiday Off depending upon the requirements of the operation.

Nothing in the above is intended to modify nor change local practices on scheduling of vacations and/or holidays. This is intended to provide guidance and direction to resolve those disputes on proper methodology of scheduling holiday work that encompasses a vacation.

Agreed:

Edward R. Koziatek
International Vice President
Transport Workers Union

S.L. Crosser
Managing Director
Employee Relations

ARTICLE 8 - VACATIONS

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

(1) As used **in this Article** the term "year" is used to mean a calendar year.

(2) The following vacation allowance **will** apply:

Length of service as of December 31 of any year	Accrual rate per month during the year ending December 31	Maximum vacation accrual
Less than 5 years	1 work day	10 work days
5 years but less than 10 years	1 ½ work days	15 work days
10 years but less than 17 years	2 work days	20 work days
17 years but less than 25 years	2 ½ work days	25 work days
25 years but less than 30 years	3 work days	30 work days
30 years and over	3 ½ work days	35 work days

(3) In computing vacation eligibility under this Article:

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.

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 such vacation **will** be at the pay which the employee would normally have received at his **regular hourly** rate at the time the vacation is taken.

(c) **An employee may select his vacation in its entirety in weekly increments.** Preference **for** the period in which **an** employee **will** be permitted to take their vacations **will** be granted within each **work unit** in the order of Company seniority provided, however, that vacation schedules may be so arranged within each work group **to** 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 employees eligible **will** list their 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 emergency, an employee's vacation **will** commence immediately following his regularly scheduled days off.

(d) Vacation allowances **will** not be cumulative and vacation **time** to which an employee becomes entitled on December 31 of any **calendar** 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) **calendar** days. **However**, no deduction from vacation allowance **will** be made for leaves of absence granted due to injury sustained while on duty. **However, no employee will be required to use his vacation while on IOD. An employee will choose from open vacation periods if any exist. Vacations not able to be accommodated by reassignment to an open week by the end of the calendar year will be paid out at the end of that calendar year.**

(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 to which he became entitled as of the preceding December 31. All vacation accrued since December 31 of the preceding year **will** be paid as follows:

Months of Svc in year of Term.	Accrual Rate Rate = X of Days Pay	1 Day X = 5/6ths	1 1/2 Days X = 1 1/4th	2 Days X = 1 2/3rds	2 1/2 Days X = 2 1/12th	3 Days X = 2 1/2	3 1/2 Days X = 2 11/12th
1		1	1	2	2	3	3
2		2	3	3	4	5	6
3		3	4	5	6	8	9
4		3	5	7	8	10	12
5		4	6	8	10	13	15
6		5	8	10	13	15	17
7		6	9	12	15	18	20
8		7	10	13	17	20	23
9		8	11	15	19	23	26
10		8	13	17	21	25	29
11		9	14	18	23	28	32
12		10	15	20	25	30	35

An employee who fails to give two (2) weeks' notice of 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**.

(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 paragraph (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 ten (10) workdays.

(i) An employee who has been **awarded or** assigned a vacation period **will** not have his vacation dates changed without his consent, unless he is notified of such change in writing thirty (30) days in advance of the starting date of his vacation. This **will** not apply in case of emergency; that is, 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.

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

(k) An employee may request a paid personal vacation day(s) **(PV)** of up to five (5) days per year. The Company will grant **the days by seniority in accordance with agreed upon local procedures. At those airports where no procedure governing the granting of personal vacation days exists, a procedure will be established subject to mutual agreement between the Local Union and local management.** Days used for personal vacation days will be deducted from the vacation day accrual to be awarded in the subsequent year's vacation. Requests for personal vacation will be granted in order of seniority within the work unit/group. An employee terminating employment during a calendar year will have the number of personal vacation days taken during that year deducted from any terminating monies due him. This provision **will** not be applicable at any location where deduction of vacation days or monies is prohibited by law. **Personal vacation days will not be permitted on an employee's holiday.**

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

(m) The attachment on the following pages are agreed to by the parties and are incorporated as part of this agreement.

March 29, 1982

Mr. H. J. Leonard
International Vice President
Transport Workers Union
of America, AFL-CIO
5128 E. Lancaster Avenue
Suite 18
Ft. Worth, TX 76112

Dear Mr. Leonard:

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.

H. J. Leonard

S. L. Crosser

ARTICLE 9 - PROBATIONARY PERIOD

(a) **New employees will be considered on probation for one hundred and eighty (180) calendar days from the date of hire. The employee will be required to qualify within his probationary period and will be subject to dismissal if he fails to qualify, 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.**

Probationary employees will have all rights guaranteed under this agreement, except employees who are released during their probationary period will have no right of appeal to the Area Board of Adjustment.

(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.**

(c) **If any probationary employee is released 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.
- (b) 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 Classification** seniority.
- (c) **Occupational Group** Title seniority **and Company seniority will** begin to accrue from the date of first assignment (**e.g. training, orientation, etc...**) to a classification within any Title enumerated in Article 11 **for a newly hired employee. Classification seniority for a newly hired employee will begin to accrue when he is placed on payroll.**

An incumbent employee who changes Title groups will begin to accrue Occupational and Classification seniority beginning the Saturday prior to the date of first assignment in the new Title Group. If an employee begins work on a Saturday he will begin to accrue Occupational and Classification seniority on that day.

- (d) If an employee is transferred from one station to another, his seniority **will** not be broken.
- (e) **Occupational Group** Title 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.
- (f) An employee who, as of the date of this Agreement accepts a position with the Company outside of the bargaining unit, and holds seniority, **will** retain, **but not accrue** his seniority for a period not to exceed **one hundred and eighty (180) calendar days. An employee can only exercise this option once in a two (2) year period. This two (2) year period will begin the day the employee returns to the bargaining unit.**

The 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 **the** 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 **and** at that station) on layoff, he will be placed on layoff status.

An employee who exceeds **one hundred and eighty (180) calendar days** in a position outside of the bargaining unit **will** forfeit all **Occupational** seniority.

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

An extension of hours may be granted by agreement between the Company and the Union.

- (1) Time in a temporary **or acting** assignment in any calendar year will be counted toward the **one hundred and eighty (180) calendar day** 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.

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

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 **will** include accumulated hours.

(h) An employee having **Occupational** seniority who permanently **accepts a position** at his own request **in** a classification of work in another **TWU Agreement with the Company will** retain **Occupational** 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. **Retained Occupational** seniority may be exercised only in the event of a reduction in force pursuant to the provisions of Article 15(b).

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

(j) **The following procedure will outline the proper method for determining tie breakers for Occupational seniority placement of TWU represented employees on the System Seniority list outlined in Article 13. In descending order:**

- (1) **Occupational seniority date**
- (2) **Earliest previous AA-TWU Occupational seniority date**
- (3) **Company seniority date**
- (4) **Birthday**
- (5) **Employee number (lowest to highest)**

(b) **The classifications included in Title V will be as follows:**

- (1) **Technical Crew Chief – Stock Clerk**
- (2) **Crew Chief – Stock Clerk**
- (3) **Stock Clerk**

(c) 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 to 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) 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.

(2) 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**.

(3) 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).

(d) Whenever and wherever qualifying tests are used to determine the competency of an employee for a promotion, these tests **will** be prepared by the Company. Written portions of qualifying tests **will** be of the multiple choice type. Copies of qualifying tests and of any revised or any new qualifying tests **will** be furnished to the Union 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 **sixty (60) 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.

(e) The Company will immediately furnish the International Union with **twenty one (21)** copies of its Qualifications Administration Manual. Further, the Company will immediately furnish the International Union with **twenty one (21)** copies of any additions, deletions or changes subsequently made.

(1) The International Union will have **sixty (60) 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 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.

(f) **The Company will not continue for any period of more than two (2) months with less than a minimum of one (1) Crew Chief – Stock Clerk for each ten (10) Stock Clerks. The number of Stock Clerks in excess of exact multiples of ten (10) will be disregarded for the purpose of computing this ratio. This ratio 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 the classifications under the Agreement as of the 15th day of each month.**

(1) 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 among those with fewer employees in the Crew Chief classification to the number of employees in the appropriate non-bid classification(s) as compared to the system ratio as of October 15, 1960.

(g) **Regardless of** any provision in this Agreement, the Maintenance Agreement, or the Fleet Service Agreement, the Company may assign or schedule any employee to perform work of any classification under this Agreement, the Maintenance Agreement, or the Fleet Service Agreement. Provided, however, the Company will not assign Stock Clerks 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 Maintenance 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 .

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

(1) CLASSIFICATION DESCRIPTION
Stock Clerk Technical Crew Chief

4. Perform instruction assignments related to supply and related systems in classroom or on-the-job.

(b) **An applicant for the “Technical Crew Chief – Stock Clerk” position will have worked for the Company as a Stock Clerk or Crew Chief Stock Clerk for a minimum of one (1) year.**

(c) **Technical Crew Chief Classification applicants selected will be on a trial basis for no longer than one hundred eighty (180) calendar days. 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/shop from which the employee was promoted. A successful candidate for Technical Crew Chief will not be eligible for self-demotion under the provisions of Article 12 during the first twelve (12) months of his assignment.**

(d) **All vacancies for Technical Crew Chiefs will be posted and will be restricted locally to Stock Clerks and Crew Chief-Stock Clerks at the location where the vacancy exists, and the award will be determined by the Selection Panel outlined in paragraph (e) (6) below. A vacancy created by the transfer or demotion of a Technical Crew Chief may be filled by the Company at it’s option. A bid vacancy created by the promotion of the position of Technical Crew Chief may be posted and bid at the Company’s option.**

(e) **The applicant will demonstrate knowledge and practical skill and ability in the following areas:**

1. Ability to obtain, interpret and comprehend information contained in manuals and supply alerts, and must possess the ability to read and interpret a manufacturers procedural manual in the safe operation of new equipment.

2. Must be capable of demonstrating proper work methods, and conduct on-the-job and/or classroom training for those employees that need additional training as each employee is trained properly on the job. Must insure that notice of training is put on each employees training record.

3. Must possess the ability to demonstrate the proper procedures for ordering parts, binning parts, receiving parts, crediting parts, short list and all parts ordering systems, including but not limited to: DECS, AAPICS, FISTI, AOS, HAZ Materials.

4. Must have the ability to demonstrate all safety precautions and safety working procedures to ensure proper accomplishment of assigned jobs.

5. Must have the ability to demonstrate the proper procedures in the operation of the Aircraft Maintenance tool room ATEC/AOS system, tool checkout, shelf life items, certification requirements, etc.

6. 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.

(f) Technical Crew Chiefs will be placed in separate vacation, overtime, and field trip work units and will be eligible for over time and field trips as Technical Crew Chiefs.

(g) Technical Crew Chief positions will be included in the system Crew Chief ratio as provided in Article 11(f). 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.

(h) 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.

(2) CLASSIFICATION DESCRIPTION
STOCK CLERK 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.

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

(3) CLASSIFICATION DESCRIPTION STOCK CLERK

(a) The work of the Stock Clerk classification, depending upon assignment, includes any or all of the following:

(1) Requisitioning, receiving, storing, stock chasing, disbursing, transferring, exchanging, returning to factory, shipping, delivering, rearranging stock, not stock,

equipment, supplies, and materials charged to Stores inventory, as required while in the custody of the Stores Division,

- (2) Setting up of necessary facilities to carry out these duties, and associated miscellaneous activities are accomplished by such operations as: Counting physical inventory, checking minimums and maximums; originating and completing, checking and routing forms according to procedure;
- (3) Identifying items; lifting, carrying, binning, and pulling items from stock; loading, unloading, packing and unpacking items; and related physical work.
- (4) Checks items handled against requisitioning or accompanying forms to identify any apparent mishandling, discrepancy or other error; corrects routine errors and refers others to supervisor; refers to parts catalogues, parts lists, location index, Company manuals, to identify and locate items.
- (5) Stores a wide variety of tools, jigs, fixtures, equipment and materials and issues them upon request to authorized personnel; upon receipt of replacement items or return of issued items, checks against appropriate requisition form for discrepancies by such operations as counting items, examining items visually and manually for defects or wear;
- (6) Corrects routine errors in forms and refers others to supervisor; bins items in serviceable condition, sorts non-serviceable items into salvage or scrap bins according to their condition; makes minor repairs;
- (7) Maintains inventory within established specifications and in serviceable condition by following the appropriate procedure to exchange a broken tool, to request repairs, or to requisition additional supplies; reports overdue items and shortages to supervisor.
- (8) May pack or unpack items kept in tool crib.
- (9) As may apply to work assignment, uses drill, grinder, small tools.
- (10) Exchanges information with Inventory Records personnel.
- (11) Follows up purchasing on selected incomplete items. Gives data on stock to authorized Company personnel, especially Stores, Inventory Control, Maintenance, Treasury and Communications personnel.
- (12) Keeps work and adjacent areas clear. Stores items according to Company, fire, safety, and "good housekeeping" regulations and practices. Cleans and services equipment used to keep it in operating condition and presentable and reports need for repairs.
- (13) Works according to Company regulations and procedures and instructions from Crew Chief or supervisor.
- (14) As may apply to work assignment, climbs on ladders, bins, etc., drives or guides powered equipment such as industrial tractors with or without a trailer, fork lift, truck or station wagon, power saw; uses hand tools such as hammer, crow bar, pliers, screwdriver, wrench; uses industrial scales, uses cleaning equipment such as broom, dust cloth, dust pan, and rags, and any other equipment used to aid in carrying out assigned duties in the most efficient manner.

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

August 2, 1991

Mr. Edward R. Koziatak
Assistant Director - International Vice President
Air Transport Division - TWU
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

RE: TECHNICAL CREW CHIEF UTILIZATION

Dear Ed:

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.

Regards,

S.L. Crosser
Managing Director
Employee Relations

SLC:kd

cc: D. L. Kruse
R.D. Pearson
Field Managers Employee Relations

AmericanAirlines

May 5, 1989

Mr. E. Wilson
President, Local 514
Transport Workers Union of
America, AFL-CIO
11929 E. Pine Street
Tulsa, OK 74116

Re: Technical Crew Chief Selection

Dear Mr. Wilson:

During the discussions leading to the Agreement signed May 5, 1989, the issue of Technical Crew Chief selection was discussed. As we have previously agreed, selection will be outlined in the Letter of Agreement and further defined to reflect the following:

The top three (if three available) most qualified candidates as determined by the Selection Committee will become the finalists. The most senior of these three will be appointed to the Technical Crew Chief vacancy.

Very truly yours,

|
Managing Director
Administration-M&E

ARTICLE 12 – PROMOTIONS AND JOBS TO BE POSTED

(a) A promotion to a classification which is subject to bidding **will** be made by the appointment of the most senior qualified employees who bid for the vacancy. Qualifications for promotion **will** be established by the Company and may 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.

(1) To be considered eligible for promotion to a Crew Chief or Technical Crew Chief vacancy in San Juan, Puerto Rico, candidate must demonstrate his ability to speak fluently both English and Spanish.

(b) After the provisions of Article 45 (One Station Agreement) have been exhausted, subsequent vacancies in the following classifications will be subject to bidding: Crew Chief Stock Clerk, Technical Crew Chief – Stock Clerk. Notices of such vacancies **will** be posted on all bulletin boards in all shops and work units at stations within the United States where employees are employed.

(1) The notice of vacancy will state whether the vacancies or jobs are expected to be temporary, the number of jobs to be filled, the station or location, the compensation at which the job is rated, and will specify a deadline date for bids. Such date will not be less than ten (10) calendar days after the date of such posting.

(2) Bids **will** be submitted by certified or registered United States mail, **or by United Parcel Service or equivalent**, return receipt requested, and bids postmarked after such deadline date **will** not be considered.

(3) Selection criteria for the position of Technical Crew Chief will be awarded in accordance with Article 11.

(c) An employee bidding for more than one vacancy ~~shall~~ will indicate the order of his preference on each bid, and if he is the senior bidder for more than one vacancy he **will** have the opportunity to qualify only for the vacancy ranked highest in his preference.

(d) After an employee has been chosen to fill **and has accepted** the posted job, **his pay rate for the bid position will begin the day after the bid closes, if the employee's new bid is within his station. If the employee's new bid position is out of his station, the pay rate for the bid position will begin on the day he reports to the new station.** The Company **will**, within ten (10) **calendar** days, mail to each station a notice to be posted on the bulletin board at the station showing the name and seniority date of the employee selected to fill the job.

(e) If an employee whose application for a posted job is accepted, is stationed at the time of his application in some station other than the station where the posted job is to be filled, the Company will furnish space-available transportation for the employee affected and for the members of his immediate family, to the extent permitted by law, from his current station to his new station. Other expenses incident to such transfer **will** be borne by the employee.

(f) An employee who is promoted or who has successfully bid for a posted job **will** not be held on a trial basis on his new assignment for a period longer than one hundred eighty (180) **calendar** days and may be demoted or returned to his former assignment in the event of his inability to perform his duties in a satisfactory manner. All employees successfully bidding a Crew Chief/**Technical Crew Chief** position

will be required to have their performance evaluated by a review panel prior to the last day of their one hundred eighty (180) **calendar** day period. The Transport Workers Union is invited to participate on any such panel in accordance with procedures to be decided upon. Employees who fail to meet performance expectations will be demoted as outlined in this Article. The decision of the review panel will be final and binding, not subject to review under the grievance procedures. In the event that he is demoted, he may return at his own expense to any vacancy available in the classifications for which he is qualified **or he may fill a local vacancy in the non-bid classification provided he has the seniority to do so or return to his former station, but he will not, for a period of twelve (12) months after such return, bid for the vacancy in the same classification or section for the same type of work for which he was unable to demonstrate his ability.**

(g) An employee has the right to bid in his own classification at any other station or shop, but having filled such posted vacancy **will** not bid another vacancy in his classification for a period of twelve (12) months thereafter.

(h) During the interim required to post a vacancy, the Company may select an employee to fill the vacancy temporarily. If there are employees assigned to that work **unit/shop/shift**, the most senior qualified employee will be selected to fill the vacancy temporarily **or acting vacancies**. He will be entitled during the period that he is assigned to the temporary/acting job to compensation at a rate not less than that at which the job is rated. An employee assigned during the bidding procedure to a temporary job in a lower classification that at which he is rated will not have his compensation reduced to that of the lower classification.

(i) In case of a vacancy not expected to exceed sixty (60) calendar days, the Company may select an employee to fill such vacancy on a temporary basis without posting the job. When such vacancy is to be filled, preference in filling the position will be given to the **senior qualified** employee, **who are regularly assigned the that work unit/shop/shift**. In the event there are no such employees, it will be **assigned** to the senior employee in that classification regularly assigned to that **work unit/shop/shift**. At the end of such sixty (60) calendar days, such vacancy **will** be posted and only qualified employees at the station or shop where such vacancy exists **will** be eligible to bid. If, at the end of such sixty (60) calendar days or at any time after such sixty (60) **calendar** days when filled temporarily, such vacancy is no longer a temporary vacancy, the vacancy **will** be filled in accordance with this Article. In accordance with the Qualifications Administration Manual, no temporary Crew Chief vacancy can be filled for longer than one year under this provision.

(1) Nothing in the preceding paragraph **will** require the Company to call in an employee on an overtime basis.

(j) An employee who is assigned to a temporary job under paragraphs (h) and (i) of this Article will, upon discontinuance of such temporary job, will be returned to his former job.

(k) An employee who is transferred from one point to another at the request of the Company **will** be so transferred at Company expense, in accordance with company regulations.

(l) An employee may request a transfer from one station to another to fill a regular full time or part time vacancy not subject to bidding, provided that the employee's qualifications are sufficient for the conduct of the work to which he is to be assigned. After the provisions of Article 45 (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' service with the Company,

(2) he has submitted a written request for transfer to his supervisor not less than fifteen (15) calendar days prior to transfer date or, in the event the Automated Bid and Transfer system is operational in all stations system wide, requests for transfer will not be less than two (2) calendar days prior to his transfer date,

(3) he has not completed or refused a transfer within the six (6) month period preceding the transfer date,

(4) each January 1 and July 1 a request for transfer not submitted within the preceding thirty (30) calendar days will be voided and it will be necessary for a new request to be submitted,

(5) a vacancy created by the transfer of an employee may be filled by the Company at its option.

(6) The Company **will**, upon granting an employee's request for transfer, furnish space-available transportation of the employee affected and for the members of his immediate family, to the extent permitted by law, from his current station to his new station. Other expenses incident to such transfer **will** be borne by the employee.

(7) A copy of each request for transfer from one station to another ~~shall~~ **will** be furnished to the ranking local Union Representative at the station to which a transfer is being requested. Crew Chiefs **will be permitted under this paragraph to transfer to an appropriate non-bid classification in their Occupational Title Group.**

(m) Subject to the provisions of Article 12 of this Agreement, Article 12 of the Maintenance Agreement, Article 12 of the Fleet Service Agreement, and Article 12 of the **Technical Specialist Agreement**, employees covered who possess the required qualifications will be given preference in filling regular full time or part time vacancies occurring at their station, Tulsa, or stations covered by one-station rules, in classifications under this, the Maintenance Agreement, the Fleet Service Agreement, and the **Technical Specialist Agreement** remaining after the provisions of Article 12(l) of this Agreement have been exhausted. Such employees successful in filling a mechanical classification (including Plant Maintenance) **will** be required to pass the appropriate skill qualification tests and 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, Company seniority will determine the selection.

(1) An employee under this Agreement, the Fleet Service Agreement, the Maintenance Agreement, and the **Technical Specialist Agreement** may request a transfer to such vacancies in writing. 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) he has submitted a written request for transfer to his supervisor not less than fifteen (15) calendar days prior to transfer date or, in the event the Automated Bid and Transfer system is operational in all stations system wide, requests for transfer will not be less than two (2) calendar days prior to his transfer date,

(c) he has not completed or refused a transfer within the six-month period preceding the transfer date,

(d) each January 1 and July 1 a request for transfer not submitted within the preceding thirty (30) days **will** be voided and it will be necessary for a new request to be submitted, and

(e) a vacancy created by the transfer of an employee may be filled or left unfilled by the Company at its 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) A copy of each request for transfer **will** be furnished to the ranking local Union representative at the station, who **will** also be notified of the name and classification of any employee filling such vacancy.

(4) An employee having qualified for promotion to a higher classification under the provisions of Article 12 of this Agreement, Article 12 of the Maintenance Agreement, Article 12 of the Fleet Service Agreement, and Article 12 of the **Technical Specialist Agreement** who subsequently fails to successfully complete the required qualification test for that classification or fails to demonstrate the required mechanical ability (if applicable), 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.**

(n) An employee may request a demotion from the 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 capacity for a period of twelve (12) months 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.

(1) The Company will offer a fifteen (15) day open window in March every 3 years, beginning in March 2002, for any Crew Chief to self demote. Following this self-demotion window, the jobs to be vacated by the self-demotion process will be posted for bid and awarded on a local city basis only. If more employees desire to self-demote, then 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.

(2) 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) An employee who desires to promote to a higher classification under the provisions of Article 12(m) of this Agreement, Article 12(m) of the Fleet Service Agreement and Article 12(m) of the Maintenance Agreement, must qualify by successfully completing the required qualification test for that classification in accordance with the Qualification Administration Manual.

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

TRANSFERS TO JOB VACANCIES AT TUL/AFW MAINTENANCE BASES

When vacancies are approved which will result in an addition to a shop or job/skill area, an employee at the TUL/AFW Maintenance Bases will be provided an opportunity to fill the vacancy.

Each vacancy as defined above will be posted on all bulletin boards at TUL/AFW for a period of five (5) days (exclusive of Saturday and Sunday). Responses to the posting must be received by Bid and Qualifications, TUL/AFW, no later than the closing date indicated on the posting. All employees whose qualifications are sufficient for the conduct of the work or job to which the employees are to be assigned are eligible to bid on the vacancy provided:

1. The employee has a minimum of one (1) year with the Company.
2. The employee has not completed a transfer to another vacancy within the classification during a twelve (12) month period preceding the date the vacancy bid closes. **If the previous transfer was a 12(l) into the base, the waiting period is six (6) months.**
3. The Company will post the name of each individual who is selected to fill the vacancy under the posting procedures. The senior qualified bidder will be reassigned to the vacancy and may not refuse such assignment.
4. Qualifications for vacancies to be filled by intra-station transfers are deemed to be satisfied when an employee:
 - (a) Passes or has previously passed the applicable qualifying test within the previous five (5) years, or
 - (b) Has been previously assigned to the job test area for a continuous period of three (3) months within the past three (3) years.
 - (c) Was hired into that type of work within the previous four (4) years with the required creditable experience.
 - (d) The senior qualified bidder will be assigned to the vacancy and may not refuse such assignment.
5. After the selection has been made, it will be the Company's option to fill the resulting vacancy as follows:
 - (a) The procedure outlined above will be utilized to fill the (secondary) resulting vacancy, then:
 - (b) Filled at or by management option.
 - (c) Filled by reassigning volunteers from job test areas where employees are available.
 - (d) Filled by reassigning employees in reverse order of seniority from job test areas where employees are available.
 - (e) Filled by employees with requests to transfer under Article 12 (l).
 - (f) Filled by employees with requests to transfer under Article 12 (m).
 - (g) Filled by new hires.

At the Tulsa/ AFW Maintenance Base, a Crew Chief or Inspector will be allowed to transfer in his non-bid classification, as outlined above, provided his seniority will allow. Upon passing the applicable qualifying test (if applicable) the Crew Chief or Inspector will then be ineligible to bid or serve in an acting capacity in that classification for a period of twelve (12) months (6 months for inspector). Additionally, he will be restricted from transferring to another vacancy within his non-bid classification for a period of 12 months. If the Crew Chief or Inspector fails the qualification test he will be returned to his prior Classification.

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

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

Temporary assignments (labor loans) will normally be made for a period of twenty-eight (28) calendar days and will not exceed ninety (90) calendar days. Temporary assignments for the period of more than twenty-eight (28) calendar days will be made on the basis of available qualified personnel as defined by the above qualifications criteria from within a shop or job/skill area where available qualified employees are assigned. In the event there are not sufficient qualified employees, the Company may accept volunteers or effect the labor loan of employees in the reverse order of seniority from that shop or job/skill area.

Temporary assignments of twenty-eight (28) calendar days or less will be effected in the reverse order of seniority from the shop or job/skill area. Requirements for periods exceeding ninety (90) calendar days will be filled through the applicable transfer procedures.

10. This memorandum will not apply when movement of unusual number 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 effected. Under these conditions the Company may, at its option, make adjustment in its manning requirements to meet its needs.

RIF, FILLING FT VACANCIES

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

a. 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:

1. 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.

2. 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(ix) on file for a full time position at that city).

3. 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 relocate to the elected city, he will be terminated and will forfeit recall rights and relocation expenses.

b. Employee with recall rights to a full time position.

c. The following blended seniority order:

1. Employees in a full time bid classification status in the same city requesting a voluntary demotion under the provisions of Article 12(n) (Article 12(n) of the Stores Agreement) shall be offered full time vacancies.

2. Transfer requests of employees currently on payroll in the same classification in other cities (Article 12(l) of the Maintenance Agreement/Article 12(n) of the Stores Agreement) blended in seniority order with part time employees' transfer requests in the same classification within the city with the vacancy.

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

~~4. Active Junior Fleet Service Clerks requesting a 12(lm) transfer.~~

d. Transfer requests under Article 12(m) Maintenance and Fleet Service Agreements and 12(m) Stores Agreement have been processed (active or laid off employees who have a valid transfer from one classification to another at their own station).

e. Transfer requests by employees on the payroll who desire to fill a vacancy in another classification at another station have been processed (this expands on the current terms of Article 12(m) Maintenance Agreement, 12 (m) Stores Agreement).

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

g. 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 after being laid off and who meets all procedural

and qualification requirements under Article 12(m) Maintenance Agreement and Article 12 (m) Stores Agreement.

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

i. New hire.

AmericanAirlines

January 22, 1988

Mr. E. R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
Building "A" - Norwood Office Park
1501 No. Norwood Drive - Suite 125
Hurst, Texas 76053

Dear Mr. Koziatek:

This is to confirm our discussions specifically addressing the question of whether an employee who bids and is awarded a Crew Chief position at his own station may bid for and be awarded a Crew Chief position in another station before completing twelve (12) months of service as a Crew Chief at his own station.

We hereby agree that a Crew Chief who bids and is awarded a Crew Chief position in his own city, may bid and be awarded a Crew Chief job in another station within the regular twelve (12) month lock-in period, provided that such Crew Chief shall have successfully completed the 180 day probationary period as required by the Agreement.

This is not intended to modify in any way the past application of provisions of the Agreement or any arbitral decision heretofore issued clarifying the intent and practice with respect to filling of bid vacancies.

Sincerely,

James Enright

Managing Director
Employee Relations

Agreed:
E. R. Koziatek

AmericanAirlines

July 20, 1981

Mr. John Kerrigan
International Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Dear Mr. Kerrigan:

During our discussions concerning productivity and employee job security, the TWU expressed concern that current provisions of the Maintenance and Stores Agreements limit transfers between stations by employees in the same classifications to employees on active status on the payroll. Further, transfers between classifications of employees either active or on layoff are limited to vacancies at their own station. Thus, employees who face layoff or are actually laid off, are prevented from transferring and retaining employment while new hires fill available vacancies, at stations unaffected by reduction in force.

The parties recognize that the mutual interests of the Company and its employees can be served best by providing additional transfer mobility and job protection for employees on layoff. It is agreed, therefore, that:

1. In addition to the job protection afforded an employee laid off under Article 15 of the Maintenance Agreement, and Article 15 of the Stores Agreement, an employee who at the time of layoff does not displace a junior employee, or accept a vacancy then offered, and is terminated from the payroll, shall be allowed to fill a vacancy before a new employee is hired for that vacancy, in the order of priority and under conditions as follows:

a. The recall provision of Article 16 Maintenance and Stores Agreements have been exhausted (employees in the same classifications recalled to the station from which they were laid off).

b. Transfer requests filed under Article 12(l) Maintenance Agreement, Article 12(n) Stores Agreement have been processed (active employees in the same classification transferring from one station to another).

c. Transfer requests under Article 12(m) Maintenance Agreement and 12(m) Stores Agreement have been processed (active or laid off employees who have a valid transfer from one classification to another at their own station).

d. Transfer requests by employees on the payroll who desire to fill, a vacancy in another classification at another station have been processed (this expands on the current terms of Article 12(m) Maintenance Agreement, 12(m) Stores Agreement).

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

f. 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 after being laid off and who meets all, procedural and. qualification requirements under Article 12(m) Maintenance Agreement and Article 12(m) Stores Agreement.

g.. To exercise these additional transfer rights, all employees on layoff shall, in addition to the required information on the transfer request, specify in writing that he/she is on layoff status, the effective date of such layoff, and the station from which employee is laid off in order to safeguard the rights of other employees with a higher contractual priority to the vacancy.

h. All transfer requests filed by an employee prior to layoff are null and void.

i. An employee on layoff status who refuses a vacancy for which he has submitted a transfer request under these procedures will not be eligible to transfer to another vacancy during the remaining period of the layoff; however, he will retain his recall rights to his station.

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

Agreed: John Kerrigan

Charles A. Pasciuto Vice President Employee Relations

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.

Mark L. Burdette
Managing Director
Employee Relations, Ground

Agreed and Accepted:

John M. Orlando

AmericanAirlines

Revised March 1, 2001
March 24, 1999

To: Field HR Managers

Reference: Article 12(n) Self-Demotion & Transfers

This letter is to clarify and confirm the eligibility of a Crew Chief, who has exercised the provisions of Article 12(n) and self demotion, to transfer under the provisions of Article 12(l), 12(m) following such a demotion. Application for TUL/AFW is found in the TUL/AFW Transfer Memorandum.

Crew Chiefs may self demote under 12(n), after they have successfully completed the 180 day trial period, by exercising their seniority under the letter of agreement dated April 2, 1996 regarding the filling of full time vacancies and the provisions outlined in Article 43(c).

The following identifies the appropriate six month wait requirements for transfer following the corresponding 12(n) self demotion:

1. You have self-demoted within classification and station.
Six-month wait not required to transfer under 12(l) or 12(m).
2. You have self-demoted within classification, out of station:
Six-month wait required to transfer under 12(m). Twelve month wait for 12(l).
3. You have self-demoted out of classification, within station:
Six-month wait required to transfer under 12(l) or 12(m).
4. You have self-demoted out of classification and station:
Six-month wait required to transfer under 12(l) or 12(m).

Note: Eligibility for transfer with regard to changes in status [12(lx)] is covered in the Letter of Agreement dated July 22, 1991.

I have also attached examples of various scenarios to further clarify this interpretation. Should you have any questions regarding the application of this provision, please don't hesitate to contact me.

Sincerely,

James B. Weel
Managing Director
Employee Relations-Ground

AmericanAirlines

September 22, 1999

Mr. James C. Little
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112 Hurst, Texas 76054

Reference: Bids & Eligibility

Dear Jim,

As discussed at the July 28, 1999 President's Council meeting in San Francisco, this letter will serve as a means of clarification and understanding regarding eligibility for a bid job. Bid jobs include Technical Crew Chief, Crew Chief and Inspector vacancies.

Currently, basic eligibility requires that an employee be eligible for award on the date the bid opens.

Example 1: Employee awarded a bid 1/1/99 is not eligible for a future bid that opens on or before 1/1/00.

An exception is made when employees are bidding to change status "at their own station". For a change of status bid at their own station, there is no waiting period. Moreover, this award is made based on where the employee is located on the date of the award, not when the bid opens.

By way of this memorandum, eligibility for bid vacancies shall be determined based on whether or not the employee is eligible during the ten days the vacancy is posted.

Example 1: Employee awarded a bid 1/1/99 is eligible for a future bid that closes after 1/1/00.

An exception will continue to be made for change of status bids. However, the award date will no longer be used to determine eligibility. An employee must have reported to the station where the vacancy exists prior to a bid closing in order to be considered eligible.

By way of your signature below, please indicate your acceptance of this clarification and understanding.

Sincerely,

James. B. Weel
Managing Director Employee Relations- Ground

Agreed:
James C. Little
AA System Coordinator Transport Workers Union

Waiting Requirements Prior to Transfer in accordance with Article 12

A review of the applications of Articles 12(l), 12(m) and 12(lx) and the requirement to wait six (6) or twelve (12) months after completing one of these transfers prior to submitting and/or eligibility for another. The parties agreed that each of these paragraphs is a separate and distinct contractual right. The following is a simplified chart outlining our understandings:

1. An employee who desires a 12(lx) - Part Time to Full Time/Full Time to Part Time transfer at his station:

An employee who:	Six-month wait required:
Has not completed probation	No
Completed a previous 12(lx) at the station	Yes – 6 months
Completed a 12(l) transfer into the station	No
Completed a 12(m) transfer within or outside the station	No

2. An employee who desires a 12(l)-Station to Station transfer:

An employee who:	Six(6)-month wait required:
Has not completed probation	No- Must complete Probation
Completed a 12(lx) transfer at the station	No
Completed a 12(l) transfer into the station	Yes – 6 months
Completed a 12(m) transfer within the station	Yes – 6 months
Completed a 12(m) transfer in from outside the station	Yes – 6 months

3. An employee who desires a 12(m) -Change of Classification at his station:

An employee who:	Six-month wait required:
Has not completed probation	Yes - Must complete Probation
Completed a 12(lx) transfer at the station	No
Completed a 12(l) transfer into the station	No
Completed a 12(m) transfer in from within or outside the station	Yes – 6 months

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

5. We have agreed that where a six month wait is required above, 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.

6. An employee who desires a Shop-to-Shop transfer at TUL/AFW

An employee who:	Six month wait required:
Has not completed probation	Employee must have one (1) year

	with the Company
Completed a 12(l) transfer	6 months
Completed a 12(m) inter station transfer	Yes – 6 months
Completed a 12(m) intra station transfer	Yes – 6 months

AmericanAirlines

May 17, 1996 revised 3/1/01

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

Re: TUL Bidding/Transfers (Shop to Shop)

Dear John:

During the 1995 Negotiations, the parties recognized that the processing time under the TUL Transfer Memorandum could be reduced if fewer employees rescinded their TUL request prior to testing. Therefore, to encourage employees to follow through with the bidding process, it is hereby agreed:

- a. Once an employee has been tested and passes the test, the employee cannot refuse the transfer.
- b. If an employee is qualified and bids a vacancy for transfer, the transfer cannot be turned down and the employee must move. Except in an emergency, the transfer will take place on the second Monday following the employee's qualification.

This addendum to the Transfer to Job Vacancies in no way alters any provision of the Basic Agreement or the Transfer Memorandum itself. Any changes to the procedure will require mutual agreement of the parties. Any disputes which arise concerning the applications of this addendum will be resolved through mutual discussion with TWU Local President and the local AA Human Resources Manager.

Sincerely,

Mark L. Burdette
Managing Director
Employee Relations – Ground

Agreed to this date:

M. Finley, President
Local 514 - TWU

Approved:

John M. Orland

bcc: D.L. Kruse

J.G. Allen

L.A. Laster

R. Hodge

D.A. Newgren

A. Gatt

R. Pritchett

M.B. Fives

M.K. Tinsman

K. Howerton

C. Tagorda

ARTICLE 13 SYSTEM SENIORITY LIST

(a) **A System** Seniority list of the employees **covered by this Agreement listing name, personnel number, Occupational seniority date, Company seniority date, job classification, station and highlighted changes will** be furnished to the Union, **by February 15th and August 15th of each year**. These lists **will** indicate the position held by each employee who is not a member of the bargaining unit and **will** also indicate whether he is retaining or retaining and accruing.

(b) The Company **will post and maintain** copies of **the System Seniority list on its** bulletin boards at all stations where employees hereunder are based.

(c) An employee or the Union may **use a System Seniority Protest Form for** any omission or incorrect posting affecting any employee's seniority within sixty (60) **calendar** days after posting of the seniority list, except that an employee on **vacation, sick leave or** a leave of absence in accordance with Articles 17 and 18 of this Agreement or **employees affected by a Reduction in Force and recall in accordance with Articles 15 and 16 of this Agreement or** on an assignment at a location where a roster is not posted, shall have sixty (60) **calendar** days from the date of his return to duty at a station where the roster is posted in which to file such protest. An employee may file a protest with respect to his listing upon his presentation of new and pertinent evidence. **Waivers to these time limits may only be granted by joint agreement of the Director of the Air Transport Division of the Union and the Vice-President of Employee Relations of the Company.**

(d) **The following will be the procedures for the Seniority 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 Resource office. Protest Forms must be accompanied by supporting documentation.**

2. **The Local Union and appropriate Human Resources office will investigate the protest.**

3. **The Local Union office will forward the protest and their recommendation to the TWU ATD office.**

4. **The TWU ATD will advise the Company if a change is required. The Company will forward a final resolution to the protest to the Local Union, the appropriate Human Resource office and the affected employee.**

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

AmericanAirlines

May 29, 1997

John Orlando
International Vice President
Transport Workers Union of America
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear John:

| This is to advise you of a change in the Company's policy regarding Classification Seniority.

As you are aware, we have recently experienced a number of situations in which we have agreed to adjust Occupational Seniority arising from transfer bypass grievances. In the past, it has been our practice to adjust only Occupational Seniority not inclusive of Classification Seniority.

A number of these adjustments have given rise to additional requests for like adjustments to pay seniority. After much discussion, we have concluded that we shall make such simultaneous adjustments henceforth.

Accordingly, I have directed Teresa Goff, P.A. Audits, to make the Appropriate classification adjustments (will be made) when adjusting occupation seniority in cases of transfer bypass. I have also attached a copy of my correspondence to her and a list of AFW employees whose pay seniority will also be adjusted.

Sincerely,
Mary K. Tinsman
Senior Counsel
Employee Relations

Note: This letter and the attachments have been placed in the affected employees' personnel files.

ARTICLE 14 - LOSS OF SENIORITY

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

(b) An employee who is discharged for just cause **will** forfeit all seniority accrued to date of such discharge. An employee who resigns from the service of the Company **will** forfeit all seniority accrued to date of such resignation, except that an employee, who, on the effective date of resignation, holds recall rights pursuant to Article 16 may continue to hold such recall rights provided such employee submits a written request to hold recall rights prior to the effective date of his resignation.

(c) If an employee who has been laid off is offered the opportunity to return to the service, in other than temporary work, and such offer of recall is to employment of the same **classification and** status as laid off from (full time to full time or part time to part time) and such employee elects not to return to the 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.

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

American Airlines

October 8, 1991

Mr. Edward R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

Dear Ed:

This will confirm our discussions and understandings regarding the provisions of Article 14 (b) of the Maintenance and other similar articles in the other AA/TWU agreements. Since the interpretation of this provision in 1972, we have negotiated many changes to the Agreements including -Reduction in Force, Transfer from Layoff, Part time and Recall.

It is our intent that any employee who is directly affected by a reduction in force and exercises their seniority, either at the time of layoff or after accepting layoff, and thereafter must resign for personal reasons (cannot accept the new area, job or location) will retain recall rights if at the time of resignation they so notify the Company in writing of their desire to retain their recall rights.

Example:

Employee is laid off at STL and elects to displace a junior employee in ORD. After a few weeks in Chicago the employee's family cannot join him and he elects to resign and retain his recall to STL. This would be permissible.

Same situation as above except the employee elects layoff at the time of the reduction in force and after being unemployed for some time, transfers to a vacancy at ORD. He elects to resign for whatever reason and would be eligible to retain his recall rights.

If you have any question regarding this interpretation, please give me a call.

Stan Crosser

SLC:kd

cc: Managers Field Employee Relations

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 seniority, as provided for in paragraph (e) of Article 10.

(b) An employee having Title Seniority (one who has completed his probationary period) and who is directly affected by a curtailment of work requiring a reduction in force, may, at his option (except as provided in Article 42,

(1) exercise his seniority to displace another employee at his station in his own or lower classification within his Title Group, **in a non bid position**, or

(2) exercise his seniority to fill a vacancy or displace another employee at his station in his own or lower classification within his Title Group in a part time position, or

(3) **If** he has **completed his probationary period**, he may exercise his seniority to fill a vacancy at another station in his classification, in either a full time or part time position, not subject to bidding, in **accordance with** the provisions of Article 12, or

(4) **If** he has **one (1)** or more years of seniority, he may exercise his seniority to displace the employee or employees with the least system seniority in his own classification or any lower classification, in either a full time or part time position **not subject to bidding**, or

(5) **If** he is retaining seniority in **another** Title Group, he may exercise **his** retained seniority, but only at his own station. **If that** Title Group and appropriate classification does not exist at the station where the reduction in force occurs, the employee may request a transfer to any existing vacancy in the system in the appropriate classification, in either a full time or part time position, in which event he **will** have preference over employees who otherwise qualify under the provisions of Article 12. If no vacancy exists, he may exercise this retained seniority to displace the employee with the least system seniority in his former or lower classification within the appropriate Title Group in either a full time or part time position.

In the application of (2) above, the employee will be advised of and, in order of his occupational seniority, offered vacancies and displacement rights to part time positions at his station.

In the application of (3) and (5) above, the employee will be advised of and, in order of his occupational seniority, offered his choice of the stations where the appropriate vacancies exist.

In the application of (4) and (5) 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 laid off employees who elect to exercise their seniority to a job in their own classification.

The number of least senior employees exposed to displacement under this procedure will not be changed because of failure of a laid off employee to move to a job previously allocated. An unprotected employee displaced as a result of an employee exercising option (4) or (5) above **his seniority will** have displacement rights provided he has the **required** occupational seniority.

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 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 layoff.

(c) In the event of a Reduction in Force for Technical Crew Chiefs 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 the qualification test and selection panel for the job he is displacing; or

(2) If the Technical Crew Chief's previous position was a bid Crew Chief or an Inspector position 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 the qualification test for the job he is displacing; or

(3) A Technical Crew Chief may exercise his seniority under the provisions of Article 15(b). If the employee's previous classification was not a bid position, he may exercise his seniority under the provisions of Article 15(b), but may not displace into a bid position at his own station or elsewhere in the system.

(d) An employee who desires to exercise his seniority as outlined above must notify his immediate supervisor of his intention to exercise his seniority within five (5) days (exclusive of his regular days off) of receipt of notice of layoff and must within ten (10) days (exclusive of his regular days off) of receipt of notice of layoff prove that his qualifications are sufficient for the classification and type of work for which he desires to exercise his seniority.

An employee exercising seniority under this Article who fails to prove that his qualifications are sufficient for the classification and type of work for which he expressed a desire to exercise his seniority may exercise his seniority in a lower classification at this station provided he notifies his immediate supervisor of his intention to exercise his seniority within three (3) calendar days after receipt of notice of his failure to qualify.

(e) Unless the reduction in force is the result of any reason set forth in Article 37(c), an employee who changes base stations under **Article 15(b)** (3), (4) or (5) will be reimbursed by the Company for **all** moving and travel expenses in accordance with **Company Regulations**. 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 base station under the provisions of paragraph (b) of this Article.

(f) A protected employee who is directly affected by a reduction in force at his station will be afforded the benefits of Article 44(a) except that a protected employee who has the seniority to remain at his/her location in a non-protected status, and who elects system displacement in a non-protected status **will** not be entitled to the \$12,500 allowance under Article 44.

(g) Upon request of the Local Union President, an employee may, within seven (7) calendar days, appeal to a review panel composed of **the Director of the Air Transport Division** and the Vice President, Employee Relations any disputes regarding the Reduction in Force application or administration.

Transfer requests by employees on layoff status will be covered under the provisions of Article 12 of this Agreement.

(h) An employee who has accepted layoff and who has been removed from payroll will accrue Classification seniority for the duration of the period on layoff, not to exceed ten (10) years as outlined in Article 16 (Recall).

(i) If a full time Crew Chief, protected as a full time employee, is affected by a reduction in force and does not have sufficient seniority to remain full time in a non bid classification at his station, he will be eligible for the special moving expense as outlined in Article 44 of the Agreement if he displaces the junior Crew Chief in the system. He is also eligible for the special moving expense if he elects to displace into a non-bid job in the system.

ARTICLE 16 –RECALL

(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 seniority during such layoff for a period not exceeding his previous service to a maximum of **three (3)** years; the employee **will** continue to retain seniority thereafter. 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. The Company and the respective TWU Local President will agree on the current recall list within ninety (90) calendar days of the date of ratification of this agreement.**

(b) A laid off employee **will** only have recall rights for the period indicated in paragraph (a) above to a job in the classification and station from which he was laid off, except that an employee released from a bid job in connection with a reduction in force in said bid job shall not be subject to recall to said bid job. An employee released from a bid job **will** retain recall rights in accordance with paragraph (a) above to a job in the next lower non-bid classification in his Occupational Group Title 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 such recall to a part time position **will** not lose recall rights to a full time position at that station.

(c) An employee who in lieu of layoff exercises his seniority to displace the employee on the system in his own classification with the least Title seniority, or an employee who in lieu of layoff accepts a vacancy in his own classification at another station at the time of layoff or before the expiration of his recall rights, or 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 Group Title **will** retain recall rights in accordance with paragraph (a) to the classification and station from which he was first released.

An employee who, in lieu of layoff, exercises his seniority to displace an employee in another classification and Occupational Group Title in which he holds seniority, or accepts a vacancy in any other Occupational Group Title at time of layoff or before the expiration of his recall rights, **will** accrue seniority in the Occupational Group Title to which he transferred in accordance **the applicable Agreement** in addition to accruing and retaining seniority in accordance with paragraph (a) **of this Article** and retaining recall rights in accordance with paragraph (b) of this Article. Further, should an employee bump through one or more classifications and eventually be laid off, he **will** retain recall rights to each such classification and Title Group.

An employee having such multiple recall rights **will** have the option of accepting or waiving recall rights to each such 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.

(e) All employees laid off by the Company due to reduction in force **will maintain a current** address with the **Company**. Any change in address must be filed promptly, **sending a Change of Personal Information Form to PeopleLink; P.O. Box 619616, Mail Drop 5141, DFW Airport, Texas 75261 or by calling PeopleLink @ 1-800-447-2000.** pager or Administration - TULE.

All notices of recall will be made (telephonic notifications are okay if confirmed in writing) in writing via overnight mail/express (i.e. US. Post Office, Federal Express or equivalent) return receipt requested. All employees must notify the person whose name is signed to the recall letter, within **ten (10) calendar** days of the date of mailing postmark of the recall letter, the date he will report for duty.

Any employee who fails to notify the **Company** or who fails to return to duty within **twenty-one (21) calendar** days of the date of the mailing (or equivalent) will be considered to have refused recall and **will** lose all rights to **recall** and his seniority shall be forfeited, unless such period is extended by the Company for an additional period not exceeding fifteen (15) additional **calendar** days. The Company will furnish the ranking Local Union Representative a copy of all such recall letters.

(f) An employee who has been laid off, and who has been out of the service for a period of **twelve (12)** months or more, may be required to take such 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 such tests are not given less than sixty (60) **calendar** days after his **recall**.

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

March 25, 1994

| Mr. Edward R. Koziatek
International Vice President - TWU
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Ed.

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.

Sincerely,

Stanley L. Crosser
Managing Director
Employee Relations

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 employees **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. 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 cancellation.**

(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 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, by certified U.S. Mail, or equivalent carrier, return receipt requested, at 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 Classification 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 the AMR Benefits Hotline 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. An employee must continue to prefund for retiree medical coverage in order to receive credit toward the ten (10) year requirement in accordance with Company policy. An employee should contact the AMR Benefits Hotline for the appropriate forms to complete before the Overage Leave begins.

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

e. Holidays that occur during an OL will not be paid.

f. 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.

g. 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.

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

(e) When an unpaid leave of absence is granted to an employee on account of sickness, injury, or pregnancy, referred to as a Sick Leave of Absence or "SKLOA", he will retain and continue to accrue his seniority until he is able to return to duty or is found to be unfit for his 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 and eighty (180) calendar days written notification prior to the expiration date of the five (5) year period. The notification will be made via certified mail, return receipt requested, to the employee's last known address. An employee must request a SKLOA in writing and attach medical documentation supporting the request. An approved SKLOA will be granted in writing and will specify the expiration date of the leave. The Company may place an employee on a SKLOA in accordance with the provisions of Article 39.

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

(2) 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 work day 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 US Postal Service, or equivalent carrier, Certified Mail, Return Receipt Requested.

(i) 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.

(j) 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, Classification seniority accrual, vacation accrual, sick leave accrual, credited service for pension, and reinstatement rights are listed in the chart that follows.

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

	Personal Leave	Union 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	Minimum of 6 work days, up to 1 year	Up to 5 years	Up to 5 years	Up to 5 years	Up to 84 calendar days (12 weeks)
Accrual of Company 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
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, not to exceed 90 calendar days
Accrual of Classification Seniority	None	Duration of the Leave	Duration of the Leave	Up to 30 calendar days	Up to 30 calendar days	Duration of the Leave	Up to 30 calendar days
Vacation Accrual	Up to 60 cal. days, then reduced	Duration of the Leave	Duration of the Leave	Up to 60 cal. days, then reduced	Duration of the Leave	Up to 84 continuous, 89 interrupted	Up to 60 days, then reduced
Sick Leave Accrual	None	Duration of the Leave	Duration of the Leave	Up to 60 cal. days, then reduced	Duration of the Leave	Up to 30 calendar days	Up to 30 calendar days
Pension / Credited Service Accrual	None	Duration of the Leave	Duration of the Leave	None	None	Duration of the Leave	Duration of the Leave
Reinstatement Rights	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 armed services or the Merchant Marine of the United States, **will** be governed by the provisions of the Selective Training and Service Act of 1948, as amended, **now known as the Uniformed Services Employment and Reemployment Rights Act**, or other applicable law.

(b) Time spent on military leave **will** count as time worked for purposes of seniority, 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** accrue length of service for pay purposes for the period of such leave. **An employee, if he so desires, will be able to use any accrued or unused vacation and available personal vacation (PV) days during this leave.**

(d) **The provisions of Article 42(a) will apply if the employee was subject to layoff while on military leave. Provided however, the employee must have seniority to exercise options either at his own station or the system and subsequently exercise those options upon return to active payroll. Under such circumstances, no adjustments will be made to his seniority (i.e. Company, Occupational and classification). The Article 44 special moving/optional severance allowance will apply.**

An employee on military leave at time of layoff, 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 Classification seniority.

Employees having sufficient seniority to exercise options at time of layoff (while on military leave), but who subsequently choose 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 attachments on the following pages are agreed to by the parties and are incorporated as part of this agreement.**

October 7, 1991

Mr. Marion Finley
TWU Local 514
11929 East Pine Street
Tulsa, OK 74116

Dear Marion:

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.

Sincerely,

American Airlines, Inc.

Dennis M. Quish,
Employee Relations

| AGREED TO THIS DATE

Marion Finley, Vice President
TWU Local 514

ARTICLE 19 - TERMINATION OF EMPLOYMENT

(a) **An employee laid off through no fault of his 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 the notice.**

This 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) **An employee who resigns 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 medical benefits, including maternity related coverage, for a period of ninety (90) calendar days. This includes point of service (POS) or Health Maintenance Organization (HMO).**
- 2. Current life insurance coverage for a period of thirty-one (31) calendar days.**
- 3. Current vision coverage for the remainder of the calendar year.**
- 4. Current dental coverage for ninety (90) calendar days.**

ARTICLE 20 - BULLETIN BOARDS

The Company **will** provide **secure and locked** 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. Such 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.

The Company will provide bulletin boards as specified and agreed to by the Joint Safety Committee for safety related issues.

ARTICLE 21 - ROTATION OF SHIFTS / WORK SCHEDULES

(a) Subject to the requirements of the service, shifts may be rotated, fixed or bid in accordance with the preference of a majority of the employees at a particular station, shop or work unit. When fixed or bid shifts are selected, seniority **will** determine shift work, **and days off**.

(b) **When shifts are rotated** such shifts **will** be on a basis of four (4) week periods. Employees required for such shift work **will** be rotated on the various shifts at regular intervals in such a manner as to provide substantially equal time on all shifts for such employees except as otherwise provided in paragraph (a) of this Article. It is understood that this provision **will** not require the rotation of employees assigned to specialized work not subject to shift work, nor shall it bar employees from voluntarily accepting steady work on afternoon or midnight shifts.

(c) **When** employees work more than eight (8) hours in any twenty-four (24) hour period as a result of **a change of shifts due to a work schedule selection**, such employees **will** receive only straight time for the second eight (8) hours or portion thereof worked during such twenty-four (24) hour period. **When a 4/10's schedule is in place, the intent of this paragraph will apply.**

(d) An employee hereunder who is required to report **for a regular** tour of duty with less than seven and one-half (7-1/2) hours after the completion of the previous regularly scheduled tour of duty including overtime, shall be paid at the applicable overtime rate for all time worked during said second regular work period.

(e) Except in extreme "emergencies", employees **will** be given at least seven (7) days' notice of all shift changes. **In the event a seven (7) days notice is not given, employees will be paid one and one-half (1.5) times the regular hourly rate for the first day of the new shift. By mutual agreement between the Company and the employee, the seven (7) day notice may be waived.**

(f) Subject to local operating conditions and the qualifications of employees affected, Union representatives **will** upon request, be assigned to fixed shifts. Such arrangements **will** be worked out at each station by the designated Union local representative and the local manager.

ARTICLE 22

(Intentionally Left Blank)

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. **Provided** , any time spent after regular work hours **will** be classed as overtime and **will** be compensated for, when attendance is required by the Company, at the **appropriate overtime** 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 work day, the employee will be paid in accordance with the provisions of Article 6.**

(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, 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) Training normally will be scheduled to provide at least seven (7) calendar days' notice to employees affected, except in the event of training required to meet unanticipated conditions such as airworthiness directives, fleet campaign directives and vendor instructions. This provision will not require such notice to employees exercising seniority under Article 15 of this Agreement.

To the extent that work requirements permit, training will be accomplished during the employee's regular working hours.

(e) **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 NavigAator.**

(f) **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 – RECALL AND CALL-IN WORK

(a) 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' compensation at time and one-half his regular hourly rate. Time taken for meals shall not terminate a continuous service-period.

(b) CALL-IN

When an employee is called to work which commences within four (4) hours of the beginning of his regular shift, he **will** shall be paid at the applicable overtime rate for all time up to the beginning of his regular shift, excluding a meal period, whether or not such time is actually worked. In the event an employee is called to such work commencing less than two (2) hours prior to the beginning of his regular shift and reports at the time designated, he shall be paid at the applicable overtime rate for such two (2) hours.

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

Agreements:

- Fleet Service
- Aircraft Maintenance Technician and Related
- Stock clerk

Recently questions have arisen concerning the proper application of the overtime provision of Article 25 (b) of the Agreement (24(b) for Stores), and its specific treatment in the event of an employee CS.

The Agreement provides that when an employee is "called in" to perform work that commences within four (4) hours of the beginning of his/her regular shift, he/she shall be paid at the applicable overtime rate for all time up to the beginning of his/her regular shift, excluding meal period, whether or not such time is actually worked.

The question at issue is the rate of pay for an employee who works four (4) hours of Early Call-In in conjunction with his/her regular shift and then CS's off during his/her regular shift having worked eight (8) hours or less including the Early Call-In time.

Example:

Call-In work	0400-0800	4 hours
Regular Shift	0800-1630	8.5 hours
CS Off	1200-1630	4.5 hours
Total time worked		8 hours

When the 1966 contract language in Article 25 (b) was changed in 1969 from "applicable rates" to "applicable overtime rates" there was a prospective understanding that when the Company needed to call an employee in early to perform work, such time would be at an overtime rate regardless of whether or not the employee subsequently CS's off the remainder of his/her regular shift.

The overtime language in Article 6(a)(3) that entitles an employee to overtime rates only after he/she has worked eight (8) hours, would not apply.

Thus, in the example above the employee would be paid four (4) hours of Early Call-In at 1 1/2 times his/her regular rate of pay and the four (4) hours of his/her regular shift at straight time.

At the conclusion of the 1969 contract talks Employee Relations issued an interpretive guide to the field Operating Departments in the form of a letter dated July 22, 1969. That letter is attached for your reference.

If you should have any questions regarding this bulletin, please contact me at 817-931-5352.

James Weel
Managing Director
Employee Relation-HDQ

Cc: M. Burdette
M. Tinsman
T.M. Vaughn

**M. Cook
C. Tagorda
A. McFadden
TWU Locals
Field HR offices
Article files-25**

ARTICLE 26 - FIELD WORK

- (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 day shift 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 **will** be paid at least eight (8) hours, **or ten (10) hours if on a 4/10 schedule**, of compensation at overtime rates, whether traveling, on call, or working.
- (c) **An** employee required to travel in excess of eight (8) hours **will** be compensated **in accordance with Article 6 of this agreement**. Compensated travel **will** be considered as time worked.
- (d) When an employee is required to perform work away from his base station on a day during which he reported to work at his base station, all continuous time, whether traveling or working, **will** be computed as working time for all purposes.
- (e) A period of seven and one-half (7-1/2) hours or more during which an employee is not traveling or working **will** break the continuity of paid hours for overtime purposes.
- (f) During such assignment, the employee **will**, while away from his base, be paid actual expenses for meals, lodging and transportation. **All expenses must be approved and paid for by the Company. Whenever receipts are not provided, the employee will be paid in accordance with the NavigAator. On planned field trips originating from AFW, TUL, ORD, DFW, LAX MIA, SFO, JFK and LGA, the Company will provide advance payments for all expenses as outlined above at the employee's request to the extent possible.**
- (g) **At those stations where there is no existing procedure governing the assignment of fieldwork, such a procedure will be established.**

Article 27 – General

- (a) All orders to and requests from an employee involving transfers, promotions, demotions, layoff, reemployment, leaves of absence, or anything affecting his pay or status, **will** be in writing.
- (b) An employee who permanently transfers at his own request to another classification of work as provided in this **Agreement**, the Maintenance Agreement, the Fleet Service Agreement, and the **Technical Specialist 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.

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 and laundered by the Company, **except that in the case of jackets, the Company will reimburse the employee for any laundry or cleaning. 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 pins and hats. TWU pins may be worn on the Company uniform jackets. Standard uniforms will be exchanged for maternity uniforms upon request.**
- (e) 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. No employee will be required to work under unsafe or unsanitary conditions.
- (f) 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 on the system where employees are **stationed**. It **will** be the duty of the Safety Committee to:
 - (1) Receive and review Company accident (1), 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;
 - (3) See that all applicable sanitary and safety regulations are complied with;

- (4) Make recommendations for the maintenance of appropriate sanitary and safety standards.

Joint Safety Committee meetings will be scheduled by mutual agreement between the Company and the Union.

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, the 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.**

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 **A**greement.

- (g) 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 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.**
- (h) Three (3) days of personal emergency 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, legal guardian or documented former legal guardian**, or relative who is a resident of the household. **To the extent that NavigAator provides more expansive personal emergency leave benefits, those benefits will be applied to the TWU-represented employees.**

(1) **Upon request, the option of up to two (2) Personal Vacation (PV) days or up to two (2) days of personal emergency (PEU) days without pay will be extended to an employee, in conjunction with PE days.**

- (i) **An employee called for jury duty will be paid as if working for all regularly scheduled hours less the fee received for jury services. 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.**

(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.

- (j) **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.**
- (k) 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.
- (l) 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.
- (m) No employee will be required to participate in a **definite** bomb scare investigation, **as declared by Company SOC**, against his wishes. 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, and employees covered will not have to sign individual application forms, except for **the** designation of a beneficiary.

- (n) 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 original or replacement 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.
- (o) **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.**

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.**
- (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 Union 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 the 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) **If there is an investigation of sexual harassment and the charged employee is exonerated of the charges, no entry regarding the charge or investigation will be made in the counseling records. Any entry previously made will be deleted from the counseling records. In other cases, a counseling record entry, if any, will reflect only the nature of the discussion with the employee. As always, the employee has the right to review the counseling record entry and provide any additional information desired.**

ARTICLE 29 - REPRESENTATION

(a) The Union may select and designate such 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 Union Representatives that will confer with management at any one time on any issue, including meetings convened under Article 29(f), will not exceed the number of management representatives present. Under the provisions of 29(f), when there is more than one management representative present, one of the Union Representatives present will act as a scribe. However, when there is only one management representative present, the Union will have the option to have one additional Union Representative present to act as a scribe.**

(b) The Union may designate a System **Coordinator** for the employees **covered by the Agreements between the Company and the Union.**

(c) The Union **will** notify the Company in writing of the names of its Accredited Representatives **designated in paragraph (a) and (b) above** and of any **subsequent changes to those Representatives.** The Company **will** inform the Union, in writing, of the supervisors with whom **these Accredited Representatives will** deal and **of any subsequent changes to those supervisors.**

International Officers, Local **Union Officers and Local Union Representatives will**, at any time during regular working hours, have access to the premises of the Company where employees **covered by this Agreement** 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. **Notice of an** intended visit will be given 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 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 **the** 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 decision in writing within fifteen (15) **calendar** days. Disputes in respect to actual grievances **will** be handled exclusively according to the provisions of Article 31, Grievance Procedure.

This provision will also apply to a Local President with respect to improper application or interpretation of this Agreement affecting a group of employees within the jurisdiction of his Local Union. The protest will be filed with the appropriate Chief Operating Officer of the Company.

When **an** actual grievance has been filed other than under this paragraph, the International **or Local President** may rescind **the** grievance and initiate a protest under this paragraph, within ten (10) **calendar** days after **the decision to** 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 of this Agreement.

(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. The supervisor's record will reflect if the employee does not desire Union representation.**

(1) When the Company convenes a meeting under the provisions of Article 29(f), it will, except for rare or compelling reasons, indicate the purpose of the meeting and then provide the opportunity for an employee and Union representative to confer, for a reasonable period of time. Once the Article 29(f) meeting reconvenes it will continue until concluded by the supervisor.

(2) Before written notification of discipline or dismissal is given an employee, he **will** be afforded the opportunity to discuss the matter with his supervisor. If he so desires, he **will** have a Union representative in **this** discussion. Nothing **in this Article will** be construed as preventing the Company from holding an employee out of service pending **an** investigation, provided the employee will be paid as if working 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) An employee covered by this Agreement who is interviewed by a Company Security Department representative as part of a Security Department investigation may, upon request, have a TWU representative present during the interview. If a local TWU official is not readily available after a request, the Company's Security Department will not be required to wait for his availability before conducting the interview. However, the employee may request the presence of another TWU represented employee (peer witness) during the interview. The role of the TWU representative or peer witness will be that of a silent observer only. The representative or witness 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 Union Representative present as a witness during those parts of the specimen collection process indicated below:

(1) In those stations where a Local Union 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 this 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) Union Representative will be allowed to accompany an 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 Union 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 an employee or collector into a restroom.

(4) In accordance with the FAA's directive of July 1990, no Union Representative will engage in any activity, which disrupts the collection process. Should the Union Representative engage in disruptive activity, the Union 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 - DISMISSAL

(a) An employee who has passed his probationary period **will** not be dismissed from the service of the Company without written notification of **that** action. **The** notification **will** include the reason or reasons for his dismissal. **An** Appeal from **dismissal will** be made, in writing, by the employee within seven (7) calendar days after receiving **the** notification and **will** be addressed to the Chief Operating Officer, **with a copy to the appropriate Human Resources Office. The Chief Operating Officer will** fully investigate the matter and render his **written** decision **as soon as possible, but** not later than **twelve (12) calendar** days following 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 Operation Officer to complete the investigation and render his decision within twelve (12) calendar days will permit the Union to file directly for arbitration and will result in a monetary penalty equivalent to four (4) hours of pay as if working per day until the decision is issued.

(b) If the decision of the Chief Operating Officer is not satisfactory to the employee, the dismissal and decision thereon **will** be appealed in accordance with (c) below, provided, however, said 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** 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).**

ARTICLE 31 - GRIEVANCE PROCEDURE

(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, or against whom the Company has **issued written disciplinary action**, 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 his **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 Office. The Chief Operating Officer will** fully investigate the facts **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.**

The inability of the Chief Operating Officer to complete the investigation and render his decision within then twelve (12) calendar days will permit the Union to file directly for arbitration and result in a monetary penalty of eight (8) hours additional pay, as if working, 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 herein for such appeals, the decision of the Company **will** become final and binding.

(g) If, as a result of a decision in any of the steps of the grievance procedure, an employee is exonerated, **all related disciplinary 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 as if working.**

(h) 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.

(i) Upon the request of an Accredited Union Representative, the Company will inform the Union of its decision on any grievance regarding which a formal hearing or investigation has been held at which the aggrieved employee was not represented by his Accredited Union Representative.

ARTICLE 32 - BOARDS OF ADJUSTMENT

(a) Boards of Adjustment

(1) Pursuant to the provisions of the Railway Labor Act, as amended, **the parties** 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 employees 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.**

(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, the latter to serve for an indefinite term; however, either party may cause the services of the neutral referee to be terminated, **except as to cases already submitted to him 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 fifteen (15) **calendar** days, **unless extended by mutual agreement**, 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 meet in the city where the general offices of the Company are maintained, unless a different location is agreed upon by the Union and the Company.**

(4) The **System** Board **will** hear and determine all disputes properly before it which are not within the jurisdiction of the Area Boards.

(c) Area Boards of Adjustment, Discipline and Dismissal Cases

(1) Area Boards of Adjustment **will** be maintained in **locations where Local Unions are based or as mutually agreed by the Company and the Union**. The jurisdiction of each Board **will** be limited to discipline and dismissal cases arising in the area in question.

(2) Each Area Board **will** be composed of one member appointed by the Company, one member appointed by the Union, and a neutral referee as Chairman. However, by mutual agreement of the parties, 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; either party may cause the services of the neutral referee to be terminated (except as to cases already submitted to him **pending a decision**) by giving written notice to the other party and to the neutral referee.

(3) If the position of neutral referee of an Area Board becomes vacant and the Company and the Union cannot agree on a successor within fifteen (15) **calendar** days, **unless extended by mutual agreement** 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 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 for hearing and decision. Any disagreement as to which Board is the appropriate Board **will** be determined by the **System** Board.

(2) If the 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, **unless shortened or extended by mutual agreement**, of their **decision to expedite the case**.

(3) **An appeal to a grievance decision arising out of Articles 29, 30, and/or 31 will be submitted in writing, as provided below, and includes 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.**

(4) **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 scheduling of cases to be heard before the Boards is an administrative matter addressed by mutual agreement between the Union and the Company.**

(5) A petition **will** be served upon the other party, who **will** have the right, within fifteen (15) **calendar** days after receipt to file a written answer.

(6) Employees and the Company may be represented at Board hearings by **any** 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, provided a minimum of forty-eight (48) hours notice is provided to the other advocate and copies are submitted to the other advocate prior to the presentation of the direct case. The advocate receiving the late document or witness has the option to postpone the hearing in light of the new document or witness.

(7) Upon the request of either party to the dispute, or of two (2) Board members, a Board **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 exceed those who** 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 of 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 **the** finding or decision **will** be final and binding upon the parties to such dispute. **The Union and the 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 the 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 Article 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 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 **the** 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 **and 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 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 **covered by this Agreement** 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 discussion associated with the publication of System and Area Boards 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 executive 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.**

ARTICLE 33 - NO STRIKE - NO LOCKOUT

It is the intent of the parties to this Agreement that the procedures **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, and

(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

(a) An employee who completes six (6) months of service with the Company **will** be credited with **six (6)** days of sick leave for the calendar year in which the six (6) months' period is completed.

(b) Upon being credited with the applicable **six (6)** days of sick leave, an employee **will** thereafter accrue one (1) day of sick leave for each calendar month of service with the Company, up to a maximum of **twelve (12)** days in any calendar year. **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 hundred and fifty (150) days.

(d) Except as specified in this Article, 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. Payment **will** be based on the employee's regular **hourly** rate.

(e) While 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 such doctor's slip whenever circumstances indicate suspected abuses of the sick leave policy.

(1) Any employee suspected of abusing sick leave and 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 such 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.

(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.

(f) (1) When employees, including probationary employees, are absent 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 absence.

(g) 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 eighty (80) workdays absent, the difference between his base pay (including shift differential) and Worker'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).

Provided, however, the sum of such Workmen's Compensation weekly payments plus such 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 a day up to a maximum of one-half day of sick leave.

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.

(h) In the event that the Company challenges the payment of benefits under paragraph (g) above, occurring during the statutory waiting period under the applicable state Workmen's Compensation Laws, the employee will receive pay continuance (base pay, including shift differential) 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 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 32(d) or 32(g)**, 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 32(d)** and **will** be charged to the sick leave benefit.

(i) 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.

(j) Effective January 1, 1981, a lump sum payment for unused sick leave days, if any, will be made to each employee entitled thereto upon the employee's effective date of retirement as defined in American Airlines regulations. If an employee dies prior to retirement the employee's beneficiary or estate will receive a lump sum payment for all unused sick leave. A day or days of unused sick leave referred to in this paragraph will mean those days credited or accrued in each calendar year and not used by the employee up to the date of retirement or death.

(1) For each such day of unused sick leave, the Company will pay an employee covered by this Agreement, twenty-five dollars (\$25.00). For example: An employee retires on January 1, 1981. He has a total accumulation of one hundred fifty (150) days of unused sick leave. On that date, said employee will receive a lump sum payment of three thousand seven hundred fifty dollars (\$3,750).

(2) A day or days of unused sick leave referred to in paragraphs (a) and (b) above will mean those days credited or accrued in each calendar year and limited to the cumulative maximum in the manner set forth under the provisions of Article 34 of this Agreement effective August 9, 1980 and not used by the employee up to the date of retirement.

(k) The attachments on the following pages are agreed to by the parties and are

incorporated as part of this agreement.

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, New York 10017

February 18, 1978

Mr. Ernest M. Mitchell
Director-Air Transport Division
Transport Workers Union, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Compensation Claim (ID) Panel

Dear Mr. Mitchell:

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.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

Agreed:

Ernest M. Mitchell
Dated: February 18, 1978

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 engaged 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 such work is to be performed, they will be given the first opportunity of such employment.

(c) Notwithstanding the above, temporary employees may be engaged 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 such work is to be performed, they will be given the first opportunity of such employment.

(d) Any additional temporary employees engaged under this Article not subject to paragraphs (a) and (b) above will be subject to mutual consent between the Vice President - Employee Relations and the TWU Director - Air Transport Division or their designees. **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 classification 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 classification 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 not earlier than three (3) hours after commencement of work and not later than five and one-half (5-1/2) hours (so as to be completed at the end of five and one-half (5-1/2) hours) after commencement of work. 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, and the employee will receive time and one-half his regular hourly rate for the meal time before or after **the** time span.

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 and **will** receive time and one-half his regular hourly rate during **the** meal period.

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 set forth 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) 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.

(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) 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.

If employee has completed:

Severance Allowance:

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. 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 supply each Local Union with the name, personnel number, and work location of any new employee or transferee covered under this Agreement within fifteen (15) calendar days of the actual report date of said employee. 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 the purpose 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 **the** 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. **The** 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 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** then 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 General 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 General 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 **on** his behalf for the System Board of Adjustment. In this event, **the** request **will** be made by the employee, in writing, to his immediate supervisor who will transmit, through the local City Manager all facts, data and information concerning the grievance, together with a copy of the decision from which appeal is taken. The Vice President-Employee Relations will forward copies of the employee's separate submission to the employee, the local City 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 positions 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, **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: American Airlines, Inc.
Attention: **Manager – Payroll Customer Service**
M.D. #790
P. O. Box **582848**

Tulsa, Oklahoma **74158-2848**

U.S. Mail Address:
7645 East 63rd Street
Tulsa, OK 74133-1252

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 _____
Employee Address _____

Personnel Number _____
Cost Center _____/_____
Location _____
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 **Manager Payroll Customer Service**; American Airlines, Inc., M.D. #790, P. O. Box **582848**, Tulsa, Oklahoma **74158-2848**. 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 Manager-Payroll Customer Service: American Airlines, Inc.: M.D. 790; P.O. Box 582848; Tulsa Oklahoma 74158-2848 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 **in this Article**, is received by the Manager-**Payroll 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 shall 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 shall 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 - PHYSICAL EXAMINATION

(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, he may be given a physical examination by the Company doctor. **The employee will be notified of the examination in writing. The notification will include an explanation of the reason(s) for the examination.** An employee who fails to pass a Company physical examination may, within fifteen (15) **calendar** days of the date of written notification of his failure to pass **the** examination, 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) He may employ a qualified medical examiner of his own choosing and at his own expense for a physical examination.

(2) Should the medical examiner chosen by the employee disagree with the findings of the medical examiner employed by the Company, the Company will, at the written request of the employee or his Union representative, ask that the two medical examiners agree upon and appoint a third qualified and **neutral** medical examiner, for the purpose of making a further physical examination of the employee.

(3) **The** three (3) doctors, one representing the Company, one representing the employee affected, **and one as the neutral** doctor (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.

(4) The expense of the third medical examiner **will** be borne by the Company. Copies of the Board's report **will** be furnished to the Company, the Union and the employee.

(5) 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 and be paid for time lost, **as if working**, less any amount he may have received as compensation during the interim period.

(b) Should the medical examiner chosen by the employee in **Article 39(a)** (1) above, agree with the findings of the Company doctor but disagree regarding the employee's ability to return to his job, the following **will** apply to **all** cases **including** alcoholism and mental disorders, **except when superceded by the DOT or FAA rules or the Company's Alcohol/Drug Policy**:

(1) The employee may appeal through the local Union President to a System Review Panel composed of the Vice President-Employee Relations and the Director-**of the** Air Transport Division, to resolve the dispute.

(2) Should the System Review Panel be unable to satisfactorily resolve the case, it will be referred to a System Professional Medical Board composed of the American Airlines Corporate Medical Director, a physician appointed by the employee and a third physician mutually agreed upon by the first two physicians. The third physician **will** possess the medical expertise necessary to resolve the dispute.

(3) The case **will** be presented to the Professional Medical Board which **will** be empowered to return the employee to his former job. The decision of the Board will be final and binding, the majority vote deciding the case.

(4) The expense of the employment of the third physician **will** be **borne** by the **Company**.

(c) If a dispute should arise from the application of paragraphs (a) or (b) above, the Company will supply to the employee's personal physician, upon receipt of a signed release from the employee, a copy of the employee's medical records that pertain to the dispute.

Provision and disclosure of **the** medical records shall be in conformity with applicable government regulations.

(d) In order to expedite the resolution of cases brought before the AA-TWU System Review Panel under the provisions of Article 39(b), the provisions of this paragraph will be followed. In the event that the Panel, with the concurrence of the AA Corporate Medical Director or his designee, returns the employee to his job, or another job covered by the Agreement, the reinstatement will be effective no later than ten (10) calendar days from the date the decision is reached. The reinstated employee will return to work on the date, time, and place determined by the Manager of the work unit to which the employee will return.

(1) In the event of a deadlock by the Panel under the provisions of Article 39(b)(1), the employee will:

(a) Complete and sign an American Airlines authorization form for the release of medical information; and

(b) Write a letter to the AA Medical Director stating the name of the doctor specializing in the treatment of the medical disability which caused the employee to be disqualified from his job and/or upon whose opinion the Company may rely, if the System Review Panel determines the doctor has not been specified already; and

(c) Furnish a detailed medical memorandum for the physician under Article 39(d)(1)(b). The memorandum will detail the diagnosis, prognosis, medication, current status, test results, etc., based on an examination performed not more than ninety (90) days before or after the date of the System Review Panel hearing.

(2) The above documents are to be sent to:

**David K. McKenas, M.D., M.P.H.
Corporate Medical Director
P. O. Box 619616, MD 5187
DFW Airport, TX 75261-9616**

(3) Upon receipt of the above documents, the AA Medical Department will evaluate the employee's physician's report and will communicate with the employee's physician to choose a third physician to constitute the Professional Medical Review Board specified under Article 39(b)(2). All questions concerning the submission of documents above will be handled by AA Medical.

(4) The entire process of appeal from the decision of the System Review Panel to the Professional Medical Review Board will be completed within forty-five (45) calendar days. However, when the employee's physician, the AA physician, or the third doctor are not available, test results are delayed, or other factors beyond the control of the parties exist, the process may be extended another fifteen (15) calendar days to a total period from deadlock of the System Review Panel through the process of the Professional Medical Review Board of not more than sixty (60) calendar days.

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

AmericanAirlines

October 14, 1992

**Mr. Edward R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas. 76054**

Dear Ed:

You have requested information on how your field representatives should handle employee requests under the ADA (Americans with Disabilities Act) to start the process of the Accommodations Committee reviewing their medical restrictions.

Once an employee has exhausted the provisions of the contract, including Article 39, and is still restricted from performing a job s/he believes s/he can accomplish, the employee should forward to the local Personnel Manager, in writing, with a copy to the Local Union President a request for review by the ADA specified Accommodations Committee.

The Personnel Manager is the designated contact point for such accommodation review requests and other questions and/or issues relating to the ADA.

If you have any questions on this issue, please give me a call.

| Managing Director

Employee Relations

**Cc: R. P. Craviso
D. A. Newgren
Dr. J. Davis
B. K. Landers**

ARTICLE 40 - Pension

(a) The Company has maintained a retirement plan for the employees for a number of years. The full text of the plan is on file with the Company and is available to the employees in accordance with government regulations. "The American Airlines, Inc. Retirement Benefit Plan for Fleet Service Employees" has been amended to enhance and clarify benefits over time.

(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 "Fleet Service Employees", 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 attachments on the following pages are agreed to by the parties and are incorporated as part of the Agreement.

AmericanAirlines

October 19, 1995
Rev. 03/01/01

John M. Orlando
International Vice President
Transport Workers Union of America, AFL-CIO
1848 Norwood, Suite 112
Hurst, Texas 76054

Dear John:

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 beginning on page R-17 of the Employee Handbook or equivalent. 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 a 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 handbook for approximately

10 years, 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.

Sincerely,
Mark Johnson
Managing Director
Benefits Compliance

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, 1990, the Company will implement a flexible benefits program which limits the impact of future health cost increases for both the Company and **the** employees as follows:

(1) The Company will provide "benefit dollars" which will allow each employee, to "purchase", at no cost beyond those "benefit dollars", the basic Group Life and Health Benefits Plan **The employee may also contribute a portion for other plans at his option.**

(2) Employees may spend their "benefit dollars" to buy that combination of benefits that best meets their individual needs - for example, more life insurance, but less health coverage.

(3) **An employee** may select a more limited benefit plan such as a plan with a higher deductible, and receive cash in exchange for unused "benefit dollars". **This cash payment** will not increase other benefits -e.g., pension accruals or life insurance and **is** subject to income and Social Security taxes.

(4) **The** number of "benefit dollars" provided by the Company to each employee will increase by the percentage increase in the Company's average annual cost per covered employee, for the period July 1, through June 30, **immediately preceding the enrollment year** over the **previous** period July 1, through June 30, up to a maximum of 5%. In this way, the Company pays for the first 5% of cost increases.

(5) If American's average annual cost per covered employee for providing the benefit package rises by more than 5% during **the measurement** period, **an** employee who desires to maintain an identical level of coverage will share the additional costs by making monthly contributions to cover the increase in cost over the first 5% paid by the Company, up to an additional **5%** increase in costs year over year.

(6) **An employee who does not choose to contribute will be able to elect a less costly alternative package of benefits, such as a plan with a higher deductible.**

(7) **The Company agrees, if necessary, to reduce the option price of any Medical or Dental Plan currently offered in the Flexible Benefits Enrollment to the same contribution level set by the Cafeteria Plan for Pilots and Flight Attendants for equivalent plans.**

(8) **The TWU and the Company have agreed that a review committee will be established to review planned administrative changes to the negotiated Medical Plan, and for planned changes in the Point of Service Plan contribution rates, so long as Point of Service Plan continues to be offered. This committee will have the right of appeal to the Sr. Vice President – Human Resources in the event of a dispute.**

(9) 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 Major Medical Plan will be \$150 per individual per calendar year. The family deductible will be satisfied in any calendar year after a total of \$400 in deductible charges have been paid for any three (3) or more family members. No one family member may contribute more than \$150 toward the satisfaction of this family deductible.

(c) The Major Medical Expense Benefits lifetime maximum for each active employee and eligible dependent(s) will be \$5,000,000. An employee and his eligible dependents, who retires early under Article 41(I) will remain under the \$300,000 lifetime maximum until the retired employee reaches the earlier of age 65 or Medicare eligibility.

(1) Inpatient hospitalization charges will be reimbursed at 80% of the first \$5,000 in covered expenses and 100% of the remaining covered expenses. The out of pocket maximum is \$1,000 per person.

(2) The Group Life and Health Benefits Plan for retirees provides that 100% of the first \$5,000 in covered inpatient hospitalization charges, 80% of the second \$5,000 in covered inpatient charges and charges for other medical service combined, and 100% of the remaining combined charges in a calendar year will be reimbursed.

(3) When the Company's Group Life and Health Benefits Plan is providing secondary coverage for dependents, the total combined benefits paid by the primary plan and the Company will not exceed what the Company's Group Life and Health Benefits Plan would have paid had it been the primary plan.

(d) Effective March 3, 2001, 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 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.

(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 supplements the Company provided short term disability benefit up to a total salary replacement of 50%, except where a statutory plan or the company STD 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.

(i) Vision Plan

The Company is reviewing a proposal submitted by the TWU for a vision insurance plan. The Company agrees that the TWU will make the selection upon review of their proposed vendor (Spectera) and one other competitor vendor with a comparable proposal. The Company will contribute the current vision discount card program cost per employee per year towards the new program.

(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) An employee who retires from the Company at Early Retirement Date or on the basis of disability, will receive the same medical expense coverage as active employees, except as noted in Article 41(c), for themselves and eligible dependents until the retired employee reaches the earlier of age 65 or Medicare eligibility.

(1) Thereafter the retired employee and spouse only are each covered for \$50,000 under the Retired Employee Major Medical Expenses Benefits Plan. This post 65 benefit (\$50,000 lifetime maximum, \$150 deductible) for the retiree and spouse will also apply to employees who retire from the Company at their Normal or Late Retirement Date.

(2) Upon the death of the retired employee, coverage for the surviving spouse only is continued for six months or until the spouse is eligible for Medicare, whichever is later. Coverage for dependent children, if any, ceases upon the retiree's death, and the spouse's lifetime maximum is reduced to the lesser of \$50,000 or the unused balance of the spouse's coverage at the time of retiree's death. Employees must meet the requirement of Article 41(m) regarding prefunding as well as plan eligibility requirements.

(m) **Prefunding Retiree Health Care**

All employees, who are on the Company's active payroll, on a union leave of absence, on a family leave of absence, or on a military leave of absence and who are at least age 30 with a minimum of one year of service with the Company, will be offered the opportunity to begin prefunding his retiree health care plan at the contribution amount for the age at which he begins participation in accordance with the Age Based Rates Table in Article 41(m)(5). Additionally, that amount is subject to the escalator described in Article 41(m)(5). Incumbent employees on active payroll on 12/31/89, who enrolled when first eligible, will pay the incumbent rates in accordance with the Table in Article 41(m)(5). No entry fee will be assessed to the employee, if he chooses to participate when first eligible. An eligible employee will be automatically enrolled in the Plan and payroll deductions will commence as of the first pay period following his date of eligibility, unless the employee completes and returns a form, prescribed by the Company and countersigned by his supervisor, to waive participation. Married employees must obtain spousal consent to waive participation.

(1) Should the Company's cost per covered retiree during the immediately preceding period July 01, through June 30, increase above the Company's cost per covered retiree during the previous period July 01, through June 30, then, effective January 1, of the following year, the monthly contribution rate for employees described in Article 41(m) will increase in accordance with the formula specified in the April 02, 1992 Trust Agreement incorporated below in this Article.

(2) Retiree health care coverage under Article 41 will commence after the employee retires from the Company after having met all the eligibility and prefunding requirements. Coverage will be the same level of coverage provided to active employees except that retiree health care coverage will reimburse 100% of the first \$5,000 in covered inpatient hospitalization charges, 80% of the second \$5,000 in covered inpatient charges and charges for other medical service combined and 100% of the remaining combined charges in a calendar year and will be subject to a \$300,000 (remainder of active coverage maximum if less) major medical maximum if retirement is at or after age 55 and before the earlier of age 65 or Medicare eligibility.

(3) Employees who were on the Company's active payroll, on a union leave of absence, or on an approved leave of absence for other reasons on May 5, 1989, but who were ineligible to participate on January 1, 1990 because they did not meet the minimum age and/or years of

service requirement specified in **Article 41(m)**, will be offered the opportunity to elect retiree medical coverage under the same terms and conditions applicable to employees described in **Article 41(m)** (no \$250.00 late enrollment fee and a monthly contribution rate equal to the rate then being paid by employees who opted for coverage before January 1, 1990). Payroll deductions will commence as of the first pay period following their date of eligibility unless **the** employees complete and returns a form prescribed by the Company to waive participation. **A married** employees must obtain spousal consent to waive participation.

(4) **An employee** who elected not to participate when first eligible will be offered, during an annual enrollment period, the opportunity to begin prefunding **his** retiree health coverage. **The** employee will pay the applicable age based contributory rates set forth in **Article 41(m) (5)** and will be required to pay the \$250 **non refundable** late enrollment fee.

(5) **Age Based Rates Table**

Monthly plan contribution rates for employees referred to in Article 41(m) will be in the table below. Also refer to the annual escalator formula in Article 41(n)(3). The contributions below were effective as of January 01, 2001, based on the Escalator formula in the April 02, 1992, Trust Agreement.

Age Employee Begins Prefunding	Monthly Employee/Employer Contribution
Incumbent employees on active payroll as of 12/31/89, who enrolled when first eligible	\$ 12.96
30	\$ 15.54
31	\$ 16.97
32	\$ 18.66
33	\$ 20.41
34	\$ 22.13
35	\$ 24.60
36	\$ 27.06
37	\$ 29.78
38	\$ 32.90
39	\$ 36.20
40	\$ 40.40
41	\$ 44.81
42	\$ 49.59
43	\$ 54.57
44	\$ 60.17
45	\$ 66.33
46	\$ 77.81
47	\$ 86.59
48	\$ 96.84
49 & older	\$ 110.56

(6) **An employee** must continuously participate in this prefunded retiree health plan for at least the ten (10) years immediately preceding retirement to receive retiree medical coverage on date of retirement.

(7) **An employee** contributions made to prefund retiree health care coverage will be held in trust exclusively for the purpose of providing retiree health care. If an employee dies or is terminated prior to retirement, the employee or his beneficiary will receive the value of his contributions plus a pro rata share of trust fund net earnings.

(8) **An employee** making **his** contributions so as to prefund **his** retiree medical coverage will cease making such contributions upon retirement from the Company.

(9) **An employee** making contributions so as to prefund their retiree medical coverage must continue such contributions during all leaves of absence except unpaid sick and unpaid IOD. Any employee who commences prefunding of his retiree health coverage, subsequently discontinues such prefunding, and later decides to again prefund his retiree health coverage, will be required to pay the **rates in the Age- Based contributory Rates Table** set forth in **Article 41(m) (5)** and to pay the \$250 late enrollment fee.

(n) **Prefunding Trust (Memorandum of Understanding Between American Airlines, Inc. and Transport Workers Union of America AFL-CIO, April 02, 1992)_Article 41(n)** expresses the understanding of the parties regarding the amendments to the Trust Agreement and Plan effective January 01, 1993, governing the health benefits provided to active TWU represented employees of American Airlines, Inc. at retirement and the health and other welfare benefits provided to retired employees of American Airlines, Inc. who were represented by the TWU at the time of retirement. Article 41(n) will not be construed to modify or alter an employee's eligibility for retiree welfare benefits under the collective bargaining agreement or the Plan.

(1) **The Trust Agreement and the Trust which holds Plan assets is established for the exclusive benefit of TWU represented active employees and retired employees who were represented by the TWU at the time of retirement.**

(2) **The Trust will maintain a separate account to hold reserves equal to the Participants' prefunding contributions, Employer prefunding contributions, and investment earnings attributable thereto reserved for retiree welfare benefits due to Participants under the terms of the Plan and to pay administrative expenses associated with such Program. In the event of termination of the Plan and/or Trust, the balance of the reserves will be distributed as provided in Article 41(n)(8). In no event will these reserves be used for payment of any expenses associated with the active employees medical benefits program or for any other purpose except those identified with respect to retiree welfare benefits in Article 41(n), the Trust Agreement, and the Plan.**

(3) **An employee participating in the Retiree Prefunded Benefits Program will make a monthly contributions to the Trust Fund. If an employee was an active employee of American Airlines on December 31, 1989, and elected to prefund when first eligible, his contribution was \$10.00 per month in 1992, and such contribution amount is subject to the Escalator, described in Article 41(n)(5), in all future years. If an employee was not an active employee of American Airlines on December 31, 1989, or was an active employee of American Airlines on December 31, 1989, and declined participation when first eligible, his contribution amount is determined based on the age at which he begins participation in accordance with the Age Based Rates Table in Article 41(m)(5), and that amount is subject to the annual Escalator formula described in Article 41(n)(5).**

(4) American Airlines will make a monthly matching contribution on behalf of each employee contributing under the Retiree Prefunded Benefits Program. That contribution amount is identical to the amount required to be contributed by each participating employee in accordance with Article 41(n)(3).

(5) Contributions made by participating employees and by American Airlines are subject to an annual Escalator formula. American Airlines will calculate the impact of the annual Escalator on contributions, subject to review by the TWU in accordance with the provisions of Article 41(n)(6) below, by comparing the percentage increase in the cost of medical benefits for covered retirees during the year ending June 30 immediately preceding the effective date of the Escalator to the cost of medical benefits for covered retirees in the year ending the previous June 30. Such percentage increase is divided equally between the participating employee and American Airlines in order that each pays 50%. The resulting percentage increase will be applied to the amount of the then current Employee and Employer monthly contribution. However, in no event will the participating employee's or American Airlines' contributions increase from one year to the next by more than the amounts stipulated in the Escalator Cap Table below.

Employees affected.	Maximum Monthly Increase over Prior Year
Incumbent employees on active payroll 12/31/89 who enrolled when first eligible	\$1.00
Others – based on age when prefunding begins	
30-34	\$1.50
35-39	\$2.50
40-45	\$3.50
46-48	\$5.00
49 or older	\$5.50

(6) The increase in contributions as calculated by American Airlines is subject to review by the TWU, provided the TWU's request for review is received within thirty (30) calendar days of notification. While no individual's claims history will be available for review, data in the aggregate, upon which the Escalator calculation was based, will be made available by American Airlines to the TWU on request. The TWU may contest the Escalator calculation within sixty (60) calendar days of receipt of the data. If the TWU contests this calculation, an independent accounting firm, as agreed to by both parties, will be retained to verify the amount. In the event that the independent accounting firm determines that contributions should change by a different amount, any increase or decrease will be retroactive to the first of the year to which the new Escalator calculation applies. Any decrease in the contribution will be credited to the Employees' future monthly contributions within sixty (60) calendar days, barring unforeseen circumstances. Any increase or decrease will be applied to the Participants' contributions and Employer's contributions in accordance with Article 41(n)(5).

(7) At retirement, an eligible participating retiree's own contributions, the matching Employer contributions made on his behalf to the Retiree Prefunded Benefits Program, and investment earnings attributable thereto are drawn down in

ten equal annual installments for the purpose of providing retiree medical coverage. However, exhaustion of the funds in a retiree's account under this provision does not waive or modify the retiree's entitlement to continued medical coverage under the Agreement or the terms and limitations of the Plan. Should an eligible retiree die during the ten year draw down period, any remaining contributions continue to draw down for the period of the surviving spouse's medical coverage, if any. After the surviving spouse's coverage terminates, or if the spouse dies before the balance of the Account is drawn down, the balance of the employee's contribution is paid to the spouse's estate. If there is no surviving spouse, the balance of the employee's contribution is paid to the designated beneficiary.

(8) In case of death or termination of employment by a participating active employee, employee contributions to the Retiree Prefunded Benefits Program plus investment earnings attributable thereto will be distributed as a severance or death benefit, as applicable, to the employee or the employee's designated beneficiary(ies).

(9) In the event of Trust termination, retirees participating in the Retiree Prefunded Benefits Program will receive any balance of their own contributions to the Program and investment earnings attributable thereto which have not been drawn down during the ten year draw down period described in Article 41(n)(7). Conditioned on Internal Revenue Service approval, active employees' contributions to the Prefunded Retiree Benefits Program and investment earnings attributable thereto will be distributed to active employees. Should the Internal Revenue Service disallow the distribution of active employees' contributions, the parties agree to establish a mutually satisfactory alternative regarding the disposition of active employees' contributions in the event of Trust termination. Employer contributions and investment earnings attributable thereto in the Retiree Prefunded Benefits Program Account will be used for the exclusive benefit of participating employees and retirees in the event of Trust termination. That includes the use of the assets for the purpose of continuing retiree health coverage under an alternative program as may be agreed to by the parties.

(10) In the event the Internal Revenue Service disapproves a particular provision or benefit expressed in the Trust Agreement, any provisions or benefits which are approved or unaffected by the disapproval will remain in force, and the TWU will not contest the obligation to prefund in court or under the collective bargaining agreement. However, the TWU reserves all legal and contractual rights in the event the Internal Revenue Service rules that the Trust may not hold funds in reserve for retiree welfare benefits, or that the earnings attributable to Participant contributions held in trust for this purpose or the Employer matching contributions (plus earnings) are currently taxable to the Participants.

(11) Counsel for the parties will review the amended Trust Agreement to ensure that it expresses the principles of this Agreement. Neither the Plan nor the Trust Agreement may be amended or modified in a manner inconsistent with the principles set forth in this Agreement, except to conform to the requirements of Federal law and regulations, provided, however, that the TWU waives no rights stipulated in Article 41(n)(10).

(12) American Airlines will revise, in a timely fashion after the date of ratification, the Plan to fully reflect the amendments made to the Trust Agreement and the provisions of this Memorandum. The revised Plan will be subject to review by the person(s) designated by the TWU.

(o) 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.

(p) Notice of Changes

The Company will provide the Director of the Air Transport Division with advance notice of plan changes prior to releasing announcements to plan participants. The Company will not change the limits on employee cost increases described in Article 41(a)(4) and 41(a)(5), nor the prefunding contribution limits of Article 41(m), for the duration of this Agreement.

(q) 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.

ARTICLE 42 - JOB SECURITY

SYSTEM PROTECTION:

(a) The Company will guarantee employment (full time/part time status based upon employee's status on **March 1, 2001**) and pay to any employee covered by this Agreement who was hired under this Agreement by the Company prior to **March 1, 2001** and who was on the Company's active payroll on **March 1, 2001**, or on a Union leave of absence, or on an approved leave of absence for other reasons (provided **the** employee has an Occupational Seniority date more senior than the least senior protected employees in his classification at the station/base upon his return to active payroll) in accordance with the following provisions of this Article. In addition, an employee as defined above, will not be involuntarily reduced to a lower classification than that classification he occupied on **March 1, 2001**; however, **the** classification guarantee does not apply to any bid classification (Crew Chiefs). The classification guarantee for Crew Chiefs **will** be the next lower non-bid classification (e.g., Crew Chief to Stock Clerk).

STATION PROTECTION:

(b) All employees who on February 11, 1983 were on the Company's active payroll and who on September 1, 1985 are actively employed/based at the following station(s)/base (or who relocate to **the** station(**s**)/base and who are senior to the least senior station(**s**)/base protected employee in his classification at such station/base) and provided that they hold the same classification they held on February 11, 1983, will, in addition to the classification and status protections afforded in paragraph (a) above, be protected against layoff from their one-station complex/base unless all flight operations cease at that one-station complex or the Tulsa Maintenance Base is closed:

Tulsa Maintenance Base and Station (TULE and TUL)	St. Louis
Dallas/Fort Worth (DFW, Flight Academy, Learning Center, SRO and HDQ)	Salt Lake City
Chicago (ORD and MDW)	Tucson
New York (JFK, LGA and EWR)	El Paso
Los Angeles (LAX and ONT)	Indianapolis
Boston	Baltimore
San Diego	Cincinnati
Phoenix	Cleveland
Washington/Dulles	Philadelphia
Houston	San Juan
San Francisco	Las Vegas
Detroit	Oklahoma City
Buffalo	Memphis
Little Rock	San Antonio
Columbus	Nashville
Pittsburgh	Rochester
	Albany
	Hartford
	Syracuse

(c) Notwithstanding the above provisions, the Company may lay off, in accordance with Article 15, employees protected by paragraph (a) or by paragraphs (a) and (b) or by paragraphs (a) and (c) or by paragraphs (a) and (d) above when the layoff is necessitated by any one or more of the following conditions:

- (1) An act of God,

- (2) A strike, picketing, work stoppage, slowdown, or other labor dispute by Company or outside employees resulting in a reduction of work,
- (3) A national war emergency,
- (4) Revocation of the Company's operating certificate or certificates,
- (5) Grounding of a substantial number of Company's aircraft for safety reasons,
- (6) A reduction in the Company's operations resulting from a decrease in available fuel supply or other critical materials caused either by governmental action or commercial suppliers being unable to meet the Company's demands.

(d) This Article does not in any way limit the Company's right to terminate or discipline a protected employee for just cause or disqualify a protected employee under the provisions of Article 39.

(e) An employee covered by paragraph (a) above (protected employee) and who is affected by a reduction in force **will** be afforded the provisions of Article 15(b)(1), (2), (3) and (5-local city only). He **will** also be afforded the provisions of Article 15(b)(4) and (5-other than local city), provided the employee to be displaced **is** not protected employees. No protected employee will be subject to displacement by employees not covered by paragraph (a) above (unprotected employee). A protected employee who is affected by a reduction in force and who fails to exercise his options under Article 15 will be laid off, and forfeit his protected status. The seniority restrictions appearing in Article 15(b)(3) and (b)(4) **will** not apply to protected employees.

(f) An employee covered by this job security provision who accepts or transfers to a part time position will thereafter be guaranteed only a part time position.

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

AmericanAirlines®

January 19, 1996

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

Dear John:

You have raised the question as to the reduction in force procedures in the current environment of increased job protection, and our other commitments during negotiations regarding discontinued and new classifications. I believe that the following interpretation is contractually correct, and mutually accepted:

1. A system protected employee can displace a non-protected (i.e. hired after 8/15/95) employee at another station. A system protected employee cannot displace another system protected employee at another location.
2. A protected employee can displace another employee in a lower classification at his/her station, even if the employee in the lower classification is also protected.

This means, for example, that a Plant Maintenance Mechanic in Nashville could displace a Building Cleaner in Nashville, even though the Building Cleaner is also protected.

3. In discussing and agreeing to the discontinuation of the Building Cleaner classification, and the placement of those incumbent employees in the Cabin Cleaner classification, we did commit that Building Cleaners would not be forced to relocate as a result of this action. That commitment does not extend to relocation as a result of displacement by a more senior employee, nor to schedule related reductions which may be required.

Therefore, for example, a Plant Maintenance Mechanic displacing a junior Building Cleaner could cause the Building Cleaner to be displaced to a vacancy on the system, or to displace an unprotected junior Building Cleaner at another location.

Mark L. Burdette
Managing Director,
Employee Relations, Ground

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 such classifications are assigned. The provisions of the Basic Agreement **will** apply except as follows:

(a) No employee who is protected in a full time status by Article **42** (Job Security) will be involuntarily assigned to a part time status. Any full time employee may volunteer in accordance with his Occupational Seniority to fill a part time vacancy. A part time employee may in accordance with his Occupational Seniority fill a full time vacancy at his station/location/base or in accordance with his Occupational Seniority under the provisions of Article 12 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 the Stores Agreement (e.g., total employees covered by **this** Agreement is **1261** -- **therefore** the maximum number of part time employees under **this** Agreement would be **189**). This fifteen percent (15%) ratio **will** apply on a system-wide basis.

(c) A part time vacancy(s) will be filled by the Company with the most senior qualified employee requesting to fill such 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(of the Stores Agreement) **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/Article 12(l) of the Stores 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) Such employee may be scheduled to work up to a maximum of twenty-four (24) hours in a work week, and

(b) Such 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 those part time employees 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 their first hour or their final thirty (30) minutes of work. The provisions of Article 36(b) **will** 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 **two and one-half (2.5x)** for all hours worked and straight-time 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 work week **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 signed" 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.

(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 forty (40) hours Sick Leave for use during the balance of that calendar year. Thereafter Sick Leave credit of eight (8) 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 eight (8) hours Sick Leave. Remaining hours less than 86.6 are disregarded. Sick Leave, other than the original forty (40) 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 days 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 x the following accrual schedule = the number of equivalent workdays for pay accrual.

Monthly Accrual Rate As Outlined In Article 8 at	Accrual Rate/ Month During Year Ending December 31	Maximum Days of Vacation Pay Accrual
1 day	5/6 workday	10 workdays
1½ days	1¼ workdays	15 workdays
2 days 1-2/3 workdays		20 workdays
2½ days	2-1/12 workdays	25 workdays
3 days 2½ workdays		30 workdays
3 ½ days	3 workdays	35 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.

(4) Pensionable Credited Service

Pensionable credited service for part time employees will be the same as for full time employees.

(5) Group Life and Health Benefits Plan:

(a) Part time employees will be covered by Article 41 in the same manner as full time employees 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 for work at the time the 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 work day. The Company will proffer day-off overtime when day-off overtime is required 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 a minimum of one (1) hour of 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) work days during the work week, straight-time pay 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, time and one-half **(1.5X)** pay for all hours up to eight (8) on an employee's day off. Double-time **(2X)** for hours over eight (8).

If a part time employee works the second or subsequent day off and has worked forty (40) hours or five (5) work days in the work week in addition to time worked on the first day off, he **will** be paid double time for the hours worked on the second day off. If the employee has not worked forty (40) hours or five (5) work days in the work week, he **will** be paid regular time until he has completed forty (40) hours or five (5) work days including time worked on his first day off. Once the employee attains forty (40) hours or five (5) workdays, he **will** be paid according to (b) above.

The provisions of Article 6(b)(5) and Article **25(b)** do not apply to part time employees.

(k) Employees who are protected by Article **42** and who accept a part time position will be guaranteed only part time employment.

(l) Full time employees who transfer to part time status, and who are 57 years of age or over at the time of transfer, and who have at least five (5) years of credited service under the Retirement Benefit Plan will accrue credited service under said Plan on a prorated basis and final average salary for Retirement Benefit Plan purposes on a non-prorated basis, up to sixty (60) months following their transfer to part time.

(m) 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).

(n) Part Time Utilization and Part Time Review Committee

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.

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 shall 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.

(o) During the recent negotiations, the TWU expressed a desire to prohibit the expansion of part time employees under the Stores Agreement. The Company recognizes that it has not utilized part time employees historically. 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.

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

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 the regular hourly rate for each hour worked in excess of eight hours and less than twelve.

(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 shall 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 shall 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 hereby 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.

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 2. If step 2 has already been completed, go to step 3.
2. Identify the FT shifts that begin within the one-hour window after the overtime need. If no FT, go to step 1. If step 1 has already been completed go to step 3.
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.

AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261

July 15, 2001

James C. Little
International Vice President/Air Transport Director
Transport Workers Union of American, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, TX 76054

Re: Miscellaneous Part Time Provision Applications

Dear Mr. Little:

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.

- A. **First Vacation Eligibility (from letter dated 2/3/84):**
 - a. **Must a part time employee have completed six months with the Company before being eligible to take his first vacation?**
- B. **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.**
- C. **Part time PV pay (from letter 4/5/84):**
 - a. **If a part time employee takes a PV day, how are his hours calculated since the number of vacation hours are not known until the entire calendar year has been worked?**
- D. **For purposes of PV days only, pay the employee the number of hours he was scheduled to work on the day for which the PV day was granted.**
- E. **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.
- F. **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 2.5x his regular rate of pay. The holiday moves for the other employee who CS'd off to his next scheduled work day.
- G. 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. At stations with less than 2,555 annual scheduled departures, the proffer for volunteers to work on a holiday may be combined—full time and part time.

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 except for those stations with fewer than 2,555 annual scheduled departures. Such stations with fewer departures determined as of July 1 considering the prior 12 month period may combine vacation selection and vacation relief schedules. Such combination of vacation relief schedules shall not void the provisions of Article 43 (d).

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.
- H. 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 shall be posted for bid and assigned to the most senior available employee bidding, subject to the classification qualifications including licenses.
- I. 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.
- J. Meal allowance (from letter 4/5/84):
 - a. If a part time employee has his shift extended to ten (10) hours, including two (2) hours of overtime, is he then eligible for the three dollar (\$3.00) meal allowance provided for in Article 6(e)?
- K. Yes. No exceptions are listed in Article 43 that would exclude the provisions of Article 6(e) from applying to part time employees.

- L. **Distribution of part time hours (from letter 2/3/84):**
 - a. **Does the Agreement require that extended hours for part timers be distributed as equitably a practicable in the same manner as overtime?**
- M. **No, although the contract does not require equitable distribution of extended hours in the same manner as equitable distribution of overtime, the additional benefits that flow from extension of hours requires that we should rotate such extension of hours within shift/work units/groups. There may be times when due to operational requirements/skills such as rotation of extended hours is not possible. These instances, however, should be in the minority.**

These excerpts have attempted to cover most of the areas of question that are not otherwise covered in the agreement.

Very truly yours,

**James B. Weel
Managing Director,
Employee Relations**

**Agreed:
James C. Little
Director, Air Transport Division**

ARTICLE 44 - MOVING EXPENSES/OPTIONAL
SEVERANCE FOR PROTECTED EMPLOYEES

(a) Except in the event a layoff is the result of any reason set forth in Article 42(c), a protected employee who is directly affected by a reduction in force will be afforded the opportunity to elect one, but only one, of the following options:

(1) If he changes base stations under the provisions of Article 15 he will be afforded moving expenses in accordance with Article 15(d) plus a \$12,500 (minus appropriate taxes) special moving allowance, provided he establishes **and the Company verifies** permanent residency in his new work location and actually relocates his personal possessions and/or household goods as appropriate to that new location within one (1) year of notice of reduction in force; (except **that** an employee in a protected status (full or part time) and **who** as a result of a reduction in force, elects to change stations and status(full or part time) when that same status was available to him at his original city, **will** not be entitled to this \$12,500 special moving allowance) or

(2) Accept a \$12,500 (minus appropriate taxes) special severance allowance plus severance as outlined in Article 37 thereby terminating entirely his employment relationship with the Company, forfeiting all his seniority and relinquishing any and all claim for re employment and recall.

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

May 16, 1991

Mr. Edward R. Koziatek
International Vice President
Transport Workers Union of America, AFL-CIO
1501 North Norwood Drive, Suite 125
Hurst, Texas 76054

Dear Ed:

This will confirm our understanding regarding the provisions of Article 15, 42 and 44 of the Labor Agreements covering mechanics, Fleet Services and related employees, and Article 15, 40 and 42 of the Stock Clerk Agreement. It is agreed that in the event of a station closing only, employees holding a bid who are affected by the resulting reduction in force and who elect to displace the junior bid job holder in the same classification will, if they are a protected employee as defined by Article 42 (Article 40 of the Stock Clerk Agreement), be eligible for the provisions of Article 44 (Article 42 of the Stock Clerk Agreement), \$12,500 special allowance.

If the above accurately reflects our understanding, please sign in the space below. As always, if circumstances should arise not addressed specifically by the Labor Agreement or this Letter of Understanding, we will promptly meet to review such issue.

Sincerely,

S.L. Crosser
Managing Director
Employee Relations

Agreed to this date:

Edward R. Koziatek

Article 45 – ONE STATION AGREEMENT

(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) and the Corporate office complex buildings of the Flight Academy, Learning Center, Centreport Headquarters, and SRO (GSW), the combined stations known as 1DF.

(9) 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

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 successful bidder, a job in the same classification as the vacancy and involving the same requirements, including qualifying tests and completion of trial period. The method for an employee to let his request be known is the same as outlined in paragraph "D" of this article, entitled Non-Bid Job Vacancies.

Vacancies remaining after such requests have been honored are to be posted for bid in accordance with the requirements of the Agreement.

(d) NON-BID VACANCIES

When a non-bid vacancy arises within the one station set, requests for lateral reassignment between its locations 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 month waiting requirement waiver, if the Company is anticipating hiring off the street at the station or location.

(1) Selection to fill a vacancy will be made on the basis of the most senior employee in the same status requesting the reassignment. Upon award, the employee will be reassigned within 15 calendar days unless otherwise agreed to by the employee. Employees on medical restrictions are not eligible for reassignment to a vacancy under Article 45(d), unless qualified to perform all duties of the vacancy.

(2) 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).

(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

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 volunteers. If no employee volunteers or an

insufficient number volunteer, then the selection will be made on the basis of the most junior employee from the surplus at the one station to the shortage at the other station.

(1) 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 paragraph (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 such stations as provided in Article 45(c) and 45(d).

(2) Any employee who has station protection will not be involuntarily assigned to another station unless the employee has voluntarily left the protected station thereby forfeiting his station protection.

(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 in 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 – Reemployment.

(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.

(1) When such assignments are made, employees will be regarded as working and will be paid their regular 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 the other 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 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 employee will be assigned.

(k) NEW TWU STAFFED CITIES

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 of new cities by TWU represented employees.

ARTICLE 46 - EFFECT ON PRIOR AGREEMENTS

(a) This Agreement **will** supersede and take precedence over **prior** Agreements, **Letters**, and similarly related documents executed between the Company and the Union prior to the signing of this Agreement. **However, local or station work rules which were previously negotiated and do not conflict with this Agreement will remain in effect.** 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 attachments on the following pages are agreed to by the parties and** are incorporated as part of this agreement.

AMERICAN AIRLINES, INC.
P.O. BOX 61616
DFW Airport, TX 75261

August 9, 1980

Mr. Ernest M. Mitchell
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Local Agreements

Dear Mr. Mitchell:

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.

Very truly yours,

C. A. Pasciuto
Vice President
Employee Relations

Agreed to as of the date hereof:

E. M. Mitchell

ARTICLE 47 - DURATION OF AGREEMENT

THIS AGREEMENT **will** become effective as of **March 1, 2001** and **will** continue in full force and effect until and including March 1, **2004**, and **will** renew itself until each succeeding March 1st thereafter, except that written notice of intended change may be served in accordance with Section 6, Title I, of the Railway Labor Act, as amended, by either party at least thirty (30) **calendar** days prior to the 1st day of March in any year, beginning with March 1, **2004**.

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

The parties acknowledge that during the negotiations which resulted in this Agreement each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. It is agreed by the parties that the other **will** not be obligated to bargain collectively with respect to any subject or matter referred to, or covered in this Agreement, or with respect to any subject or matter not specifically referred to or covered in this Agreement, even though such subjects or matters may not have been within the knowledge or contemplation of either or both of the parties at the time that they negotiated or signed this Agreement, without serving written notice as provided for in the above paragraph.

IN WITNESS WHEREOF, the parties have entered this Agreement on the 1st day of March, 2001, and have signed this Agreement DOR:

**FOR TRANSPORT WORKERS
UNION OF AMERICA**

**FOR AMERICAN
AIRLINES, INC.**

Sonny Hall	Jeff Brundage
International President	Vice President
Transport Workers Union	Employee Relations

James C. Little	
Vice President Managing Director	
Director, Air Transport Division	Employee Relations

Gary Yingst
International Representative
AA System Coordinator

LETTER OF MEMORANDUM

March 01, 2001

James C Little
Director, Air Transport Division
International Vice President
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza
Hurst, TX 76054

Re: LAX Cabin Service Stock clerk
ORD Automotive Stock clerks

This will confirm our understanding reached during negotiations regarding the relocation of Stores headcount in LAX and ORD.

Currently, in LAX, there is one Stock clerk located in the Cabin Services area who is responsible for the Cabin Service supplies. As a result of discussions, this Stock clerk headcount will be relocated to the hangar warehouse area effective with the first bid after the date of ratification.

Additionally, there are four automotive Stock clerks located in the GEM building in ORD. Employees performing the work at the GEM building will be reallocated to the terminal Auto shop and the terminal Facilities shop effective with the first bid after the date of ratification. The job responsibilities of the employees assigned to these areas will be as outlined in Article 11 and will include duties such as ordering of parts that have been requested by facilities or auto shop personnel, ordering parts based on pre-determined inventory levels; through the single source supplier, stocking items and handling all associated paperwork as necessary.

The parties agree that the Company may utilize those employees who have traditionally performed the work at the terminal from performing that work when one of the stock clerks is not available. In addition, the parties agree that the work of the transportation of parts and materials from the GEM Building to the requested areas will be reallocated to the single source supplier.

Finally, the positions that are reallocated to the above shops will be permanently reassigned to the ORD M & E stock room effective the day before the amendable date of the AA/TWU Stores Agreement. However, prior to the reassignment of these employees, the TWU may initiate discussions within the last 30 days, prior to the amendable date, to discuss such reassignment. After such discussions have been held, the Company will make the final determination regarding the reassignment of the employees.

Any administrative procedures not addressed above will be handled on a local basis.

If the above accurately reflect your understanding, please indicate by signing below.

Sincerely,

Mark Burdette
Managing Director
Employee Relations

Agreed to:

James C Little
Air Transport Director
Transport Workers Union of America, AFL-CIO

Date

| LETTER OF MEMORANDUM

LETTERS-Opportunity for Discussion of Stores Matters
633 Third Avenue
New York, New York 10017

September 29, 1966

Mr. James F. Horst
International Executive Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Opportunity for Discussion of Stores Matters

Dear Mr. Horst:

This is to reflect assurances given to you during recent negotiations with reference to Stores personnel.

Representatives of the Stores group, at each location where Stores personnel are based, will have the opportunity, upon request, of discussing problems peculiar to the Stores function with the appropriate members of management at their location.

Sincerely yours,

A. Di Pasquale
Asst. Vice President
Employee Relations

LETTER OF MEMORANDUM

LETTERS-Stock Clerks Assigned to Load Center and to Stock Chasing at TULE
633 Third Avenue
New York, New York 10017

September 29, 1966

Mr. James F. Horst
International Executive Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Stock Clerks Assigned to Load Center and to Stock Chasing at TULE

Dear Mr. Horst:

During the discussions between the parties which resulted in a new Stores Agreement effective this date, the Union committee asked questions concerning:

1. The working relationship of Stock Clerks assigned to Load Centers and Load Center Planners at TULE;
2. The role of Stock Clerks assigned to stock chasing for production shops at TULE.

Our answers to these questions are as follows:

1. At TULE, Stock Clerks are assigned to Load Centers for the purpose of: physically handling and storing repairable parts in the load centers; the maintenance of a record of audited material in the shop; and performing related routine record keeping as assigned. A Load Center Planner's working relationship to a Load Center Stock Clerk is that of a Foreman to other organized employees. The parties agree and understand that the meaning and intent of the preceding sentence is to continue the present practices with reference to the subject matter thereof. The Work Planner will only perform duties in the Load Center necessary to his work planning function.

2. At TULE, when it is determined by the Company that the activity of obtaining shop material requirements from stockrooms or other shops and delivery of such material to a designated shop area justifies the full-time assignment of an employee, such employee shall be a Stock Clerk. Also, in such shop areas where by custom and practice, or agreement, a stock clerk prepares Material Requisitions, these requisitions will not be prepared by the Shop Foreman.

At your request, we would be pleased to review and discuss with you our procedures at TULE concerning the preparation of Material Requisitions in the various shop areas.

Very truly yours,

A. Di Pasquale
Asst. Vice President Employee Relations

Accepted:
James F. Horst International Executive Vice President
Transport Workers Union of America, AFL-CIO
Dated: September 30, 1966

| LETTER OF MEMORANDUM

AMERICAN AIRLINES, INC.
P. O. BOX 619616
DFW Airport, Texas 75261-9616

August 15, 1995

Mr. Edward R. Koziatek
Director, Air Transport Division
AA System Coordinator
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Re: New Hire Consideration Between Agreements

Dear Mr. Koziatek:

This will confirm our understanding reached during negotiations, that qualified employees under the Flight Simulator and Instructor Agreements with a valid transfer request on file will be considered for new hire vacancies in the Fleet Service, Maintenance, and Stores Agreements. The same understanding shall apply in reverse, i.e. a qualified employee covered by the Fleet Service, Maintenance or Stores Agreements with a valid transfer request on file will be considered for new hire vacancies in the Technician or Instructor Agreements.

Very truly yours,

Jane G. Allen
Vice President
Employee Relations

Agreed this date:
Edward R. Koziatek

| LETTER OF MEMORANDUM

AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261-9616

August 15, 1995

Mr. Edward A. Koziatek
Director, Air Transport Division
AA System Coordinator
Transport Workers Union of America
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Re: Automated Bid/Transfer

Dear Mr. Koziatek:

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.

Very truly yours,

Jane G. Allen
Vice President
Employee Relations

| LETTER OF MEMORANDUM

AMERICAN AIRLINES, INC.
P. O. Box 619616
DFW Airport, Texas 75261-9616

March 1, 2001

Mr. James C. Little
Vice President
Director, Air Transport Division
Transport Workers Union of America, AFL-CIO
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Re: AFW and TUL Christmas Base Closing

Dear Mr. Little:

This will confirm our agreement that the AFW and TUL 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 and Central Utility in Tulsa.)

Administrative details will be determined by mutual agreement. The actual weeks of closure will be determined by mutual agreement, or in the event the parties cannot agree, will be as follows for the term of this agreement:

2001 12/24/01 to 12/31/01 (includes Christmas Holiday off)
2002 12/24/02 to 12/31/02 (includes Christmas Holiday off)
2003 12/24/03 to 12/31/03 (includes Christmas Holiday off)
2004 12/24/04to 12/31/04 (includes Christmas Holiday off)

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 either P.V. or P.O.H. may also volunteer to work; however, an employee who had selected P.V. and voluntarily working will not be charged with a P.V. and will not have the option of being paid for a vacation period, but will retain the vacation period for use in the following year.

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 employee's 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 of insufficient volunteers:

Employees with scheduled vacation, FLEX vacation, P.V., or P.O.H. 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 product line (e.g. Business Units in Tulsa AO, 777, 767, 757, 737, MD80, etc...). In the event of insufficient volunteers, no employee will be required to work.

Employees not able to select vacation, Flex vacation, P.V., or P.O.H. 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.

LETTER OF MEMORANDUM

March 1, 2001

Mr. James C. Little
Air Transport Director
International Vice President
Transport Workers Union of America
1848 Norwood Plaza, Suite 112
Hurst, Texas 76054

Dear Jim,

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.

Sincerely,

James B. Weel

Managing Director
Employee Relations

Agreed to:

James C. Little
Air Transport Director
Transport Workers Union of America, AFL-CIO

Date:

| LETTER OF MEMORANDUM

August 9, 1980

Mr. C. A. Pasciuto
Vice President Employee Relations
P.O. Box 61616
Dallas/Fort Worth Airport, TX 75261

Re: Illegal Job Actions

Dear Mr. Pasciuto:

During our negotiation on amendments to the current basic agreements, we have discussed problems regarding the unfortunate trend of increased illegal work stoppages and slowdowns occurring during the course of our agreements. Both parties have expressed their desire to correct this situation.

The Union recognizes its obligation to prevent any sitdown, walkout or stoppage, strike, slowdown or curtailment of work for any reason during the life of these agreements and pledge their wholehearted cooperation to the Company to prevent any of the above from occurring.

In addition, it is agreed that, in the future, for any letters of discipline which are properly assessed in the event of an occurrence of any of the above, the provisions of Article 28(d), or related articles, will not apply.

Very truly yours,

E. M. Mitchell Intl. Vice President Director – ATD	H. J. Leonard Intl. Vice President Assistant Director-ATD
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Patrick J. McGahan, Local 501	James F. Jackson, Local 513
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Howard W. Blaydes, Local 502	Ed Wilson, Local 514
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William Rossi, Local 505	Frank Palumbo, Local 519
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John D. Fortune, Local 507	William Casper, Local 521
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Richard Dawson, Local 510	Celeste P. Conroy, Local 527
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Patrick Collins, Local 512	E. F. Downey, Local 540
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AGREED TO: C. A. Pasciuto

LETTER OF MEMORANDUM

LETTERS-Stock Clerk in Simulator Parts Room - GSWFA
633 Third Avenue
New York, New York 10017

February 18, 1978

Mr. Ernest M. Mitchell
Director-Air Transport Division
Transport Workers Union, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Stock Clerk in Simulator Parts Room - GSWFA

Dear Mr. Mitchell:

This will confirm my assurance given during the discussions leading to the current Stores Agreement that the Company will, as soon as practical, following ratification of this Agreement, assign an employee(s) under the labor agreement to perform the Stock Clerk duties presently performed by an employee(s) of a subcontractor in the Flight Simulator Parts Room at the Flight Academy.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

Agreed:

Ernest M. Mitchell

Dated: February 18, 1978

| LETTER OF MEMORANDUM

AMERICAN AIRLINES, INC.
P.O. BOX 61616
DFW Airport, TX 75261

August 9, 1980

Mr. Ernest M. Mitchell
International Vice President
Director-Air Transport Division
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: COPE Deductions

Dear Mr. Mitchell:

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 shall be in conformance with all applicable laws.

Very truly yours,

Charles A. Pasciuto
Vice President
Employee Relations

TRANSPORT WORKERS UNION OF AMERICA
1980 Broadway
New York, New York 10023

| LETTER OF MEMORANDUM

Re: Overtime Assignments

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 shall 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.

Dated: September 15, 1956

LETTER OF MEMORANDUM

LETTERS-Use of Sick Leave Benefit
AMERICAN AIRLINES, INC.
AND
TRANSPORT WORKERS UNION OF AMERICA,
AFL-CIO

This Memorandum expresses the understanding of the parties as to the application of a provision in the Maintenance and Stores Agreements, Article 24(c) and the Communications Agreement, Article 27(b), all effective May 11, 1971, as follows:

"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 (Article 11 Stores Agreement, Article 31 Communications Agreement). Accordingly, no employee will be disciplined for the use of his sick leave benefit for such purpose."

By this provision, the Company pledged that no employee under the Maintenance, Stores and Communications Agreements will be disciplined for the use of his sick leave for the intended purpose.

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; to aid the employee in meeting bills when sickness or injury have temporarily taken away the ability to work.

In August, 1969, the Company published and distributed a booklet entitled, "Attendance Control Guidelines and the Sick Leave Benefit". Company supervisors and Union officials received a copy. The Union acknowledges that the statements in this booklet do not conflict with the rights of employees under the Maintenance, Stores, and Communications Agreements.

Accordingly, it is agreed that:

1. 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:
 - a) Full discussion with the employee concerning his attendance record.
 - b) If abuse of the sick leave policy referred to in the Sick Leave Article is suspected, the employee will be so advised of the reasons for suspected abuse; in writing if he so requests.
 - c) Requiring the employee to provide a doctor's slip stating he was treated for an illness or injury for sick leave eligibility subject to the provisions of the Sick Leave Article.
2. A disciplinary notice issued subject to the conditions and actions herein shall include the charge of suspected abuse of sick leave in connection with absence.

This Memorandum shall not apply to any incident where an employee is charged with the fraudulent abuse of the sick leave benefit.

IN WITNESS WHEREOF, the parties hereto have signed this Memorandum of Understanding this 11th day of May 1971.

FOR AMERICAN AIRLINES, INC.

C.A. PASCIUTO
Vice President
Employee Relations

FOR TRANSPORT WORKERS UNION OF AMERICA, AFL-CIO

James F. Horst
International Executive
Vice President