



Association of Professional Flight Attendants

July 18, 2006

Mr. Ben Williams, Commissioner
Flight Attendant System Board of Adjustment
American Airlines, Inc.
Employee Relations - Mail Drop 5235
P.O. Box 619616
DFW Airport, TX 75261-9616

RE: SS-29-2006-APFA-4 Association of Professional Flight Attendants

v.

American Airlines Incorporated

SUBJECT: Unilateral Reduction in the Level of Benefits for Flight Attendant Retirees

Dear Mr. Williams:

In accordance with Article 28.B.2. and Article 29 of the Agreement between American Airlines, Inc. and the Flight Attendants in the service of American Airlines, Inc., as represented by the Association of Professional Flight Attendants, APFA hereby submits the grievance of APFA v. American Airlines, Inc. to the System Board of Adjustment.

(1) Question at Issue

Did the Company violate Article 35, Appendix SS (formerly known as Attachment K Letters I-IV of the Restructuring Agreement), and any and all related Articles by its unilateral implementation of Medicare Part D for retiree Flight Attendants that resulted in adverse consequences and a reduction in benefits for Flight Attendant Retirees under all the facts and circumstances of this case?

(2) Statement of Facts

This grievance was filed on June 9, 2006 (Submission Exhibit No. 1) Mr. Mark Burdette, Vice President, Employee Relations rendered an initial decision under date of June 28, 2006 (Submission Exhibit No. 2). This decision being unsatisfactory, this case is respectfully submitted to the System Board of Adjustment for adjudication.

(3) Position of the APFA

It is the position of the APFA that the Company violated Article 35, Appendix SS (formerly known as Attachment K Letters I-IV of the Restructuring Agreement), and any and all related Articles concerning the unilateral reduction in the level of insurance benefits negotiated for Flight Attendant Retirees. Specifically, the Company's failure to address and foresee adverse consequences to Flight Attendant Retirees resulting from the implementation of Medicare Part D under all the facts and circumstances of this case. It is therefore respectfully requested that the Board render a decision finding the Company unjustified in its actions and requiring it to immediately cease and desist in its violation of Article 35 and any and all related Articles and Appendix SS Letters I-IV as negotiated in 2003 as Attachment K Letters I-IV by immediately reinstating the negotiated levels of insurance protection for Flight Attendant Retirees including but not limited to the Standard Medical Plans prescription drug benefits ; and, further, taking any and all appropriate action necessary to make whole all Flight Attendant Retirees financially harmed by the Company's action. The APFA further requests that the Board direct the Company to provide a list of names and addresses of all retiree Flight Attendants affected by this unilateral change to ensure they have been made whole within 30 days of its decision.

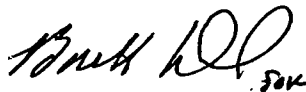
It is further requested that the Board provide such other and/or additional relief as in its opinion is necessary, proper and just.

(4) Position of the Company

Presumably the position of the Company is contained in the decision of Mr. Mark Burdette, Vice President, Employee Relations (Submission Exhibit No. 2). If such is not the position of the Company, or if the Company desires to amend or supplement its position, it is required to do so no later than thirty (30) days from the Commissioner's receipt of this Submission.

With reference to setting a date for the hearing of this case before the Board, your attention is directed to Article 29.K.3. of the current working Agreement.

Very truly yours,



Tommie L. Hutto-Blake *T.H. Blake*
President

Exhibits

cc: Deputy Commissioner of the Board (4)
APFA BOD
APFA SBA



Association of Professional Flight Attendants

Office of the President

CERTIFIED RETURN RECEIPT #7003-0500-0005-0184-1288

June 9, 2006

BASE CASE # 2006-APFA-004

Mr. Mark Burdette, Vice President
Employee Relations
American Airlines, Inc.
P.O. Box 619616, Mail Drop 5235
DFW Airport, TX 75261-9616

RE: Unilateral Reduction in the Level of Benefits for Flight Attendant Retirees

Dear Mark:

In accordance with the provisions of Article 28.B.2. of the 2001 Basic Agreement as modified in 2003 between American Airlines, Inc., and the Association of Professional Flight Attendants, I hereby protest the Company's violation of Article 35, Appendix SS (formerly known as Attachment K Letters I-IV of the Restructuring Agreement), and any and all related Articles concerning the unilateral reduction in the level of insurance benefits negotiated for Flight Attendant Retirees. Specifically, the Company's failure to address the adverse consequences to Flight Attendant Retirees resulting from the implementation of Medicare Part D.

I demand that the Company immediately cease and desist in its violation of Article 35 and any and all related Articles and Appendix SS Letters I-IV as negotiated in 2003 as Attachment K Letters I-IV by immediately reinstating the negotiated levels of insurance protection for Flight Attendant Retirees; and, further, taking any and all appropriate action necessary to make whole all Flight Attendant Retirees financially harmed by the Company's action and any additional relief that may be deemed appropriate.

Recently, the parties held a number of dispute resolution conferences to focus on possible resolutions to another presidential grievance which was ultimately resolved. I urge you to continue this approach as we begin the process to resolve this presidential grievance. Ultimately, a neutral member of the System Board may become necessary for final resolution.

Sincerely,

Tommie L. Hutto-Blake

cc: APFA SBA

1004 West Euless Blvd • Euless, Texas 76040

Tel: (817) 540-0108 • Fax: (817) 540-2077

American Airlines®

JUN 28 2006
RECEIVED

June 28, 2006

Tommie L. Hutto-Blake
President
Association of Professional Flight Attendants
1004 West Eules Blvd.
Eules, TX 76040

Re: Base Case # 2006-APFA-004

Dear Tommie:

I am in receipt of your Presidential Grievance dated June 9, 2006 protesting the Company's alleged violation of Article 35, Appendix SS (formerly identified as Attachment K of the 2003 RPA), and any and all related articles concerning the alleged unilateral reduction in the level of insurance benefits for retirees. After a thorough review of the situation, the applicable contractual provisions, and your allegations, I can only conclude that there has been no contractual violation in this matter. The Retiree Medical Plan has long provided that Medicare coverage is primary and American coverage is secondary. Further, nothing in the CBA or the plan requires American to maintain a specific level of prescription drug benefits for retired flight attendants.

As always, we are prepared to meet with you to discuss possible collaborative approaches to resolving this dispute.

Sincerely,



Mark Burdette
Vice President
Employee Relations

cc: Lauri Curtis
Taylor Vaughn
Brett Durkin
Mike Russo
Ben Williams
AA Legal