

LETTER OF 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)

Implementation Timeline Letter of Agreement

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between American Airlines, Inc. (hereinafter referred to as “American Airlines”) and the Flight Attendants in the service of American Airlines, as represented by the Association of Professional Flight Attendants (APFA) (hereinafter referred to as the “Union”).

Whereas, the parties have reached agreement on a single agreement covering Flight Attendants in the service of American Airlines hereinafter referred to as “the Agreement;” and

Whereas, the parties desire to specify when certain provisions of the Agreement will be implemented;

Therefore, the parties agree the following provisions shall specify the timeline of the implementation of this Agreement:

All provisions of the Agreement shall be implemented the 1st day of the bid month following the Date of Signing (hereinafter referred to as “DOS” which shall be the date of the interest arbitration award, December 13, 2014), except as follows:

A. Section 3 – Compensation

Minimum Monthly Guarantees (3.B.) – effective concurrent with the implementation of PBS into the Crew Management System for Legacy American Airlines (hereinafter “LAA”) Flight Attendants and concurrent with Flight Attendant Operational Integration for Legacy US Airways (hereinafter “LUS”) Flight Attendants. Flight Attendant Operational Integration will be defined as the date on which LUS Flight Attendants migrate to the Crew Management System under a common scheduling platform covering all Flight Attendants under this Agreement. PBS will not be implemented for LAA Flight Attendants before twenty-four (24) months following date of signing.

Purser, Lead, AFT, Galley (3.C) – effective May 2, 2015.

The Company and Union may agree to a different distribution of the AFT/Galley pay on the LAA equipment in consideration of service and position requirements.

Note: All premiums (Purser, Lead, AFT, Galley, and Foreign Speaker) and Understaffing for LAA Flight Attendants will be paid based on actual times until the necessary programming is completed, and thereafter all premiums will be paid on the greater of scheduled or actual. International override is paid based on the greater of scheduled or actual.

Holding Time (3.D.) – effective no later than May 2, 2015.

Understaffing Pay (3.E.) – effective no later than May 2, 2015.

International Pay (F.1.-3.) – Upon completion of the necessary programming to create IPD sequences with a 1:15 Report/:50 Customer Boarding, the LAA and LUS Flight Attendants will receive the International premium for IPD of \$3.75. Other non-IPD International segments will continue to receive the \$3.00 International premium.

Note: (LAA Flight Attendants) Effective May 2, 2015 the International override of \$3.00 will apply to all hours flown or paid removals on International leg(s), including diversions, deadheading and flight pay and credit, prorated to the nearest minute. International override for IPD sequences will be paid for the entire sequence.

For LAA Flight Attendants all Mexico segments will be paid the International override effective May 2, 2015.

Jury Duty (3.G.) – effective concurrent with PBS.

Drug Testing (3.H.) – effective as soon as practicable.

Holiday Pay (3.J.) – effective January 1, 2015. (earned Holiday Pay for January 1st will be paid as soon as practicable)

Premiums for Paid Time Off (3.K.) – Prior to PBS implementation, a Flight Attendant shall receive the applicable premiums specified under the terms of her/his respective prior collective bargaining agreement. Following PBS implementation, a Flight Attendant will only receive the premium if the credit hours in her/his primary line or PBS award are inclusive of 100% of any single premium(s).

ATC Hold/Actual “OUT” Time (3.L.) – effective no later than February 2015 bid month.

Diversions Pay (3.M.) – effective no later than February 2015 bid month.

Transition to New Payroll Schedule – LAA Flight Attendants will be given a minimum of ninety days’ notice prior to the bid month of the transition.

Monthly Method of Pay (3.N.) – Prior to implementation, LAA and LUS Flight Attendants shall be paid under the terms/procedures of their respective prior collective bargaining agreements.

Pay Discrepancies (3.O.) – Prior to implementation, LAA and LUS Flight Attendants shall be paid under the terms/procedures of their respective prior collective bargaining agreements.

Overpayments (3.P.) – Prior to implementation, LAA and LUS Flight Attendants shall be paid under the terms/procedures of their respective prior collective bargaining agreements.

B. Section 4 – Expenses

Per Diem (4.A.1.-2):

Note: For LAA Flight Attendants the International per diem will be paid on any NIPD/IPD sequence containing at least one segment of International flying until the programming is completed, and thereafter International override will be paid by segment for NIPD and by sequence for IPD.

Per Diem for In-Base Training (4.A.4.) – effective as soon as practicable.

Per Diem for Standby (4.A.7.) – effective concurrent with the implementation of Reserve processing for LAA Flight Attendants, and concurrent with Flight Attendant Operational Integration for LUS.

Crew Meals (4.C.) – effective with Flight Attendant Operational Integration.

Parking (4.D.) – effective as soon as practicable.

C. Section 7 – Uniforms

This Section shall be implemented concurrent with the issuance of the new uniform. Prior to implementation, Flight Attendants will be covered under the terms of their respective prior collective bargaining agreements.

D. Section 8 – Vacation

Beginning on January 1, 2015 up until PBS implementation PVDs (up to a maximum of six (6) days per calendar year) may be utilized by LAA Flight Attendants at the daily rate of 3:30.

2015 Vacation

All vacation earned in 2014 for use in May 2015-April 2016 (LAA)/ January 2015 – December 2015 (LUS) shall be covered under the terms of the respective prior collective bargaining agreements, as applicable.

2016 Vacation

For vacation earned in 2015 for use in May 2016-April 2017, Flight Attendants shall accrue vacation under the terms of Section 8 of the Agreement. LAA Flight Attendants shall accrue according to the accrual charts specified in the LAA Agreement through April 2015, and the Section 8 chart for May 2015- December 2015 for use in May 2016-April 2017.

LUS Flight Attendants will transition to the May - April vacation fiscal year effective with the 2015 accruals. For the transition year, Flight Attendants will bid their earned vacation (earned in the 2015 calendar year) for the period covering January 2016 through April 2017. LUS Flight Attendants will have a one-time opportunity to carry over vacation awarded in 2015. The carry-over days will be limited to seven (7) days; such days may be canceled for carry-over purposes and must be days that are currently scheduled for use from March 2015- December 2015. The carry-over days will be available for bid in the 2nd round of the January 2016 through April 2017 vacation bid process.

An LAA Flight Attendant hired prior to the Date of Signing, who is accruing more vacation days than the amount specified in the JCBA vacation chart, will be “red circled” and will retain the higher number of vacation days until she/he moves to a higher rate on the vacation chart specified in the JCBA. Example: A Flight Attendant with one year of longevity will continue to accrue nine days of vacation until she/he reaches five years of active service at which point she/he shall move to the ten days per year as specified in the vacation section of the JCBA.

Prior to LAA PBS implementation, Flight Attendants shall be covered under the terms of the respective prior collective bargaining agreements. Effective with the LAA PBS implementation, vacation daily rates and all provisions of Section 8 of this Agreement will be in effect. Any vacation

provisions specifically tied to ETB will be implemented concurrent with the implementation of such processes.

Vacation Premiums (B.2.) – Prior to PBS implementation, a Flight Attendant shall receive vacation premiums under the terms of her/his respective prior collective bargaining agreements. Following PBS implementation, a Flight Attendant will only receive the premium if the credit hours in her/his primary line or PBS award are inclusive of 100% of any single premium(s).

E. Section 9 – Sick

Sick Notification (9.B) – effective as soon as practicable.

Sick Accrual (9.C.1.) – effective January 1, 2016.

Claiming Sick Leave (9.D.) – effective with PBS for LAA Flight Attendants, and for LUS Flight Attendants, concurrent with Operational Integration, except the LAA cap on the number of sick hours will be removed as soon as practicable.

F. Section 20 – Seniority – DOS

G. Section 22 – Filling of Vacancies

All provisions of this section will be implemented concurrent with Flight Attendant Operational Integration.

All vacancies will be posted in advance of Flight Attendant Operational Integration. System-wide openings will be awarded concurrent with the effective date of the first bid month of Flight Attendant Operational Integration.

H. Section 25 – Leaves of Absence/Approved Time Off

All provisions of this section will be implemented January 1, 2016, except for the following:

Maternity/Paternity (25.G.) – effective on DOS.

Medical Leave Duration (25.E.5.-6.) – effective on DOS.

Unpaid Leaves of Absence Chart (25.N.) – effective DOS (Seniority Accrual and Longevity Accrual).

I. Section 26 – Insurance, Retirement and Other Benefits

Effective on DOS, except for LUS Flight Attendants who shall continue to receive Medical, Dental, Vision, LTD, Life Insurance and AD&D under the terms of their respective prior collective bargaining agreement for the calendar year 2015.

The DC Plan for LUS Flight Attendants shall be implemented as soon as practicable, and, in no case, effective later than February bid month.

Effective January 1, 2015, Flight Attendants will no longer be allowed to defer payment of their portion of medical/dental/life insurance and optional premiums while on an unpaid leave of absence.

The LAA 420 hour benefit threshold will be eliminated effective January 1, 2015.

J. Section 27 – Injury on Duty (IOD) – effective with the February 1, 2015 for Flight Attendants with a disability date on or after February 1, 2015.

K. Section 29 – Training

Training Pay – effective with the February 2015 bid month.

Bidding and Assignment (29.D), Duty and Rest for Training (29.H) will be implemented concurrent with PBS.

L. Section 30 – Grievance Procedure – effective on DOS, except as specified below.

M. Section 31 – System Board of Adjustment – effective on DOS.

Note: Any grievance filed prior to DOS will utilize the grievance and system board procedures from the prior applicable collective bargaining agreements and the Agreement on Bargaining and Representation (ABR) between APFA and the Association of Flight Attendants (AFA) AFL-CIO.

N. Section 37 – General

Cabin Cleaning (37.F.) – LAA and LUS Flight Attendants will operate under the terms of their respective prior collective bargaining agreements until Flight Attendant Operational Integration.

Jumpseat (37.G.) – The results of the vote among the Flight Attendants to determine the boarding priority for the cabin jumpseat(s) shall be reported to the Company no later than July 15, 2015, and the boarding system shall become effective as soon as practicable.

Note: The weight restriction jumpseat provision for the LUS Flight Attendants will be eliminated concurrent with the elimination of the same provision for the LUS Pilots. The effective date is to be determined.

Commuter Policy (37.I.) – effective on January 1, 2015.

In-Flight Rest (37.R.) – effective on January 1, 2015.

O. Section 38 – Crew Rest – effective as soon as practicable.

The provisions of the Sections listed below will be implemented as soon as practicable for the LAA Flight Attendants. At the point in time when PBS, TTS, ETB and the Reserve processing are implemented, the LUS Flight Attendants will be integrated into the Flight Attendant Scheduling System with the LAA Flight Attendants and the following Sections will then apply to both LAA and LUS Flight Attendants. Prior to the implementation of the relevant Sections or provisions, Flight Attendants shall operate under the provisions of their prior collective bargaining agreements.

P. Section 10 – Scheduling

Note: LAA Flight Attendants will continue to have the ability to drop trips consistent with the current contract, until the implementation of PBS; however, the 420 hour threshold will continue to apply for sick and vacation accrual.

Satellite Bases (10.U.) – implemented at Company’s discretion.

Q. Section 11 – Hours of Service

Note: Report/on-board requirements will be implemented as soon as practicable.

R. Section 12 – Reserve Duty

Note: Rotating Reserve (12.A.3.) shall not apply to LUS until Flight Attendant Operational Integration and will not apply to LAA until PBS implementation (current rotating provision will apply).

S. Section 13 – TDY (LAA)

T. Section 14 – International Flying

Note: Flight Attendants qualified in the Purser program at LAA/LUS will remain in the program with implementation of this Section.

U. Section 15 – Language Speaker

Staffing (A.1.) – **effective DOS, except as provided below. Actual implementation to be determined.**

1. Effective one year from Date of Signing, the Company may add one additional language speaker on wide body aircraft in LUS Crew Bases.
2. Effective on the date of Flight Attendant Operational Integration, the Company may add a second additional language speaker on wide body aircraft in former LUS Crew Bases.
3. Prior to Flight Attendant Operational Integration, if a language speaker is included as part of the crew complement on LUS narrowbody aircraft, the Company agrees to include at least one segment requiring the language speaker in each duty period of the sequence.

Note: Flight Attendants currently qualified in the LUS LOD/O program will be permitted to maintain their qualifications concurrent with the implementation of this section.

V. Section 16 – Deadheading

The commuter valet checked bag provision for the LUS Flight Attendants will be eliminated concurrent with the elimination of the same provision for the LUS Pilots. The effective date is to be determined.

W. Section 17 – Co-Terminals

X. Section 18 – Charters

Y. Section 19 – CRAF

The following provisions will be implemented according to the following schedule:

Red Flag Pay (150%) (10.H.) – (LUS) effective DOS.

30% Four (4) Day Pairing Limitation (11.K.6.) – (LAA) effective DOS.

Voluntary Duty Day Waiver (Domestic (11.O.1.) and International (14.D.1)) – (LAA) effective DOS.

Location Delay Incentive – (14.M.7.) (LAA) effective DOS.

The following provisions will be implemented as soon as practicable:

Last Live Leg (10.P.) (LAA)

1 for 2 Duty Day Pay (11.D.5.) (LUS)

Voluntary Waivers of Hours of Service limitations (e.g., voluntary rest minimums, double-up, etc.) to allow additional sequence pick-up for LAA Flight Attendants

Remove the domestic/NIPD purser designation

The JSIC may identify additional provisions for priority implementation. The Joint Scheduling Implementation Committee (JSIC) shall oversee the implementation of the following items and will assist with prioritizing the provisions of each section below:

Pay protections for LAA flight attendants, illegal thru no fault, last sequence/series of the month, crew sub and rescheduling

Implementation of new Reserve Section

ETB and Trip Trade System (TTS)

Side letters and Definitions related to the above sections shall remain in effect concurrent with the above sections.

IN WITNESS WHEREOF, the parties have signed this Letter of Agreement this _____, 2014.

FOR AMERICAN AIRLINES, INC.

FOR THE ASSOCIATION OF PROFESSIONAL FLIGHT ATTENDANTS (APFA)

/s/

/s/