

Fleet Service Tentative Agreement Q&A
November 18, 2011

Article 1: Scope

- Modify the Eagle ASM letter outlined in Attachment 1.5 – SEAT MILES SCHEDULED BY COMMUTER AIR Carriers.
- Modify the 6% to 12% and the current counting methodology, exclusions, report and measurement period will remain as is provided under the current letter of agreement. (See Attachment #1 dated 6-28-2011)
- Upon modification or elimination of this letter in each of the other six (6) AA/TWU labor agreements, Article 42(a) of the Fleet Service Clerk agreement will be amended to provide a system job protection date of 6/26/2000 for Title III.
- Outsource Day Line Cabin, including interior security searches, at the below listed domestic stations.
 - The Company agrees not to furlough from the eight (8) stations listed below until one thousand two hundred seventy-six (1276) employees in the system from the Fleet Service Clerk classification have separated from the Company.
 - BOS LGA
 - DFW MIA
 - JFK ORD
 - LAX SFO
- Allow the outsourcing of fueling (Includes Title III and IV): Implementation of outsourcing may vary by location in terms of timeline and functions.
 - Once a location has been outsourced then Title IV employees will be placed on the Title III seniority list based on the application outlined in LOM - 10 A.
 - BNA LGA TULE
 - BOS ORD
 - DTW PHX
 - ELP SAN
 - LAX SFO
- Outsource Bus Drivers – LAX and ORD.

ASM Cap

1. What are the specific changes to the AA/AE ASM Cap?

- A. The tentative agreement modifies the AA/AE ASM Cap to allow for an additional 6% regional available seat per miles (ASMs) that can be flown without restriction.
 - Currently, our competitors use regional jets for approximately 22% of their domestic flying.
 - In addition, the AA/APA agreement restricts the number of CRJ-700 aircraft at AE. AE is now restricted in ordering any additional CRJ-700 aircraft unless an agreement is reached with APA.
 - Conversely, AA announced in July that the company plans to acquire 460 narrowbody, single-aisle aircraft from the Boeing 737 and Airbus A320 families beginning in 2013 through 2022.
 - The point is that AA ASMs have the potential to grow over the next several years based on these deliveries.

2. **Is this change being made to the ASM Cap in order to allow American to change our station staffing AA departure threshold?**
 - A. No. This decision was made to give AA additional flexibility and the ability to test new markets and optimize the regional/mainline network – not to adversely impact station staffing levels.
3. **If Eagle was to divest from AMR, how would that affect the ASM letter?**
 - A. If divested, the ASM letter would not be affected. This letter covers any commuter carrier that provides passenger feed to AA.

Dayline Cabin Cleaning/Fueling/Bus Driving

1. **American has said it will not furlough from the eight stations (BOS, DFW, JFK, LAX, LGA, MIA, ORD, SFO) until 1,276 Fleet Service employees have separated from the company. How long will it take to reach that number?**
 - A. We can't speculate on how long it will take to reach the 1,276 number. Historically, our natural attrition for this workgroup is around 300-400 annually. Based on that historical trend, it could take up to 3-4 years to reach the 1,276 number. During that time frame, American has committed to not furlough Fleet Service Clerks from those 8 stations.
2. **Does the separation of the 1,276 employees from the company have to be reached only through the affected eight stations, or is it a system-wide separation?**
 - A. This number will be monitored on a system-wide basis.
3. **How will American know when the 1,276 number has been reached?**
 - A. American will take a snapshot of the current Fleet Service Clerk population on date of ratification and will monitor the attrition from that point forward until it reaches 1,276 separations. Once the 1,276 is reached, American will provide notice to the TWU.
4. **What if I'm a Dayline Cabin, Fueling or Bus Driver Crew Chief, but I don't want to continue as a Crew Chief, after that work goes away?**
 - A. We will provide an opportunity for affected crew chiefs to either lateral or step down into a Title III position at their location.
5. **What happens to the permanently restricted employees currently assigned to dayline cabin, fueling or bus driving work?**
 - A. We will work with these employees on an individual case basis to try and find other work within the scope of the Fleet Service job description for them to perform within their restrictions.
6. **What happens to the Title II employees in cabin cleaning?**
 - A. Since the Title II employees are governed by the Mechanic & Related collective bargaining agreement, they will continue working within the scope as described in that contract.
7. **When will the dayline cabin cleaning, bus driving and fueling work be outsourced?**
 - A. Implementation for outsourcing of the Dayline Cabin work, which includes interior security searches, at BOS, DFW, JFK, LAX, LGA, MIA, ORD and SFO; along with Bus Drivers, exclusively at LAX and ORD, is intended to occur within 60 calendar days from the ratification of this agreement, although it may vary by location.

Ground Service Fueling, which is performed by Title III and IV employees at several locations, may vary by location in terms of timeline and functions.
8. **Are the non-cornerstone stations outsourcing dayline cabin cleaning, too?**
 - A. The only stations that will be outsourcing dayline cabin functions will be BOS, DFW, JFK, LAX, LGA, MIA, ORD and SFO. All other stations will continue to perform dayline cabin cleaning.
9. **Why is cabin cleaning still part of our Scope if American wants to outsource that work?**

- A. The tentative agreement only includes outsourcing dayline cabin functions at eight stations. The smaller stations will continue to perform the dayline cabin cleaning, therefore it is necessary to retain that job scope in the agreement.

10. Are we going to be expected to clean cabins in the larger stations?

- A. Although the scope language will remain in the contract, it is not the Company's intention to have TWU Fleet Service Clerks performing cabin cleaning work on a regular basis. The intent to this agreement is not to have members of the TWU clean planes in and to hold the third-party outsource company accountable for quality and reliable performance of the dayline cabin cleaning work.

Article 2: Definitions

- Added or clarified the following term:
 - Changed 'Classification Seniority' to 'Pay Seniority' for clarification purposes no change in intent.

Article 3: Hours of Work

Incorporated Rotation of Shift and or Day's off language: See Attachment 3.1.

Article 4: Compensation

- Lump Sum Signing Bonus: There is a signing bonus of 6% lump sum at the new pay rate on date of signing for Title III and Title IV employees.

- Structural Increases to Chart Rate:

Structural increase of 3.0% effective DOS (Date of signing)
Structural increase of 2.0% effective DOS plus twelve (12) months
Structural increase of 2.0% effective DOS plus twenty four (24) months
Structural increase of 2.0% effective DOS plus thirty six (36) months

- Crew chiefs will be paid at their Crew Chief rate for all overtime and CS's, provided company may utilize Crew chiefs in the capacity of a Crew Chief when they are working a similar shift (within 30 minutes).
- Crew Chief override for all at \$1.75/hr. (Unless Crew Chief pay is already at \$2.09.)
- Employee Gain Sharing plan: Mutually commit to develop a variable compensation plan and implement within 180 days from DOS.

Compensation: Lump Sum Signing Bonus

1. Can you provide some examples of how the lump sum is calculated and an estimated amount for a Fleet Service Clerk?

- A. Full Time: 2080 x (chart rate + longevity) x 6%
Part Time: 1040 x (chart rate + longevity) x 6%

Basic calculation for an employee at the top of the pay scale

CC Fleet Service Clerk: 2080 hrs. x (\$21.80 + \$0.30) x 0.06 = \$3,019
FT Fleet Service Clerk: 2080 hrs. x (\$21.80 + \$0.30) x 0.06 = \$2,758
PT Fleet Service Clerk: 1040 hrs. x (\$21.80 + \$0.30) x 0.06 = \$1,379

2. If a member retires between October 26, 2011 and date of signing, (if the contract is ratified) will they receive the 6% signing bonus?

- A. No, to be eligible for the signing bonus you must be an active employee or on an approved leave of absence on or after the DOS.

3. Can I roll my lump sum check into a 401(k)?

A. American is not providing a special election window for deferral into your 401k account.

Compensation: Structural Increases

1. If I retire before date of signing, am I entitled to back pay for the structural increase?

A. No, to be eligible for the structural increase you must be an active employee or on an approved leave of absence on or after the DOS.

Compensation: Crew Chief Override (D1)

1. If I am a Crew Chief, can I work overtime or CS as a Fleet Service Clerk and receive my D1 override?

A. Yes, this has been restored.

2. What is meant by the language saying American can utilize Crew Chiefs in the capacity of a Crew Chief when they are working a similar shift?

A. This gives the company the ability to utilize a Crew Chief, who has opted for a CS or OT as a FSC, in the Crew Chief capacity on a shift requiring a Crew Chief that is within 30 minutes of their CS or OT shift.

Compensation: General

1. Why did we not get back what we gave up in 2003?

A. The tentative agreement was designed to align American's Fleet Service and Ground Service employees with the rest of the industry. The compensation increases bring the Fleet Service and Ground Service employees to second in the industry behind only Southwest.

Article 5: Shift Differential

No language changes.

Article 6: Overtime

- Vacation will be considered as time worked for overtime purposes.
- Standardize overtime procedures through Joint Committee.
- Review Wallen Report application with NMB oversight.

Overtime

1. How will vacation be considered as time worked for overtime purposes affect me?

A. Vacation time will now be counted towards the 40 hours worked requirement for day off overtime.

2. What is the purpose of standardizing overtime procedures, and how could that affect me?

A. With the administration and distribution of numerous overtime policies and part time extensions throughout the AA system, it was agreed that the Company and the TWU would establish a committee of representatives to develop a standard set of guidelines.

3. How long before all of the overtime procedures are changed?

A. The committee will complete a recommendation within six (6) months from date of ratification.

4. What does the letter about the Wallen Report mean?

A. This only applies to Local 501 - NYC with regards to overtime application. American and the TWU will utilize the services of the NMB to help facilitate a possible resolve to the Wallen Report overtime application.

Article 7: Holidays

- Increase to total number of holidays from 5 to 10 per year

Add Good Friday (2012), Martin Luther King Day (2012), Memorial Day (2012), Columbus Day (2012) and the day after Thanksgiving (2012).

- Rate of pay for all holidays worked will increase to double time (2x) following DOS.
- Modify holiday provision from “automatically off” unless required to “automatically required” except at base maintenance locations.

Holidays

1. Can you explain the change to the “automatically off” provision to now “automatically on?”

- A. In the current agreement, employees are “automatically off” on all holidays, unless required to work due to the operation. The language has been modified to have the employees automatically required to work on the holidays.

Article 8: Vacation

- Modify Article 8(a) (2) table to reflect two (2) weeks for those employees with less than five (5) years of service.

Vacation

1. When does the additional week of vacation accrual for those with less than 5 years take place and when can we bid them?

- A. The new accrual rate for those with less than 5 years will be effective January 1, 2012 to use in 2013. They can exercise their vacation selection as outlined in Article 8 for use in 2013.

Article 9: Probationary Period

No language changes.

Article 10: Seniority

No language changes.

Article 11: Classifications and Qualifications

- Clarification on copies of QAMs.
- Letter for contracting out Day Line Cabin, Fueling and Bus Drivers (Title III and IV) 11.2.
- Special Transfer/Self Demotion letter for Crew Chiefs in Title III and IV if work scope outsourced.

Article 12 – Promotions and Jobs to be Posted language changes

- New language having a provision to utilize Electronic Transfer/Bid System.
- New language for new Electronic Transfer/Bid process and time requirements.
- Modify transfer memorandum to reduce steps in filling of vacancies at Bases.

Promotions & Jobs to be Posted

1. What other changes to the Base Transfer Memorandum were made, if any? How will they affect the workforce?

- A. One of the other changes to the memorandum included a modification to Attachment 12.4, which provides greater flexibility on the transfer process.

2. Will there be training on the new electronic transfer system?

- A. Yes, training will be available as soon as possible after the date of signing.

3. When will the new electronic transfer system be activated?

A. The new transfer system is already in place. The new automated system for bid positions will be implemented by the end of 1Q2012.

4. What process will be in place if the computer system is down and it affects the timelines laid out in Article 12: Transfers?

A. In the event there is a computer issue that would affect employees' ability to submit transfers, we will try and resolve the issue as quickly as possible and will work with the TWU International to determine if there is a need to address the issue in a different manner.

Article 13: Seniority Lists

- Master Seniority lists on Jetnet will be updated daily.
- Add language that the Local Union will assist with the investigation of a protest.
- Clarify seniority protest filing procedures and Protest Panel meeting times.
- Clarify panel decisions will be forwarded to the TWU local and posted on the ATD website.
- Add language that any adjustment to Occupational Seniority resulting from a transfer bypass, pay seniority will be adjusted.

Article 14: Loss of Seniority

- Add language to accrue seniority "indefinitely."

Article 15: Reduction in Force

- Add clarification language throughout the article to all the reduction in force process to flow smoothly.
- Incorporate language to reflect current practice of "re-sizing the juniority list."

Article 16: Recall

- New provision to allow unlimited occupational seniority accrual and unlimited recall.
- New language for employee requirements for updating contact information.
- New language to include instructions for employee and a required report date in writing.
- New language to "accept or refuse using the online tool" within 7 calendar days.
- New language for employees who have accepted recall involving background checks.
- New language for employees who are recalled but does not notify the company or return to work within 30 days. In this case, the employee will be considered to have refused recall and will lose all right to any recall and his seniority will be forfeited in that Title group.
- New language for employees that require extension time limits due to extenuating circumstances.
- New language to provide a union and company "Validation Committee" and completion date along with the new unlimited accrual of seniority and unlimited recall right to be prospective from DOS.
- New language to clarify the correlation between Article 10 and Article 16 (a).

Recall

- 1. How will the new language allowing unlimited occupational seniority accrual and unlimited recall be implemented?**
 - A. The parties will establish a joint committee to discuss and agree upon the implementation of these changes.
- 2. Will the new unlimited recall rights and unlimited occupational seniority apply to those currently on layoff?**
 - A. That has yet to be determined. The parties will establish a joint committee to discuss and agree on the process prior to implementation.

Article 17: Leaves of Absence

- New Government Leave for those in elected office.
- Clarified leave of absence processes.

Article 18: Military Leave

No language changes.

Article 19: Termination of Employment

No language changes.

Article 20: Bulletin Boards

No language changes.

Article 21: Work Schedules

- New language the Company and the TWU can mutually agree to post schedules less than 3 times a year.

Article 23: Attendance at Hearings, Investigations or Training Classes

No language changes.

Article 24: Absence from Duty

No language changes.

Article 25: Recall and Call in Work

- Removed Ground Servicemen language regarding being contacted outside of work.
- Added clarification language on early call in.

Article 26: Field Work

- Clarified language.

Article 27: General

- New language for the frequency of safety meetings.

Article 28: No Discrimination, and Recognition of Rights and Compliance

Article 29: Field Representation

No language changes.

Article 30: Grievance Procedure for Dismissal/Corrective Action

- Changed Title to Article 30: Grievance Procedure for Dismissal/Corrective Action.

- Changed Article to be specific for cases involving dismissal or corrective action of a member.
- The intent of these changes was to combine dismissal and corrective action into one article.
- Incorporated Letter of Agreement language on time limits.

Article 31: Grievance Procedure for Contractual Disputes

- Changed Title to Article 31 – Grievance Procedure for Contractual Disputes.
- Changed Article to be specific for cases involving contractual violations/interpretations.
- Clarification of time limits from Chief Operating Officer decision.

Article 32: Boards of Adjustment

- Clarified postponement procedures.
- New language for clarifying late documents and witness list timeframe.

Article 33: No Strike – No Lock Out

No language changes.

Article 34: Sick Leave

- Increased the sick leave accrual rate from 5 to 8 days per year.

Article 35: Temporary Employees

No language changes.

Article 36: Meal Periods

No language changes.

Article 37: Severance Allowance

- New language clarifying two week additional severance payout.

Article 38: Union Security

No language changes.

Article 39: Fitness for Duty

- Re-wrote article to comply with today's practice.
- New language about fitness for duty.
- New language about temporary restrictions.
- New language about permanent restrictions.
- New language for medical review board.
- New language about pay protection language, or the usage of sick time if being held out for medical determination.
- New language about the appeals process and the accommodation review board.

Fitness for Duty

1. **How would the language change to Article 39: Fitness for Duty affect members?**

- A. Article 39 is designed to apply to all covered employees, and is intended to capture in the language of the contract, the process and practice that is in place today.

Article 40 – Pension language changes

- Provide a defined contribution 401(k) plan for new hires.
 - After one year of eligible service, new hires will receive an automatic 2.5% company contribution to the Super Saver Plus 401(k) plan, based on qualified pensionable earnings with no employee contribution required
 - After one year of eligible service, the company will also provide a 100% match for employee contributions up to a maximum of 3%, for a total maximum company contribution of 5.5%.
- Existing employees maintain today's defined benefit plan, but have one time option to freeze defined plan and move to 401k DC plan.

Pension

1. Can current employees opt out of the retirement defined benefit plan and enroll in the matching defined contribution, 401(k) plan?

- A. Yes, the tentative agreement allows for a one-time option for current employees to opt out of the defined benefit plan and enroll in the defined contribution, 401(k) plan. This process and opportunity will be implemented after ratification.

2. When do I have to decide if I want to remain in the pension plan or choose to move to the 401(k)?

- A. If the tentative agreement is ratified, a separate option window will be opened for current employees who want to move to the 401(k).

3. Can you provide an example of how the Defined Contribution (DC) 401(k) plan will be applied to a new hire?

- A. Upon eligibility into the plan, which is one year of service, the Company will automatically contribute 2.5% of pensionable pay into an employee's 401(k) account. The contribution is actually deposited into a separate Company account in your name, which you have access to for purposes of investment allocation.

Pensionable pay includes: Chart rate, Crew Chief premium (if applicable) and longevity pay. Overtime is not pensionable pay.

For an employee to receive a matching contribution from the Company, the employee must elect to defer more than 2.5% on a pre-tax and/or Roth contribution basis to the Plan. Company contribution cannot exceed 5.5%.

Example: Emp. A

Receives automatic Company Contribution:	2.5%
Employee A contributes:	1.5%
Company matching contribution:	0.0%

Emp. B

Receives automatic Company Contribution:	2.5%
Employee B contributes:	4.5%
Company matching contribution:	2.0%

4. How often will the company's match be put into the employee's matching 401(k) account?

- A. The company's match will be put into the employee's account every pay period.

Article 41: Benefits

Please see the separate Active and Retiree Medical Q&A documents.

Article 42: Job Security

- Upon modification or elimination of ASM Letter in Article 1 in each of the 6 AA/TWU labor agreements, Article 42: Job Security will be amended to provide a new system job protection date of 6/6/2000, adding approximately 1000 Title III members to the system protection list.

Job Security

- 1. What are the other 6 TWU labor agreements that have to be modified for the Title III System Job Security date to change to 6/26/2000?**
 - A. The Mechanic & Related, Stores and Simulator Technicians agreements have to modify or remove the ASM Cap. (It has already been modified or removed in the Maintenance Control Technician, Ground School and Simulator Pilot Instructor agreements, and has been modified in the tentative agreement in principle just reached with Dispatch.)
- 2. What determined the 6/26/2000 System Protection date?**
 - A. This date gives approximately 1,000 additional employees system protection.

Article 43: Part Time Employees

- Updated all applications within Article 43 to be consistent with changes throughout this agreement.

Article 44: Moving Expense/Optional Severance for Protected Employees

- Clarified station closings application for Crew Chiefs regarding station protection.

Article 45: Effect on Prior Agreements

No language changes.

Article 46: One-Station Complex Agreements

- New language clarifies one-station complex bumping procedures.
- Seniority-based recall.

One-Station Complex

- 1. Please explain what is meant by members will retain recall rights to stations they were displaced from within the one-station complex, isn't that the current application?**
 - A. This allows the employee displaced out of one station within the complex to another station in the complex, such as LGA, and employee goes to JFK, the recall right back to LGA. It is very similar to the current application.

Article 47: Duration of Agreement

- The proposed duration of the agreement is 4 years from date of signing (DOS). This includes a provision which would allow either party to open 6 months early.

Letters of Memorandum

- Letter of Agreement for a "Profit Sharing Plan": Replace the current AIP plan with an uncapped annual profit sharing plan that rewards employees at the first dollar of pre-tax earnings, excluding special, unusual and non-recurring items.

Miscellaneous

- 1. Is the proposed Profit Sharing Plan the same as the Continental Profit Sharing Plan?**
 - A. Yes, it is. It is the richest in the industry.