

LETTER OF AGREEMENT
Between
AMERICAN AIRLINES, INC.
and the
FLEET SERVICE EMPLOYEES
in the service of
AMERICAN AIRLINES, INC. and US AIRWAYS, INC.
as represented by
THE FLEET SERVICE EMPLOYEE ASSOCIATION – TWU/IAM

TRANSITION AGREEMENT

THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended (the "Act"), by and between AMERICAN AIRLINES, INC. ("American"), US AIRWAYS, INC. ("US Airways" and, together with American, the "Airline Parties"), and the TOWER PLANNERS in the service of American Airlines and TOWER PLANNERS in the service of US Airways, as represented by the FLEET SERVICE EMPLOYEE ASSOCIATION – TWU/IAM (Association). All parties are collectively referred to as the "Parties".

WHEREAS, effective December 9, 2013, US Airways, Inc., became a subsidiary of American Airlines Group Inc.; and

WHEREAS, effective May 19, 2015, the National Mediation Board found that the Association is the sole certified representative of the Tower Planners and Tower Planners of both American and US Airways Inc.; and

WHEREAS, prior to the National Mediation Board certification on May 19, 2015, the Legacy American Airlines Tower planners were not represented by any labor organization and the Legacy US Airways Tower Planners were represented by the International Association of Machinists ("IAM");

WHEREAS, the Airline Parties intend to integrate the legacy American Tower planners and the Legacy US Airways Tower Planners into a single workforce with an integrated seniority list;

WHEREAS, the Parties agree that this Transition Agreement does not preclude either party from proposing different terms and conditions for inclusion in a joint collective bargaining agreement, nor constitute agreement by either party to any term of a joint collective bargaining agreement;

WHEREAS, the Airline Parties intend to utilize the legacy American Tower Planners and the Legacy US Airways Tower Planners to perform the Airline Parties tower functions;

THEREFORE, the following applies:

- I. Transition Dates. In general, those terms of the current Collective Bargaining Agreement ("CBA") between US Airways, Inc. and the International Association of Machinists covering the fleet service employees, as amended, dated July 18, 2014, will become applicable to the American Airlines Tower planners, within 30 days following the execution of this Agreement

("Transition date"), except where transition dates for specific CBA articles are otherwise set forth in Attachment A hereto.

II. Seniority List Integration

As described in Attachment B.

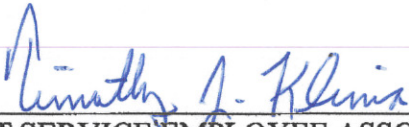
III. Effective Date

This Letter of Agreement Governs in case of conflict between one of its terms and a provision of the existing US Airways fleet service Collective Bargaining Agreement, as amended dated July 18, 2014.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Agreement effective this 9 day of August, 2016.

By: 

AMERICAN AIRLINES, INC.:

By: 

FLEET SERVICE EMPLOYEE ASSOCIATION – TWU/IAM

Attachment A

Below are the terms for the transition of American Airlines Tower Planner Employees to specific CBA Articles under the legacy US Airways/IAM agreement. Where Company Policy is cited below, it is understood and agreed that such policy(ies) may be amended by American after meeting and conferring with Association representatives. American shall provide the Association a copy of the relevant Company Policies as soon as practicable following the date of this Transition Agreement.

Preamble - Will apply on Transition Date.

Article 1 (Purpose of Agreement) - Will apply on Transition Date.

Article 2 (Status of Agreement) - Will apply on Transition Date.

Article 3 (Recognition and Scope) - Will apply on Transition Date, except that all work being currently performed by LAA management may continue to be performed by management until there is a fully ratified JCBA. Management's performance of such bargaining unit work shall not result in a reduction of the bargaining unit work force in American's Tower Planner operation for those employees on the seniority list of the date of signing of the Transition Agreement.

Article 4 (Classifications) - Will apply on Transition Date. Legacy American Airlines Tower Planners will transition over as Tower Planners under the current US Airways/IAM Agreement.

Article 5 (Hours of Service) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 6 (Overtime) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 7 (Seniority) - Company Policy will continue to apply until a mutually agreed upon seniority integration agreement is implemented.

Article 8 (Filling of Vacancies) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 9 (Reduction in Force) - Company Policy will continue to apply until a fully ratified JCBA is implemented, with the following exception:

- Subject to a mutually agreed upon seniority integration agreement, employees involved in any reduction in force will be allowed to exercise seniority pursuant to the current IAM fleet service CBA dated July 18, 2014.

Article 10 (Voluntary Furlough) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 11 (Medical Examinations) - Will apply on Transition Date.

Article 12 (Leaves of Absence) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 13 (Sick Leave) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 14 (Holidays) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 15 (Vacation) - Company Policy will continue to apply until a fully ratified JCBA is implemented; however, if no JCBA is in effect at the time vacation periods are bid for 2017, to the extent operationally possible, the appropriate work groups will be combined for seniority-competitive bidding purposes.

Article 16 (Limited Duty) - Will apply on Transition Date.

Article 17 (Probation) - Will apply on Transition Date.

Article 18 (Uniforms) - Will apply on Transition Date.

Article 19 (Shift Definition) - Will apply on Transition Date.

Article 20 (Grievance Procedure) - Will apply on Transition Date.

Article 21 (System Board of Arbitration) - Will apply on Transition Date.

Article 22 (Insurance) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 23 (Pension) - Company Policy will continue to apply until the soonest practicable date that contributions can begin to be made by the Company to the IAM National Pension Fund (NPF) for the transitioned employees, which shall be no later than January 1, 2017.

Article 24 (Training and Travel) - Will apply on Transition Date.

Article 25 (Safety and Health) - Will apply on Transition Date.

Article 26 (Part-Time Employees) - Will apply on Transition Date.

Article 27 (Union Security) - Will apply as soon as practicable after the Transition Date and upon receipt of Dues Check Off cards from the Association. The dues Check off methodology will be the same used currently for the Fleet Service Group.

Article 28 (General and Miscellaneous) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 29 (Amendments to the Agreement) - Will apply on Transition Date.

Article 30 (Compensation) - Attachment C, the [August 5, 2016] Interim Pay Adjustment Letter of Agreement, is adopted in its entirety as part of this Transition Agreement and shall govern hourly rates of pay.

Article 31 (Duration) - Will apply on Transition Date.

Letters Of Agreement/Understanding	Page in IAM CBA	
1. Flexible Spending Account	130	N/A
2. US Airways Shuttle	132	N/A
3. Labor Protective Provisions	133	Will apply on Transition Date
4. Retirement Lump Sum	135	N/A
5. Transfers	137	N/A
6. Vacation Balances for Transferred Employees	138	N/A
7. Insurance	139	N/A
8. Family Medical and Dental Insurance for FT emps recalled to PT position	141	N/A
9. Pursuant to the August 2002 Restructuring Agreement	142	N/A
10. Employment & Other Conditions at Wholly Owned Carriers	145	N/A
11. "Back to Back" Shift Swaps	146	N/A
12. Attch. A Co-pays, Deductibles & OOP Maxs	148	N/A
13. Attch. B Retiree Medical		
Pre 65	151	N/A
Post 65	153	N/A
14. Fleet Bidding	154	N/A
15. Seniority for furloughed Flt Svc Emps	156	N/A
16. Four-Day Work Week Schedules	157	N/A
17. Distribution for Part-time overtime	169	N/A
18. Voluntary Early Out Program	171	Will apply on Transition Date
19. Agreement Regarding Seniority	172	Will apply on Transition Date
20. Excise Tax	175	Will apply on Transition Date
21. Station Classification	177	Will apply on Transition Date

N/A = Not Applicable

Attachment B

**IAM CENTRAL LOAD PLANNERS
SENIORITY INTEGRATION PROCEDURE**

1. The seniority lists of American's Tower Planners and US Airways Tower Planners will be integrated based on the seniority integration process agreement applicable to all TWU/IAM Association represented American Airlines employees.
2. The Company and the Union will post the integrated seniority lists and/or otherwise make the lists available to all affected LAA/LUS employees as required by Article 7 of the legacy US Airways' Agreement.