

LETTER OF AGREEMENT
Between
AMERICAN AIRLINES, INC.
and the
MAINTENANCE TRAINING INSTRUCTORS/SPECIALISTS
in the service of
AMERICAN AIRLINES, INC. and US AIRWAYS, INC.
as represented by
THE AIRLINE MECHANIC AND RELATED 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 MAINTENANCE TRAINING INSTRUCTORS (See Attachment B.) in the service of American Airlines (See Attachment B) and MAINTENANCE TRAINING SPECIALISTS in the service of US Airways, as represented by the AIRLINE MECHANIC AND RELATED 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 Maintenance Training Specialists of both American and US Airways Inc.; and

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

WHEREAS, the Airline Parties intend to integrate the Legacy American Airlines Maintenance Training Instructors and the Legacy US Airways Maintenance Training Specialists 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 fully utilize the legacy American Maintenance Training Instructors and the Legacy US Airways Maintenance Training Specialists to perform the Airline Parties Maintenance Training functions inclusive of the job duties outlined in the legacy US Airways/IAM Maintenance Training Specialist collective bargaining agreement ("IAM CBA");

THEREFORE, the following applies:

I. Transition Dates. In general, the terms of the current Collective Bargaining Agreement (“CBA”) between US Airways, Inc. and the International Association of Machinists covering the Maintenance Training Specialists as amended, dated July 18, 2014, will become applicable to the American Airlines Maintenance Training Instructors, as specified herein, 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.

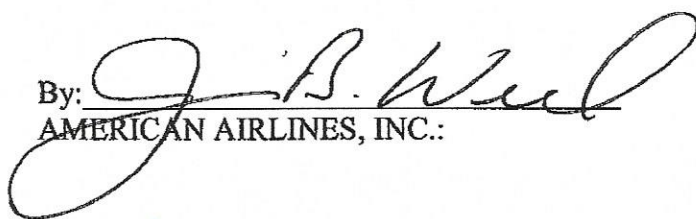
II. Seniority List Integration

As described in Attachment C.

III. Effective Date

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

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

By: 
AMERICAN AIRLINES, INC.:

By: 
AIRLINE MECHANIC AND RELATED EMPLOYEE ASSOCIATION – TWU/IAM

ATTACHMENT A

Below are the terms for the transition of American Airlines Maintenance Training Instructor employees to specific CBA Articles under the legacy US Airways/IAM collective bargaining 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 (Scope of Agreement) - Will apply on Transition Date, with the following exceptions:

- IAM agrees that work currently being performed by LAA Maintenance Training Instructors, namely the training of LAA Title I employees who are covered by the American Airlines/Transport Workers Union (“TWU”) collective bargaining agreement, as amended, dated September 12, 2012, will continue to be performed by this workgroup even after they are transitioned over to the IAM CBA.

Article 3 (Status of Agreement) - Will apply on Transition Date.

Article 4 (Classifications) - Will apply on Transition Date.

Article 5 (Hours of Service) - Article 5 will apply as soon as operationally feasible but within 30 days from the Transition Date.

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

Article 7 (Travel and Travel Pay) - Will apply on Transition Date.

Article 8 (Seniority) - Company Policy will continue to apply until a mutually agreed upon seniority integration agreement is implemented.

Article 9 (Filling of Vacancies) - Will apply on Transition Date, with the exception of those vacancies that were in the process of being filled prior to the effective date of this agreement. Any vacancies posted subsequent to August 8, 2016 will be filled in accordance with Article 9 of the LUS/IAM agreement.

Article 10 (Leaves of Absence) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 11 (Vacation with pay) - 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 12 (Sick Leave, Premiums and Bonuses) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 13 (Transportation) - Will apply on Transition Date.

Article 14 (Grievance Procedure) - Will apply on Transition Date.

Article 15 (System Board of Adjustment) - Will apply on Transition Date.

Article 16 (Safety and Health) - Will apply on Transition Date.

Article 17 (General Miscellaneous and Training) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 18 (Wage Rates) – Attachment D, 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 19 (Union Shop and Dues Check-off Agreement) – 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 Mechanic and Related group.

Article 20 (Furlough Allowance) - Will apply on Transition Date.

Article 21 (Retirement) - 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 22 (Insurance) - Company Policy will continue to apply until a fully ratified JCBA is implemented.

Article 23 (Duration) - Will apply on Transition Date.

Letters:

Letter Vacation Carryover – N/A

Letter of Agreement Comp Bank – N/A

Attachment “A” PPACA/Medical Contributions – N/A

Attachment “C” Retiree Medical – N/A

Voluntary Early Out Program – N/A

Scope and Job Protection – N/A

Attachment B

LAA Maintenance Training Instructors covered by the above transition agreement include only those identified as performing the MTS work in a management capacity and excludes any Technical Crew Chief – Instructor covered by the LAA/TWU agreement.

Attachment C

IAM MAINTENANCE TRAINING SPECIALIST SENIORITY INTEGRATION PROCEDURE

1. The seniority lists of American's Maintenance Training Instructors and US Airways Maintenance Training Specialists 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 8 of the legacy US Airways' Agreement.