

LETTER OF AGREEMENT
Between
AMERICAN AIRLINES, INC.
and the
QUALITY ASSURANCE AUDITORS /QUALITY ASSURANCE CONSULTANTS
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 QUALITY ASSURANCE AUDITORS in the service of American Airlines and QUALITY ASSURANCE CONSULTANTS 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 Legacy American Airlines Quality Assurance Auditors and the US Airways Inc. Quality Assurance Consultants ; and

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

WHEREAS, the Airline Parties intend to integrate the legacy American Quality Assurance Auditors and the Legacy US Airways Quality Assurance Consultants 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 Quality Assurance Auditors and the Legacy US Airways Quality Assurance Consultants to perform the Airline Parties audit functions inclusive of the job duties outlined in the legacy US Airways/IAM Mechanic and Related collective bargaining agreement, as amended, dated July 18, 2014 ("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 mechanic & related employees, as amended, dated July 18, 2014, will become applicable to the American Airlines Quality Assurance Auditors, 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 B.

II. 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/IAM 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 Quality Assurance Auditor 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 (Scope of Agreement) - Will apply on Transition Date.

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

Article 4 (Classifications) - Will apply on Transition Date. Legacy American Airlines employees currently in the Senior Auditor - Quality Assurance Auditor position will transition over as Quality Assurance Consultants under the US Airways/IAM Agreement.

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

Article 18 (Wage Rates) – 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 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 (Severance 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:	Page in IAM CBA	
1. Letter of Clarification	131	N/A to QA/Planners/Tech docs
2. Attachment A - Health Coverage	177	N/A
3. Clarification of Article 2(B)	132	N/A to QA/Planners/Tech docs
4. Quality Control Checks	140	N/A to QA/Planners/Tech docs
5. Computer Programming	142	N/A to QA/Planners/Tech docs
6. City to City Bid Awards	143	N/A to QA/Planners/Tech docs
7. Attachment E - Voluntary Separation	190	Will apply on Transition Date
8. Customer Contract Maintenance	144	N/A to QA/Planners/Tech docs
9. Accrual on Leave Matrix	194	N/A
10. Leave of Absence – Birth or Adoption	145	N/A
11. Overtime/Swap Matrix	196	Only applicable when OT/Swaps are Implemented
12. Flexible Spending Account	146	N/A
13. Labor Protection Provisions	147	Will apply on Transition Date.
14. Scope and Alter Ego	148	Will apply on Transition Date.
15. Attachment H – Shops	198	N/A to QA/Planners/Tech docs
16. Medical Exams	149	Will apply on Transition Date.
17. Attachment I – V/S in Lieu	199	Will apply on Transition Date.
18. Consolidation	151	N/A
19. Addendum A – Enhancement Letter	200	N/A
20. Pension Accrual While on Leave/Furlough	152	N/A
21. Pay Classification	202	N/A
22. Co-op Letter	153	Will apply on Transition Date.
23. Index	208	
24. Airbus Training	155	N/A to QA/Planners/Tech docs
25. Retirement from Inactive Status	156	N/A
26. Mandatory Overtime (Deicing)	157	N/A to QA/Planners/Tech docs
27. Aircraft Storage	159	N/A to QA/Planners/Tech docs
28. Inspectors Bidding Lead Jobs	160	N/A to QA/Planners/Tech docs
29. Bumped after Recall	161	N/A to QA/Planners/Tech docs
30. Machine Shop Test	162	N/A to QA/Planners/Tech docs
31. Seniority Tie Breaker	165	N/A
32. Pay Progression	166	N/A
33. Probationary Swaps	167	Applicable when swaps implemented
34. Airbus Stability Period	168	N/A to QA/Planners/Tech docs
35. Swaps while on Light Duty	169	N/A
36. SIDA Badge	170	Applicable
37. Background Check	172	Applicable
38. Back to back Swaps	173	Applicable when swaps implemented
39. Wholly Owned Provisions	175	Applicable
40. Affordable Healthcare Act Excise Tax	135	N/A
41. AA Merger Scope and Job Protections	137	N/A for QA/Planners/Tech docs due to
42. AA Merger VEOP	139	N/A for QA/Planners/Tech Docs due to

N/A = Not Applicable

Attachment B

IAM QUALITY ASSURANCE AUDITORS SENIORITY INTEGRATION PROCEDURE

1. The seniority lists of American's Quality Assurance Auditors and US Airways Quality Assurance Consultants 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.