

LETTER OF AGREEMENT

between

AMERICAN AIRLINES, INC. and US AIRWAYS, INC.

and the

CWA/IBT ASSOCIATION

as the certified representative of the

PASSENGER SERVICE EMPLOYEES

SENIORITY INTEGRATION

THIS LETTER OF AGREEMENT (this "Agreement") is made and entered into in accordance with the provisions of the McCaskill-Bond Act and the Railway Labor Act, as amended, by and between American Airlines, Inc. ("American"), US Airways, Inc. ("US Airways") (collectively the "New American" or the "Airline Parties"), and the Passenger Service Employees in the service of American ("American Employees") and the Passenger Service Employees in the service of US Airways ("US Airways Employees") (collectively "Employees") as represented by the CWA/IBT Association (the "Association"). The New American and the Association are collectively referred to in this Agreement as the "Parties."

WHEREAS, Employees presently possess seniority statuses relative to their employment with American or US Airways; and

WHEREAS, in this Agreement, the Parties set forth the process and method for the fair and equitable seniority integration, as provided under the McCaskill-Bond Act, of those seniority statuses relative to the Employees' employment with the New American.

THEREFORE, the Parties mutually agree as follows:

A. SENIORITY INTEGRATION COMMITTEES

1. The Association shall establish two (2) seniority integration committees within fifteen (15) calendar days of the effective date of this Agreement.
2. One committee shall be comprised of two (2) American Employees as members (the "American Committee") to represent the interests of the American Employees, and one committee shall be comprised of two (2) US Airways Employees as members (the "US Airways Committee") to represent the interests of the US Airways Employees (collectively, the "Committees"). The Association shall appoint the members of the Committees.
3. The Committees that are established pursuant to this Agreement shall implement the integration process and method set forth in this Agreement.

B. DATE OF HIRE SENIORITY

1. The Date of Hire ("DOH") Seniority date of US Airways Employees will be his/her DOH Seniority date as reflected on the last system seniority roster published prior to the effective date of this Agreement (the "US Airways Seniority List"). US Airways Employees who are hired into or transfer into the Passenger Service Group after the publication of the US Airways Seniority List but prior to publication of the Preliminary Integrated Seniority List will receive a DOH Seniority date in accordance with Article 8 of the 2005 collective bargaining agreement between US Airways and the Association (the "2005 CBA"). US Airways Employees who are hired into or transfer into the Passenger Service Group on the date of or following the publication of the Preliminary Integrated Seniority List shall receive a DOH Seniority date in accordance with Article 8 of the Parties' Joint Collective Bargaining Agreement (the "JCBA").
2. The DOH Seniority date of American Employees will be his/her Company Seniority date as reflected on the last system seniority roster published prior to the effective date of this Agreement (the "American Seniority List"). American Employees who are hired into or transfer into the Passenger Service Group after publication of the American Seniority List but prior to delivery of the Preliminary Integrated Seniority List will receive a Company Seniority date in accordance with current practice at American, which shall constitute his/her DOH Seniority date. American Employees who are hired into or transfer into the Passenger Service Group on the date of or following the publication of the Preliminary Integrated Seniority List shall receive a DOH Seniority date in accordance with Article 8 of the JCBA.

C. PASSENGER SERVICE SENIORITY

1. The Passenger Service ("PAX") Seniority date of US Airways Employees will be his/her PAX Seniority date as reflected on the US Airways Seniority List. US Airways Employees who are hired into or transfer into the Passenger Service Group after publication of the US Airways Seniority List but prior to publication of the Preliminary Integrated Seniority List shall receive a PAX Seniority date in accordance with Article 8 of the 2005 CBA. US Airways Employees who are hired into or transfer into the Passenger Service Group on the date of or following the publication of the Preliminary Integrated Seniority List shall receive a PAX Seniority date in accordance with Article 8 of the JCBA.
2. The PAX Seniority date of American Employees will be his/her Employment Seniority date as reflected on the American Seniority List. American Employees who are hired into or transfer into the Passenger Service Group after the publication of the American Seniority List but prior to publication of the

Preliminary Integrated Seniority List shall receive an Employment Seniority date in accordance with current practice at American, which shall constitute his/her PAX Seniority date. American Employees who are hired into or transfer into the Passenger Service Group on the date of or following the publication of the Preliminary Integrated Seniority List shall receive a PAX Seniority date in accordance with Article 8 of the JCBA.

D. INTEGRATION PROCESS AND METHOD

The Committees shall begin the process of integrating the American Seniority List and the US Airways Seniority List within fifteen (15) calendar days of the Committees' establishment pursuant to Paragraph A.1. The following process shall be applied by the Committees to both compile a Preliminary Integrated Seniority List and a Final Integrated Seniority List:

1. The US Airways Seniority List and the American Seniority List shall be integrated based on Employees' PAX Seniority date, with the Employee with the earliest PAX Seniority date placed first on the integrated list, followed by the Employee with the next earliest PAX Seniority date, and then continuing in that pattern.
2. If a single American Employee and a single US Airways Employee have the same PAX Seniority date, the Employee with the earlier DOH shall be deemed senior in status to the other Employee. If these two employees also have the same DOH Seniority date, the Employee with the higher last four (4) digits of his or her Social Security Number shall be deemed to be senior in status to the other Employee.
3. Alternatively, if more than a single American Employee and a single US Airways Employee have the same PAX Seniority date and DOH Seniority date, Employees shall maintain their PAX Seniority date and DOH Seniority date. The Employees with the same PAX Seniority date and DOH Seniority date shall be separated into a grouping, e.g., two (2) US Airways Employees and two (2) American Employees all have the same PAX Seniority date and DOH Seniority date of May 16, 1988. A grouping shall be integrated on an alternating, dovetailing basis, with a US Airways Employee being placed first in the first grouping, an American Employee being placed first in the second grouping and alternating thereafter during the successive dovetailing of groupings, e.g., in the first grouping, in which Employees have the same PAX Seniority date and DOH Seniority date of May 16, 1988, a US Airways Employee will be the first to be placed, an American Employee second, a US Airways Employee third, an American Employee fourth, and then continuing in that pattern; in the second grouping, in which Employees have the same PAX Seniority date and DOH Seniority date of May 16, 1992, an American Employee will be the first to be placed, a US Airways Employee second, an American Employee third, a US Airways Employee fourth, and then continuing in that pattern; and, in the third grouping, in which

Employees have the same PAX Seniority date and DOH Seniority date of May 16, 1995, a US Airways Employee will be the first to be placed, an American Employee second, a US Airways Employee third, an American Employee fourth, and then continuing in that pattern.

4. The seniority statuses of Employees who become employed by American or US Airways during the integration process but before the implementation of the Final Integrated Seniority List, pursuant to Paragraph G below, will be subject to the above integration process the same as existing Employees.
5. The Committees shall complete the above process within sixty (60) days of the establishment of the Committees. To the extent there is a dispute between the US Airways Committee and the American Committee regarding any aspect of the integration process in this Agreement or the interpretation or application of this Agreement, the Committees shall attempt to resolve any such disputes. If the Committees are unable to reach agreement on a Preliminary Integrated Seniority List within sixty (60) calendar days of the establishment of the Committees due to unresolved disputes, any open disputes shall be submitted to final and binding arbitration pursuant to Paragraph F for completion of the Preliminary Integrated Seniority List.

E. PUBLICATION OF PRELIMINARY INTEGRATED SENIORITY LIST

1. The Committees shall publish a Preliminary Integrated Seniority List upon the last of the following to occur: (1) the ratification of a Joint Collective Bargaining Agreement by the Passenger Service Employees of New American; or (2) the completion of the Preliminary Integrated Seniority List by the Committees pursuant to Paragraph D.5 or through arbitration pursuant to Paragraph F.
2. The Association shall post the Preliminary Integrated Seniority List electronically and in writing at all airport and reservation locations. The posting shall include the contact information for the Committees, e.g., mailing address and electronic mail address.
3. An Employee may challenge his/her placement on the Preliminary Integrated Seniority List, but solely on the grounds that (i) his/her PAX Seniority date and/or DOH Seniority date has not been calculated correctly, or (ii) he/she has not been placed on the Preliminary Integrated Seniority List in accordance with the terms of this Agreement. The Employee must submit any challenge in writing to the Committees so that it is received by the Committees within thirty (30) calendar days of the publication of the Preliminary Integrated Seniority List. A failure of an Employee to submit a written challenge in accordance with this Paragraph shall constitute a waiver of any rights the Employee has to challenge his placement.
4. If the US Airways Committee and the American Committee agree on the

resolution of an Employee challenge, that resolution shall be final and binding. If the US Airways Committee and the American Committee do not agree on a resolution, the Committees shall submit the Employee challenge, aggregated with any other such unresolved Employee challenges, to final and binding arbitration in accordance with the procedures in Paragraph F.

F. ARBITRATION

1. Pursuant to the provisions of this Agreement, arbitration may be necessary to resolve: (1) disputes between the Committees regarding establishment of the Preliminary Integrated Seniority List pursuant to Paragraph D.5; (2) Employee challenges to the Preliminary Integrated Seniority List made pursuant to Paragraph E.3 that are not resolved by the Committees pursuant to Paragraph E.4; or (3) disputes submitted by the Parties regarding the interpretation or application of this Agreement.
2. In the event any such disputes need to be arbitrated under the terms of this Agreement, the parties to the arbitration shall contact each of the following three arbitrators and accept the arbitrator who has the earliest availability: (1) Dana Eischen, (2) Ira Jaffe, or (3) Richard Kasher. If none of these three arbitrators are available to conduct a hearing within ninety (90) calendar days of the submission of any disputes, then the parties to the arbitration shall immediately upon notice of the arbitrators' unavailability mutually agree on another arbitrator or in the absence of an agreement, shall request from the National Mediation Board a list of arbitrators with substantial experience in the area of seniority integration. The parties to the arbitration shall complete their strike of the list within five (5) calendar days of the parties' receipts of the list.
3. Any disputes submitted to arbitration under this Agreement shall be resolved in accordance with the terms of this Agreement and in a manner that is fair and equitable in accordance with McCaskill-Bond.
4. Arbitration hearings shall be held in proximity to the Dallas-Ft. Worth airport, unless mutually agreed to otherwise by the parties to the arbitration.
5. The CWA and IBT shall divide equally the costs of the arbitrator, hearing facilities, any stenographic services, the fees and costs of attorneys to represent each of the Committees and the costs of the appearances of any witnesses called by a Committee. The CWA and IBT shall also divide equally the fees and costs of any attorneys to represent the Association's interests, the costs of the appearances of any witnesses called by the Association and the participation of its representatives. To the extent that New American is a party to an arbitration, however, it shall divide equally with the CWA and IBT the costs of the arbitrator, hearing facilities, and any stenographic services, and shall be responsible for the fees and costs of its attorneys, and the costs of the appearances of its witnesses, and/or participation of its representatives.

6. An arbitration hearing shall be held within ninety (90) calendar days of the submission of any dispute(s) under this Agreement, unless the parties to the arbitration mutually agree otherwise.
7. The arbitrator shall within ten (10) calendar days of her or her appointment, or as otherwise mutually agreed to between by the parties to the arbitration, hold a pre-hearing conference to identify the disputes, set the date for the commencement of the hearing, set the number of consecutive hearing days, establish the order of presentation of evidence, and determine any other matter that the arbitrator believes will be conducive to a just and orderly resolution of the dispute consistent with his or her jurisdiction.
8. The jurisdiction of the arbitrator shall be limited to (1) resolving any dispute between the Committees regarding establishing the Preliminary Integrated Seniority List pursuant to Paragraph D.5; (2) resolving any Employee challenges made pursuant to Paragraph E.3 that are not resolved by the Committees pursuant to Paragraph E.4; (3) resolving any disputes between the Parties regarding the interpretation or application of this Agreement; (4) issuing a final and binding Opinion and Award that resolves any of the above disputes in a manner that provides for a fair and equitable seniority integration of the American and US Airways Employees in accordance with the terms of this Agreement and McCaskill-Bond; and (5) resolving any dispute involving the interpretation or application of the Opinion and Award and/or any inadvertent error or unintended omission related to the Opinion and Award.
9. There shall be no pre-hearing and/or post-hearing briefs, except in an arbitration between the Association and New American regarding the interpretation or application of this Agreement the parties may submit post-hearing briefs. The hearing shall be conducted in a non-adversarial, conference style manner. The arbitrator shall deliver his or her Opinion and Award to the Committee within forty-five (45) calendar days of the conclusion of the arbitration hearing.
10. The Committees shall adjust the relative positions of Passenger Service Employees on the Preliminary Integrated Seniority List or Final Integrated Seniority List, as applicable, consistent with the Opinion and Award of the arbitrator.

G. IMPLEMENTATION OF INTEGRATED SENIORITY LIST

1. New American agrees to accept and implement the Final Integrated Seniority List as delivered by the Committee pursuant to Paragraph G.2, provided that:
 - a. The Final Integrated Seniority List shall have only prospective effect from the date of implementation by New American;
 - b. There shall be no "system flush" whereby an employee may displace

another employee from the latter's position as a result of the implementation of the Final Integrated Seniority List or the implementation or expiration of any condition in the Final Integrated Seniority List;

c. Employees on furlough status at the time the Final Integrated Seniority List is implemented may not bump or displace employees in active status at that time; and

d. The Final Integrated Seniority List shall not contain conditions or restrictions that cause or contribute to increased costs associated with training and/or moving costs, an entitlement to back pay, or an entitlement to premium pay for duties not actually performed by an employee.

2. The Committees shall deliver the Final Integrated Seniority List to the New American within ten (10) calendar days after the resolution of all Employee challenges, if any, raised pursuant to Paragraph E.3 regarding the Preliminary Integrated Seniority List, either by the Committees if they agree on the resolution of such disputes, or by arbitration if they do not. Following delivery, the New American shall implement the Final Integrated Seniority List within one-hundred and twenty (120) calendar days of its delivery provided it is operationally feasible to do so. If the New American determines it is not operationally feasible to do so within that time period, the Parties shall meet as soon as possible following such determination to agree on an extension of time for the implementation.
3. The Airline Parties agree to cooperate with the Association and/or Committees in the integration process outlined in this Agreement and will timely provide the Association and/or Committees with the US Airways Seniority List and the American Seniority List and information necessary to resolve any issues resulting from the integration process set forth in this Agreement. The provision of data or information under this Agreement may be subject to the execution of confidentiality agreements as deemed appropriate by the Airline Parties.

H. INTERPRETATION AND APPLICATION OF THIS AGREEMENT

1. Any disputes which arise between the Parties in regards to the interpretation and/or application of this Agreement shall be subject to arbitration in accordance with Paragraph F.
2. In the event the JCBA is not ratified by the Employees, this Agreement shall be deemed null and void. The integration, if any, of the American and US Airways Seniority Lists shall cease immediately and the Seniority Lists shall remain separate. The relative seniority positions of American Employees on the American Seniority List shall be governed by American policy and the relative seniority positions of the US Airways Employees on the US Airways Seniority List shall be governed by the 2005 CBA.

IN WITNESS WHEREOF, the Parties have executed this Agreement and it shall be effective as of November 5, 2015.

For American Airlines, Inc.

By: Debbie Russell

Date: 11/10/15

For US Airways, Inc.

By: Jan Cab

Date: 11/10/15

For the Association

By: Margie Krueger
On behalf of the Communications
Workers of America

Date: 11/5/2015

By: Kathy Barlow
On behalf of the International
Brotherhood of Teamsters

Date: 11/5/15