

AmericanAirlines®

April 10, 2006

Mr. John M. Conley
American Airlines System Coordinator
International Representative
Transport Workers Union, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Re: NOTICE AND DOCUMENTATION OF TECHNICAL CORRECTIONS TO THE EMPLOYEE BENEFITS GUIDE (EBG) FOR AMERICAN AIRLINES, INC. EMPLOYEES REPRESENTED BY THE TRANSPORT WORKERS' UNION OF AMERICA, AFL-CIO, CORRECTIONS TO THE DECEMBER 15, 2005 SUMMARY OF MATERIAL MODIFICATIONS, AND TRIENNIAL HIPAA NOTICE OF PRIVACY PRACTICES

Dear John,

During the process of involving the TWU Benefit Coordinators in the review of the Technical Corrections Letter for the Employee Benefit Guide covering TWU Represented employees, it was discovered that a conflict existed between language contained in the EBG and the AA/TWU agreements. Mark Johnson of the TWU brought it to my attention and I committed to Mark to try and get the language corrected prior to the distribution of the letter. Unfortunately, the letters were already being printed and were ready for distribution. To undo the process, at that time, would have been pretty costly and therefore it was decided to provide this formal letter regarding our continuing intentions.

First off, we concur that the EBG has conflicting language with Article 41m(9) of the AA/TWU Mechanic and related agreement (same language in all other AA/TWU agreements, but may be a different provision number) regarding continuation of prefunding contributions while on an unpaid SKLOA or unpaid IOD leave. The language in the AA/TWU agreements has governed and will continue to govern for those employees covered by those agreements, which read as follows:

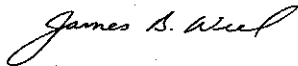
- (9) Employees making contributions so as to prefund their retiree medical coverage must continue such contributions during all leaves of absence **except unpaid sick and unpaid IOD.** Any employee who commences prefunding of his retiree health coverage, subsequently discontinues such prefunding, and later decides to again prefund his retiree health coverage, will be required to pay the rates in the Age Based Rate Table set forth in Article 41(m)(5), based on the age prefunding is restarted. Additionally, he must prefund continuously for at least ten (10) years immediately preceding retirement and pay the \$250 late enrollment fee.

The Notice and of the Technical Corrections letter and the EBG do not exclude the unpaid SK or unpaid IOD leaves of absences for continuing contributions and will be corrected to reflect the AA/TWU agreement when we submit a Technical Corrections document later in the year for the changes that will be made for the 2007 EBG.

John, apologize for the oversight on this and appreciate the input and involvement of the TWU Benefit Coordinators. Hope you can understand why we decided to let the letter be distributed without the change and provide this letter as a interim remedy.

If you have any questions, please contact me at 817-967-1447.

Sincerely,

A handwritten signature in cursive script that reads "James B. Weel".

James B. Weel
Director
Employee Relations

cc: M. Burdette
G. Yingst
C. Teklitz
D. Levine
M. Russo
M. Tinsman
C. Alexander
B. Gless
TWU Local Presidents