

AmericanAirlines®

May 28, 2008

Mr. Dennis L. Burchette
American Airlines System Coordinator
International Vice President
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Dear Dennis:

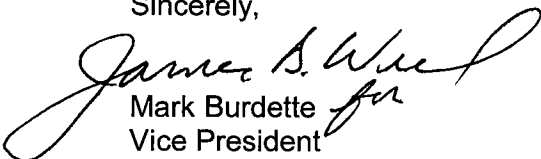
We were disappointed to learn that the comprehensive contract proposals on modifications to all seven (7) collective bargaining agreements presented to the TWU two (2) weeks ago would not be presented to the membership for a vote. We strongly believe that the proposals were fairly balanced – providing benefits and gains to the covered employees and addressing key areas of interest identified by the TWU, while also recognizing the economic realities facing our industry and company.

As I indicated in my May 13, 2008 letter to you and as I conveyed in our conversation last week, specific changes included in our proposals, including benefits to your membership like an enhanced profit sharing arrangement, were conditioned on ratification by the membership of all seven AA/TWU collective bargaining agreements. Since this condition was not satisfied, these proposals are now withdrawn. The disposition of outstanding Articles for each committee and agreement will be reconciled at our next scheduled session.

As we navigate our way through this extremely challenging and uncertain time, I am hopeful that we continue the collaborative work that has helped us improve our operations, preserve jobs and help make this company stronger. As we now return to negotiations, I hope it is with the shared objective of better positioning American Airlines and its TWU-represented employees for the long term.

In the interest of getting back to the bargaining table for the AA/TWU agreements, we have tentatively scheduled Monday, June 16, 2008 for all groups except Dispatch. I will advise of the location as soon as it is determined.

Sincerely,


Mark Burdette
Vice President
Employee Relations

cc: J. Brundage
J. Weel
AA Negotiating Committee