



**Fred E. Cleveland**

Vice President  
Base Maintenance

August 13, 2008

Dear Teammates,

On July 25, we announced our three base excess capacity predicament, and our first steps to remedy the condition by the upgrade of the B767 Repair Line at AFW to a full B767 Check Line and the start of a B777 Check Line in TULE. We also confirmed the elimination of the previously announced A300 MBV. As we indicated, we continued to analyze the best location for our work, with further announcements anticipated. Several significant decisions are now final, and we wanted to update you as soon as possible. These announcements affect the reallocation of work between MCIE and TULE.

Beginning in January 2009, MCIE will now be scheduled to reduce operations to the Superbay, consisting of one B767 CIP Line and possibly one B767 standalone Winglet Line. The B757 MAUI Lines and B767 MAUI/Winglet line are now planned to open at TULE. TULE is also scheduled to open a second B767 MAUI/Winglet Line in the summer. We are evaluating ways to accelerate the start of this line.

As previously announced, we anticipate 1300 TWU and 200 staff/mgt position reductions throughout M&E. The reduction will be determined by workload and will differ by skill set base to base. As we have said, we will fine-tune the reduction plan once the voluntary reduction window is closed. Also, the ultimate effect upon involuntary furloughs will not be known until after the close of the voluntary option windows. As previously announced, the voluntary program windows close on August 23.

The impact of these announcements on our team is substantial and I recognize that these are difficult times, with the very survival of our company at stake. It is my obligation to ensure that American Airlines is situated competitively to meet the challenges in front of us. In order to provide a sustainable future for the company, we must act now to remain competitive. These actions are part of the strategic plan of American to reduce capacity and costs. Without those capacity reductions, our ability to compete in today's marketplace is handicapped.

I appreciate your understanding during these challenging times and your continued commitment to running a safe and dependable airline.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred E. Cleveland". The signature is stylized and cursive.

Fred E. Cleveland, Vice President – Base Maintenance