

ARTICLE 4 - COMPENSATION

During the period of this Agreement, the rates of pay for the classifications of work covered will be in accordance with the Wage Schedules shown below, which is incorporated and made part of this Agreement.

(a) During the period of this Agreement, the regular rates of pay for the bid classifications of work covered in this Agreement will be as specified below.

(1) An employee who is the successful bidder for promotion into a Crew Chief or Tech Crew Chief classification on or after ~~March 1, 2004~~ **May 1, 2008**, or who holds a Crew Chief or Tech Crew Chief position on that date, will receive his/her ~~non-bid~~ **Basic classification** chart rate plus a ~~bid position~~ **Higher Capacity** premium of **\$2.75 per hour**. ~~\$1.75 per hour~~. An employee who receives this ~~bid position~~ **Higher Capacity** premium will continue to receive that premium, providing they hold a ~~bid~~ **Higher Capacity** position.

(2) An employee working as an acting Crew Chief will receive his/her non-bid chart rate plus a premium of a **\$2.75 per hour**. ~~\$1.75 per hour~~. ~~only for those hours in acting Crew Chief capacity.~~

This bid position premium is added to the non-bid regular rate of pay and will be considered as regular pay for accrual of all pay related benefits. Length of service increases will be based upon the non-bid classification date.

~~A Crew Chief working at a lower classification due to a Change of Shift or Overtime will be paid at the applicable lower classification rate.~~

(b) During the period of this Agreement, the regular rates of pay for the ~~non-bid~~ **Basic** classifications of work will be as specified on the appropriate pay chart below:

(1) The following charts apply to any incumbent employees whose progression from one step to the next, on the date of ratification, was based on six (6) months of service in the classification at each step. These rates of pay and the progression are subject to the provisions of Article 4 below.

Material Logistics Specialists Stock Clerks

Effective Dates
Pay Progression

Pay steps for employees on 6-month progressions

		Current	4/15/03	4/15/04	4/15/05	4/15/06	4/15/07	4/15/08
		3/1/03	-16.0%	1.5%	1.5%	1.5%	1.5%	1.5%
Date of Hire	1 st step	\$10.13	\$8.51	\$8.64	\$8.77	\$8.90	\$9.03	\$9.17
6 months	2 nd step	\$10.74	\$9.02	\$9.16	\$9.30	\$9.44	\$9.58	\$9.72
1 year	3 rd step	\$11.35	\$9.53	\$9.67	\$9.82	\$9.97	\$10.12	\$10.27
18 months	4 th step	\$12.20	\$10.25	\$10.40	\$10.56	\$10.72	\$10.88	\$11.04
2 years	5 th step	\$13.05	\$10.96	\$11.12	\$11.29	\$11.46	\$11.63	\$11.80
30 months	6 th step	\$13.67	\$11.48	\$11.65	\$11.82	\$12.00	\$12.18	\$12.36
3 years	7 th step	\$14.29	\$12.00	\$12.18	\$12.36	\$12.55	\$12.74	\$12.93
42 months	8 th step	\$14.91	\$12.52	\$12.71	\$12.90	\$13.09	\$13.29	\$13.49
4 years	9 th step	\$15.52	\$13.04	\$13.24	\$13.44	\$13.64	\$13.84	\$14.05
54 months	10 th step	\$16.14	\$13.56	\$13.76	\$13.97	\$14.18	\$14.39	\$14.61
5 years	11 th step	\$16.76	\$14.08	\$14.29	\$14.50	\$14.72	\$14.94	\$15.16
66 months	12 th step	\$17.37	\$14.59	\$14.81	\$15.03	\$15.26	\$15.49	\$15.72
6 years	13 th step	\$17.98	\$15.10	\$15.33	\$15.56	\$15.79	\$16.03	\$16.27
78 months	14 th step	\$18.59	\$15.62	\$15.85	\$16.09	\$16.33	\$16.57	\$16.82
7 years	15 th step	\$19.20	\$16.13	\$16.37	\$16.62	\$16.87	\$17.12	\$17.38
90 months	16 th step	\$21.30	\$17.89	\$18.16	\$18.43	\$18.71	\$18.99	\$19.27
8 years	Thereafter	\$23.39	\$19.65	\$19.94	\$20.24	\$20.54	\$20.85	\$21.16

(2) The following charts apply to any employees whose progression from one step to the next shall be based on twelve (12) months of service in the classification at each step. These rates of pay and the progression are subject to the provisions of Article 4 below.

**Effective Dates
Pay Progression**

	5/1/2008	5/1/2009	5/1/2010	5/1/2011	5/1/2012	5/1/2013
	4%	4%	4%	4%	4%	4%
1 st Step	9.54	9.92	10.32	10.73	11.16	11.61
2 nd Step	10.68	11.11	11.55	12.01	12.49	12.99
3 rd Step	12.27	12.76	13.27	13.80	14.35	14.93
4 th Step	13.45	13.99	14.55	15.13	15.74	16.36
5 th Step	14.61	15.19	15.80	16.43	17.09	17.77
6 th Step	15.77	16.40	17.05	17.73	18.44	19.18
7 th Step	16.92	17.60	18.30	19.03	19.79	20.58
8 th Step	18.08	18.80	19.55	20.33	21.14	21.99
Thereafter	22.01	22.89	23.81	24.76	25.75	26.78

	Current	4/15/03	4/15/04	4/15/05	4/15/06	4/15/07	4/15/08
	3/1/03	-16%	1.5%	1.5%	1.5%	1.5%	1.5%
1st Step	\$10.13	\$8.51	\$8.64	\$8.77	\$8.90	\$9.03	\$9.17
2nd Step	\$11.35	\$9.53	\$9.67	\$9.82	\$9.97	\$10.12	\$10.27
3rd Step	\$13.05	\$10.96	\$11.12	\$11.29	\$11.46	\$11.63	\$11.80
4th Step	\$14.29	\$12.00	\$12.18	\$12.36	\$12.55	\$12.74	\$12.93
5th Step	\$15.52	\$13.04	\$13.24	\$13.44	\$13.64	\$13.84	\$14.05
6th Step	\$16.76	\$14.08	\$14.29	\$14.50	\$14.72	\$14.94	\$15.16
7th Step	\$17.98	\$15.10	\$15.33	\$15.56	\$15.79	\$16.03	\$16.27
8th Step	\$19.20	\$16.13	\$16.37	\$16.62	\$16.87	\$17.12	\$17.38
Thereafter	\$23.39	\$19.65	\$19.94	\$20.24	\$20.54	\$20.85	\$21.16

(c) An employee assigned to the Maintenance Bases who works a regular scheduled shift, which includes a Saturday and/or Sunday, as defined in Article 3

(i) (2), will receive a Weekend Premium of fifty (50) cents per hour, in addition to the base premium.

(1) ~~At a station where there are no existing procedures governing the assignment and administration of Stock Clerk driving duties, the parties agree to discuss guidelines for implementing those procedures.~~ **Whenever an Material Logistics Specialists is required or assigned to drive an automobile, station wagon, or truck, for two (2) hours or more of a day, such an employee shall be compensated for that day at the prevailing rate of pay of \$2.25 per hour.**

(d) Flexible Starting Rates

1. In the event that the Company, in its sole discretion, finds that any or all of its starting pay rates (Step 1) as specified in Article 4(b) above, are non-competitive with local market starting rates for similarly situated jobs, the Company may hire applicants in any classification covered by this Agreement at any station/base/location at rates of pay higher (Step 2 through the maximum hourly rate in the applicable pay scale) than those starting rates specified in Article 4 (b) above. As market conditions change, the Company may, in its sole discretion, change its designated starting rate. The designated starting rate may be higher or lower than previous designated starting rates; however, such starting rate may not be lower than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.

2. In those stations/base/locations where higher starting rates of pay are designated in accordance with Article 4 (d) (1) above, all employees in that classification(s) at that station /base/location who are receiving less than the new designated starting rate of pay will have their rate of pay concurrently increased to the new designated higher starting rate for that classification(s) in that station/base/location effective the date of hire of a new employee at the higher starting rate.

3. An employee who is hired before October 7, 1991 under the provision of (d) (1) above and employee hired before October 7, 1991 who has his rate of pay increased under the provision of (d) (2) above will progress to the next step of his classification's pay scale on an annual basis (rather than semi-annual) until his length of service in the classification places him on the step to which employees with like years of service in his classification would be under a system of all semi-annual increases. At such time, such employee will resume semi-annual increases on his normal progression date until he reaches the top of his pay scale.

4. An employee who transfers to or from a station/base/location which has an adjusted starting rate of pay for the classification will have his rate of pay adjusted upward or downward to conform to the rate of pay received by an employee with the same classification seniority as his at his new

station/base/location. The adjusted rate may not be less than Step 1 nor higher than the maximum hourly rate in the applicable pay scale.

It is understood and agreed that the effective dates of step increases and other changes in pay rates are determined by the employee's ~~classification~~ **Pay** seniority as defined in this Agreement.

(e) Longevity **Premium Pay** (~~Effective 2/29/92~~ May 1, 2008)

Each employee in a job classification under this Agreement will ~~have~~ receive a longevity ~~pay increments added to his regular rate~~ **premium** per hour following completion of the years of accredited service as indicated below:

17 years	_____	.21 cents
18 years	_____	.24 cents
19 years	_____	.27 cents
20 years	_____	.30 cents

03 years	\$0.10 cents	12 years	\$0.55 cents
04 “	0.15 “	13 “	0.60 “
05 “	0.20 “	14 “	0.65 “
06 “	0.25 “	15 “	0.70 “
07 “	0.30 “	16 “	0.75 “
08 “	0.35 “	17 “	0.80 “
09 “	0.40 “	18 “	0.85 “
10 “	0.45 “	19 “	0.90 “
11 “	0.50 “	20 “	0.95 “

Longevity premium increments will be effective ~~on~~ **with the beginning of the pay period falling closest to the** date the employee completes the required amount of accredited service. Longevity premiums will be compounded in the calculation of overtime rates and will be part of **the employee's** base pay calculations for pension purposes.

Accredited service with the Company, for determining longevity premium increments, will be defined as: Active service on the Company's payroll in any capacity, except such service prior to resignation, discharge, or layoff when recall rights have expired; the entire duration of Military or Union Business Leave of Absence; and Injury-on-Duty Leave of Absence, up to a maximum of five (5) years; for those employees with over six (6) months of service with the Company, a Sick Leave of Absence up to a maximum of five (5) years, and Personal, or Maternity Leave of Absence up to a maximum of ninety (90) calendar days.

(f) License Premium Pay Effective
May 13, 1989

1. Employees classified as Crew Chief- **Material Logistics Specialist** ~~Stack Clerk~~, Technical Crew Chief- **Material Logistics Specialist** ~~Stack Clerk~~ or **Material Logistics Specialist** ~~Stack Clerk~~, who hold both FAA Airframe and FAA Powerplant licenses and who are designated and approved by the Company's Maintenance Department to perform aircraft maintenance work, as described in the Aircraft Mechanic classification description contained in the Maintenance Agreement, will receive the applicable license premiums for all hours, and only those hours, (or fractions thereof rounded to the nearest 1/10 of an hour) worked performing such aircraft maintenance work.

2. License premium pay, as provided in this paragraph (f) will be compounded in the computation of overtime rates. License premium pay for Crew Chief- **Material Logistics Specialists** ~~Stack Clerks~~, Technical Crew Chief or **Material Logistics Specialists** ~~Stack Clerks~~, as provided in paragraph (f)(1) above will be included in their pensionable earnings.

(g) When an employee, is cross utilized in excess of the time parameters outlined in Article 11(g) of this Agreement into a classification having a higher top chart hourly rate than that of the classification in which he is regularly employed, he will be compensated at his regular base hourly rate, provided his chart rate exists in the higher classification scale. If his chart rate does not exist, he will receive a base hourly rate computed on the nearest higher chart rate per hour in that classification for those hours as specified in Article 11(g).

(h) **Skill Premium Pay (Hazmat, FAA Receiving, International Documentation, FAR145, DOT Driving Certifications, etc. - refer to provisions of Article 11)**

1. **All Material Logistics Specialists shall receive a \$1.05 skill premium per hour. Skill Premiums will be included in pensionable earnings.**

(i) **Geographic Premium**

In addition to rates of pay and premiums set forth above, employees working in high cost of living cities will receive a geographic premium as outlined in the Table below. Cities eligible for premiums will be determined using the ACCRA Cost of Living Index – 2007 Annual Average Data published by the Council for Community and Economic Research. Employees working in cities that receive ratings below the national average of 100.0 will receive no geographic premium. Employees working in cities that receive an rating between 100.0 and 109.9 will receive a geographic premium of \$0.25 per hour; employees working in cities that receive an rating of 110.0 through 119.9 will receive a geographic premium of \$0.50 per hour; employees working in cities that receive an rating of 120.0

through 129.9 will receive a geographic premium of \$0.75 per hour; employees working in cities that receive an rating of 130.0 through 139.9 will receive a geographic premium of \$1.00 per hour; and employees working in cities that receive an rating of 140.0 or above will receive a geographic premium of \$1.25 per hour.

	ACCRA Rating	Geo Premium		ACCRA Rating	Geo Premium
SFO	168.5	\$1.25	MCO	103.4	\$0.25
HNL	163.1	\$1.25			
SNA	155.0	\$1.25	SLC	100.7	\$0.25
SJC	154.2	\$1.25	PHX	100.6	\$0.25
JFK	153.1	\$1.25	TPA	100.6	\$0.25
LGA	148.6	\$1.25	TUS	100.3	\$0.25
LAX	144.6	\$1.25	MSY	99.6	\$0.00
SAN	139.5	\$1.00	RDU	99.3	\$0.00
DCA	136.4	\$1.00	ABQ	98.3	\$0.00
IAD	136.4	\$1.00	DTW	98.2	\$0.00
BOS	134.7	\$1.00	CMH	97.4	\$0.00
EWR	126.4	\$0.75	ATL	96.1	\$0.00
PHL	123.5	\$0.75	MCI	95.7	\$0.00
SEA	121.0	\$0.75	BNA	95.1	\$0.00
FLL	121.0	\$0.75	IND	94.7	\$0.00
BDL	118.8	\$0.50	AUS	94.5	\$0.00
BWI	118.0	\$0.50	SAT	94.1	\$0.00
MIA	115.4	\$0.50	ELP	93.0	\$0.00
ORD	110.3	\$0.50	STL	91.5	\$0.00
MSP	110.1	\$0.50	TUL	91.5	\$0.00
LAS	109.8	\$0.25	DFW	91.2	\$0.00
DEN	103.4	\$0.25	MEM	89.3	\$0.00
			IAH	87.7	\$0.00

(j) The attachment on the following page is agreed to by the parties and is incorporated as part of this agreement.

ATTACHMENT 4.1 - STORES TRUCK DRIVING AT JFK AIRPORT

AMERICAN AIRLINES, INC.
633 Third Avenue
New York, N. Y. 10017

May 25, 1974

Mr. William G. Lindner
International Vice President
Transport Workers Union of America, AFL-CIO
1980 Broadway
New York, New York 10023

Re: Stores Truck Driving at JFK Airport

Dear Mr. Lindner:

During the negotiations leading to the current agreement, the issue of Stores truck driving at John F. Kennedy International Airport was discussed at a meeting between the Union (represented by R. Cheifetz, J. Vitti and M. Andreo) and the Company (represented by B. Kreder, J. Cassin and H. Antosh). This letter confirms the agreement reached at that meeting for general rules to provide guidance for both parties concerning the handling of Stores truck driving at Kennedy under present conditions.

The following general rules were agreed upon:

1. Routine Deliveries - Where the time element is not a factor, an AA truck will be used with an AA driver.
2. Where Time Element Is A Factor - and rapid delivery of material is essential to timely repair or return to service of aircraft or ground equipment, then the fastest means possible (such as helicopter) will be used.
3. It is agreed that one in-service truck will always remain at JFK to support requirements of the operation and that this may necessitate occasional variance from the above procedures. It is also agreed that the Company will make every effort to rent a vehicle if necessary to comply with the above procedures.

The above procedures apply to deliveries from JFK to EWR, LGA, or any other location supported by JFK. Meetings will be conducted with JFK Stores Supervisors, Stock Clerks, TWU officials and AA Management to discuss these procedures in detail and assure complete understanding and compliance.

This letter does not eliminate any of the previous agreements that affect any Stores practice not specifically identified in this letter.

Very truly yours,

B. O. Spurlock, Jr.
Director
Employee Relations