

**NEGOTIATIONS PROTOCOL AGREEMENT AMONG AMERICAN  
AIRLINES, INC., US AIRWAYS, INC., THE ASSOCIATION OF  
PROFESSIONAL FLIGHT ATTENDANTS, AND THE ASSOCIATION OF  
FLIGHT ATTENDANTS**

This Negotiations Protocol Agreement (“Agreement”) is entered into by American Airlines, Inc. (“American”), US Airways, Inc. (“US Airways”) (together with American, the “Company”), the Association of Professional Flight Attendants (“APFA”) and the Association of Flight Attendants (“AFA”) (collectively, the “parties”) pursuant to the Railway Labor Act, 45 U.S.C. §§ 151, *et seq.*

The purpose of this Agreement is to memorialize certain agreements and understandings among the parties concerning the negotiation of a Joint Collective Bargaining Agreement applicable to all Flight Attendants in the service of the Company (“American JCBA”).

Until an American JCBA becomes effective and unless otherwise modified by this Agreement, the Conditional Labor Agreement between US Airways and APFA, as modified by a December 31, 2012 Memorandum of Understanding and clarified by February 12 and April 11, 2013 Letters of Clarification (collectively, the “CLA”) shall remain in effect for pre-merger American Flight Attendants and the US Airways/AFA collective bargaining agreement (“USA CBA”) shall remain in effect for pre-merger US Airways Flight Attendants.

A. Bargaining Process

1. Negotiations for an American JCBA shall commence no later than sixty (60) days after the AFA membership has ratified this Agreement and the December 18, 2013 AFA/APFA Agreement for Bargaining and Representation. Such referendum shall be completed within forty (40) days of reaching this Agreement.
2. Negotiations for an American JCBA shall continue for no more than one hundred and fifty (150) additional days from the commencement of negotiations unless all parties agree otherwise. AFA, APFA and the Company shall agree to a schedule of negotiation dates which shall include an average of ten (10) days per month of actual negotiations. The number of days may be adjusted per agreement of all parties.
3. The parties shall have the goal, where feasible, of using a process for reaching a tentative American JCBA via an “adopt-and-go” method (that is, selecting specific entire sections to the extent possible). Nothing in this Agreement shall require retention or improvement upon, or prevent modification of, any particular section or provision of either the CLA or the USA CBA in the American JCBA.
4. The parties shall use mediation to reach a tentative American JCBA and shall jointly request that Jim McKenzie be appointed by the NMB as a

facilitator for the negotiations. Should Jim McKenzie be unavailable, the parties shall mutually agree on an alternative.

5. If a tentative American JCBA is reached, it shall be put to a ratification vote of the combined Flight Attendant membership. If the tentative American JCBA is not ratified or if a tentative American JCBA is not reached, any outstanding disputes, including, but not limited to disputes regarding economic valuation, shall be submitted to final and binding interest arbitration in accordance with paragraph B, below, with the exception of disputes arising under paragraph B.5.b., below. The hearing shall begin within ninety (90) days of the submission. Prior to arbitration, the parties shall utilize mediation.

B. Interest Arbitration

1. The Arbitration Panel shall include three (3) neutral arbitrators, two (2) Union-designated representatives (one designated by AFA and one designated by APFA) and two (2) Company-designated representatives. Richard Bloch and Joshua Javits shall be appointed as neutral arbitrators and together they shall select the third neutral arbitrator.
2. Both the USA CBA and the CLA shall be considered in any arbitration for a American JCBA. If there is arbitration, APFA and AFA anticipate that they will present to the Arbitration Panel positions based on both the USA CBA and the CLA. This subparagraph B.2 does not, however, impose any requirement or restriction on the positions the Company may present.
3. For the interest arbitration, “market-based in the aggregate” shall be based on Delta and United if an initial United-AFA joint collective bargaining agreement has been implemented at the time of the arbitration, and shall be based on Delta, United, and Continental if no initial United-AFA joint collective bargaining agreement has been implemented at the time of the arbitration.
4. The Arbitration Panel award shall be issued no later than thirty (30) days after the first day of the hearing and shall become effective upon conclusion of the seniority integration process including presentation of a final integrated seniority list to the Company for implementation.
5. In the event that United implements an initial flight attendant joint collective bargaining agreement after the American JCBA is implemented, beginning no later than thirty (30) days after the initial United joint collective bargaining agreement has been implemented, the Company and the certified collective bargaining representative(s) of the flight attendants in the service of the Company shall determine how the initial United joint collective bargaining agreement affects the “market-based in the aggregate” analysis for the American JCBA.

- a. The American JCBA shall thereafter be adjusted under the “market-based in the aggregate” analysis to reflect the initial United joint collective bargaining agreement.
  - b. If the Company and the certified collective bargaining representative(s) of the flight attendants in the service of the Company are unable to agree on the impact on the American JCBA of the initial United joint collective bargaining agreement under the “market-based in the aggregate” analysis, within fifteen (15) days from their initial meeting the Company and the certified collective bargaining representative(s) of the flight attendants in the service of the Company shall immediately submit their dispute to final and binding arbitration to determine what changes, if any, should be made to American’s JCBA under the “market-based in the aggregate” standard. The award shall be issued no later than thirty (30) days after the first day of the hearing and shall be final and binding on all parties. The procedures for the arbitration shall be agreed upon by the parties.
6. The American JCBA that results from the arbitration procedures described herein shall have a total economic value that:
- a. is equal to “market-based in the aggregate,” and
  - b. as applied to pre-merger American Flight Attendants, has a total economic value which is greater than the total economic value of the American Airlines CLA as applied to pre-merger American Flight Attendants; and
  - c. as applied to pre-merger US Airways Flight Attendants, has a total economic value which is greater than the total economic value of the USA CBA as applied to pre-merger US Airways Flight Attendants.

C. Negotiations/Seniority Integration-Related Reimbursement

1. The APFA and AFA shall be reimbursed by the Company for the cost and expenses of negotiations of the American JCBA (including any interest arbitration) and seniority list integration. The combined total reimbursement to the APFA and AFA for costs and expenses described in this subparagraph C.1 (including, but not limited to flight pay loss and professional advisor fees) shall not exceed a total of three (3) million dollars. Reimbursement shall be distributed incrementally to the APFA and AFA on a quarterly basis, until the three (3) million dollar cap is reached. The APFA and AFA shall jointly inform the Company of the manner in which the incremental payments shall be made.
2. Any reimbursement described in subparagraph C.1 shall not include expenses or flight pay loss associated with litigation, grievances or claims of any kind

against the Company, or their affiliates, related entities or successor(s) or to influence the representation choices of their employees or affect their organization rights under Section 2, Ninth of the Railway Labor Act.

3. The Company shall also make positive space transportation available to a reasonable number of the Unions' Merger and Negotiating Committee members who are necessary for a given meeting related to seniority list integration and contract negotiations (including any interest arbitration). Any dispute shall be referred to the mediator on an expedited basis. The Company shall provide such positive space at the Flight Attendant's option on either US Airways mainline/express or American mainline/express.
4. The Company shall provide, at no cost to the Unions, negotiating facilities for negotiating sessions between the Unions and the Company. The negotiating facilities shall include, at a minimum, an adequately sized negotiating room plus caucus rooms at a location in which copies can be made and with free internet service.
5. The Company shall cooperate with and respond to reasonable requests by the Unions for merger-related operational and financial information, subject to agreed terms for confidentiality.

D. Other

AFA, APFA, and the Company agree to resume MOU discussions within ten (10) days of ratification of this Agreement.