



January 24, 2006

VIA Certified Mail/Facsimile Transmission

Mr. Jeff Brundage
Sr. Vice President, Human Resources
American Airlines, Inc.
P.O. Box 619616, MD 5604
DFW Airport, TX 75261-9616

Re: Performance Unit Plan

Dear Jeff:

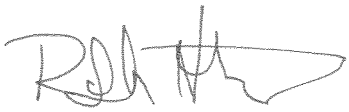
Consistent with our shared vision for returning American Airlines to a position of industry leadership, we believe a prompt, mutually acceptable resolution to our dispute concerning the Performance Unit Plan payouts is essential to maintain the momentum of our collaborative efforts. We the presidents of the three organizations, the Allied Pilots Association (“APA”), the Transport Workers Union (“TWU”), and the Association of Professional Flight Attendants (“APFA”) (collectively “Organizations”), are filing grievances over the Performance Unit Plan (“PUP”) and the attendant payouts that *may be* limited by the Annual Incentive Program (“AIP”).

In view of the identical nature of these grievances and the possibility of conflicting decisions, we propose that this matter be submitted to a single system board, with the Organizations each designating one representative and the Company designating three representatives. We have asked for expedited arbitration, as this issue needs to be decided prior to the date of the AMR board meeting on April 19, 2006.

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We recognize there are a variety of ways this issue can be resolved, and we look forward to a fitting and expeditious resolution. More importantly, we view this most serious test thus far in our collaborative working relationship as an opportunity to address our differences in a way that will serve us constructively when future issues arise.

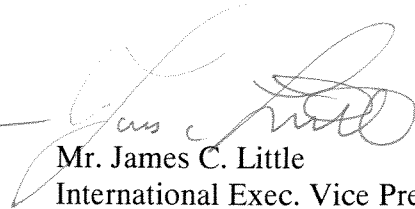
We look forward to your response.



CA Ralph Hunter
President
Allied Pilots Association



Ms. Tommie Hutto Blake
President, Association of
Professional Flight Attendants



Mr. James C. Little
International Exec. Vice President
Director, Air Transport Division
Transport Workers Union

cc: Mr. Gerard Arpey
APA Board of Directors
APFA Board of Directors
TWU Presidents 501-590