

From: Morris, Leila on behalf of Dillman, Don

Sent: Mon 7/7/2008 9:40 AM

To: DL_Dispatchers

Cc: Dillman, Don; Antolovic, Tim; Burgin, Danny; Marquis, Craig; Simmons, Jim; Zimmerman, Pete; Eastin, Jim; Frost, Jeff; Hajdyla, Greg; Hentz, Mike; Kypreos, George; Williamson, Larry; Williamson, Suzanne; Wolford, Steve

Subject: Fuel Discussions

July 7, 2008

Dear Dispatchers,

Recently, the news has been filled with stories covering the price of fuel and the effect it is having on individuals and companies alike. Just the other week, American Airlines announced that our fuel bill for 2008 will be more than \$10 billion, a 52 percent increase from last year.

These fuel prices have put a strain on American and the rest of the airline industry. We've seen a number of bankruptcies, consolidation efforts and fee increases this year, and at American, we've announced capacity reductions to cut costs and baggage fees to increase revenue.

As Dispatchers, you have the opportunity to directly impact how much our company spends on fuel. By following our policies and procedures regarding loading fuel, which exceed the requirements considered safe by the FAA under the Federal Aviation Regulations, you can help the company consume just as much fuel as is needed to operate safely. The additional cost of carrying unnecessary fuel adversely affects American's financial success, and in the short-term, leads to efforts by the company – sometimes successfully and sometimes not – to pass this cost to the customers in the form of higher fares. Unfortunately, charging higher fares and fees makes American less competitive and can result in the loss of customers – the very people we rely on to ensure the financial stability of our company.

If every employee contributes to the company's fuel conservation efforts, American has the potential to gain a significant competitive advantage over other airlines. In such a turbulent time for the industry, this can only help our company and you and our other employees succeed.

A critical part of your job as Dispatcher is to follow American's fuel policy to determine how much fuel should be loaded onto an aircraft. The policy is found in Flight Manual Part I and includes detailed procedures that provide the methods for dealing with unusual events and contingencies. We also work hard to make you aware of your personal compliance performance and to ensure you are kept up to date on the fuel situation that faces the industry.

In order to further these efforts and to contribute to our company's health and its ability to compete, we are going to take this opportunity to review every Dispatcher's performance. We recognize that unusual events can change fuel needs for individual flights. However, we think it is appropriate to meet with those who have been severely out of compliance for an extended period of time. These documented discussions will occur in the following circumstances:

- Dispatcher fails all three of the following:
 - Average Dispatcher add greater than policy add + 15% of fuel
 - Average hold greater than policy hold + 5 min
 - Domestic alternate usage 10% greater than peer group/International compliance to release method less than 40%

OR

- Dispatcher fails any single one of the following:
 - Average Dispatcher add greater than policy add + 35%
 - Average hold greater than policy hold + 15 min
 - Domestic alternate usage 35% greater than peer group/International compliance to release method less than 33%

I believe we can maintain our continued and proven safe operation, improve our performance as a team and directly affect the sustainability of our company. I appreciate your help and understanding as we move forward, and I thank you for the important job you do.

Don Dillman

Tim Antolovic