

American Airlines

April 9, 2007

Jeff Brundage
Senior Vice President
Human Resources

Mr. John M. Conley
AA System Coordinator
International Representative
Transport Workers Union of America, AFL-CIO
1791 Hurstview Drive
Hurst, TX 76054

Dear John:

This letter will serve as our formal response to your proposal dated March 13, 2007.

It is apparent that you and your team spent considerable time and effort preparing this proposal. We have reviewed it thoroughly and it's clear that a lot of thought and effort was put into researching the information that provided the foundation for your work.

As I committed to you at our first meeting regarding this proposal, I've asked representatives from HR, Legal, Finance and Investor Relations to review your letter in order to develop a thoughtful response. Based on their review, as well as lengthy internal discussions about the substance of the proposal, there are several reasons (outlined below) why the Company cannot agree to the distribution of additional stock options under the ESIP.

The primary reasons include:

1. Number of ESIP shares – As of 12/31/2006, as disclosed in the 2006 10-K, the ESIP had 1,084,363 shares remaining.
2. Dilutive effect analysis –We understand the basis for the TWU's analysis, however, there are varying views on how or if one can truly measure the dilution effect, if any, of stock offerings. Therefore, rather than debate it in this response, I can respectfully say, we have come to a different conclusion. In any event, we do not offer protection from dilution to employees or the AMR stockholders.
3. Our agreement – The agreement made with each of the unions was for a specific number of options in accordance with a distribution formula provided to the Company by each union, not for a specific proportion of the issued and outstanding stock.

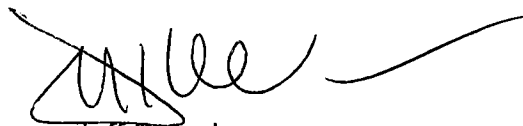
4. Equality concerns – The Company's articles of incorporation and bylaws do not include preemptive rights or dilution protections for existing shareholders, much less for option holders. If we granted what you ask, current shareholders would perceive that *they* were being treated inequitably. Furthermore, other option holders, such as pilots under a separate grant in 1997, the other employee groups under the ESIP, and management have not been provided these rights.

Although there are other concerns, I hope you can appreciate and understand that these are among the important factors that are the primary drivers in denying the TWU's request.

More importantly, I want to be clear that the Company recognizes and acknowledges the TWU's participation and contributions to our recovery. We invite continued discussion and exploration of alternatives that provide a benefit to your members and facilitate our continued financial success.

As always, if you have any questions or want to discuss this further please don't hesitate to contact me at 817-967-1752.

Sincerely,



Jeff Brundage

cc: T. Horton
M. Burdette
C. Wright
J. Gordon
J. Weel
T. Gillespie
D. Videtich