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**ALLIED PILOTS ASSOCIATION URGES POSTPONING DECISION ON
AMERICAN AIRLINES' ANTITRUST, JOINT VENTURE APPLICATIONS**

Fort Worth, Texas (Sept. 17, 2008)—The Allied Pilots Association (APA), certified collective bargaining agent for the 12,000 pilots of American Airlines (NYSE: AMR), has asked the federal government to defer any ruling on American Airlines' application for antitrust exemption to allow for a full examination of related national security, competitiveness and outsourcing issues.

American Airlines, British Airways, Iberia, Finnair and Royal Jordanian recently filed an application for worldwide antitrust immunity and are seeking rapid approval of their application. In a related development, American Airlines also announced it had reached a "joint business agreement" with British Airways and Iberia. Last week American Airlines, British Airways and Iberia indicated that they had "no objection" to combining their antitrust immunity and joint venture applications.

"Given the complexity of these proposed agreements, the many unknowns associated with them and other important considerations, we strongly recommend that any decision be deferred until a thorough analysis can be conducted," said APA President Captain Lloyd Hill. "APA has major job-security concerns relative to what American Airlines is attempting to do, while other interested parties have voiced meaningful opposition to reduced competition among carriers. There simply isn't time for the federal government to conduct an appropriately thorough investigation in a matter of weeks, as American Airlines management has advocated."

Hill also pointed out that the government depends upon U.S. airlines to carry troops and supplies in wartime as the nation's Civil Reserve Air Fleet.

"APA questions the wisdom of permitting national strategic-interest companies such as airlines to engage in what amounts to a virtual merger with foreign counterparts," he said. "I do not believe anyone fully understands the potential national-security ramifications of such a step."

Hill also expressed APA's concerns over the potential outsourcing of more American jobs.

“As we have seen in the takeover of freight carrier Airborne Express by German company DHL with 8,000 Ohio workers now losing their jobs, international deals like this can have extremely adverse consequences for American workers,” he said.

In addition, Hill pointed out that APA’s current collective bargaining agreement precludes any joint business agreement between American Airlines and another carrier. The contract’s “Scope” clause explicitly states that “All flying performed by or on behalf of the Company or an Affiliate shall be performed by pilots on the American Airlines Pilots Seniority List.” The clause does contain a series of exceptions for code-sharing agreements, commuter affiliate operations and other situations, but does not include any exception for a joint business agreement.

“Thus far American Airlines management has not negotiated any agreement with APA that would permit the airline to enter into a joint venture with British Airways and Iberia, which we firmly believe is a prerequisite,” Hill said.

In a letter this week to the CEOs of British Airways and Iberia, Hill questioned the advisability of entering into a joint business agreement with American Airlines at this juncture. He emphasized to the executives that APA has been rebuffed in its efforts to work with American Airlines management to address the airline’s widely reported operational shortfalls. He also noted that management has permitted pilot staffing levels at American Airlines to fall below a specific contractual benchmark, triggering a provision that will soon enable APA to terminate the Scope exception that allows the company to utilize commuter air carriers in their system. In addition, Hill noted the absence of any contractual language permitting management to proceed with the joint business agreement.

Founded in 1963, the Allied Pilots Association—the largest independent pilot union in the U.S.—is headquartered in Fort Worth, Texas. APA represents the 12,000 pilots of American Airlines, including 1,970 pilots on furlough. The furloughs began shortly after the September 11, 2001 attacks. Also, several hundred American Airlines pilots are on full-time military leave of absence serving in the armed forces. The union’s Web site address is www.alliedpilots.org. American Airlines is the nation’s largest passenger carrier and fifth-largest cargo carrier.