

SPECIAL EAGLEWIRE FOR MAY 27, 2008
Published Especially for the Employees of American Eagle

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May 27, 2008

Eagle and Executive Employees:

I know that everyone at Eagle is anxious to understand the specific schedule, fleet and staffing changes that will result from last week's announcement by AA of capacity cuts at both American and Eagle. Many aspects of the schedules at AA and Eagle have not yet been resolved. However, in the interest of sharing the information which we do have as quickly as possible, we are announcing a number of schedule and fleet changes that will take effect this fall.

American plans to reduce its operation in San Juan. AA's smaller SJU schedule will require less Eagle feed and as a result, AA has asked that we reduce our schedule from 55 SJU daily departures this winter to 33. We will continue to serve the destinations we fly today from SJU, with two exceptions – Aruba (AUA) and Samana, in the Dominican Republic (AZS). AA will continue to serve AUA from JFK and MIA. Eagle frequency to our other Caribbean destinations will be reduced. Specific schedules will be published shortly.

The reduced schedule in SJU will require many fewer ATR72s than are currently based in SJU. Since the ATR72 is one of the most fuel efficient aircraft in our fleet, the ATR72s no longer required in SJU will be moved to the DFW hub, where they will be assigned primarily to fly missions currently operated with SAABs. The SAABs currently operating in DFW – as well as the SAABs flying from our LAX hub – will be retired from the Eagle fleet. Although the West Coast schedules have not been finalized, we expect that total departures in LAX will fall slightly and a number of RJs will be re-assigned from elsewhere in our system to serve markets previously served by SAABs. The precise timing of these changes is still being worked out but they are expected to take place in the September/October timeframe.

We have not yet finalized the capacity adjustments and schedule changes associated with the RJ fleet announced last week, nor do we know at this point the impact on our people.

Now that we know the turbo-prop fleet and schedule changes we will begin the process of determining how these changes will impact our staffing levels for each workgroup and station. Although we want to complete this work as quickly as possible, we need to be especially careful in light of the impact these changes will have on our people.

While we complete this work, we plan to meet with union leaders, employees and managers in an effort to find the least disruptive ways of making these changes.