Additional schedule changes in response to customer demand related to COVID-19

March 12, 2020 All flight attendants

Earlier tonight Doug and Robert sent an update to the entire American team on COVID-19. You can read the <u>full update</u> on Jetnet – which includes additional changes to adapt to customers' plans and changes to U.S. policy.

Changes to Europe and South America

With the restrictions placed on travel to and from Europe for the next 30 days, we expect customer demand to significantly decline over the next month. We are making the following proactive cancellations to minimize disruption to our team and customers. You can find a full list of changes <u>here</u>.

- We have suspended flying from CLT and PHL to Amsterdam (AMS), Frankfurt (FRA), Madrid (MAD), Munich (MUC) and Zurich (ZRH). The last departures from these destinations to CLT and PHL will be westbound flights Friday, March 13.
- Flights to Barcelona (BCN), Madrid (MAD), and Paris (CDG), will remain in place for up to seven days to ensure customers and team members can return home, and then will be suspended through May 6.
- We're reducing our service to London (LHR) from JFK, DFW and ORD, and will temporarily suspend service from Raleigh/Durham, North Carolina (RDU).
- Any seasonal routes to Europe that we had planned for late March/early April will be pushed to early May or June.
- We are reducing service to South America by suspending flights from Buenos Aires (EZE) to JFK, DFW, LAX and MIA. We are also exiting the MIA to Cordoba, Argentina (COR) market.
- We are suspending flights from Sao Paulo (GRU) to DFW and LAX on March 19. Flights from DFW to Santiago will also be suspended on that date.

We will continue to work to take care of our team members impacted by these changes.

Accelerating retirement of Boeing 757 and 767 fleet

We will accelerate the retirement of our remaining Boeing 757 and 767 aircraft. Doing so removes older, less fuel-efficient aircraft from our fleet sooner than originally planned and

avoids unnecessary maintenance and fuel costs. The 767 fleet will be grounded in May 2020, and the remaining 757 aircraft will retire between May 2020 and post-summer 2021 at the latest.

Additional actions

We've identified additional cost-savings measures, focusing on those that would be least disruptive to the majority of our team. Those include:

- **Deferring annual merit increases:** All pay increases for leadership (L1+) will be postponed until August.
- **Suspending system-wide hiring and leadership moves:** We will suspend all external and internal hiring, as well as internal promotions and lateral moves, for management team members. We will reevaluate this measure after 60 days.
- **Deferring new hire classes:** All future new hire classes, including classes for pilots, flight attendants, reservations and maintenance team members, will be deferred starting the week of March 23. We have one maintenance and one pilot new hire class starting next week that will start as planned.
- Offering extended unpaid, voluntary leaves of absence: We are evaluating all of our staffing levels to make sure we're appropriately staffed for our evolving schedule. We are working with union partners to offer voluntary leaves on an elective basis, and will share more as soon as agreements are reached.

Caring for our team: sick time and attendance policies

We continue to look at all ways we can care for our team during this stressful time. If a team member is told they need to be quarantined by a doctor, the Centers for Disease Control and Prevention (CDC), and/or a local public health department professional, they will not receive attendance points or occurrences, or be progressed through any discipline processes due to absences.

We are also extending a two-week paid sick policy for all team members who have a confirmed diagnosis of COVID-19 or who are quarantined, including our represented team members, and will work with our union partners to extend this policy broadly. We will share more information as agreements are finalized.

Caring for our customers

As we make schedule changes, we continue to update our policies to give customers more flexibility and control in their plans and to encourage travel.

• **Waivers and reaccommodation:** This includes offering customers who booked tickets prior to March 1 and are traveling through April 30 the flexibility to rebook

without change fees. Customers who book March 1 through March 31 for travel through Jan. 30, 2021, can change their reservation at a later date without change fees, too. And for all customers scheduled to travel to Europe, including the United Kingdom, we have additional flexibility through the end of May. All of these waivers are available at aa.com/travelalerts.

- **Refunds:** As it pertains to the restrictions announced Wednesday, foreign nationals who have visited the Schengen Area, Iran or mainland China and are not permitted to travel to the United States can cancel their reservation and receive a full refund.
- **Changes to lounge procedure**: We're making changes to our Admirals Club and Flagship Lounge procedures to provide even more peace of mind for customers. Effective Monday, March 16, American will replace buffet-style food with individually portioned, covered food items and will shift most self-service beverages to individual portions (e.g. milk cartons) or bartender/wait staff service. More details will be coming soon.

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