

American Airlines

April 9, 2002

Walter J. Aue
Vice President
Capacity Planning

Mr. Chris Kunze
Airport Manager
Long Beach Municipal Airport
4100 Donald Douglas Drive
Long Beach, CA 90808

FAX: (562) 570-2601

Dear Mr. Kunze:

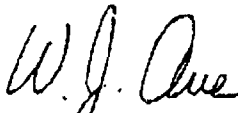
I received your April 1 letter stating that Long Beach is not willing to make permanent slots available to American for its recently announced flights to JFK and to O'Hare. We are disappointed that the Long Beach airport is not open to all carriers on a non-discriminatory basis. It had been our hope to avoid litigation with the City over its secretly negotiated agreement with Jet Blue and the locally imposed slot constraints at Long Beach, but it appears that litigation may be necessary to effect our rights under federal law.

Since we plan to introduce new service at Long Beach starting June 15, we accept your offer to use the unused slots. We understand that the City is now taking the position that we may have to forfeit these slots if Jet Blue begins using them before sometime next spring. Our use of these slots is without prejudice to either American's position or the City's position as to whether the City's agreement with Jet Blue and its locally imposed slot constraints are legal. As a long time Direct Air Carrier at Long Beach, we will make any appropriate deposits or payments.

As you know, the last time the City and the carriers resorted to litigation over airport issues, the parties spent millions of dollars and many years in the courthouse. We continue to hope that we can resolve our modest request for four slots without that expense, and by this letter we accept your invitation to appeal your decision. We question whether Section 16.143.110 applies to our request for slots but are willing to give the City an opportunity to reconsider its decision. The issues raised by our desire to introduce new service at Long Beach are of great importance to us, however, and we are anxious to have them resolved quickly. Since the City is a party to the Jet Blue agreement and imposed the slot constraints at the airport, you already know the relevant facts and the law, and we'd encourage you to set a date and issue a decision as soon as possible.

In the meantime, please let me know what, if anything else, you require in order for American to begin operating its new service on June 15, without prejudice to either of our positions.

Sincerely,


Walter J. Aue

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cc: R. L. Huddleston