



AMFA/Southwest Airlines FMT Negotiations Update

Update #23 July 22, 2016

Participants for AMFA:

Earl Clark - Region I Director
Michael Nelson – Region II Director
Bob Cramer – Airline Representative Local 4
Craig Hamlet - Airline Representative Local 11
Shane Flachman - Airline Representative Local 18
Mike Young - Airline representative local 32
Danny York - Facility Maintenance DAL

Participants for Southwest Airlines:

Gerry Anderson – Sr. Director, Labor Relations
Cindy Nagle - Sr. Director, Labor Relations
Clint Auton – Director, Corporate Facilities

The Negotiating Committee is providing this update to the AMFA Membership at Southwest Airlines. This report is the only official authorized written source of negotiating communications by the Committee.

We met with the Company in Dallas, Texas on Thursday, July 14, 2016, for a scheduled half-day Facility Maintenance Technician (FMT) Section 6 direct bargaining session. The Company presented their next economic proposal with a wage scale that added 1.5% above their last offer based on a 14 step progression. The proposal scale would have a topped-out FMT with no certificates or licenses paid \$25.72 per hour on date of signing and increasing 2% a year to \$27.84 per hour in year 2020, though the Company explained that for the first year they would pay all FMTs as if they have one certificate which adds \$1.75 per hour. This would bring a topped-out individual to \$27.45 on date of signing to \$29.57 per hour in 2020. As explained in Update #22, we have agreed to let the Company hire a new technician into any of the first four steps, but a new hire at step one would receive \$21.09 per hour -- which is the same rate they offered in their last proposal -- and up to \$22.83 per hour in 2020 without any certificates or licenses. They also presented a pay scale for a technician who held two licenses or certificates with the top out at date of signing being \$29.18 and \$31.30 in year 2020. They again offered to pay/reimburse individuals that took courses to acquire up to two licenses or certificates. With this proposal there are eleven technicians making above that scale, which the Company proposes three options for those individuals: first, they can keep their current wage for up to ten years and receive a 1.5% bonus payment each year; second, the individual could opt to go down onto the new scale and receive a yearly lump sum equal to what they would have received for five years; last, an individual could opt for a lump sum and resign or retire.

We then discussed three items the Company had presented to us on Leads, the selection of Leads, and the amount of time an individual would remain on the seniority list if on furlough. With Leads, the Company purposed to add language to Article 4, Classifications to allow management the ability to also perform the Lead duties; we explained we could not agree to that language in the agreement, but also stated we are not proposing changes on how management leads and directs the work group in the out stations around the system today. Next we discussed the Company's proposal in Article 10, Vacancies, which would have created a management Lead selection process; again, we stated that language would not work for us and wanted to capture what was discussed in our last session that would create a

committee made up of two company representative and two representatives from the group where the Lead vacancy was being filled and if there was a “tie,” seniority will be the determining factor in awarding the Lead position. The last item discussed was a proposal in Article 9, Seniority where the Company wants to limit the time an individual would hold seniority if on furlough to five years; on this issue we stated we could accept seven years. The Company stated they could accept our concepts and to send language to them for review before our next session.

We have tentatively scheduled Wednesday, August 17, 2016, for our next session where we plan to counter on economics. Wages are the last item left and, hopefully, we will make meaningful progress at the next session.

Sincerely,

Your Negotiating Committee