



AMFA/Southwest Airlines Contract Negotiations Update

Update #1 **August 24, 2012**

Participants for AMFA:

*Earl Clark – Region I Director
Jack Coonrod – Region II Director
Bob Cramer – Airline Representative Local 18
Nino DiMaggio – Airline Representative Local 11
Mike Young – Airline Representative Local 32*

Participants for Southwest Airlines

*Mike Ryan – VP, Labor Relations
Jim Sokol – VP, Maintenance
Gerry Anderson- Sr Director Labor Relations
George Tompkins – Director, Labor Relations
Sam Moser - Planning Manager, Finance*

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

On August 21st we met with the Company in Dallas at the Hangar, in the Texas Stadium conference room. The Company started with a presentation of where they see themselves with respect to the competition and areas that need improvement. We then had open discussions over that presentation. The Company then moved to a presentation on aircraft maintenance performed in a score card format on how our group and its vendors are performing. The presentation was the same they have presented to their vendors. We then had clarifying discussions over the score card presentation. Both groups started to set expectations for negotiations because of the previous discussions. At the end of the day the Company was not prepared to present our committee with there section 6 openers. Our committee is in agreement that we will not present our openers until the company is ready to formally exchange their openers.

On August 22nd, Brian Hirshman Sr. Vice President Technical Operations came in and addressed both committees explaining his hopes that we could reach an agreement in a expedited time frame, sometime in the first quarter of next year. He pledged the time and resources to get it completed to both sides satisfaction. We then again started talking about how the negotiation process should proceed. We discussed three ways to proceed, first would be a possible quick agreement in an extension format with five focus areas indentified by the Company as being addressed, (time, money, scope/security, accreted groups and productivity), second a modified expedited negotiations where our group and the Company bring a finite number of issues each to the table and third would be a full opening of the agreement article by article. Our committee explained we are prepared for the full opening of the agreement and that with out seeing something in writing on the Company's intentions we could not determine which direction would be best for our membership.

Both sides are committed to making a concerted effort to reach an agreement that addresses our member's, and the company's, concerns. Our Committee would like to thank the observers that took the time to attend.

Upcoming Negotiation Date

September 12th in Dallas, Time and Location to be Determined

Sincerely,

Your Negotiating Committee