



AMFA/Southwest Airlines AMT Contract Negotiations Update

Update #38 February 22, 2016

Participants for AMFA:

Earl Clark – Director, Region I
Michael Nelson – Director, Region II
Bob Cramer – Airline Representative, Local 4
Craig Hamlet – Airline Representative, Local 11
Shane Flachman – Airline Representative, Local 18
Mike Young – Airline Representative, Local 32
Lucas Middlebrook – AMFA Counsel

Participants for Southwest Airlines:

Mike Ryan – VP, Labor Relations
Gerry Anderson – Sr. Director, Labor Relations
Cindy Nagel- Sr. Director, Labor Relations
Bill Venckus – Director, Labor Relations
Scott Collins- Director, Central Region
Mark Lyon – Sr. Manager, Labor Relations
John Donnelly – Manager, Financial Planning

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

We met with the Company in Dallas, TX on Tuesday, February 16, 2016, for a scheduled three-day Aircraft Maintenance Technicians (AMT) and Related mediated negotiation session. We resumed our discussions from our last session regarding the opening of new maintenance stations. The concept the Company introduced was only for new maintenance stations with day and evening coverage where there would be no routine “planned” work (i.e. MV checks, aircraft part time changes, etc.). The Company stated that they wanted language specific to opening new maintenance stations, as they are reluctant under our current language to open any new stations because of the difficulty to close a station if the flight operation at the station fails. Although opening new stations is an obvious benefit to our membership, we must also strive to create language that provides favorable and detailed guidelines for those members who are awarded these positions.

We continued working on the new station issue Tuesday and the morning of Wednesday before we were able to tentatively agree to the following rules regarding opening new maintenance stations:

1. this only applies to new maintenance stations and there will be no routine planned work at these stations;
2. all current rules regarding bidding and paid moves apply;
3. the Company will guarantee that the station will remain open for no less than three years;
4. if through-flight activity falls below 40 flights a day for a rolling 12-month period, the Company has the right to remove maintenance from the station;
5. if maintenance is removed, the station will return to its original designation as an “off-line” station for maintenance (local vendor can do minor maintenance and our field service language would apply);
6. if the Company does choose to close a station, they will give at least one year notice of closure to those effected and pay each technician \$25,000 regardless of whether the technician decides to move or commute;
7. all current seniority rules and recall rights will apply;
8. The station will reopen to maintenance if flight activity resumes to 60 flights a day and then these rules for closure would reset.

Wednesday afternoon it was our turn to choose a topic of discussion and we chose to discuss the “Temporary Supervisor” issue. During negotiations for our current contract we were able to reduce the number of days a covered employee could cross-over and perform supervisor duties from 90 to 75 days in a rolling 12-month period. Since this has always been a controversial topic for our membership, we will not miss an opportunity to contain this program. Our discussions centered on exploring ways to further reduce the time a member can cross-over to fill a supervisor position and ways to ensure the crew, from which the temporary supervisor was taken from, would not be punished by being expected

to pick up the extra workload that was dumped on them. After presenting and discussing our ideas, the Company asked for time to gather some information regarding the frequency our members are performing these duties.

The Company then presented the subject of paid rest for discussion. While this subject isn't new to these negotiations, it is the first time we have discussed it since entering mediation. The Company presented their ideas as to how they could reduce the cost for unproductive time lost to paid rest. This is a sensitive subject because we gave them the 24-hour rule with the agreement that no member would suffer any loss of pay due to its implementation. Then the membership, after our last negotiations, voted to give them HUGE savings and agreed that all paid rest would be paid at straight time and that the rest would reset the clock regarding the applicable overtime rate. Now the Company is back attempting to take more of your money related to pay when on the rest period. As you will remember, the Company originally touted this as a safety concern; however, as we knew all along, it has been and always will be about reducing your ability to earn in order to further line the pockets of management and executives.

We continued working on Thursday on the two issues of temporary supervisors and paid rest. We also presented another item for discussion, which is the unequal application of our bereavement leave for the members on 8-hour shifts. Currently the language provides for four days, which is the entire week for a member on 10 hour shifts, but only 4/5 days of a week for the members on 8 hour shifts. Our intent is to modify the existing language to read 40 hours instead of four days, but we were met with a becoming-more-familiar Company excuse of "creep." Whereas we are negotiating a contract that will provide enhancement for our membership, the Company contends that anything we get, the other workgroups (including non-union) will want and, therefore, we can't have it. This isn't the first time our ideas have been squelched with this reply, although history has proven it to only be a shallow attempt to move us from our positions until they hear from our membership reinforcing our views. We informed the Company that we do not accept that response as we are negotiating for our members and not the other groups on the property. Unfortunately, this is the same Company attitude that previously had them advising that our group – all of you – did not have the bargaining leverage to break the ice on such issues.

Please remember that we are in mediation and are proceeding with a mediator who establishes the rules of our sessions. We are currently in "Interest Based" negotiations and the discussions at the table are open, conceptual, and in most cases off record. We are not able to give detail to specific issues as we do not receive formal proposals. In order for this process to be beneficial to our goal of ultimately reaching a Tentative Agreement (TA) to these negotiations, at this time, these updates must only generally provide details of topics discussed at the table until such time that we agree to the language for a specific item. If we do find the need to revert back to a traditional bargaining process, we will also revert back to our more detailed and thorough updating methods. As always, do not hesitate to contact your representative if you have any questions. Our next mediated AMT negotiation session is in Kansas City, MO on March 22, 23, and 24. Thank you for your support.

Sincerely,

Your Negotiating Committee