



AMFA–Southwest Airlines AMT Contract Negotiations Update

Update #61 Addendum January 24, 2018

Participants for AMFA:

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Earl Clark – Director, Region I
Will Abbott – Director, Region II
Bob Cramer – Airline Representative, Local 4
Craig Hamlet – Airline Representative, Local 11
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Participants for Southwest Airlines:

*Gerry Anderson – Sr. Director, Labor Relations
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Scott Colling – Regional Director, Central Region
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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.

The Company provided a counter at the conclusion of our session last week that was not discussed in our previous update because it rejected our remain-at-book Article 2 concept and, therefore, was not an apples-to-apples proposal. As explained in our previous update, when the Company rejected our Article 2 remain-at-book concept, the economics associated with that approach as we proposed became inapplicable; however, the details of this Company counter are set forth below:

- Increase the base rate snap-up to 14.8% with the same 3% base rate scale increase each year of a proposed 5 year agreement;
- Ratification bonus equal to 30% of the entire group's 2017 401(k) eligible earnings, which is a total dollar amount of approximately \$74 million to be distributed in a manner determined by AMFA and approved by the Company. This number falls woefully short of equaling full retroactive compensation;
- Propose to retain Outsourcing Liaison Representative position with agreed to parameters and would be eliminated once all aircraft bridged to the MAX maintenance program or the next collective bargaining agreement, whichever is latest. It is important to note here that when asked by your Committee to specify the bridging schedule, the Company responded with an answer that was completely at odds with its previous explanations on this topic;
- Continue to seek major changes to scope with no specifics.

The Company position continues to be frustrating due to the must-haves of the extreme changes to Article 2 – Scope language, ratification bonus offer, snap-up offer, and no additional money in base wages since August 2016. In response, your Committee will begin internal preparation for our next proposal, which, if the Company absolutely must have its massive scope changes, will account for that with a total review of all items previously tentatively agreed to by the parties.

As always, stay engaged with your union updates and officers. And, as always, let us watch what the Company does as opposed to what they say in written updates, emails, and video messages.

Sincerely,

Your Negotiating Committee