

AMFA/Southwest Airlines Contract Negotiations Update

Update #23

August 19, 2014

<u>Participants for AMFA</u>: Earl Clark - Region I Director Bob Cramer - Airline Representative Local 4 Matt Townsend - 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 – Vice President, Labor Relations Gerry Anderson - Sr. Director, Labor Relations Shawn Jenson – Director, Maintenance Control Michelle Jordan - Director, Labor Relations Mark Lyon – Sr. Manager, Labor Relations Sam Moser - 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 began the scheduled two-day Aircraft Maintenance Technician (AMT) negotiations on Wednesday, August 13, 2014. The Company started with presenting a proposal for Article 9: Seniority. This Article was tabled during a previous session by our Committee due to the Company's unwillingness to accept our proposal to shorten the time an individual could temp upgrade to a supervisor. In the Company's proposal there were three changes: the first two were in paragraph 4 c & d which would limit a Technician from bumping into Maintenance Control or Technical Training in case of furlough, and the last was in paragraph 12 which was a selection process similar to the field service selection process.

The Company then presented their first proposal for changes to Article 10: Filling of Vacancies. In their proposal they proposed five changes. The first change being in paragraph 2, which would expand the time the Company could abolish a vacancy and when it would be posted. The second change was in paragraph 6, which would give the Company managerial discretion in filling or not filling a temp vacancy for a Lead Inspector or Lead Technician. The next change was in paragraph 7, which again would give the Company managerial discretion in filling temp vacancies of 30 days or less for Inspectors along with the ability to use alternate inspectors before calling overtime. The last two where both in paragraph 12: first, was a change from the word consecutive to worked, increasing the time an individual would be required to demonstrate their abilities in a job awarded; and the last was for sub-paragraph (a) which could increase the time an individual is released to an awarded position if they are awaiting required authorizations to perform the bid job. Our Committee then took some time and worked up counters to the Article 10 and reviewed our proposal for language the Accident Investigation Go Team.

We got back with the Company after lunch and started with our proposal for the Accident Investigation Team, including four paragraphs which would give our team recognition and time to perform their duties. We then presented our proposal for Article 10 striking everything the Company proposed and inserted our only proposal to this article in paragraph 4, which would add Lead Technician to the language for filling a temporary vacancy of more than 30 days. Our Committee sees this as an opportunity for current Lead Technicians to improve their quality of life with better days off and shifts. We then took a break and worked on a counter to Article 9 and presented it to the Company. In our proposal we struck the Company's proposals in paragraphs 4 c and d mentioned above and accepted with some modification the Company's proposal in paragraph 12. We then broke for the day.

On Wednesday, the day began with both committees doing a review of where we are article-by-article. The review showed: we have tentatively agreed on twelve articles (1, 3, 7, 16, 17, 18, 19, 22, 25, 26, 27, and 28); there are five articles tabled or at an impasse, four by our Committee and one by the Company (8, 11, 12, 21, and 23); there are five articles our Committee owes a counter or a response (4, 5, 6, 20, and 24); there are three articles the Company owes a counter or response (4, 10, and 13); and there are four articles and two letters of agreements to officially open and work through (2, 14, 15, and 29, LOA 1, and 2). As has been mentioned in previous updates, we have had brief discussions on Article 2: Scope, LOA 1, and the Company's concept on pay. We then took lunch and our Committee reviewed our proposal for the Aviation Safety Awareness Program (ASAP) Representative positions. We got back with the Company and presented our ASAP proposal including eight paragraphs which would give our ASAP Representatives recognition and time to perform their duties.

We then had a discussion of where we go from here. Our Committee explained we could give the Company counters to the articles we owe, but what they would get is their language struck and our language reinserted – we do not see that as productive. We also explained we see the Company being in the midst of record profits and that after discussions with our members, if the Company sticks to their position of no fixed pay raises for top-of-scale, we do not see how any proposal will ever pass. The Company acknowledged they hear and understand what we are saying, but also stated they have their needs. They acknowledged our request for the financial data our Committee requested last week and that they need a little more time to get that together. Our next session was scheduled for August 20 and 21, 2014, but after the discussion both sides agreed to cancel.

Our side continues to be committed to making a concerted effort to reach an agreement that addresses our members' and the Company's concerns. Our Committee would like to thank the observers that took the time to attend. It is important to remember that your Committee is only as strong as the members that support us – stay engaged, remain united and together we will maintain a contract that protects our profession and rewards your labor.

The next AMT negotiations are scheduled in Dallas on September 10 and 11, 2014.

Sincerely,

Your Negotiating Committee