



AMFA/Southwest Airlines Contract Negotiations Update

Update #3

November 9, 2012

Participants for AMFA:

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

Participants for Southwest Airlines

Mike Ryan – VP, Labor Relations (November 7th Only)
Jim Sokol – VP, Maintenance
Gerry Anderson- Sr Director Labor Relations
George Tompkins – Director, Labor Relations
Mark Lyons – Sr. Manger, 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 November 7 and 8, 2012, we met with the Company in the Texas Stadium Conference Room at the Hangar in Dallas. The discussions again started with the Company looking for full relief from having to start the fourth line of heavy maintenance along with the other issues they discussed with the Committee on September 12, 2012. The Committee reiterated that we are not interested in the direction discussed during our previous session and that we are ready to move in a different direction.

The Company then presented how they have built their low cost business over the years and how their competitive advantage is being challenged. They then proposed two (2) written options to move forward:

- Option 1 - Alternative wage scales and other components of pay, change in attendance program (Absent Management Program), no paid lunch, no paid rest, change in backfill language, review of shop work and potential realignment, no downline service for GSE, review of outsource language (headcount per aircraft), day trade reform, language for international downline work, language to insert Technical Training Instructors & Maintenance Controllers classifications into agreement along with separate pay scales and work rules, rewrite of fourth line language, ETOP's language, specialty training, ability to outsource internationally, review of LOAs #1 and #2 and the elimination of pending grievances except terminations
- Option 2 - Alternative wage scales and other components of pay, ETOP's language, rewrite of fourth line language, headcount per aircraft ratio. We explained we were not going to choose either option and then presented the Company with our section 6 bullet point proposal list. We ended the day agreeing to start work on Article 4 Classifications and inserting Technical Training Instructors & Maintenance Controllers classifications.

On the second day of this session, the committees started crafting language to insert the classification of Technical Training Instructors. Our Committee brought in Technical Training Instructors, Mark Sheaffer and Robert Geisheimer, as subject matter experts; our Committee proposed language describing the work as explained to us by Mark and Robert, while the Company wanted to use particular language from the AirTran Agreement. We recessed negotiations with no agreement on classification language for the Trainers.

Both sides are 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.

Sincerely,
Your Negotiating Committee

Upcoming Negotiation Date - Dallas

December: 4
January: 9-10 and 24-25
February: 12-13 and 27-28
March: 7-8 and 26-27