



AMFA/Southwest Airlines Contract Negotiations Update

Update #18

April 22, 2014

Participants for AMFA:

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Michael Nelson - Region II Director
Bob Cramer - Airline Representative Local 4
Matt Townsend - Airline Representative Local 11
Shane Flachman - Airline Representative Local 18
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Participants for Southwest Airlines:

*Jim Sokol – VP, Maintenance Operations
Gerry Anderson - Sr. Director, Labor Relations
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Mark Lyon – Sr. Manager, Labor Relations
Christina Bennet – SWA Counsel
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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.

On Wednesday April 16, 2014, we met in Phoenix, Arizona for a scheduled day and a half negotiation session. This session was initially planned as a full two day session back in January, but the Company requested that we reduce the second day to a half day in order to accommodate Good Friday travel schedules. The session began with yet another Company PowerPoint presentation explaining that the Company will post a substantial quarterly profit, but that the Company still wants, through concessions in our CBA, to prepare for speculative bad times. During this presentation, the Company advised your Committee that Gary Kelly's request to the Company negotiating committee is that "we want to be an Ultra Low Cost Carrier." Rest assured, your Committee will stand firm against any attempts by the Company to negotiate your compensation and work rules down to Ultra Low Cost Carrier levels.

After the presentation, we presented our Article 25: Union Representation, Article 11: Vacations, and Article 5: Hours of Service counter offers. In regards to Article 11, the Company produced a document showing the benefits of all the workgroups, including non-contract employees, highlighting that five (5) weeks of vacation was the maximum that any group received. The Article 5 discussion focused on shift start-times with the Company wanting extensive flexibility to alter our three historic shift start-times. Your Committee advised the Company it was not interested in these drastic shift time alterations. After discussing the above three articles, the Company presented their Article 12: Leaves of Absence, Article 13: Sick Leave and On-The-Job-Injuries, and Article 7: Training counter offers. The main issue was the Company's insistence on trying to secure language introducing a three-year maximum limit on all leaves of absences before a member was dropped from the seniority list. In addition, the Company continues to reject our proposal that would guarantee that you could use **your** sick time to care for an ailing family member or sick child. Your Committee continues to be perplexed at how a Company that trumpets itself as "employee friendly" is more concerned with costs than allowing you to use **your** accrued time to care for a sick child or family member.

The parties then broke for lunch and your Committee caucused to discuss the Company's counter offers. When we returned to the negotiation table, we notified the Company that we wanted to "table" Article 12 as we will not consider the three-year limit on leaves of absences that they proposed. The Company then presented their counter offer to Article 5 where they continued the push to have "qualifications" tied to specific bid locations. We presented our Article 7 counter offer with language protecting the quality of hotel the membership would be required to stay in while attending training. We then discussed and tentatively agree (TA) to Article 25. We then received the Company's Article 11 counter proposal, which struck our proposed sixth week of vacation, vacation sellback, and vacation

bank proposals. We finished the day with the Company giving us their Article 24: General and Miscellaneous tweaks wherein they agreed to add language that protects our ability to ride in the control cabin as well as protecting our priority on the fourth seat. We also finalized the S.I.D.A. badge language, which ensures pay if a badge cannot be issued or renewed during your normal shift.

On Thursday, the Company began with an Article 7 counter proposal. The Company inserted language designed to keep senior employees from going to multiple training classes when the junior members are not getting any training. We asked the Company if this was actually a widespread issue, and the Company said they would research the issue and report back when we meet next. We again discussed the Company's Article 24 proposal and advised the Company that we will not agree to the day trade limitations and that it was important that the bereavement leave be changed to 40 hours instead of four (4) days. The Company also asked if we wanted to discuss Article 8: Field Service, which is currently "tabled;" however, your Committee advised the Company that, unless they had some movement from their previous position, we were not interested in debating the issue further. The Company then presented an Article 6: Overtime and Holidays counter proposal, which did go back to current book in regards to a "short hour." In addition, although admitting that it was Company errors that resulted in payouts totaling approximately \$300K in overtime by-passes last year, the Company proposed language to put the financial liability on your backs by doing away with by-pass payouts. We concluded the session with some discussions dealing with the new EPIC program for maintenance planning. The Company has assured us they will get us an update and more information on EPIC. They are also going to get us numbers to the amount of planned headcount reductions in the "C" checks as a result of EPIC.

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 Phoenix 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, TX on May 21 and 22, 2014.

Sincerely,

Your Negotiating Committee