



AMFA/Southwest Airlines Contract Negotiations Update

Update #27 December 19, 2014

Participants for AMFA:

Aaron Hansen – Assistant National Director
Justin Madden – National Secretary / Treasurer
Earl Clark – Director, Region I
Michael Nelson – Director, Region II
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 – VP, Labor Relations
Gerry Anderson – Sr. Director, Labor Relations
Scott Collings – Director, Central Region
Michelle Jordan – Director, Labor Relations
Mark Lyon – Sr. Manager, Labor Relations

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 for Aircraft Maintenance Technician (AMT) and Related negotiations on Wednesday, December 10, 2014, for what was originally scheduled as a two-day session that was reduced down to one. The Company requested the shortened session to focus on opening up articles not yet negotiated, particularly Article 2: Scope. The Company informed us prior to the session that they were not prepared to present a proposal on Scope, but rather would focus on providing another presentation on the EPIC Program, which our Committee requested following the last inadequate presentation on the issue.

The Company began by providing us with a presentation on the changes to the maintenance program referred to as EPIC. The Company explained that the reason for the changes was to align its maintenance program more with the standards developed by the Boeing MRB. The Company explained that the change did not mean the elimination of tasks, but the repackaging of when and where the tasks would be accomplished. The presentation further detailed that the 800s are all bridged to the EPIC Program and that the 700s will be bridged during the course of the next two years. The presentation detailed how the capacity and demand will change at each maintenance station with the implementation of EPIC. In total, the presentation lasted approximately four hours. The Company claims that the EPIC Program will create maintenance “efficiencies;” however, following this latest presentation it has become apparent that the Company would also like some Article 2 changes to our current scope language in order to facilitate these EPIC “efficiencies.” Whether these efficiency changes will be added to the Company’s continually growing list of “must-haves” remains to be seen.

The Company also provided a one-hour presentation on a new automated system that would be capable of electronically administering the annual bid. The system is called “Infor WFM Access,” and it is currently being used by other groups on the property. The system can be used for many other applications such as accepting and approving trades, vacation bids, and is a time tracking program that will replace Kronos.

Upon completing the two presentations, we had a discussion on where we are headed with the negotiation process moving into 2015. The Company stated again that they believe we could get the contract done sometime before the middle of next year. The Company was careful not to characterize its ever-evolving needs as “must haves” this time, but rather as changes to Article 2: Scope, Letter of Agreement 1, free cross utilization between bid locations, qualifications for certain bid locations, as

well as the reduction in lost time and paid rest. We advised the Company that we expect a written proposal on their intended “changes” to our current Article 2: Ccope language during our next session in January 2015. It is perplexing that the Company continues to alter its “needs” more than two years into this process. It is perplexing that the Company continues to chase these many “needs” during an unparalleled time of financial prosperity. The Company’s “needs” is the one common denominator responsible for multiple labor groups mired in seemingly endless negotiation and others already in mediation.

We would like to thank all of our members for your support as we battle to protect the contract you have worked so hard for so many years to achieve. Your continued support is crucial to our ability to awaken this Company to the fact that its employees are the driving force behind these record profits and not a simply another line item on a corporate balance sheet.

Thank you to the observers who participated in this session. We invite everyone to exercise their rights under the AMFA Constitution to observe negotiations. The next session will be in Dallas, TX on January 14 and 15, 2015.

Sincerely,

Your Negotiating Committee