



AMFA–Southwest Airlines AMT Contract Negotiations Update

Update #70 **November 20, 2018**

Participants for AMFA:

*Bret Oestreich – National Director
Earl Clark – Director, Region I
Will Abbott – Director, Region II
Craig Hamlet – Airline Representative, Local 11
Ken Patrick – Airline Representative, Local 32
Lucas Middlebrook – AMFA Counsel
Peter Manikowski – AMFA Economist*

Participants for Southwest Airlines:

*Adam Carlisle, Sr. – Sr. Director, Labor Relations
Christine Colling – Sr. Director Labor Relations, Strategy
Bill Venckus – Director, Labor Relations
Mark Lyon – Sr. Manager, Labor Relations
Sam Moser – Director Corporate Strategy & Planning
Becky Ronnebaum – Labor Negotiations Specialist
Neal Hanks – Director Labor Relations, Communication Planning
Eddie Barbarie – Attorney, General Counsel Office*

Dear AMFA Brothers and Sisters:

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.

Your Negotiating Committee convened in Dallas, TX this week. On Monday, November 19, 2018, we met with the mediator in advance of our scheduled one-day session with the Company. On Tuesday morning, November 20, we convened with the new Company Committee. The only two individuals from the Company’s previous committee are Bill Venckus and Mark Lyons. The rest of the Company Committee, including its lead spokesperson, are at the table for the first time.

We presented the Company with a streamlined proposal intended to reach a prompt agreement. We proposed leaving the June 2018 tentative agreement (TA) in place except for the following changes:

- A wage rate snap-up of 23.86% to the AMT wage scale effective August 16, 2018;

AMFA Proposed Pay Scale

Wages						
	Present	Aug. 16, 2018	Aug. 16, 2019	Aug. 16, 2020	Aug. 16, 2021	Aug. 16, 2022
		23.86%	3.25%	3.25%	3.25%	3.25%
1st 6	\$ 22.85	\$ 28.30	\$ 29.22	\$ 30.17	\$ 31.15	\$ 32.16
2nd 6	\$ 23.98	\$ 29.70	\$ 30.67	\$ 31.66	\$ 32.69	\$ 33.76
2nd year	\$ 25.33	\$ 31.37	\$ 32.39	\$ 33.45	\$ 34.53	\$ 35.66
3rd year	\$ 26.87	\$ 33.28	\$ 34.36	\$ 35.48	\$ 36.63	\$ 37.82
4th year	\$ 28.56	\$ 35.37	\$ 36.52	\$ 37.71	\$ 38.94	\$ 40.20
5th year	\$ 30.47	\$ 37.74	\$ 38.97	\$ 40.23	\$ 41.54	\$ 42.89
6 Years+	\$ 38.59	\$ 47.80	\$ 49.35	\$ 50.95	\$ 52.61	\$ 54.32
Lead Insp	\$ 43.22	\$ 53.53	\$ 55.27	\$ 57.07	\$ 58.92	\$ 60.84
Inspector	\$ 40.91	\$ 50.67	\$ 52.31	\$ 54.01	\$ 55.77	\$ 57.58
Lead Mechs	\$ 40.91	\$ 50.67	\$ 52.31	\$ 54.01	\$ 55.77	\$ 57.58

- Amendable date to remain August 16 with a five-year contract term;
- 3.25% wage scale increases to covered wage scales in each out-year of the proposed five-year Agreement;

- Ratification bonus in an amount equal to full retroactive payment, which your Committee estimates to be approximately \$137.5 million.

Our proposal made clear to the Company that it was conditioned upon the existing terms of the June 2018 TA remaining in place, and in the event Southwest did not agree to this, AMFA reserves the right to reopen any of the terms contained in the previous TA.

Your Committee presented this proposal and the Company asked very limited questions focused only on how we arrived at the 23.86% snap-up amount and the total valuation. Our economist, Peter Manikowski, explained exactly how we arrived at the calculations and demonstrated the same to the Company Committee through a graphical representation. The Company sent you an update before negotiations began this morning advising it expected “to spend a good portion of the day asking questions and discussing feedback.” The Company did no such thing.

The mediator provided the parties with potential dates to reconvene in January. The Company had limited availability due to its new chairman’s negotiating responsibilities with other workgroups. AMFA made it clear we would make arrangements to meet as often and frequently as possible with the mediator. We also advised the Company of our willingness to meet without the mediator in order to reach prompt agreement; however, that offer was once again, met with silence by the Company.

Stay engaged with your Union updates and officers, and continue to watch what the Company does as opposed to what it says in written updates or video messages. We thank you for this continued support. The solidarity that we have seen since conclusion of the ratification process has been amazing, and we look forward to continuing and increasing that solidarity as we continue to bargain for what you have rightfully earned.

Sincerely,

Your Negotiating Committee