



AMFA/Southwest Airlines AMT Contract Negotiations Update

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Participants for AMFA:

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Michael Nelson – Director, Region II
Bob Cramer – Airline Representative, Local 4
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Participants for Southwest Airlines:

*Mike Ryan – VP, Labor Relations
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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.

AMFA met with the Company in Dallas, Texas on July 26–28, 2016, for a scheduled mediated session. To begin the session, the AMFA Negotiating Committee chairmen met with the mediator, and with her guidance we worked as a Committee to again prepare a list of our “asks” to be presented to the Company. AMFA later met with the Company and presented our list, which included:

1. One (1) additional floating holiday
2. One (1) additional week of vacation
3. Rescheduling of vacation to five (5) weeks at fifteen (15) years of service, and six (6) weeks at twenty (20) years of service
4. A vacation bank containing up to one (1) year of vacation accrual
5. Increasing the vacation sell-back to eighty hours (80) per year
6. The ability to use accrued sick time to care for a family member
7. The Company to provide health care for on-the-job-injury (OJI) related leaves of absence beyond the current fifteen (15) weeks
8. To lock in the current ratio of employee contributions to health care premiums

After a Company-requested caucus, AMFA returned to the table and the Company presented their position, which included an economic package as follows:

1. A twelve percent (12%) signing bonus at ratification;
2. An eight percent (8%) “snap up” raise in year one (1); and
3. Two and a half percent (2.5%) raises in the remaining out-years of a five (5) year agreement from date of ratification (DOR).

In addition, the Company presented a list of “asks,” which included the following:

1. Domestic field service relief in the form of the ability to outsource up to twenty-five (25) domestic field service events each year, where parts can be sourced locally.

2. International field service relief in the form of the ability to outsource ALL international field service events that do not require an inspection buy-back subject to the discretion of Maintenance Control.
3. ETOPS relief in the form of the ability to outsource departure checks for ETOPS flights outside the lower forty-eight contiguous states.
4. Paid rest relief in the form of removing the obligation of pay for rest resulting from the Company's "24-hour rule" where the shift specified is a result of a day trade.
5. Scope relief in the form of the replacement of Article 2, pp.6, which provides exceptions that allowed for the outsourcing of specific tasks and checks when specific circumstances arose. This relief would allow the Company to "zero time" or attach "any lower level maintenance task, check, or maintenance package during a higher level maintenance event."
6. Inspection backfill relief in the form of requiring backfill only for vacancies created by vacation.

The Company is still committed to the "sunset" of Letter of Agreement (LOA) #1. In addition, they proposed the concept of working towards a tentative agreement (TA) for the current Collective Bargaining Agreement (CBA), thereby leaving the Maintenance Controllers and Technical Trainers on their current LOAs, to be resolved at a later date.

On Wednesday, the Company replied to AMFA's list of asks:

1. Additional floating holiday – No
2. Additional week of vacation – No
3. Rescheduling vacation – No
4. Vacation bank – Countered with the ability to roll over one (1) week of vacation to the following year
5. Vacation sell back increase – Agreed
6. Sick time for care of relative – No
7. Extended healthcare related to OJI – No
8. Insurance premium caps – No

AMFA also replied to the Company's proposed concessions:

1. Domestic field service – We are looking at this and will get back to them
2. International field service – No
3. ETOPS – Countered with specific relief associated with flights originating in Hawaii only
4. Paid rest – No
5. Scope – No
6. Inspection Backfill – Countered with limited specific relief for vacancies caused by events such as sick, OJI, leave of absences, UB, day trades w/mechanics, and jury duty, but preserved backfilling for vacancies created by vacation, floating holidays, paid rest, and all others.

AMFA also objected to the Maintenance Controllers and the Technical Instructors remaining on their respective LOAs and insisted they be brought into the body of the contract at the time of the agreement.

For the remainder of Wednesday, we had an in depth discussion with John Brutlag, Director Aircraft Standards and Scott Colling, Central Region Director Maintenance regarding the 737-8(Max) and associated new maintenance program and how it would affect our workgroup.

On Thursday we began with discussions related to LOA #1. The Company again asserted that it intends to exercise their option not to renegotiate LOA #1. In light of this, AMFA has several items in LOA #1 that we would like to preserve in the body of the contract, including:

1. LOA #1, pp. 3, Intermediate maintenance crews protections
2. LOA #1, pp. 4, Station headcount protections
3. LOA #1, pp. 6, Outsourcing Liaison position
4. LOA #1, pp. 7, Headcount per aircraft ratio protection

The Company advised the AMFA Committee that it continues to struggle with LOA #1; however, when pressed by the AMFA Committee, the Company was unable to explain exactly what language in the LOA it struggles with. Instead, the Company only maintained, in broad brush fashion, that it struggles with the entire thing. This lack of specificity hinders the negotiating process and led to a vigorous debate at the table.

On Thursday we countered the Company's economic proposal in much the same format the Company presented its last offer. We proposed:

- 26.59% of 2015 earning as a ratification bonus designed to make each of you whole for the many years during this protracted negotiation that you have gone without a raise.
- An increase to the all-in (base pay, license premiums and max longevity) top of scale technician rate to \$51.64 per hour, this represents an 11.9% increase above the current Delta AMT rates.
- Five percent (5%) increases to the pay scale in each out-year of the contract following the DOR.

After the AMFA Committee passed its economic counter, the session concluded. Please remember that we are in mediation and are proceeding with a mediator who establishes the rules of our sessions. As always, do not hesitate to contact your Negotiating Committee representative if you have any questions. Our next mediated AMT negotiation session is in Dallas, Texas on August 9-11, 2016.

Sincerely,

Your Negotiating Committee