

AMFA–Southwest Airlines AMT Contract Negotiations Update

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Participants for AMFA:

Bret Oestreich – National Director Earl Clark – Director, Region I Will Abbott – Director, Region II Bob Cramer – Airline Representative, Local 4 Craig Hamlet – Airline Representative, Local 11 Shane Flachman – Airline Representative, Local 18 Mike Young – Airline Representative, Local 32 Lucas Middlebrook – AMFA Counsel Peter Manikowski – AMFA Economist

Participants for Southwest Airlines:

Gerry Anderson – Sr. Director, Labor Relations Mike Ryan – Labor Relations Consultant Cindy Nagel – Sr. Director, Labor Relations Bill Venckus – Director, Labor Relations Mark Lyon – Sr. Manager, Labor Relations Scott Colling – Regional Director, Central Region John Brutlag – Director of Aircraft Standards John Donnelly – Manager, Financial Planning

The Negotiating Committee is providing this update to the AMFA Membership at Southwest Airlines (SWA). This report is the only official authorized source of negotiating communications by the Committee.

We met with the Company on April 18-20 for a scheduled three-day session in Santa Rosa, CA. This session was intended to return discussions to the main body of the contract with a specific focus on Article 2: Scope.

The first day began with the Company providing an overview of the maintenance program and how it would like the program to evolve moving into the future. Our Committee asked numerous questions in an effort to understand exactly how the Company's projection of its maintenance program would operate. We requested clarification on a number of items and additional information, which the Company responded to after a break. The Company's proposal on Article 2: Scope has not changed since it was last discussed in October 2016. The Company still wants us to agree to allow it to zero-time any lower level check and attach that work to a heavy check, which in practice would allow the Company to outsource a much higher amount of our work. The Committee's position has not changed – we cannot agree to provide the Company the ability to outsource this amount of work without a guarantee of protected work. The day concluded with this position being conveyed to the Company's stated need for Article 2 to evolve with the maintenance program.

Our Committee continued to meet internally on the morning of Day 2 in order to finalize the conceptual supposal. We then presented the concept to the Company, which is designed to preserve existing work while capturing future work as the fleet and maintenance program evolves. The Company then asked for a caucus to discuss. The Company expressed interest in the concept that we presented, but advised that it would not be able to respond until it presented and discussed the concept with senior leadership in Dallas; therefore, the remaining day and a half of the session was adjourned to allow the Company the ability to cost and evaluate our conceptual supposal and discuss with Dallas leadership.

The Committee spent the rest of the scheduled time working internally with our economist to update our financial analysis and economic package.

Our next session is scheduled for May 1-4 in Washington, D.C. where we will continue with the main body of the White Book and await the Company's response on our Scope concept.

Sincerely,

Your Negotiating Committee