

AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

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Southwest Airlines Negotiating Committee Update August 2012

The AMFA-Southwest Airlines (SWA) Negotiating Committee is currently scheduled to meet with Southwest Airlines management in August to amend our Collective Bargaining Agreement (CBA). For those of you involved in your first negotiations or for those who need a refresher please refer to the following synopsis.

The process of negotiations with management is governed by the Railway Labor Act (RLA). The RLA, passed in 1926, was originally legislated to allow railroad union workers to resolve disputes with management while minimizing the potential for interstate commerce disruptions. The airline industry was folded into the RLA under Title II in 1936. Historically, negotiations procedures fell under section 6 of the RLA but currently several sections of the RLA apply to contract negotiations in the airline industry. In fact, "section 6" is not even located in section 6 of the RLA today (see 45 USC Chapter 8 Sections 151 – 188) but the name is still commonly used.

The timeline for each step varies and at any point during these steps (direct negotiations, mediation or arbitration) a Tentative Agreement (TA) may be reached. When a TA is reached, ballots are sent to each member in good standing for ratification. You can ensure eligibility to vote as a member in good standing by keeping your dues current. If approved by a majority vote, the agreement goes into effect. If the membership rejects the TA, then the process basically repeats itself with minor differences.

STEP 1: INTENT TO CHANGE - May 2012

Either the union or management must notify the other of their intent to amend the contract at least 90 days prior to the date it becomes amendable. They must agree to a meeting date within 10 days of the notification and must meet within 30 days of the original notification, unless both parties mutually agree to another date. The amendable date of our contract is August 16, 2012. AMFA served SWA our Intent to Change notice, and are scheduled to exchange Openers on August 21, 2012.

STEP 2: COLLECTIVE BARGAINING – August 2012

Per the AMFA Constitution, your Negotiating Committee is comprised of:

Airline Reps: Nino DiMaggio (L11), Bob Cramer (L18), Mike Young (L32)

Chair & Co-Chairman: Earl Clark (Region I Director) and Jack Coonrod (Region II Director)

Legal Council: Scott Petersen

The Committee will be using the results of the Contract Prioritization Survey to help guide their objectives and priorities while drafting the openers. Future surveys may be conducted as the negotiation process progresses.

Once the Negotiating Committee exchanges an initial contract proposal with SWA management, we will begin direct bargaining on individual sections of the CBA. It is expected that the parties will negotiate on an average of four days per month but this is always subject to change. The sessions will

typically increase in frequency when the parties get close to achieving a TA. Currently, most of the negotiations sessions are expected to take place in Dallas, Texas.

Once the Committee and management reach an agreement on a section, the section is "tabled" as a Tentative Agreement. Progress during this step, or lack thereof, determines whether it will be necessary to proceed with the other steps of the RLA.

STEP 3 - CONTRACT BECOMES AMENDABLE – August 16, 2012

Under the RLA contracts never expire, they simply continue as the "status quo" until amended. Management may not change the contract and AMFA may not engage in any work actions until all the steps outlined in the RLA have been completed and both parties are released.

STEP 4 - MEDIATION OPTIONS

If Collective Bargaining is unsuccessful and the negotiation process is deadlocked, either AMFA or management may choose to request the services of the National Mediation Board (NMB). Even if neither party solicits mediation, the NMB still may intercede and force both parties into mediation. This often happens when the talks are deadlocked or broken off.

STEP 5 - MANDATORY MEDIATION

If the NMB intercedes, both parties must enter into the mediation process and a mediator is assigned by the NMB. The mediator decides if negotiations are deadlocked and if either or both parties can proceed with other legal steps.

STEP 6 - BINDING ARBITRATION

Binding arbitration may be proposed by the NMB if mediation fails. Binding arbitration requires both the union and management to agree to it. They must also agree upon a neutral arbitrator. The NMB will offer to submit the remaining issues to binding arbitration. The arbitrator makes a decision that is final and binding to both parties. Typically the union will always object to binding arbitration.

STEP 7 - COOLING OFF PERIOD

If either AMFA or management refuse the NMB's offer of binding arbitration, both parties must observe a 30 day "cooling off" period. If the President of the United States does not intervene in steps 8-11, then the whole process moves directly to step 12 - Self Help. It should be noted that due to the potential for Presidential involvement, it is beneficial to the union if the sitting President is supportive of the right of workers to engage in labor actions.

STEP 8 - PRESIDENTIAL INTERVENTION

The NMB may at this time request the President of the United States to intervene due to the "possible substantial interference with interstate commerce." The President however is not legally mandated to intervene.

STEP 9 - FACT FINDING BOARD

The President may, at her or his discretion, establish an Emergency Fact Finding Board to investigate the dispute between the union and management and make recommendations.

STEP 10 - BOARD FINDINGS

If the board is appointed, they must make their recommendations within 30 days. The board may, however, ask either party for additional time to investigate. The President may also allow an additional 30 day extension for the board to complete its investigation.

STEP 11 - COOLING OFF II

After the Emergency Fact Finding Board makes its recommendations to the President, AMFA and management must observe another 30 day cooling off period. Intensified mediation talks, or "supermediation," may continue in an effort to reach an agreement prior to the expiration of the 30 days.

STEP 12 - SELF HELP

At the end of the 30 day cooling off period, AMFA and management are free of legal requirements to negotiate and the "status quo" of the contract has been rescinded. Management has the option of imposing its own work rules and wages. AMFA has the option of accepting those rules and wages or may elect to take work actions in the form of intermittent strikes, full walk out strike or other actions AMFA feels will help resolve the deadlock. Once a TA is agreed to by the Negotiation Committee, the TA is again passed on to the membership for ratification.

We hope this helps you to better understand how negotiations may progress at Southwest Airlines.

In Solidarity,

Your AMFA – Southwest Airlines Negotiating Committee