



AMFA/Southwest Airlines Contract Negotiations Update

For Southwest Airlines Appearance Technician Group

Update #4 **June 9th, 10th, & 11th 2009**

Participants for AMFA:

*Jack Coonrod – Region II Director
Lee Rhame – Airline Representative Local 11
James Kinnerk – Airline Representative Local 18
Mike Nelson – Airline Representative Local 32
Carla Foster - Appearance Technician Representative
Louie Key-National Director
Scott Petersen-AMFA Legal*

Participants for Southwest Airlines

*Mike Ryan – VP, Labor Relations
Jim Sokol – VP, Maintenance & Engineering
Tony Lowery – Senior Director Maintenance
George Tompkins – Director, Employee Resources
Mark Lyons – Manager, Employee Resources
Keith McCormick – Manager, Employee Resources
Christina Bennett-SWA Legal Counsel
Sam Moser-Planning Manager, Finance*

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

The above AMFA and Southwest Airlines Representatives participated in open, formal negotiations, seeking contract changes in Section VI negotiations.

The negotiations in Dallas on Thursday and Friday on May 14th and 15th were cancelled at the request of the Company.

Your Negotiating Committee and the Company exchanged proposals on Article 2 & 5. AMFA presented our proposal for Article 3.

In Article 2 the Company proposed outsourcing any and all work if they were able to obtain a lower bid from an outside vendor. AMFA rejected this proposal and countered with increased protections of covered work in the event of affiliations, acquiring, or joint ventures in other maintenance operations. And increased protections concerning blending of the workforce, and or moving any work to an international location. AMFA also proposed an expedited arbitration process for perceived violations of this Article.

In Article 3 the AMFA proposed changes that would make the Appearance Technician's contract more closely mirror the Mechanic's contract.

In Article 5 the Company formally proposed changing day shift start times to between 3:30 am and 10:30 am, midday shift start times to between 8:30 am and 1:00 pm, afternoon shift start times to between 1:00 pm and 7:00 pm, and graveyard start times to between 6:00 pm and midnight. In addition the Company's formal proposal eliminated all

but one bid location in Dallas (Hangar Utility Support) and all but two in Chicago, Houston, and Phoenix (Hangar Utility Support & Line Utility Support). They also formally proposed changes to the bidding process. AMFA rejected the proposals to all shift start times and the elimination of any bid locations. AMFA countered the proposal on the bidding process to make it closely mirror the Mechanic's bidding process.

During this negotiating session the Company informally (not in writing) proposed an approximate 54 percent reduction in the Appearance Technician headcount. Informally they also proposed to outsource all of the RON cleaning in Dallas and 75 percent of the current RON cleaning in Chicago, Houston, and Phoenix. We countered these proposals with the 100 percent elimination of the Appearance Technician bureaucracy, by eliminating all positions in this department above the Lead position level, utilizing the Mechanic's supervision and management. AMFA feels this would solve a great deal of the problems the Company associates with this department, create synergy, and a considerable cost savings.

The Company at this point requested a hiatus in our negotiations to consider our proposals, and to attempt to find some way to entice 50 percent plus one of our members to vote yes, to eliminating approximately 54 percent of its members. We agreed to meet on Tuesday September 15th, in Dallas to review the Company's progress. Future dates to continue discussions will be secured at that time.

The Negotiation Committee would like to thank Edward A. Wiltner and Kenneth Dawson our observers from Houston, Darlene D. Warren from Dallas, and Dave Widerski from Phoenix, our observers who participated this last negotiating session. Their input in caucus was very helpful and welcomed. We know that they will communicate with other members from their locals on how the Union is working to protect their jobs and contract language.

Sincerely,

Your Negotiating Committee