



AMFA–Southwest Airlines AMT Contract Negotiations Update

Update #56 May 8, 2017

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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.

We met with the Company on May 1–4 for a scheduled three and one-half day session at the National Mediation Board Offices in Washington, DC. Contrary to recent communication from the Company, Friday, May 5 was intended as a travel day. Our Committee communicated this to the Mediator weeks in advance of this session; therefore, the Company’s assertion that “AMFA opted to leave negotiations early” is, at best, a misstatement. At worse, this is an intentional misrepresentation designed to divert focus from the Company’s lack of meaningful negotiation at this session. This session was intended to continue discussions related to Article 2: Scope, with a specific focus on the supposal presented by AMFA at the previous session. Unfortunately, it was apparent at this session that the Company is not interested in negotiating in order to achieve a resolution to Scope. Instead, it wants complete flexibility to outsource your historic work while refusing to grow our group with the airline.

Monday, May 1 commenced at 2:00PM to allow the participants to travel to DC. The Company asked for an opportunity to address the Committee with a specific focus on responding to our Article 2 supposal. It is important to note that this was the second time AMFA had passed a supposal intended to address the Company’s plea for flexibility in Article 2. The Company made a number of substantive changes to our supposal, and our Committee needed substantial caucus time to evaluate the proposed changes and respond accordingly.

The Company insists that it needs increased flexibility within our Scope clause in order to allow it to properly transition to and run the future MAX Maintenance Program. To this end, the Company delivered a three-hour presentation in Santa Rosa, CA outlining the projected numbers associated with that program. Based on these numbers, your Committee delivered a supposal in Santa Rosa intended to provide the Company with flexibility, but also designed to deliver concrete future work for our group. The Company, in its response, took the flexibility we offered without delivering the work that would sustain and allow our group to grow – this is unacceptable.

For example, in exchange for allowing the Company to zero-time intermediate level tasks on aircraft in the future MAX program and attach those to Y-checks performed by vendors, we asked for a fifth line of maintenance to address the new 3Y Checks in the MAX program. Although the Company has designated the 3Y and 6Y for the new Max fleet as a "heavy" check, the Union disagrees; therefore, the Union proposed a fifth line of maintenance to perform all 3Y/6Y checks in-house.

The Company agreed to the concept of a fifth line of maintenance, but only if we would agree that, in addition to the Dallas C Check, the HRON bid location in Dallas would also be completely eliminated and its headcount cannibalized to staff the fifth line. If HRON work was required, the Company would use technicians from the

fifth line to cover it. Therefore, the Company simply wanted to move heads around – this is not bargaining, this is a shell game.

The Company originally advised in Santa Rosa that it foresaw the need to create five Annual Check lines of maintenance based on the bridging process into the MAX maintenance, and we based our supposal on this projection. In its DC response, however, the Company indicated that it could only commit to phasing in three Annual Check lines during a potential five-year contractual enforcement period. In addition, the Company's headcount commitment for these lines would actually shrink the existing numbers currently engaged in intermediate work at some stations. These Annual Check lines would combine existing C-check work and, as proposed by the Company, reduce headcount by as much as 15% in some locations. The Company, with its projected MAX maintenance program, seeks the ability to outsource up to 50% of NG C-check / annual work and up to 33% of all MAX annual checks. It is nearly impossible to negotiate with a Company that either doesn't understand its own future maintenance program or continually manipulates the numbers to ensure our group receives as little contractual work protection as possible. If the Company thinks we, as a Committee, do not realize that this is what is happening, they are sadly mistaken.

The Company also will not agree to increase the technician to aircraft ratio above 2.75 that is currently included in Letter of Agreement (LOA) #1. This is, by far, the lowest ratio in the industry. Our Committee pointedly asked the Company if they felt this was a safe ratio and, of course, the Company replied with silence. The Company also continues to demand that the Outsourcing Liaison Representative position included in LOA #1 be abolished. We all should ask ourselves why the Company is so intent upon removing our ability to see what is being outsourced and whether it complies with the contract. There is but one reason – the Company does not want the Union to be able to enforce its contract in the same responsible manner it has since 2009.

One disturbing trend that has become apparent from the Santa Rosa and DC sessions is that the Company has no intent to grow our group as the airline grows. This is unacceptable. The next mediated session is not scheduled until June 20–22 in Dallas, TX. We asked for additional earlier dates, and the Mediator offered May 31 – June 2. Your Committee accepted these dates; however, the Company did not. We also proposed additional dates to meet with the Company without the Mediator, but we have not received a response. The Mediator indicated that she wanted to be in the loop and approve any negotiation meetings that were scheduled without her, and that our Committee would need to include the agenda and specific proposals to be made.

Unfortunately, it has become clear that Maintenance Programs pitched and sold the new MAX maintenance program to their bosses, and now expect us to simply accept massive changes to our contract that they believe are required to make the new program work. This is not negotiating. We will not see our group diminished as the airline grows. We will not simply give away our historically protected work. There must be negotiations; the Company must have some skin in this game and provide us concrete work as we move into the future.

Our next session is scheduled for June 20–22 in Dallas. The time is now for our group to become united as one single voice. The time is now for our group to stand resolute behind our Committee and tell this Company that we will not stand by while our work and our group suffer. It is past time for this Company to recognize the value that we, as technicians, provide in terms of safety and ensuring that aircraft are ready to produce revenue each and every morning.

Stay informed, stay engaged, and continue watch what the Company does, not what it says.

Sincerely,

Your Negotiating Committee