



# AMFA-Southwest Airlines AMT Contract Negotiations Update

**Update #63    April 11, 2018**

**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  
Wayne Lampley – Airline Representative, Local 18  
Mike Young – Airline Representative, Local 32  
Lucas Middlebrook – AMFA Counsel  
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**Participants for Southwest Airlines:**

*Gerry Anderson – Sr. Director, 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.

The parties met on Monday, April 9, 2018, for a scheduled two-day negotiation session in Dallas, TX. Your Committee delivered a counterproposal to the Company's last pass from our previous March session. That proposal contained a reduction in our snap-up ask from 16.9% to 16.7%, and we informed the Company we were not interested in the additional ETOPS relief it had requested or elimination of the Outsourcing Liaison Representative (OLR) position. The Company responded by proposing a change in the amendable date of the contract, altered their additional ETOPS relief request slightly, and continued to demand elimination of the OLR position. It was at this point the Company advised your Committee that it was unwilling to put another single penny into this deal to reward you for your hard work.

We advised the Company, in response to its unwillingness to place any additional compensation in the deal, that we would put the current economic package out for a ratification vote if the Company abandoned its additional ETOPS relief, left Letter of Agreement (LOA) #2 unchanged, and retained the OLR position. The Company asked for the remainder of Monday to evaluate this concept.

The Company returned Tuesday morning and passed a counter that only slightly altered its additional ETOPS request, but still wanted elimination of LOA #2 and the OLR position. This was wholly unacceptable to your Committee and not something we would send to the membership for ratification. In response, the Company altered its position with the assistance of the Mediator, resulting in a package we were willing to send for ratification.

Below is a summary of the Agreement in Principle (AIP) that will be sent to you for a ratification vote:

- No changes to Article 2, Scope;
- 14.8% snap up in wages retroactive to April 1, 2018 (license and longevity increases as previously agreed to and reported in past updates);
- 3% annual increases paid on April 1, 2019, 2020, 2021, 2022;
- Agreement to become amendable April 1, 2023 with a 12-month early opener;

- \$74 million ratification bonus payment made within 60 days following date of ratification with methodology of distribution to be determined by AMFA with Company approval;
- \$17 million ratification bonus payment on April 1, 2019, with methodology of distribution to be determined by AMFA with Company approval;
- LOA #1 will expire in accordance with its sunset provision;
- A new Letter of Agreement has been reached to retain full access and information sharing currently provided to the outsourcing liaison position. The only change to the position is that it will no longer be paid for by the Company;
- LOA #2 will remain in place for duration of the next CBA, if ratified;
- There will be no additional ETOPS relief for the Company except what had been previously TA'ed in this process, which was the ability to use vendors outside of the contiguous United States;
- Maintenance Controllers top-of-scale pay to be 2.8% above industry;
- Technical Instructors equal to Lead AMT pay;
- All federal court litigation will be stayed pending ratification.

Your Committee has decided that it will not endorse this AIP or recommend that you vote yes. It remains our position that you are entitled to a better compensation package, and we will explain why on the upcoming road show. The Company made it abundantly clear that it was unwilling to provide you with a single penny more as part of this deal; therefore, it is time for you, the members, to let the Company know how you feel about this deal with your vote.

Details will be released shortly regarding the road show schedule. It is important to remember this is only an AIP at this time, and it will take time to coordinate and combine the tentative agreement language into a single package for you to vote on. During this time there will, inevitably, be inaccurate information circulated, but we implore everybody to be patient as we roll-out the roadshow, where we will provide you with detailed information and give you the opportunity to ask as many questions as you need to make an informed decision.

We will remain unified as we educate the membership on the contents of this package, and with our voting voice will demonstrate to the Company how we, as a group, feel about its stubborn unwillingness to provide you with the compensation package your hard work has earned.

Sincerely,

Your Negotiating Committee