



TRANSPORT WORKERS UNION OF AMERICA • LOCAL 555

AFL-CIO • AIR TRANSPORT DIVISION • ESTABLISHED IN 1996
REPRESENTING THE RAMP, OPERATIONS, PROVISIONING AND FREIGHT AGENTS OF SOUTHWEST AIRLINES
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Update Regarding Cost Savings Meeting #4

The Company submitted a proposal to the Union on October 27, 2020. This proposal contained concessionary measures on our pay in addition to work rule changes. The Union has informed the Company that we cannot accept this offer. The Union made it very clear to the Company that we will not accept any wage concessionary proposals. While the Union supports efforts to buoy Southwest Airlines economic health, the Union cannot take the economic survivability of Southwest Airlines seriously when the Company continues to announce expansion plans. The Union also feels these expansion plans will continue to be announced in the future. With these mixed messages from the Company, the Union will not accept any wage concessionary proposals at a time when the Company is also engaging in spending associated with expansion.

The Company gave the Union a target number of \$70 million in savings they needed to achieve with our work group. The Union has given the Company several ideas, suggestions, and proposals that would achieve their target. The Company appears to be more insistent on ideas and proposals that involve work rule changes and pay concessions.

The Company said they want to work with the Unions. However, the Company's failure to favorably respond to the Union's proposals is perceived as desire to erode our contract that took us years to negotiate while the Company was achieving record profits. It is clear the objective of the Company is to rely on this crisis to implement life altering affects upon our membership. The Company's position is unjust.

Here is the Union's breakdown of the Company's proposal:

- 1) The Company's promise of no furloughs is not guaranteed.
- 2) The Company wants to push back the March 1, 2021, raises to January 1, 2022. This deferment will save the Company \$10-15 million. The Company's current daily cash burn rate is between \$10-12 million. In plain English, this deferment gives the Company one more day of survivability.
- 3) The Company desires to eliminate the language protecting the cross utilization of Provo and Ramp positions. The language in the contract has been maintained to

protect jobs. Acceptance of these terms, outside our current language, could set in motion the elimination of all provisioning positions.

These are the key points of the proposal the Company wants the Union to sign off on. The Union cannot accept these terms. The Union has made some gracious offers to the Company for consideration that can save the Company millions and generate millions of dollars.

The Union has proposed a temporary increase in the weight limit of freight to 250 pounds with all considerations to safety precautions. Additionally, the Union has proposed a temporary reduction in the Uniform allowance for more senior employees. The Company has given the Union a \$50 million credit toward the \$70 million cost savings goal due to our Union accepting and performing the work of the Turn Cleaning. Therefore, the cost savings required from the Union is now at \$20 million. Even with our members giving the Company \$21 million in savings due to LWOP since the pandemic began, the Union is still discussing other measures to save money and bring in more revenue.

The Company is choosing to propel the furlough narrative despite our Union giving the Company their target number. Even from the Company's perspective, our membership has given the Company 70% of the target savings goal. If the Company is serious about saving your jobs, then they will at least take the 70% savings and work out the remaining details without the threat of furloughs. The Company can also attain their savings target by offering another round of VSP and ExTO. The Company said they cannot offer another round of VSP or ExTO because the implementation of the VSP and ExTO was, "a onetime offer."

This pandemic has presented unprecedented problems to our industry. The Company continues to ask more in return for less. Throughout the pandemic we continue to work in spite of placing our health and safety on the line in order for operations to proceed. Our Union members have sacrificed in the furtherance of the Company for the benefit of Southwest Airlines as well as our livelihood. The Company's desire to take away our negotiated pay when we have fully supported the Company is a sacrifice that would negatively affect our memberships' quality of life.

We are a membership of many and our voices are collectively strong. Together we will fight to protect our work life and our families. It is not Unions who furlough employees, it is Companies that furlough employees.

Please continue to check our web site at twu555.org for official communications.