



## TRANSPORT WORKERS UNION LOCAL 555

REPRESENTING THE RAMP, OPERATIONS, PROVISIONING, AND FREIGHT AGENTS OF SOUTHWEST AIRLINES  
TRANSPORT WORKERS UNION OF AMERICA • AFL-CIO • AIR TRANSPORT DIVISION • TWU555.ORG  
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### COVID-19 Update #21

## Payroll Support Program and Response to Gary Kelly

October 7, 2020

Brothers and Sisters,

As most of you are aware, Southwest Airlines' CEO Gary Kelly released a statement on Monday, October 5<sup>th</sup> about the failure of our government's leaders to extend the Payroll Support Program (PSP). After stating that all non-contractual employees at Southwest Airlines would have their pay cut by 10%, and be assured that they would not be furloughed during 2021, Mr. Kelly added that without the PSP extension he will be making the decision to request concessions from the Unions on property as a condition of avoiding furloughs.

If you have not yet called your congressional representatives about supporting the PSP, we encourage everyone to do so. Please refer to our website and COVID-19 update #20 for links to find your member of Congress and Senators. A quick phone call to your congressional representatives about the importance of the PSP extension that the aviation industry needs will help secure everyone's future.

As previously mentioned, Mr. Kelly stated that he would be asking for concessions from all of the labor groups on property and we are actively engaged and in discussions with the other Unions to determine our best course of action not only for the nearly 15,000 Members of TWU 555, but all Union Members that make Southwest Airlines so admirable. Like negotiating contracts, any side agreement involving pay will first go to the local's Executive Board. It is then the role of the Executive Board to decide whether it is appropriate to send the proposal to the Membership for a final vote. To be clear, any proposal involving pay will ultimately be decided by the membership. If you have not had an opportunity to read our Q & A on Article 15 (Reduction in Force), located on our website at <http://www.twu555.org/wp-content/uploads/2020/08/RIF-QA-003.pdf> , we encourage all Members to familiarize themselves with this information.

Mr. Kelly also stated that he would consider other cost-cutting measures brought to him by Union employees. With that in mind, one cost-cutting measure we expect the Company to consider is to cease the outsourcing of our overnight aircraft cleaning to contract vendors. We estimate this alone could potentially save the Company over \$100 million dollars annually. Does the Company want this to be the first time in the history of Southwest Airlines to involuntarily furlough employees when there is contractual work being outsourced? Regaining our contractual work of aircraft cleaning is only one of many potential ideas to save money. We now have an additional contact option on our website where any member can submit a cost savings suggestion. We will compile these submissions and present them to the Company as legitimate cost savings from you, the Members.

Southwest Airlines continues to grow by adding additional routes and destinations to our network. These measures do not come without a substantial outlay of capital. Approximately 3,000 of our 15,500 Members willingly accepted the sacrifice of taking either the ExTO or the VSP to save the Company money. Those Members and the Members who continue to save the Company money by taking month-long ETOs are saving Southwest Airlines a significant amount of money. The Company reported in their most recent financial disclosure that the daily cash burn rates continue to improve, and that rate is much less than that of other carriers. It is estimated that Southwest Airlines will have over \$10 billion dollars in the bank at the end of this year, placing our Company in a very enviable position compared to other carriers when we emerge from this pandemic.

Your TWU 555 Local continues working diligently to secure our futures. Please keep informed by regularly going to our website at [twu555.com](http://twu555.com). Additionally, you can sign up for email updates on the website as well.

Fraternally,  
TWU 555 Local Executive Board