

Southwest Airlines Co.
Julie Weber
Vice President and Chief People Officer
People Department
2702 Love Field Drive [HDQ 4HR]
Dallas, TX 75235



November 18, 2020

VIA FIRST CLASS MAIL AND EMAIL

Steven Gustafson
State Trade and Rapid Response Coordinator
REACT Program
Caldwell Building, MSC 229
107 E. Madison Street
Tallahassee, FL 32399-4137
WARNnotices@deo.myflorida.com

Dear Mr. Gustafson:

The COVID-19 pandemic has devastated domestic air travel and tourism. As a result, Southwest Airlines has lost billions of dollars in revenues since the pandemic began. To help offset that revenue loss, Southwest has reduced annual 2020 cash outlays and spending by approximately \$8 billion compared with original plans. Southwest has also raised cash of approximately \$18.9 billion since the beginning of 2020, but we cannot disregard our almost 70 percent revenue loss in third quarter 2020.

The Payroll Support Program (PSP) for the airline industry, a part of the federal CARES Act, allowed Southwest to operate without any Employee pay cuts, layoffs, or furloughs through September 30, 2020. Southwest implemented a Voluntary Separation Program and an Extended Emergency Time Off Program, which were helpful to further reduce our staffing costs, with approximately 25 percent of Employees taking voluntary options. However, with PSP's expiration and no clarity that Congress will extend it in the future, Southwest must take further action to reduce our costs associated with Employee salaries, wages, and benefits—the largest cost category by far. Last month, Southwest announced plans to reduce wages or engage in other cost-saving measures for all Leadership and Non-Union Employees. We expect these actions will permit Southwest to avoid layoffs for our Non-Union Employees through next year.

For our Union Employees, the Company is currently working with our Unions to negotiate cost-saving agreements. In exchange for such agreements, Southwest has promised protections from furloughs for our Union Employees through next year.

After nearly six weeks of discussions, we have not made meaningful progress in cost-saving negotiations with the Aircraft Mechanics Fraternal Association (AMFA), the Union representing our Mechanics and Related Employees, Facilities Maintenance Technicians, and Aircraft Appearance Technicians. As a result, Southwest must unfortunately involuntarily furlough Mechanics and Related Employees, Facilities Maintenance Technicians, and Aircraft Appearance Technicians nationwide to further

reduce our costs. The involuntary furlough will take place next year unless we reach cost-saving agreements with AMFA, the government enacts a satisfactory PSP extension, or there is some other unforeseen event such as a significant increase in revenue.

Please know that this notice is delivered to satisfy the requirements of the Worker Adjustment and Retraining Notification Act (29 U.S.C. §§ 2101 et seq.) and regulations promulgated thereunder, or other state or local laws (collectively, the "Acts"), out of an abundance of caution even though the Acts may not apply to the current reduction in force.

This mass furlough, which is scheduled to take place on January 25, 2021, or within 14 days thereafter, is expected to affect employees in the Mechanic and Related workgroup located at Ft. Lauderdale/Hollywood International Airport, 100 Terminal Drive, Ft. Lauderdale, FL 33315 and Ft. Lauderdale/Hollywood International Airport, 50 South Terminal Drive, Ft. Lauderdale, FL 33315; Orlando International Airport, 1 Jeff Fuqua Boulevard, Orlando, FL 32827; Orlando International Airport, 4170 Wiley Drive, Orlando, FL 32824; Tampa International Airport, 4100 George J. Bean Parkway, Tampa, FL 33607 and Tampa International Airport, 4021 Bessie Coleman Boulevard, Tampa, FL 33607 and employees in both the and Aircraft Appearance Technicians workgroups located at Ft. Lauderdale/Hollywood International Airport, 100 Terminal Drive, Ft. Lauderdale, FL 33315; Orlando International Airport, 4170 Wiley Drive, Orlando, FL 32824 Although we cannot predict with any certainty, based on the best information available to Southwest at this time, we expect that this furlough will last more than six months but will be temporary.

Pursuant to Southwest's Mechanics and Related collective bargaining agreement with AMFA, Employees in the Mechanics and Related workgroup who are affected by a furlough have rights to bump someone of lower seniority. The Aircraft Appearance Technicians are being furloughed in reverse seniority order and therefore do not have any bumping rights as a result of this furlough.

Attached as Appendix A is a list of the job titles and number of Florida-based Employees in each workgroup who are expected to be affected by the furlough. Because of the bumping rights available to the Employees in the Mechanics and Related workgroup, Southwest is unable to determine which or how many Florida-based Mechanic and Related Employees ultimately will be affected by the planned action.

The chief elected official of AMFA is Bret Oestrich, National Director, 7853 E. Arapahoe Court, Suite 1100, Centennial, CO 80112.

For further information, please contact Dawn Siemiet, Senior Manager at 214-792-6477 and WARNsupport@wnco.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie Weber', with a stylized, flowing script.

Julie Weber

APPENDIX A

JOB TITLE	NUMBER OF AFFECTED INCUMBENT EMPLOYEES	LOCATION
Aircraft Maintenance Technician	6	Ft. Lauderdale
Aircraft Maintenance Technician	29	Orlando
Aircraft Maintenance Technician	31	Tampa
Ground Service Equipment Technician	2	Ft. Lauderdale
Ground Service Equipment Technician	6	Orlando
Ground Service Equipment Technician	1	Tampa
Appearance Technicians	2	Orlando