

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



December 3, 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. In October, 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 over two months of discussions, we have not made meaningful progress in cost-saving negotiations with the following Unions:

- Southwest Airlines Pilots Association (SWAPA), the Union representing our Pilots. The chief elected official for the Pilots is Jon Weaks, President, SWAPA, 1450 Empire Central, Suite 737, Dallas, TX 75247.

- Transport Workers Union of America, AFL-CIO (TWU) and its Local 556, the Union representing our Flight Attendants. The chief elected officials of TWU are John Samuelsen, President, and Mike Mayes, Director Air Division, Transport Workers Union of America, AFL-CIO, 501 3rd Street, NW, 9th Floor, Washington, DC 20001. The chief elected official of TWU Local 556 is Lyn Montgomery, President, TWU Local 556, 8787 N. Stemmons Frwy. Suite 600, Dallas, TX 75247.
- International Association of Machinists and Aerospace Workers, AFL-CIO (IAM) and IAM District Lodge 142, the Union representing our Customer Support and Services (CS&S) Employees, including Customer Service Agents, Customer Representatives, and Source of Support Representatives. The chief elected official of IAM is Robert Martinez, Jr., International President, IAM Headquarters, 9000 Machinists Place, Upper Marlboro, MD 20772. The chief elected official of IAM District 142 is David Supplee, Local President and Directing General Chair, IAM District Lodge 142, 400 N.E. 32nd Street, Kansas City, MO 64116.
- Transport Workers Union of America, AFL-CIO (TWU) and its Local 555, the Union representing our Ramp, Operations, Provisioning, and Freight Agents. The chief elected officials of TWU are John Samuelsen, President, and Mike Mayes, Director Air Division, Transport Workers Union of America, AFL-CIO, 501 3rd Street, NW, 9th Floor, Washington, DC 20001. The chief elected official of TWU Local 555 is Charles Cerf, President, TWU Local 555, 1341 W. Mockingbird Lane Dallas, TX 75247.

As a result, Southwest must unfortunately involuntarily furlough Pilots, Flight Attendants, Customer Service Agents, and Ramp Agents, Operations Agents, Provisioning Agents, Freight Agents nationwide to further reduce our costs. 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.

The involuntary furlough will take place next year unless we reach cost-saving agreements with SWAPA, TWU Local 556, IAM and/or TWU Local 555, 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 is scheduled to take place on March 15, 2021, or within 14 days thereafter for Customer Service Agents located at:

- Ft. Lauderdale-Hollywood International Airport
100 Terminal Drive
Ft. Lauderdale, FL 33315
- Orlando International Airport
1 Jeff Fuqua Boulevard
Orlando, FL 32827
- Tampa International Airport
4100 George J. Bean Parkway
Tampa, FL 33607

This mass furlough is also scheduled to take place on March 15, 2021, or within 14 days thereafter for Ramp, Operations, Provisioning, and Freight Agents located at:

- Ft. Lauderdale-Hollywood International Airport
100 Terminal Drive
Ft. Lauderdale, FL 33315
- Orlando International Airport
1 Jeff Fuqua Boulevard
Orlando, FL 32827
- Tampa International Airport
4100 George J. Bean Parkway
Tampa, FL 33607

This mass furlough is also scheduled to take place on April 1, 2021, or within 14 days thereafter for Pilots and Flight Attendants located at:

- Orlando International Airport
1 Jeff Fuqua Boulevard
Orlando, FL 32827

Pursuant to Southwest's collective bargaining agreements with IAM and TWU Local 555, Customer Service Agents, and Ramp, Operations, Provisioning, and Freight Agents who are affected by the furlough have rights to bump someone of lower seniority. Pilots and Flight Attendants workgroups 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 Customer Service Agents and Ramp, Operations, Provisioning, and Freight Agents, Southwest is unable to determine which or how many Florida-based Customer Service Agents, Customer Representatives, and Ramp,

Operations, Provisioning, and Freight Agents ultimately will be affected by the planned action.

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
Customer Service Agent	97	Ft. Lauderdale
Operations Agent	25	Ft. Lauderdale
Freight Agent	4	Ft. Lauderdale
Provisioning Agent	23	Ft. Lauderdale
Ramp Agent	122	Ft. Lauderdale
First Officer	82	Orlando
Flight Attendant	58	Orlando
Customer Service Agent	73	Orlando
Operations Agent	10	Orlando
Freight Agent	4	Orlando
Provisioning Agent	13	Orlando
Ramp Agent	136	Orlando
Customer Service Agent	46	Tampa
Operations Agent	13	Tampa
Provisioning Agent	10	Tampa
Ramp Agents	70	Tampa