

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



November 6, 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.

The International Brotherhood of Teamsters (IBT) Airline Division, the Union representing our Material Specialists, recently informed us that it wanted to discontinue cost-saving negotiations. As a result, Southwest plans to involuntarily furlough Employees in the Material Specialists workgroup represented by the IBT to further reduce our costs. The involuntary furlough, which will be the first in our history, will take place next year unless we reach a cost-saving agreement with the IBT, 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 11, 2021, or within 14 days thereafter, is expected to affect Employees based at 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.

The Material Specialists employed by Southwest are represented by the International Brotherhood of Teamsters Airline Division (IBT), and its Local 19, 104, 210, 455, 769, 781, and 986. The chief elected officials of IBT are James P. Hoffa - General President, and Captain David Bourne, Airline Division Director, International Brotherhood of Teamsters, 25 Louisiana Avenue, NW, Washington DC 20001. The chief elected official of IBT Local 19 is Robert Clever, President, IBT Local 19, 104, 210, 455, 769, 781, and 986, 151 Northpoint Drive, Houston, TX 77060. Bumping rights for Material Specialists do not exist as a result of this mass furlough.

A list of the job titles of positions to be affected, and the number of affected Employees in each job classification is attached hereto as Appendix A.

For further information, please contact Dawn Siemiet, Senior Manager at 214-792-6477 and [WARNsupport@wnco.com](mailto:WARNsupport@wnco.com).

Sincerely,

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

Julie Weber

**APPENDIX A**

<b>JOB TITLE</b>	<b>NUMBER OF AFFECTED EMPLOYEES</b>
Material Specialists	8