

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

Camea Dukes
State Rapid Response Coordinator
Texas Workforce Commission
101 E 15th St
Room 440T
Austin, TX 78778
camea.dukes@twc.state.tx.us
warnletter.central@twc.state.tx.us

Dear Ms. Dukes:

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 Weeks, President, 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 Samuelson, 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 Dave 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 Samuelson, 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.
- International Brotherhood of Teamsters Airline Division (IBT), and its Local 19, the Union representing our Flight Simulator Technicians. 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, 151 Northpoint Drive, Houston, TX 77060.
- Transport Workers Union of America, AFL-CIO (TWU) and its Local 557, the Union representing our Flight Instructors. The chief elected officials of TWU are John Samuelson, 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 557 is Gerald Bradley, President, TWU Local 557, P.O. Box 543546 Dallas, TX 75354.

As a result, Southwest must unfortunately involuntarily furlough Pilots, Flight Attendants, Customer Service Agents, Customer Representatives, Ramp Agents, Operations Agents, Provisioning Agents, Freight Agents, Flight Simulator Technicians, and Flight Instructors nationwide to further reduce our costs. The involuntary furlough will take place next year unless we reach cost-saving agreements with SWAPA, TWU Local 555, TWU Local 556, TWU Local 557, IAM, and/or 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 is scheduled to take place on March 15, 2021, or within 14 days thereafter for [REDACTED] located at:

This mass furlough is also scheduled to take place on March 15, 2021, or within 14 days thereafter for [REDACTED] located at:

- Southwest Airlines Customer Service & Support
12055 Kurland Drive
Houston, TX 77024
- Southwest Airlines Customer Service & Support
11711 IH-35 North, Suite #100
San Antonio, TX 78233

This mass furlough is also scheduled to take place on March 15, 2021, or within 14 days thereafter for [REDACTED] located at:

- Austin-Bergstrom International Airport
3600 Presidential Boulevard
Austin, TX 78719
- Dallas Love Field Airport
8008 Herb Kelleher Way
Dallas, TX 75235
- William P. Hobby Airport
7800 Airport Boulevard
Houston, TX 77061

- San Antonio International Airport
9800 Airport Boulevard
San Antonio, TX 78216

This mass furlough is also scheduled to take place on April 1, 2021, or within 14 days thereafter for [REDACTED] located at:

- Dallas Love Field Airport
8008 Herb Kelleher Way
Dallas, TX 75235
- William P. Hobby Airport
7800 Airport Boulevard
Houston, TX 77061

This mass furlough is also scheduled to take place on April 1, 2020, or within 14 days thereafter for [REDACTED] located at:

- Southwest Airlines
2195 Research Row, WGS-8TC
Dallas, TX 75235

This mass furlough is also scheduled to take place on April 1, 2020, or within 14 days thereafter for [REDACTED] located at:

- Southwest Airlines
2175 Research Row, LDS-8TS
Dallas, TX 75235

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. Unfortunately, however, as part of this mass furlough, if the five (5) probationary Customer Representatives do not complete their probation before the furlough scheduled on March 15, 2021, they will be permanently laid off.

Pursuant to Southwest's collective bargaining agreement with IAM and TWU Local 555, [REDACTED] who are affected by a furlough have rights to bump someone of lower seniority. [REDACTED] 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 Texas-based Employees in each workgroup who are expected to be affected by the furlough. Because of the bumping rights available to [REDACTED]

[REDACTED], Southwest is unable to determine which or how many Texas-based [REDACTED] will be affected by the planned action.

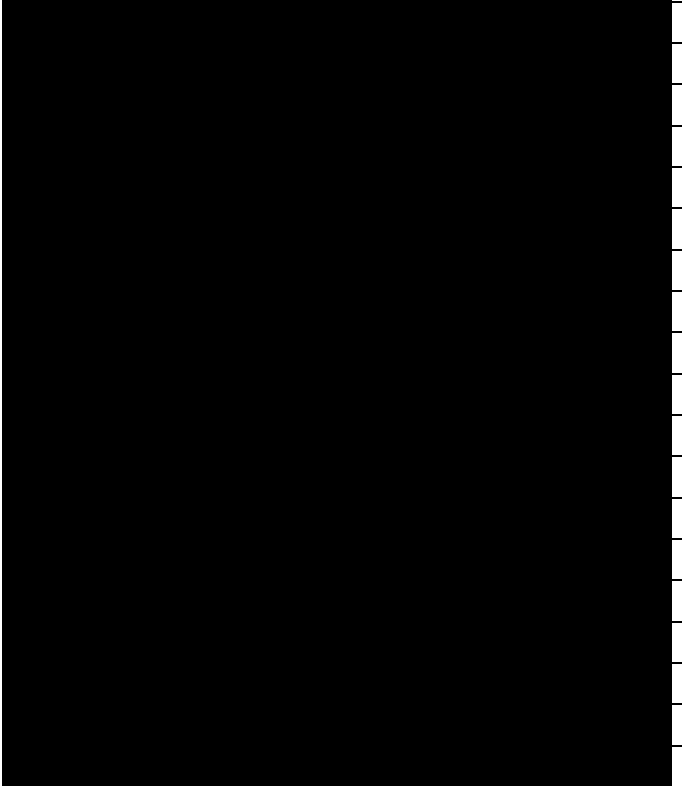
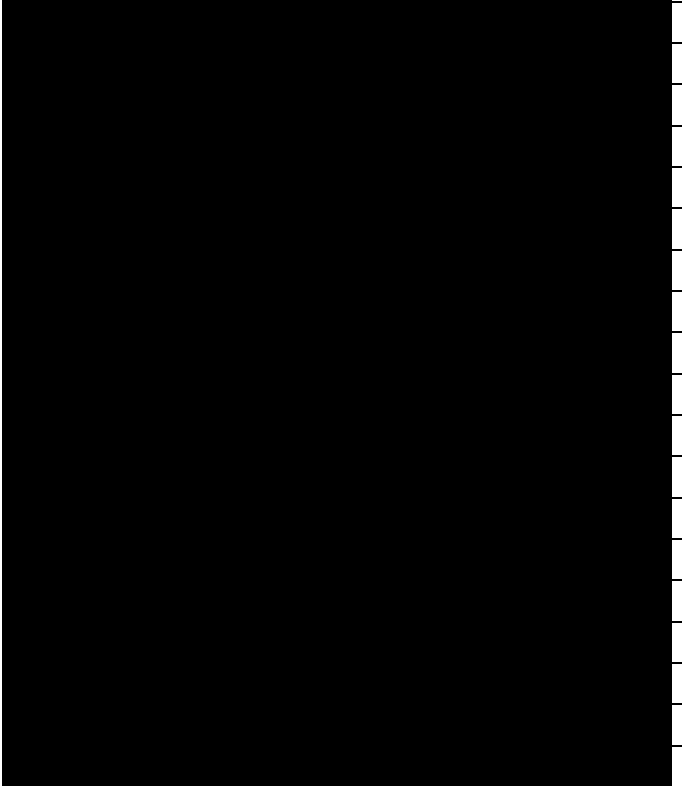
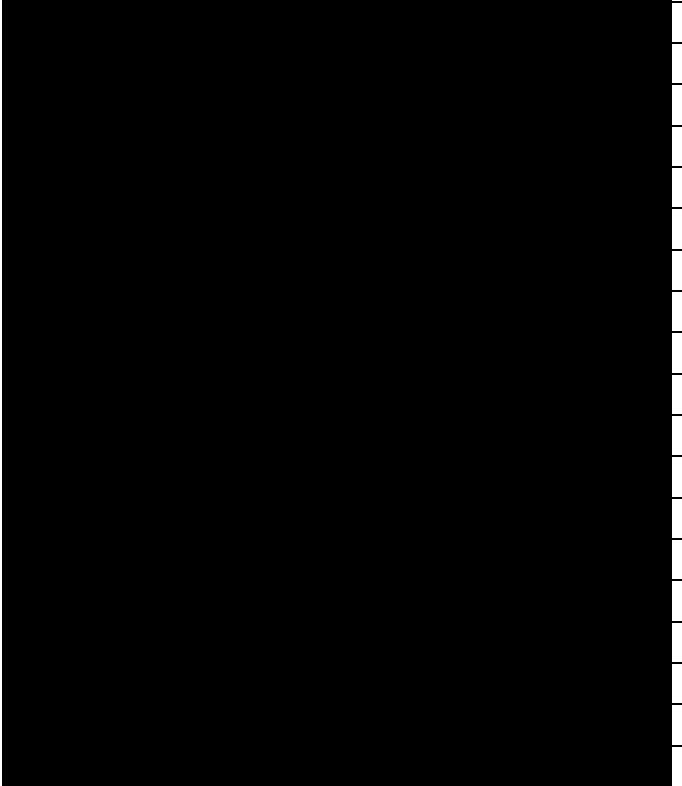
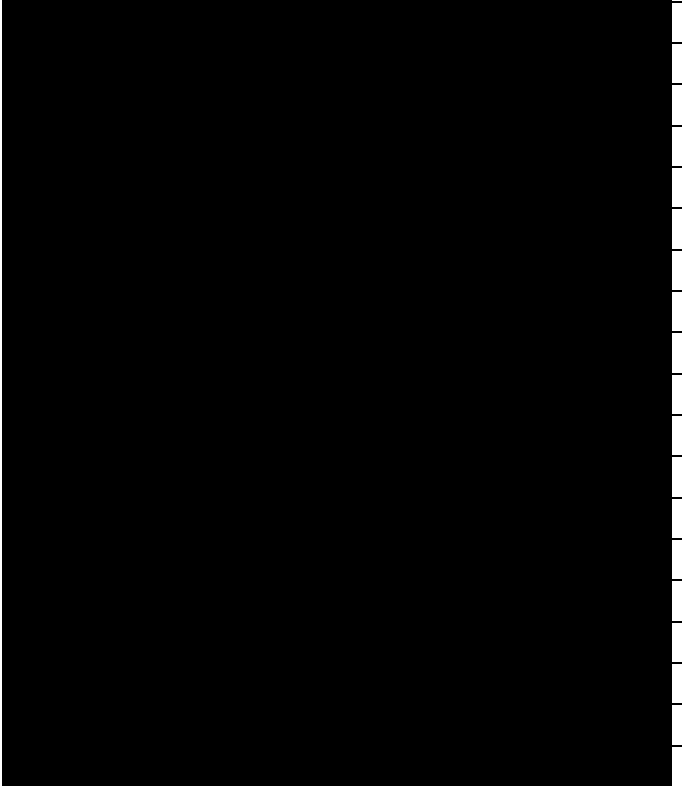
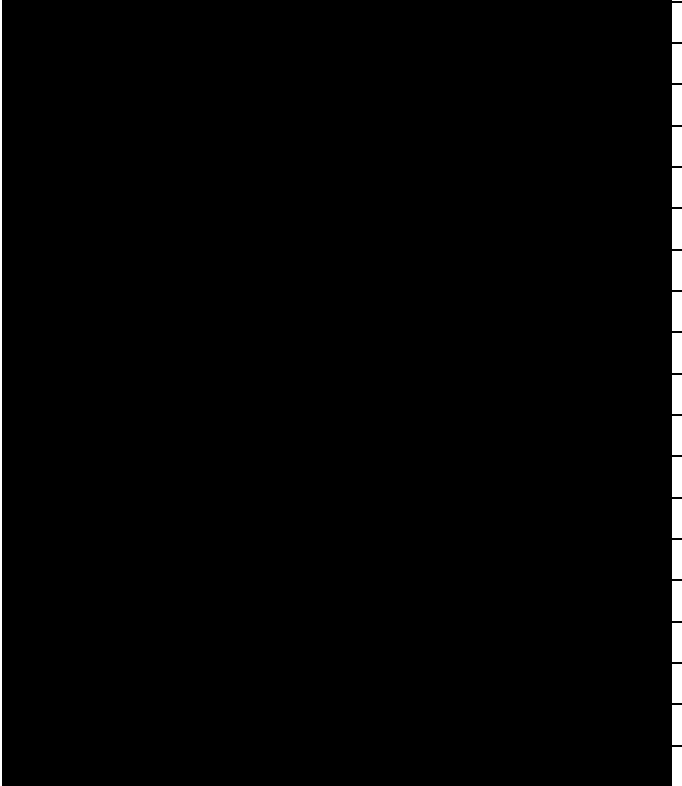
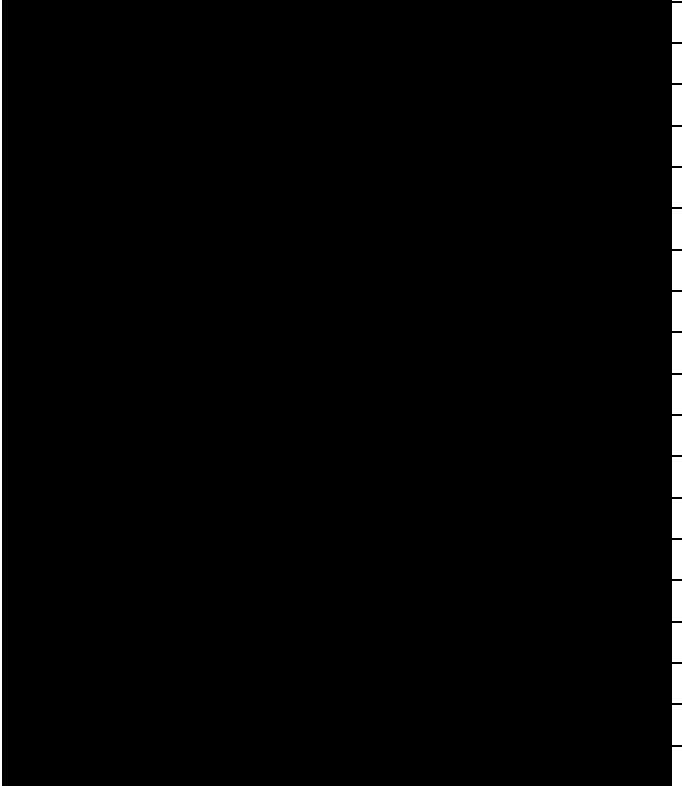
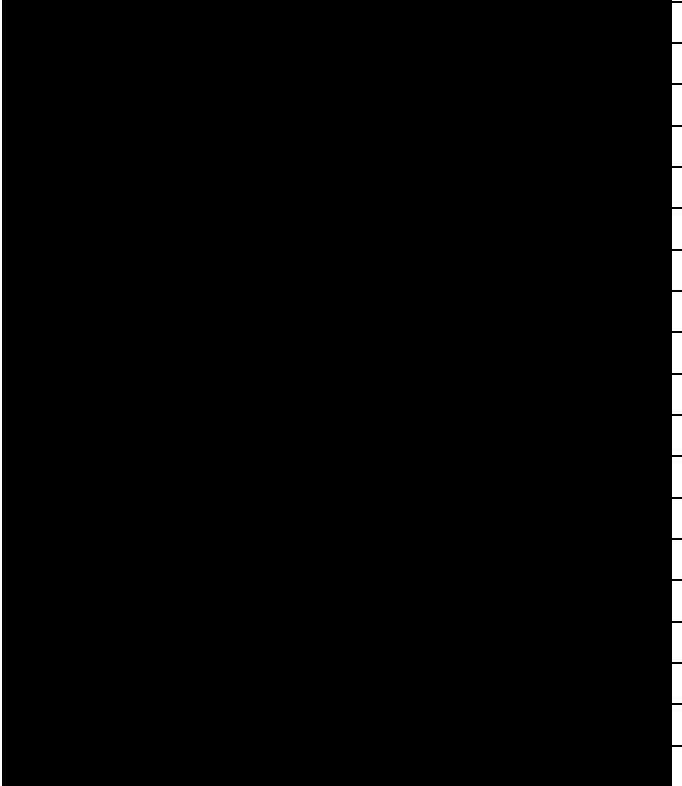
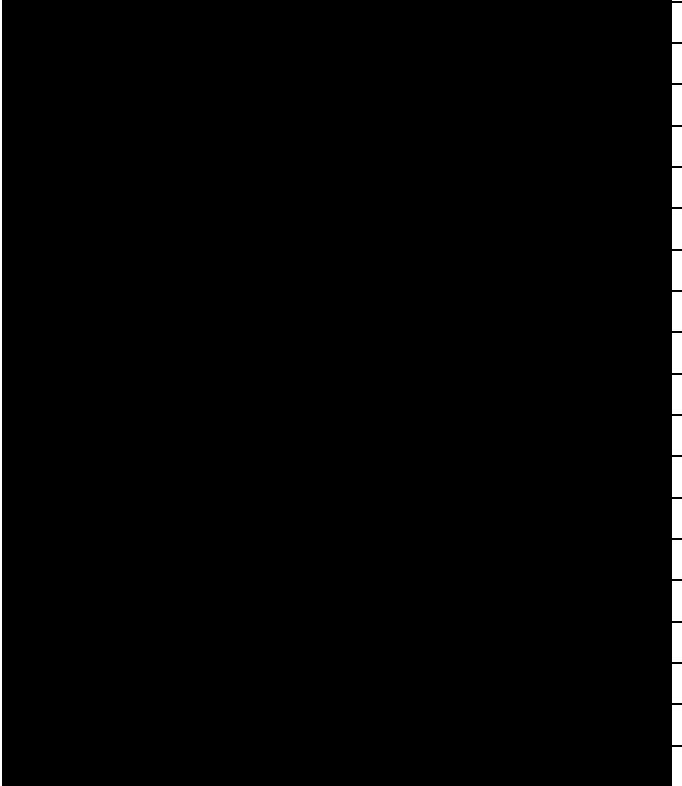
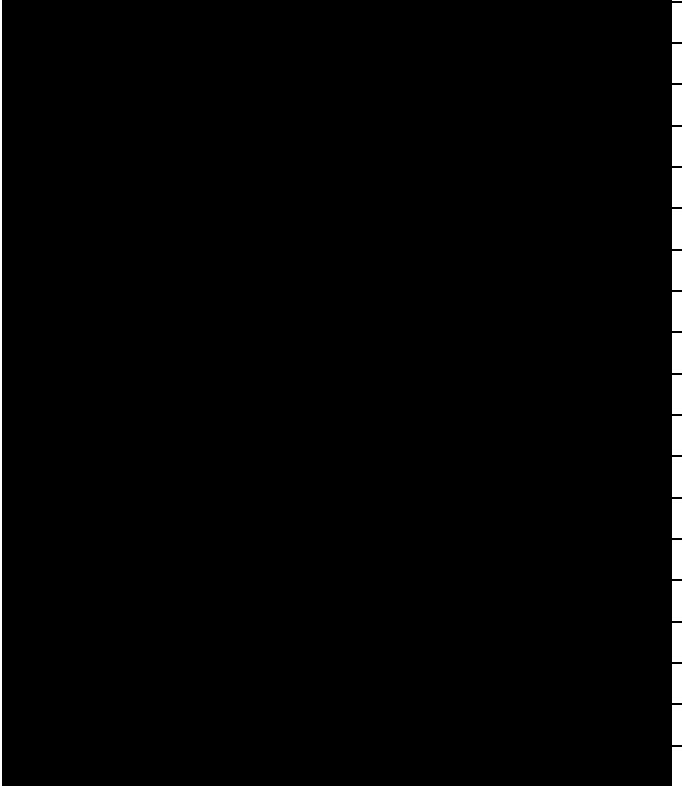
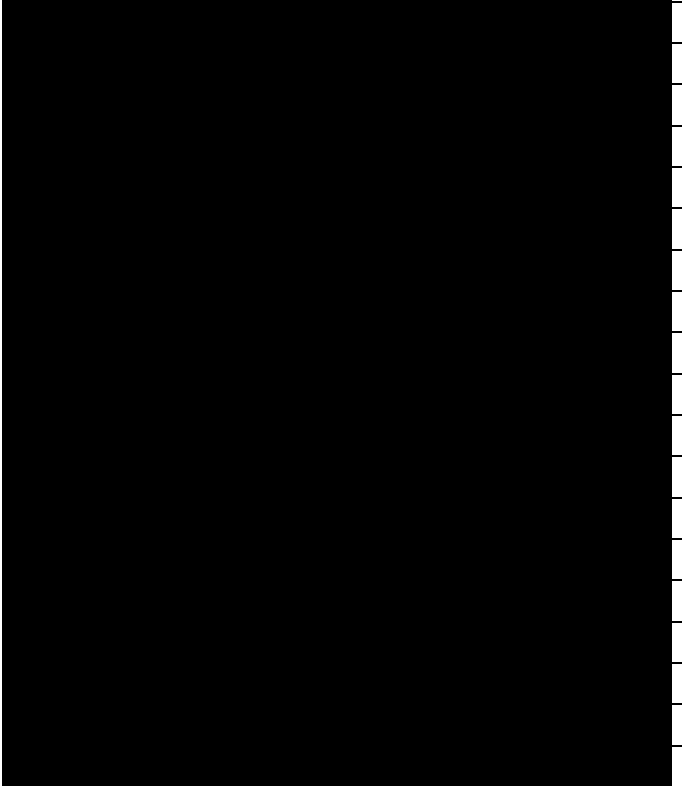
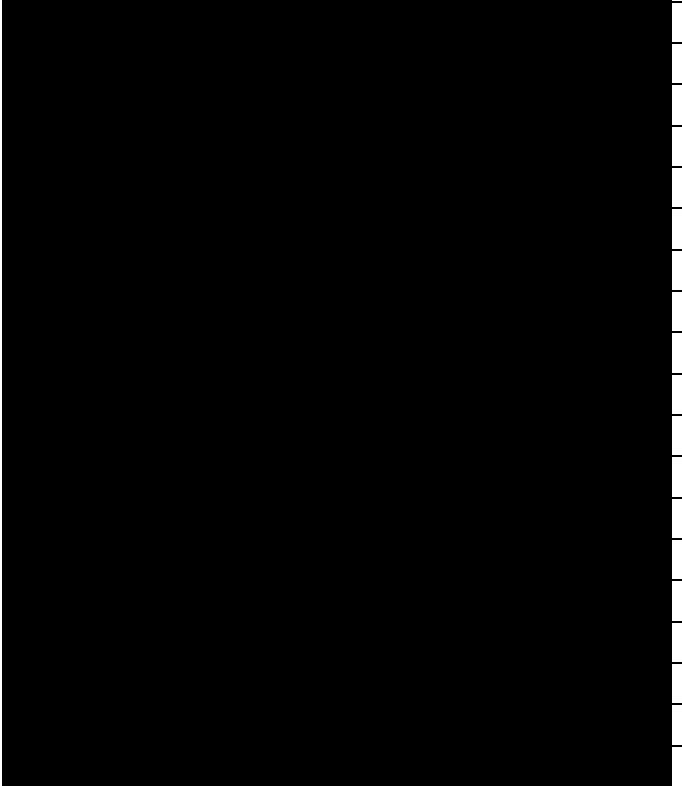
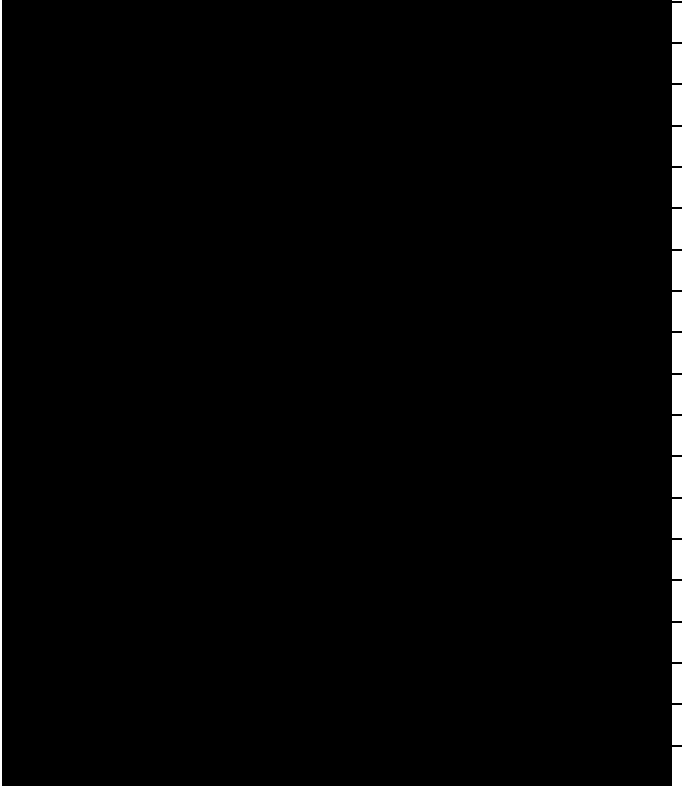
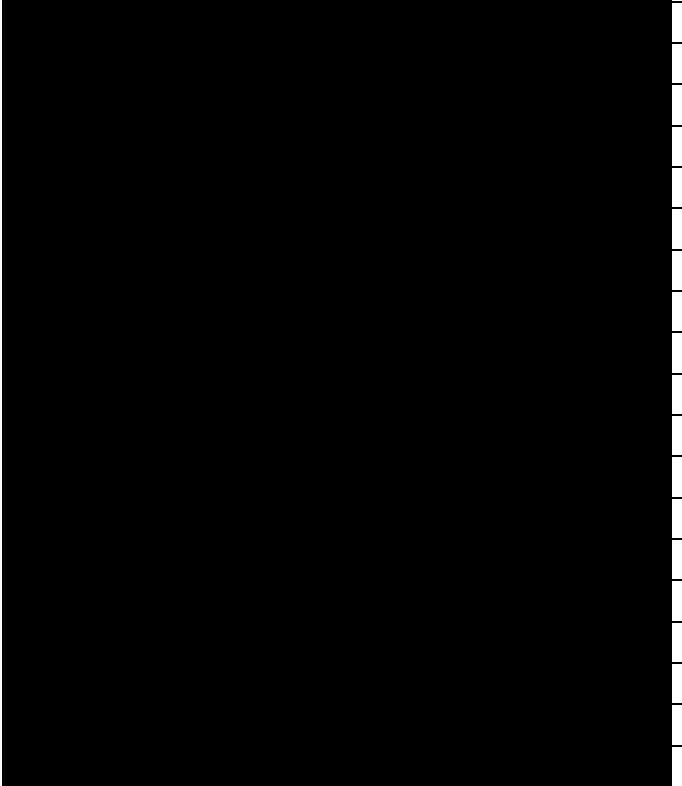
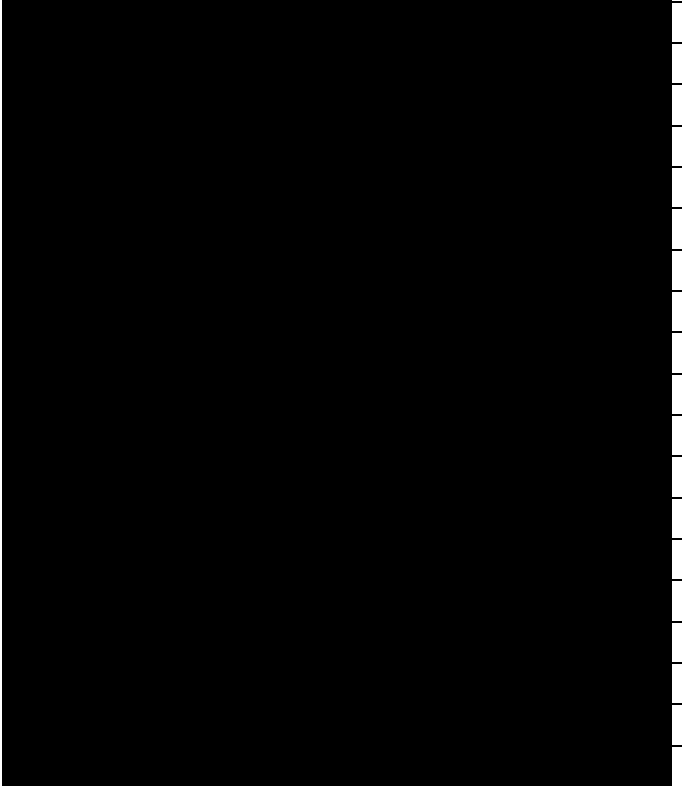
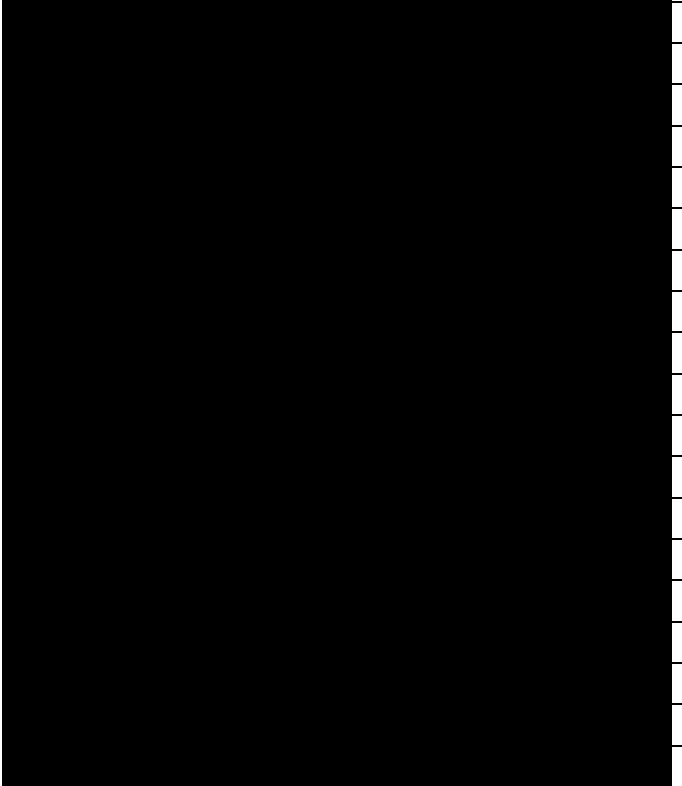
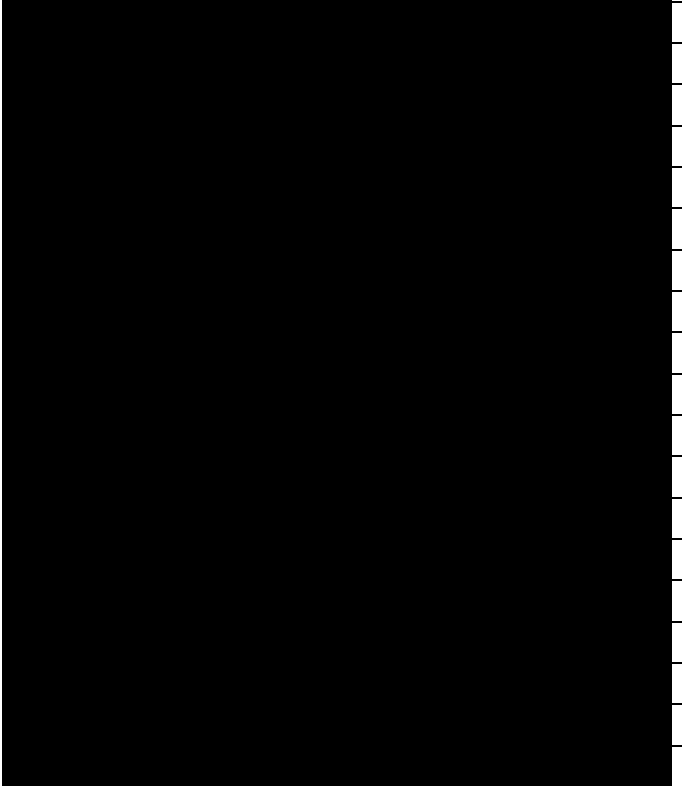
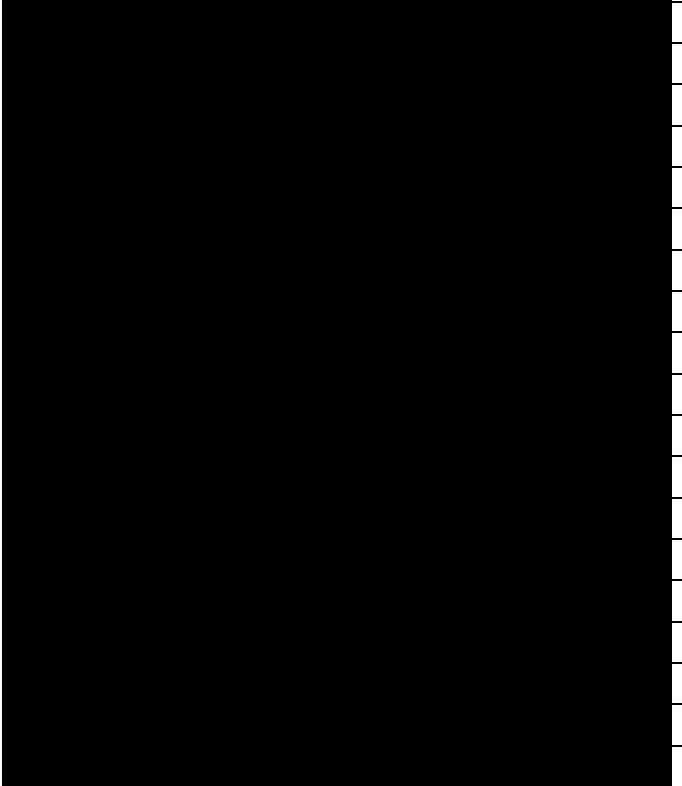
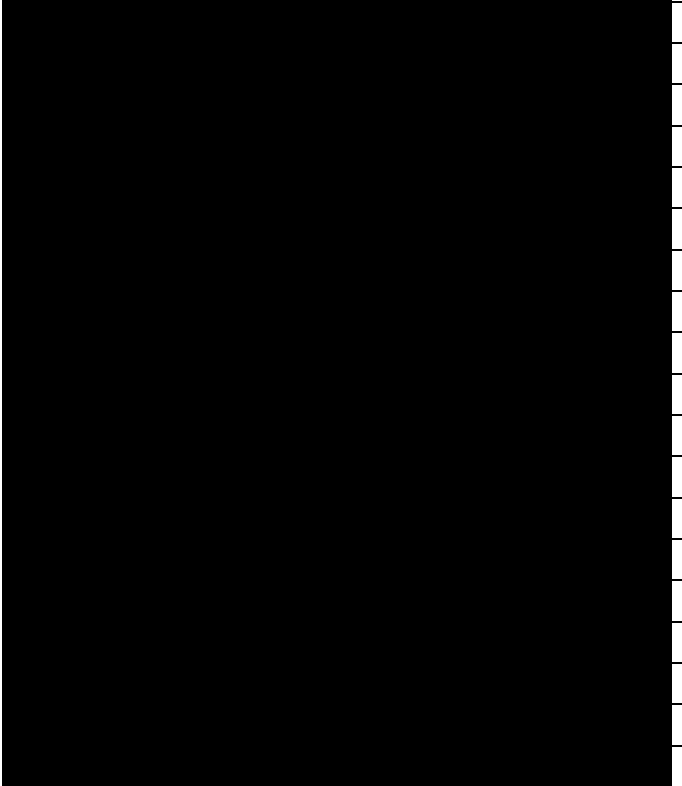
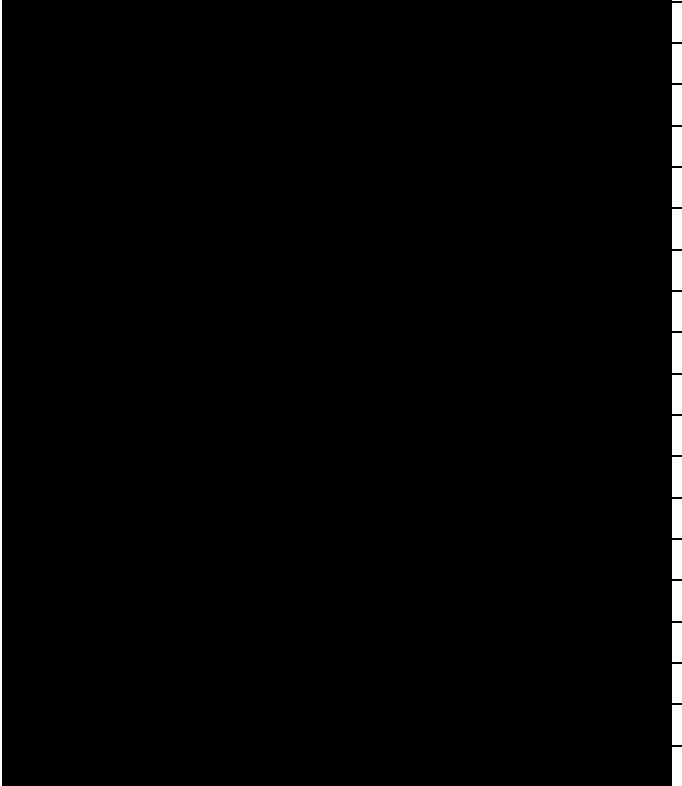
For further information, please contact Dawn Siemiet, Senior Manager at 214-792-6477 and WARNSupport@wnco.com.

Sincerely,



Julie Weber

APPENDIX A

JOB TITLE	NUMBER OF AFFECTED INCUMBENT EMPLOYEES	LOCATION
	30	Austin
	47	Austin
	66	Dallas
	111	Dallas
	127	Dallas
	23	Dallas
	8	Dallas
	138	Dallas
	6	Dallas
	4	Dallas
	170	Houston
	52	Houston
	7	Houston
	47	Houston
	27	Houston
	183	Houston
	86	San Antonio
	36	San Antonio
	20	San Antonio