

**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**

Adult & Dislocated Worker Programs  
Wisconsin Department of Workforce Development  
201 E Washington Ave  
Madison, WI 53707  
WIOATitle@dwd.wisconsin.gov

To Whom It May Concern:

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, the Wisconsin Business Closing and Mass Layoff Law (Wis. Stat. § 109.07) 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 General Mitchell International Airport, 5300 South Howell Avenue, Milwaukee, WI 53207. 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.

Attached as Appendix A is a list of the job titles and number of Wisconsin-based Mechanic and Related Employees 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 Wisconsin-based Mechanic and Related Employees ultimately will be affected by the planned action. Attached as Appendix B is a list of the job titles and number of Wisconsin-based Mechanic and Related Employees that may be affected by the planned furloughs as a result of the exercise of bumping rights.

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](mailto:WARNsupport@wnco.com).

Sincerely,

A handwritten signature in black ink, appearing to read 'Julie Weber', with a stylized, cursive flourish at the end.

Julie Weber

**APPENDIX A**

<b>JOB TITLE</b>	<b>NUMBER OF AFFECTED INCUMBENT EMPLOYEES</b>
Appearance Maintenance Technician	11

**APPENDIX B**

<b>JOB TITLE</b>	<b>NUMBER OF POTENTIALLY AFFECTED EMPLOYEES</b>
Appearance Maintenance Technician	7