



Executive Summary

2009 Tentative Agreement

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March 27, 2009

Fellow Pilots-

As you are aware, your SWAPA Board of Directors held a meeting recently to review in detail the Tentative Agreement given to them by the Negotiating Committee. After a complete dissection of the potential contract and lengthy discussions on the positives and negatives of the agreement, your board of directors voted in favor of sending the TA to the SWAPA membership with a recommendation to ratify.

SWAPA has always stated that negotiations focus on four major issues, and those issues can be in varying priority order:

1. Benefits
2. Compensation
3. Job Security
4. Scheduling/Quality of Life

It was very clear early on that job security was the membership's top priority and our Negotiating Committee proceeded through negotiations with that mindset. After two and a half years of talks, our Negotiating Committee feels confident we have made substantial gains in many areas, including job security. This Tentative Agreement clearly defines and protects many job scope issues, limits the Company's opportunity to codeshare, provides pay rate increases and full retro pay for all pilots, improves the longevity pay for first officers, and increases our 401(k) fund Company match percentage. With that said, it's only fair to mention aspects that remained status quo or were given up as part of the negotiating process. For many, codeshare in any form is objectionable. Also, the Lance Captain program has been reduced in percentage and there will be more restrictions on the weekends in ELITT.

Ultimately, the decision now lies with the SWAPA membership. Please take the time to fully understand this potential new contract. Study, debate, ask questions and most importantly, vote. Beginning with this Executive Summary, you will have multiple avenues to study the changes in this contract that will affect you. Please take part in our conference calls, "Touching Base" visits and multimedia presentations. SWAPA encourages you to be fully informed before making this important decision.

The pages that follow outline section-by-section the major changes or important points to know for each individual section. Please use this as a resource to get an overview of what this Tentative Agreement offers you in your career as a pilot at Southwest Airlines.

Regards,

A handwritten signature in black ink, appearing to read "Carl Kuwitzky", written over a white background.

Capt. Carl Kuwitzky
SWAPA President

SECTION 1 – PURPOSE OF AGREEMENT

Scope

- Expanded the overall scope of the Collective Bargaining Agreement (CBA) to ensure that all revenue and miscellaneous flying performed with aircraft owned or leased by the Company or aircraft carrying Company markings is flown exclusively by pilots on the Master Pilot Seniority List.
- Preserved the positive public association with the valuable SWA brand by allowing only SWAPA pilots to fly SWA aircraft.

Recognition

- Received Company commitment to make this Collective Bargaining Agreement a condition of any sale, whether a single transaction or series of transactions, in order to protect pilot jobs and wages as negotiated.
- Protected pilot job security in the event of *any* transfer of control – voluntary or involuntary by expanding the definition of “Company” to include SWA, “any affiliate, subsidiary company, and any wholly owned, or partially owned and controlled company engaged in transporting passengers or cargo by air.”

Merger

- Protected pilot jobs in the event of a merger by creating a new section of language that addresses a variety of merger possibilities and the Company’s commitment to pilots already on the Master Pilot Seniority List.
- Removed ambiguity in current language so that no successor has leverage to change terms of employment previously negotiated by SWAPA.
- Prohibited creation of an affiliate, new airline or subsidiary, or acquisition of a controlling interest in any carrier unless all flying is performed by SWAPA pilots (*i.e.* avoided creation of alter-ego carrier).
- Protected SWAPA pilots’ seniority through a fair and equitable pilot seniority integration system in accordance with Allegheny-Mohawk provisions in the event of a merger that includes new pilots (note that pilots need not be part of a deal to merge with another Company).
- Required reasonable, advance notice and details to SWAPA of any material agreements affecting successorship.

Sub-Contracting

- Prohibited SWA from sub-contracting revenue flying.
- Protected against wet-leases or any transaction in which the Company contracts for another carrier and its pilots to perform flying covered by the Agreement.

Purchase or Acquisition of Another Company

- Required reasonable, advance notice and details to SWAPA of any material agreements regarding the purchase or acquisition of another Company by SWA.
- Protected pay rates, rules and working conditions from being renegotiated in the event of a purchase or

acquisition of another Company by SWA.

- IF pilots are acquired through the purchase or acquisition of another airline, SWAPA is empowered to integrate pilots into the Master Pilot Seniority List through a fair and equitable pilot seniority integration system in accordance with Allegheny-Mohawk provisions.

Codesharing

- Verified and expanded terms of SWA's commitment to grow the airline *and* the Master Pilot Seniority List.
- Expanded Side Letter 32 protections to properly coordinate with remainder of new Scope proposals.
- Clearly defined purpose of codesharing; specifically focused on SWA growth and feeder operations to establish, maintain and/or enhance the Company's market presence.
- Agreed that there will be no furlough of a SWA pilot as a result of any Codeshare and/or Marketing Agreement.
- Extended growth requirements of Side Letter 32 through December 31, 2012.
 - The Company agrees to grow by an annual average net gain of five percent (5%) in B-737 aircraft fleet size.
 - During the period of any Codeshare and/or Marketing Agreement, the Company must maintain a net gain in the Company's scheduled flying trips for pay, a net gain in permanent pilot positions and a net gain in the number of aircraft in the Company's fleet.
 - Based on the severe economic conditions currently facing the industry, relieved the Company of the five percent (5%) growth requirement for 2009 and 2010 only. Replaced growth requirement with a cap of six percent (6%) of the combined total Available Seat Miles (ASMs) flown by Southwest Codeshare partners during that year.
 - Notwithstanding the 2009 and 2010 growth waiver, the Company must comply with aircraft gain as follows:
 - 541 aircraft by December 31, 2010;
 - 568 aircraft by December 31, 2012.
- The Company will not enter into a domestic Codeshare Agreement.
- The Company will not enter into any domestic or trans-border Regional Jet (RJ) Codeshare, except if required as part of the acquisition of another carrier. Effectively, the only allowable RJ Codesharing will involve inter-island service in Hawaii or the Caribbean.
- The Company will be limited in Near International/Trans-Border Codeshare – defined exclusively as “Codeshare flights that include a trans-border segment between Canada, Mexico or the Caribbean and a SWA city in the continental U.S.”
 - The combined total trans-border segment ASMs flown by SWA's Near International Codeshare partners will not exceed a total of six percent (6%) of the total ASMs flown by SWA in the previous calendar year.

- The Company will not enter into any other Codeshare Agreement, to include far international and Hawaiian codeshare flying, without first obtaining express agreement from the Association.
- The Company may distribute flights from its Codeshare partners via the SWA website. However, the Company will not engage in any other distribution, via the website or other means, of any carriers' flights on domestic routes for at least 28 months after ratification of this Agreement.
- Created definitions specific to Codeshare to close any potential loopholes or ambiguities in the new contract language. Definitions include:
 - "Affiliate"
 - "Codeshare Agreement" or "Marketing Agreement"
 - "Control" and "controlling interest"
 - "Regional Aircraft"
 - "Regional Carrier"
 - "Regional Codeshare Agreement"

Cabotage

- Incorporated cabotage language in the Collective Bargaining Agreement as an added protection for pilot jobs if federal regulations regarding foreign-owned carriers flying in the United States changes during the term of this Agreement.
- Prohibited the use of SWA code on flights of foreign carriers carrying local revenue passengers or cargo traffic between airports within the U.S.

Foreign Domiciles

- Addressed conditions surrounding foreign domiciles in relation to bidding, relocation expenses and other working conditions to protect pilots in the event the Company opens a foreign domicile during the term of this Agreement.

Re-Opener

- Updated language to specify and limit terms for which this CBA may be reopened for negotiation prior to the amendable date of this Agreement.

Amendments to Agreement

- Future amendments to the Agreement will be automatically integrated into an electronic version of the Collective Bargaining Agreement.

SECTION 2 – GENERAL

- Section 2 is now a “catchall” and contains many items moved from other sections for ease and readability.
- Removal from Flying: If the Company wishes to remove a pilot from flying his pairing, it will be coded Company Convenience (CC) and he will be paid until just cause for removal has been clearly demonstrated.
- Prisoner of War and Hostage clauses added to Internment language: If a pilot is kidnapped, hijacked, interned, taken prisoner or taken missing within scope of Company business, he will continue to get pay and benefits until released or official date of death.
- There is only one official personnel file and one training file; each pilot will have access to both of his files.
- Jury Duty: A pilot will be paid for trips missed as a result of jury duty service. If required to testify on behalf of the Company or himself based on performance of duties, the pilot will be compensated the greater of trips pulled or Duty Period Minimum (DPM).
- Mandatory Team Building Meetings will pay DPM, will not be scheduled before a pairing starts, and will not be disciplinary in nature.
- A pilot does not have to pay for equipment or training unless the equipment is damaged as a result of willful misconduct.
- A pilot is entitled to the same travel benefits as any other employee.
- A pilot is allowed to carry a third bag in the performance of duties.
- Guarantee of cockpit jumpseat privileges: A pilot traveling space available (SA) in the cockpit will now have priority over another employee who is also traveling SA in the cockpit.
- The Company will reimburse for VISAs should SWA ever fly outside of the U.S.
- The Company will offer alternative means of screening at airports where it is provided.
- A pilot will not be deprived of benefits offered to any other employee group.

SECTION 3 – SENIORITY

- Changed Pilot System Seniority List to “Master Pilot Seniority List.” This list will be continuously maintained and administered electronically, as well as made available in print not less than once per year.
- Updated and clarified seniority forfeiture conditions.
- Improved probation language to decrease the amount of time for the off-probation check from 120 days prior to anniversary to 60 days.

SECTION 4 – COMPENSATION

- Trip Pay Improvements:
 - Two percent (2%) pay raise effective 09/01/2007 (retroactive).
 - Two percent (2%) pay raise effective 09/01/2008 (retroactive).
 - Two percent (2%) pay raise effective 09/01/2009.
 - Pay raises based on profitability for 2010 and 2011.
- Additional First Officer Compensation:
 - First Officer pay rate as percentage of Captain's pay increased in years six through 12.
 - Probationary First Officers will be paid second-year rates, *including any premium*, for any Open Time above their original line.
- Overfly Pay:
 - Overfly Pay will be paid beginning at minute five (5) instead of minute twelve (12) and will be computed at 0.02 TFP per minute.
 - Gate returns will be considered as separate "flights" for pay purposes.
- Mach Adjustment: Deleted.
- Rigs:
 - Duty Hour Ratio (DHR) will now apply to all Monthly Open Time (MOT) and Daily Open Time (DOT) pairings awarded, reassignments and duty periods remaining on a pilot's line after monthly overlap corrections.
- Premium Pay:
 - Time and one-half (1.5) for most reassignments, move-ups and add-ons.
 - Double-time for any involuntary assignment or reassignment which results in a duty period on a scheduled day off (i.e. "JA").
- Charter Pay:
 - Charters will now pay 1.5 times the applicable trip rate or rigs, whichever is greater.
- Holiday Pay:
 - Pilots will be paid 1.5 times (or double-time for a JA event) the value of the day (including full rigs) on Thanksgiving, Christmas and New Year's Day.

SECTION 5 – SCHEDULING

- The Company will provide a Crew Web Access-based bid sort program that provides monthly and standing bidding capabilities.
- Timeline will be moved to begin on the fourth (4th) of each month.
- Notification of schedule changes for the following day: The pilot will not be contacted after the later of 2000 CST or two (2) hours after arrival of the last flight in the pilot's duty period.
- Notification of AM schedule changes on the current day: The pilot will not be notified earlier than two (2) hours prior to the new departure time.
- Maximum Scheduled and Maximum Actual Crew duty period limits decreased.
- Deadheads at the end of a duty period/RAP (other than at the end of a pairing) may be scheduled to exceed duty period/RAP maximums during irregular operations, not to exceed one hour.
- When required by delays, reassignments or other irregular operations, the Company may reduce rest periods to *no less than* nine (9) hours. (FAR is eight (8) hours).
- Incorporated the current fatigue policy into contract language.
- Incorporated work day limits and domicile average bid line block hours into contract language based on number of calendar days in the month.
- The Company will build lines and construct pairings with no less than eleven (11) hours crew rest between duty periods.
- Reserve lines in each bid category will be equal to a minimum of 10 percent (10%) of the first-round hard lines of time.
- Pairing construction process will not exceed a systemwide average pairing length of three (3.00) duty periods. The systemwide pairing mix will consist of:
 - Minimum turns = five percent (5%) of pairings;
 - Minimum two (2) days = five percent (5%) of pairings;
 - Minimum three (3) days = 55% of pairings; and
 - Maximum four (4) days = 20% of pairings.
- If a pairing is modified by the Company in the new month and returned to the pilot to resolve a monthly overlap illegality, the pilot will be paid DHR.
- If Scheduling has pulled a portion of a pilot's pairing which results in a single duty period remaining on a pilot's line, the pilot may give back the single duty period.
- Non-commuters are not required to check-in at the domicile for a scheduled deadhead if a situation arises where a non-commuter is not in the domicile.
- A pilot will be guaranteed a seat in the cabin if the deadhead flight is scheduled for a single flight or any combination of flights which exceed two (2) hours or more of scheduled block time and the pilot

is deadheading to fly during that duty period.

- A pilot on a scheduled deadhead will be allowed to pre-board.
- A pilot may request to waive deadheads at the end of a pairing by contacting Scheduling at the completion of actual flying. Scheduling will agree to the request if: the pilot is not legal for additional flying based on their duty day or block time projections or there are not operational problems in the city where the pilot is currently, in the city where the deadhead transitions through or in the domicile where the pairing terminates.

SECTION 6 – ADDITIONAL FLYING

- Created a new section devoted solely to rules governing “additional flying.”
- Allowed pilots to pick up flying while on Non-Fly events such as vacation, with some subordination of seniority.
- Improved one thousand (1000) hour Yearly Flight Hour Maximum.
- Order of Open Time changed for Captains to allow system Captain seniority prior to in-domicile Lance Captain.
- Maintained current Monthly Open Time (MOT) system.
- Created Open Time Alert (OTA) System for electronic notifications (i.e., e-mail, text messaging) for Daily Open Time (DOT) and all subsequent open time processes.
- Replaced list calling process for Extra Fly (EF) and Voluntary Junior Available (VJA) with OTA system.
- DOT Pairing Split Points increased to within 1.6 TFP of each domicile.
- Pairings that are placed into Open Time after MOT closes will first go to DOT in most cases.
- Bidding for DOT and Premium Open Time (POT at, times 1.5 TFP) will occur simultaneously.
 - POT awards dependent on Reserve availability.
- DOT/POT begins fifty-seven (57) hours before 0900 the day prior to departure instead of one hundred and five (105) hours to allow for longer ELITT.
- Multiple DOT/POT closings at 0900, 1300, 1700, and 2100 CST normally a day prior to departure.
- Hourly Open Time (HOT) will open after 2100 DOT closes and will occur every hour up to three and one-half (3.5) hours prior to report (EX: HOT closes 2200, 2300 and so on until three and one-half (3.5) hours prior to report time).
 - HOT will have premium flying (POT) bidding just like DOT.
- Open Time Alert (OTA) System will include Auto-Bid feature based on preferences.
- Pairings added to Open Time within three and one-half (3.5) hours of report time will be data pushed into First Come First Serve (FCFS) process.

- FCFS bid will be at straight time if Reserve is available.
- FCFS bid will be at Premium Pay (times 1.5 TFP) if Reserve is not available.
- Junior Available (JA) process has been revamped to minimize JA from home.
- Before the JA process begins, OTA will alert legal domicile pilots of Voluntary Premium Flying (VPF) offered at Premium Pay (times 1.5 TFP).
 - VPF will be awarded on a first-come basis.
- Non-Voluntary Additional Flying:
 - Same Day Flying: Reassignments will be limited to prevent JA.
 - A pilot's duty day will not be extended, and overnight crew rest will not be reduced.
- Scheduled Day Off Flying: Reassignments will be limited to a maximum of two (2) duty periods and in the following order:
 - All domicile pilots on pairings (*excluding* check pilots and reserves) *not* previously JA'd in inverse seniority order.
 - All domicile pilots on pairings (*excluding* check pilots and reserves) previously JA'd in inverse seniority order.
 - All domicile pilots on pairings (*including* check pilots and reserves) *not* previously JA'd in inverse seniority order.
 - All domicile pilots on pairings (*excluding* check pilots and reserves) previously JA'd in inverse seniority order.
 - ALL pilots (systemwide) on pairings without restrictions.
 - All domicile pilots including pilots previously JA'd are called and offered pairings in *seniority* order.

SECTION 7 – EXCHANGE OF FLYING

- Created a new section devoted solely to rules governing the “exchange of flying.”
- ELITT – changed one hundred and five (105)-hour window to fifty-seven (57) hours.
- Individual pilots may trade down a net of four (4) duty periods through the ELITT process.
- On each day of the week, except as defined below, should the number of originating duties to cover in the Open Time pool exceed 3.0 percent (3.0%) within category in the domicile, the Company will prohibit trades which result in additional open pairings originating on that day.
- Each month, the Company may restrict two weekends (Friday-Saturday). The first full Friday and Saturday combination of the month will be designated each month. The Company may then select an additional weekend. On the designated weekend days, should the number of originating duties

to cover in the Open Time pool exceed two percent (2.0%) within category in the domicile, the Company will prohibit trades which result in additional open pairings originating on that day. These weekends must be designated and made available to pilots on the bid packet prior to bidding for the month.

- On an annual basis, the Company may restrict two additional weekends at 2.0 percent (2.0%). Only one additional weekend may be restricted per month.
- Certain holiday restrictions will be allowed.

SECTION 8 – RESERVE

- Created new section dedicated solely to rules governing Reserve pilots.
- Changed the Daily Reserve Order (DRO) calculation for Reserve to a seniority-based system.
- The last day of an AM Reserve block will not be scheduled to be released past 1800 domicile time, except under certain conditions.
- The last day of a series of Reserve days, an unassigned Reserve will be released unless assigned during the first nine (9) hours of his RAP.
- If continued on duty after completion of a pairing and unassigned, the Reserve will be released no later than eight (8) hours after report time.
- Reserves and Check Airmen will be eligible for JA, as a last resort.

SECTION 9 – VACANCIES

- Notice of all new equipment and domicile vacancies will be posted electronically.
- Results of all vacancy bids will be posted electronically.
- Clarified definition of “secondary displacement” based on system seniority.
- “Involuntary Displacement Provisions” added to contract language.
- A pilot who changes domiciles after a successful vacancy bid will be scheduled for a minimum twelve (12) hours of crew rest either in his old or new domicile.
- The Company will provide limited reimbursement of hotel accommodations for displaced pilots who prefer not to use a Company-paid move; one night of hotel per pairing in the new domicile. Reserve pilots will get two nights reimbursed per reserve block. Limit on this is \$75/night for a maximum of three (3) months.
- Displaced pilots will be entitled to up to two (2) days of unpaid travel time, upon request, for shifts between domiciles.

SECTION 10 – MOVING EXPENSES

- Attempted to increase eligibility and allowances for Company-paid moves.
- Broadened the definition of a “new domicile” to extend for a period of twelve (12) months instead of six (6).
- Provided eligibility for Company-paid move for existing domicile if that domicile experiences rapid expansion (similar to MDW a few years ago).
- Broadened eligibility for paid move to a “new domicile.”
- New hires and recalled furloughed pilots are now eligible for Company-paid moves.
- Increased weight allowance from 14,000 lbs to 18,000 lbs in household effects for pilots eligible for a Company-paid move.
- Expanded distance that qualifies pilots for a Company-paid move.
- Increased mileage reimbursement for pilots eligible for a Company-paid move from 18 cents and 12 cents to 21 cents and 15 cents per mile per car.
- Company agreed to completely reimburse any move that begins within two hundred (200) miles or 1.5 TFP from the old domicile.

SECTION 11 – VACATIONS

- Reordered/reformatted entire section to make more understandable.
- Clarified that language applies to all types of bid lines.
- Defined CWA as the format for all aspects of bidding, awarding and splitting of vacations. Posting of vacation bid results will now be accomplished electronically via CWA instead of being posted in domicile.
- Vacation accrual remains virtually unchanged.
- Updated vacation bidding schedules as follows:
 - First Round opens on August 1 and closes on August 25.
 - Second Round opens on September 1 and closes on September 15.
 - Third Round opens on September 20 and closes on September 27.
 - Fourth Round opens on October 2 and closes on October 9.
 - Fifth Round opens on October 14 and closes on October 21.
- Vacation bid awards will now be posted within ninety-six (96) hours of the first round closing and within forty-eight (48) hours of each subsequent round closing.

- Floating Vacations: A pilot with two weeks or more of vacation may bid any or all of his vacation weeks as floating vacation.
- Vacation changes (trades, shifts, adjustments) remain unchanged except as follows:
 - Vacation splits: Duty day show time on the day prior to starting a vacation was changed from 10 a.m. to 11 a.m. to encompass more AM pairings and to return the pilot to domicile by 7:30 p.m. instead of 8 p.m. For a PM pairing starting after 11 a.m., the contract remains unchanged.
 - A flight or a series of flights scheduled outside a vacation that are paid but not flown due to an overlap conflict at the beginning or end of the vacation will NOT be considered when calculating legalities for flights outside of the vacation period.
- Maintained current value and overlap rules governing vacation splits as well as transporting of vacation.

SECTION 12 – LEAVES OF ABSENCE

- NC goal was to redefine emergency leave, raise the sick bank cap, establish sick leave buyback, personal time off programs, use sick leave as Medicare supplement, increase personal leave opportunities and incorporate military leave policies.
- The Company argued that it was difficult to allow trading sick leave for retirement medical due to the increased retirement age. Also argued against sick leave buy back, increasing the sick leave cap, and a personal time off proposal on the basis of cost and manning.
- Sick leave remains capped at 1600 TFP.
- No sick leave buyback or personal time off programs were negotiated.
- Gained notable improvements in Emergency Leave, Medical Leave, Maternity Leave and Military Leave.
- Updated Emergency Leave provisions: In the event of the death of an immediate family member, the Company will grant up to four (4) days leave with pay for trips missed.
- Defined Bereavement Leave: Leave is no longer conditioned on attending a funeral.
- Expanded the definition of “immediate family member” to include the employee’s parents, step-parents, grandparents, grandchildren, in-laws and the parents and children of an employee’s committed partner.
- Updated Medical Leave of Absence process so that a pilot on Medical Leave will now accrue longevity as well as seniority.
- Increased maximum time that a pilot may be out on Medical Leave from three (3) years to seven (7) years.
- Removed the requirement for a pregnant pilot to take Maternity Leave after the twentieth (20th) week. Instead, a pregnant pilot may continue to fly as long as she obtains a doctor’s authorization to do so every thirty (30) days.
- Agreed to publish a joint SWA/SWAPA Military Handbook that will be incorporated into the CBA.

SECTION 13 – ON THE JOB INJURIES

- The Company will reimburse all emergency medical expenses in connection with an On the Job Injury (OJI).
- A pilot will be instructed to call his Chief Pilot who will pull necessary trips and code them OJI.
- Workers' Compensation payments received while a pilot is also receiving OJI payments must be reimbursed to the Company so as to not over-compensate the pilot (i.e. allowing him to make more money while injured than he made while flying).
- TFP earned through sick leave will count as creditable service toward OJI accrual.
- Added an initial OJI bank balance of 100 TFP for all new hire pilots.
- A pilot may seek a third Aero Medical Examiner's opinion as to whether the pilot can return to work. This third opinion would be the deciding vote if the Company's second opinion differs from the pilot's initial doctor's opinion.
- The OJI bank remains capped at 800 TFP.

SECTION 14 – INSURANCE AND LOSS OF LICENSE

- Increased maximum insurance payout for accidental death and dismemberment as a result of training flights, test flights and ferry flights requiring a ferry permit from \$50,000 to \$100,000.
- Increased maximum insurance payout for death or dismemberment due to bomb explosion on the aircraft from \$250,000/\$750,000 limit to \$500,000/\$1million limit.
- Any reference to age 65 as the maximum age to receive retiree medical has been changed to read "Medicare age or age 67, whichever occurs first." If Medicare eligibility age increases beyond age 67, this section will be renegotiated.
- Maintained much of the Retiree Medical and Dental section despite the change in mandatory retirement age from 60 to 65.
- Changed coverage of younger spouse/dependents to allow a pilot who reaches Medicare age to continue coverage for eligible dependents regardless of whether there is an insurable spouse — similar provision for a pilot who dies before he retires.
- Added the ability for a pilot to annually choose whether to receive taxable or tax-free Loss of License (LOL) benefits.
- Increased Loss of License (LOL) maximum monthly benefit from \$9,500 to \$10,500. Monthly benefit will further increase to \$11,500 on January 1, 2010.
- Extended the duration of benefits for LOL due to alcohol, chemical and mental health issues from twelve (12) months to eighteen (18) months.

SECTION 15 – INVESTIGATION AND DISCIPLINE

- Updated/modernized previous language by separating investigation process from discipline process.
- Defined discipline specifically as Company actions resulting in the loss of pay and/or benefits for pilot(s).
- Clearly defined 1) Rules of Documentation; 2) Investigative Process; 3) Hearing & Internal Appeal structure; and 4) Procedures for Communication and Delivery of Notices.
- Defined standards for discipline based on “just cause.” The Company must have ample proof before taking action.
- A pilot in his probationary year cannot grieve discipline or termination.
- Defined rules of documentation requiring the Company to provide written notification of discipline and offering pilot the option of a written response.
- Nothing shall be placed in the pilot’s file regarding discipline until it has first been reviewed by the pilot. A copy of the pilot’s response must also be placed in the file.
- Any disciplinary record can only remain in a pilot’s file for up to two (2) years. The Company may retain the document due to new document retention laws, but cannot use the document against the pilot in subsequent disciplinary action.
- Defined the investigative process as separate from discipline; Investigative process must be completed prior to a disciplinary decision being rendered.
- A pilot is entitled to SWAPA representation at the investigative stage.
- If a pilot is pulled from flying prior to discipline, he will continue to receive pay and benefits until discipline is administered.
- The Company will provide a pilot with travel to and from any interviews and meetings regarding the investigative process.
- No discipline will be considered complete unless the pilot is afforded a meeting with his Chief Pilot.
- A pilot or SWAPA may request documented evidence from the Company.
- Established the option of a “last chance” letter for a pilot who may otherwise be terminated. This gives the VP of Flight Operations one additional tool to keep a pilot employed.

SECTION 16 – GRIEVANCE PROCEDURES

- Two categories for grievances:
 - 1) Disputes arising out of the interpretation and application of the Collective Bargaining Agreement concerning rates of pay, rules or working conditions; and
 - 2) Disputes arising out of discipline or termination of a non-probationary pilot by the Company.
- Grievances must be filed in writing within 30 days after the pilot or SWAPA learned of the event.
- Grievances must contain:
 - Statement of Facts;
 - Reference to the provisions of the CBA that have allegedly been violated; and
 - Relief or remedy requested by the pilot and SWAPA.
- Discovery is the exchange of documents and witness lists that are directly relevant to the grievance.
- Within fifteen (15) days of the Company's receipt of the grievance, the VP of Flight Operations, or his designee, must conduct a hearing to review the facts and if possible, resolve the dispute.
- Since the grievance belongs to SWAPA, even if the pilot chooses to forgo SWAPA representation at the hearing, SWAPA has a right to be present.
- Within fifteen (15) days of the hearing, the VP of Flight Operations or his designee must issue his decision in writing to both the grievant and SWAPA. Decision should state both the discipline, if there is any, and the specific grounds for the discipline.
- If the pilot and/or Association is unhappy with Flight Ops' decision, the decision can be appealed by the Association to a System Board of Adjustment (SBOA).
- This section also outlines the basic guidelines for written confirmation of oral agreements, timeframes, delivery options and how expenses are to be divided up between the Company and the Association.

SECTION 17 – MEDIATION AND SYSTEM BOARD OF ADJUSTMENT

- Defined procedures for Mediation Conference to offer both the Company and Association another option for settlement before progressing to System Board of Adjustment (SBOA).
- Mediator is a neutral individual who helps the parties communicate but does not actually make any decisions as an arbitrator or judge would.
- Defined procedures for SBOA if mediation ends without resolution.
- SBOA can consist of either four (4) or five (5) members.
- Grievances will be heard by a four (4) member Board unless:
 - For a contractual matter, *both* the Company and SWAPA agree to proceed directly to five (5) member Board; or
 - For a discipline matter, *either* the Company or SWAPA requests to proceed directly to five (5) member Board.
- The Board will be made up of two (2) members appointed by the Company and two (2) members appointed by SWAPA. A fifth member would be the Arbitrator.
- The Arbitrator's vote would only be used in a tie-breaking situation.
- Within thirty (30) days of written request, the parties must identify documents and witnesses they believe contain information relevant to the pending grievance.
- Both parties must exchange copies of all documents they intend to introduce at the hearing no later than fourteen (14) days prior to the hearing date. If other evidence becomes available after the 14-day window, the Board must make sure that the other party is not unfairly affected by the late admission.
- A majority decision, either in four-member or five-member Board, is final and binding upon the parties. If a four-member board deadlocks, the grieving party will have thirty (30) days from the hearing date to appeal to a five-member Board or arbitration.
- A stenographic record of the hearing will be taken and the cost split by the Company and the Association.
- Defined rules concerning selection of an Arbitrator.
- The Company and Association will split the fees and expenses of the Arbitrator.
- Each party will take care of the compensation, travel expenses and other costs associated with the witnesses they call to testify.
- System Board members are promised protection regardless of the decision they make and will in no way be retaliated against or coerced by the Company or the Association.

SECTION 18 – STANDARDIZATION

- Check Airmen will continue to be paid at least four (4) TFP each month above their normal pay.
 - Section A.3. was removed and Check Airmen will now be subject to JA.
 - Updated eligibility requirements for Check Airmen duty to require two (2) years operating experience as a Captain at SWA and fifteen hundred (1500) hours Pilot in Command (PIC).
 - Developed a new method for pilots to submit evaluations of Check Airmen.
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SECTION 19 – RETIREMENT

- Enhanced Company contribution to Southwest Airlines Pilots' 401(k) Plan; contribution to increase yearly through 2011.
 - 7.8 percent (7.8%) upon ratification;
 - 8.8 percent (8.8%) in 2010; and
 - 9.3 percent (9.3%) in 2011 and thereafter.
 - Added a Roth 401(k) option to the 401(k) plan.
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SECTION 20 – PHYSICAL EXAMINATION

- FAA flight physicals will be reimbursed by the Company in accordance with Company medical plans.
- First Officers will no longer be required to pass a first class medical exam.
- New “fitness for duty” subsection outlines the procedures and responsibilities for the pilot and the Company if the Company should question a pilot’s ability to safely perform his duties.
- If involuntarily removed from duty, a pilot will be paid until a determination of fitness for duty is made. If found fit, he will return to the line. If found unfit, he may begin using sick leave.
- Language added to protect the confidentiality of any doctor’s findings during the physical examination process.
- Provided pilots with routine and non-routine FAA physicals from an AME of his choice:
 - PPO participants are covered for in-network or out-of-network AMEs (\$400 limit on out-of-network AMEs);
 - EPO (HMO) participants are covered for in-network AMEs only.

SECTION 21 – TRANSFER TO SUPERVISORY DUTY

- A pilot transferred to Supervisory Duty because of sickness or injury (or who becomes sick or injured while on Supervisory Duty) will retain and continue to accrue seniority and longevity for up to seven (7) years.
- Timeframe can *only* be extended by mutual consent of SWA and SWAPA.
- If a supervisory pilot returns to flying duty, he will be subject to a qualifying period of no more than six (6) months. This is unchanged from the current contract.
- Language updated to be consistent with other areas of the contract where seniority and longevity accrual is at issue.
- To be eligible for Supervisory Duty (Assistant Chief Pilot and above), a pilot must have been a SWA Captain for at least two (2) years.
- To upgrade to Captain, a pilot must have completed his probationary year.

SECTION 22 – REDUCTION IN FORCE, FURLOUGH AND RECALL

- This section establishes Company responsibilities and pilot protections in the event the Company ever makes the unfortunate decision to furlough pilots.
- Furlough notice changed from fourteen (14) to thirty (30) days, and pilots will be pay protected for the thirty (30) days.
- The Company will offer voluntary furloughs in seniority order before mandatory furloughs in reverse seniority order.
- Clarified and improved recall procedures.
- The Company will provide medical coverage for four (4) months at normal premiums and at COBRA premiums for an additional eighteen (18) months.
- The Company has increased pass privileges to twenty-four (24) months for all furloughed pilots, regardless of longevity.
- Added language to accomplish the following:
 - A furloughed pilot will retain all longevity and seniority accrued prior to furlough;
 - A furloughed pilot will continue to accrue longevity for three (3) years;
 - A furloughed pilot will continue to accrue seniority for seven (7) continuous years; and
 - A furloughed pilot will retain his sick and OJI banks.

- The Company cannot schedule in excess of work day limits or hold out Open Time while pilots are on furlough.
- Added Non-Flying SWA Employment Opportunities language.
- Increased furlough pay for pilots with more than five (5) years of service.

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SECTION 23: TRAINING AND UPGRADE

- Added communication between the Company and the Association regarding training language.
- Defined Training Philosophy.
- Added Training Review language for requalification training.
- Added clarifying Questions and Answers from current contract as contract language.
- Added Internet-Based Training language.
- A pilot may elect not to be Captain-qualified and remain a permanent First Officer (No longer up or out).
- Reduced Lance Captain program percentage by one-half. Phase down of current Lance Captain program will be completed by 12/31/09.
- Designated Lance Captains will be eligible to be awarded nine (9) Captain duty periods per calendar month from any source.
- A pilot will normally train in the seat for which he is qualified. A non-designated Captain qualified First Officer may remain a Captain for training purposes, or request to change his position to a First Officer for training purposes.

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SECTION 24 – SAFETY PROGRAMS AND AIRCRAFT DATA REPORTING SYSTEMS

- Created new section to incorporate Safety policies and procedures into defined contract language.
- Affirmed importance of proactive reporting culture. Clarified that no disciplinary action will be taken against employees who report a safety concern or hazard, unless noncompliance was willful or intentional.
- Defined the Flight Data Analysis Program (FDAP) and Aviation Safety Action Program (ASAP) programs in contractual terms.
- Defined various Aircraft Data Collection Systems, including Flight Data Recorder (FDR), Digital Flight Data Recorder (DFDR), Cockpit Voice Recorder (CVR), Aircraft Electronic Equipment, and Electronic Information.

- Delineated appropriate and acceptable uses for various Aircraft Data Collection Systems. Electronic Information will be considered privileged and confidential and will generally not serve as a basis for discipline or discharge — only exception is information required by FAA or NTSB as part of an official investigation.
- Information will not be used to evaluate or monitor the judgment or performance of any individual or flight crew. A clear line developed between safety and discipline.
- If the Company wishes to install a new instrument or device not previously utilized by SWA, or significantly change an existing instrument or device, they must coordinate and accept input from SWAPA prior to installation.
- Defined Emergency Preparedness Plan so that in the event a Southwest aircraft is involved in an accident/incident/event to which Southwest's Go Team must respond, the pilots on SWAPA's investigation team will be extended the privileges necessary to do their jobs, including a minimum of two (2) seats on the designated Go Team aircraft, and permanent identification for SWAPA Go Team members designating them as official accident investigators.

SECTION 25 – DUES, CHECK-OFF, AND UNION SECURITY

- Updated language to better conform with Railway Labor Act requirements.
- Practices remain unchanged.

