

First Membership Meetings Continue in March

Dallas: March 10, **Las Vegas:** March 9, **Oakland:** March 8, **Phoenix:** March 7
Visit the TWU Local 556 Web site at www.twu556.org, for Meeting locations and times.

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YOUR MONTHLY UNITY SUPPLEMENT

FEBRUARY 2011

PRESIDENT'S MESSAGE

Sharing the Love

TWU Local 556 President **Thom McDaniel** talks about support of the AirTran Flight Attendants in obtaining a fair Contract.

I was in Atlanta on Valentine's Day with other TWU Local 556 Members **Patrice Tilford**, **Stephanie Roberts**, **Don Shipman**, and **Ryan Rodney** to support AirTran Flight Attendants as they picketed for a fair Contract. AirTran Flight Attendants have been in negotiations with their management for over three years without reaching a fair agreement, and are currently in mediation. Over 100 AirTran Flight Attendants participated in the picketing event, and in true Southwest Airlines spirit and solidarity, our Union provided Valentine's cards, cupcakes, and water for our fellow Flight Attendants. AirTran Flight Attendants were very appreciative of the gesture, and I'd like to extend a special thanks to Patrice who lives in Atlanta for arranging the cupcakes and water.

After posting the event on my Facebook page, I received some messages from our Members asking why our Local is supporting our Flight Attendant colleagues at AirTran. The answer is simple. AirTran Flight Attendants have been in negotiations for 37 months, and have made little progress in

mediation. Although AirTran management indicated that they were anxious to reach an agreement after the proposed acquisition was announced, they have made little movement to address the AirTran Flight Attendants' needs and priorities. Even if the AirTran acquisition is approved soon, Southwest Airlines will continue to operate AirTran as a separate company until the two operations are combined, which could take up to two years. We want AirTran Flight Attendants to have the best pay and benefits possible until they are officially TWU Local 556 Members with the very best Flight Attendant Contract in the industry.

Many of us remember being in negotiations for over two years during our 2002 Contract Negotiations, and how frustrating that was—and how much we appreciated the support of other Flight Attendants in our struggle. AirTran's Flight Attendants have already been bargaining for much longer than we were during that campaign, and we are supporting them as we would any other workers seeking a fair Contract.

AirTran Flight Attendants will be continuing their campaign with demonstrations in "Six Cities in Six Weeks." We will post the cities on the TWU Local 556 Web site; if you are available, please go out and support them. It should also be noted that AirTran Union leaders have assured us that they are *not* picketing Southwest Airlines or targeting Southwest cities, and are only trying to achieve a fair Contract with their Company.



THOM MCDANIEL

is a Houston Flight Attendant, and TWU Local 556 President. He can be contacted at president@twu556.org or 214-640-4301.

Variable Compensation

by TWU Local 556 Economist
Dan Akin

Both Southwest Pilots and Flight Attendant Contracts contain fixed and variable increases to pay scale rates. Before the most recent contract extension related to the addition of the 737-800 aircraft, the Pilots bargained for a total of six percent in fixed pay increases over five years, with the potential for an additional six percent in variable pay. Currently, the Pilots have received a total of seven percent in pay increases over their August 2007 pay. The Flight Attendants (prior to the 737-800 extension) bargained for three, three percent annual fixed pay raises over the first three years, with the potential for another three percent increase in 2011 based on Southwest's profits. So far, the Flight Attendants have received a nine percent increase over the same four years that the Pilots received seven percent in total pay increases. Flight Attendants will receive an additional two percent raise in June based on Southwest's 2010 operating profits.

VARIABLE COMPENSATION FORMULAS

The variable pay rate increases of both workgroups are based on slightly different measures of operating profit margins. The pay formula for Flight Attendants is based on what the Company reports as its earnings to the public, without adjustment. The Pilots' pay formula, on the other hand, includes adjustments to operating profit that are not reported to the public, and are therefore not as clear. These unpublished adjustments in the Pilots' variable pay formula can push profit margins higher or lower, largely depending on changes in the price of fuel and Southwest's fuel hedge positions.

Another important difference between the Pilot and Flight Attendant pay formula is the period over which operating profits are measured. The Pilots chose to measure profit over the twelve-month period that ended September 30, rather than taking advantage of a more traditional formula. As a result of this difference in the measurement period, the profit margins can vary significantly. For example, in their most recent twelve-month measurement period, Southwest reported an operating profit margin of eight percent; with fuel hedge and other

adjustments (which can add or subtract from profits). This measure was pushed to 10.1 percent. Based on the Pilots' formula, this entitled them to a three percent increase in September 2010. This was the Pilots' first pay increase in two years, as Southwest posted an operating margin well below eight percent during the prior period that ended September 30, 2009. Had the Pilots' pay increase been based on calendar year 2010, the adjusted operating margin would have fallen to 9.2 percent, and they would have received a two percent pay increase rather than a three percent increase. Calendar year 2010 operating profits were impacted by beneficial fuel hedge valuations that occurred during the fourth quarter 2010, which pushed operating profits downward with the adjustments specified in the Pilots' pay formula.

Clearly adjustments to operating profit can cut both ways, and the Pilots benefited from these adjustments, as well as the measurement period they selected for 2010. If changes to, and the timing of, fuel price changes had been slightly different, the Pilots would have received lower pay increases. As it turned out, their gamble in 2010 paid off, and they received the higher pay increases than without such adjustments. There is no guarantee that such adjustments will be beneficial in the future. Also, as opposed to using publicly reported profits, the Pilots must rely on Management to tell them the results of adjustments to operating profit before they know what their raise is going to be. By using the more traditional "unadjusted" operating profit measure, as well as the traditional calendar year, the Southwest Flight Attendant variable pay formula provides a more dependable and clearer indicator of profits than the method utilized by the Pilots.

OPERATING PROFIT

In determining the best measure upon which variable pay should be based, each labor group had to consider which definition of profit affords the clearest measure and best chance of achieving a raise. The most common and clearest indicator is simple, unadjusted operating profit. This measure is the most direct indicator of the success of Southwest's operations, and it is also clearly stated (as required by law) on Southwest's public financial reporting in its quarterly and annual reports. The Company is required to submit its quarterly and annual results to the U.S. Government Securities and Exchange Commission (SEC). As a result, Southwest has to adhere to strictly defined accounting rules that require it to report operating profit as the difference between total operating revenue (i.e. the money they collect from selling tickets, cargo, and other charges and fees), minus total operating expenses, which includes all the costs associated with flying airplanes (e.g. fuel, payroll, gates, etc.). The advantage of using reported operating profit without adjustment is that no monkey business or accounting adjustments to change the level of reported profitability is allowed. It is a clear, reliable, and easy to understand measure that reflects Southwest Airlines' core operational health.

Crew Rest: Is it Contractual or FAR?

by Contract & Leave Coordinator
Denny Sebesta

Different types of crew rest are outlined in the Contract in order to differentiate between what is contractual and what is mandated by the FARs. Our Contract language identifies both, and goes even further to define scheduled, actual, FAR rest, and FAR reduced rest. The various types of rest are listed to help clarify the confusion.

CONTRACTUAL CREW REST

All pairings listed in the bid packet and placed on a bid line must be scheduled with eleven hours from block-to-block (Article 8.3.A, page 17).

CONTRACTUAL MINIMUM CREW REST

This rest is nine and a half hours from block to check-in. This rest must be received when a Lineholder is scheduled or rescheduled for an overnight in domicile. Reserves can never receive an RON in the domicile where their Reserve block is obligated.

If you receive fewer than the nine and a half hours block-to-check-in, there are provisions in our Contract to allow for options and/or additional compensation (Article 8.3.B, page 18).

FAR MINIMUM REST

This is nine hours' rest from end-of-debrief to check-in. If irregular operations cause you to be late, provisions in our Contract require a pull from enough flights to make you legal with nine hours FAR minimum rest. Pay is determined on whether you run more or less than one hour late (Article 9.7, page 19).

The nine hours FAR minimum also applies to rest between pairings and/or Reserve blocks or day(s). You cannot take yourself below this minimum when picking up or trading pairings and/or Reserve blocks or day(s). There are several areas within the Contract that refer to this FAR nine hour rest, including Article 8.6.B; Article 8.7.A and B pages 19 and 20; Article 9.3.C.2, page 24; Article 11.11.B, page 57; Articles 11.12.B.4, page 61, and Article 12.2.F, page 66.

FAR REDUCED REST

Between eight hours and eight hours, 59 minutes from end-of-debrief to check-in that occurs only on an overnight at an outstation (not a domicile). A Flight Attendant can never receive less than eight hours end of debrief to check-in.

FAR reduced rest may occur due to irregular operations, such as your flights run late, cancellations, reschedule and stranded. Some areas within the Contract that refer to FAR reduced rest include Article 8.3.D, page 18; Article 9.3.C.2, page 24; Article 8.D, page 41.

Professional Standards Is...

by Professional Standards Chair
Michael Broadhead

Professional Standards is about a "standard" goal that when two coworkers experience a duty related conflict, each will remain respectful during and after. When that respect can not be achieved, Professional Standards works to help.

In the first year of the new program, we had over 200 calls for assistance. Of the cases we assisted, nearly seventy percent were resolved with a favorable resolution.

Professional Standards is not about addressing complaints about a coworker, even if they may be valid. Complaints/concerns are to be addressed with respect and care, using the

golden rule and "LUV." Keep in mind, if you choose not to address it, you choose to allow it.

Professional Standards may *not* be able to provide assistance if

1. it is being investigated by Inflight;
2. it is about personal relationships that have gone bad;
3. it is about Ground Ops;
4. it is simply a complaint with no conflict;
5. it is about scheduling;
6. it is about a crash pad;
7. it is about money and/or buddy passes put on trades not paid;

Professional Standards is ready, willing and able to work at resolving disputes between Crewmembers that are "duty related" in the realm of safety, FARs and Southwest Company policy.

Contact Professional Standards at 888-322-3735.



ASAP, The Union's Primary Reporting Tool

by First Vice President
Michael Massoni

After hundreds of hours of work, training, and preparation by the TWU Local 556 Safety Team, Southwest Airlines Inflight Safety, and the FAA, the Flight Attendant Aviation Safety Action Program (ASAP) at Southwest went live on December 1, 2010. We are extremely excited about the opportunities this program provides us in improving safety throughout Southwest Airlines operations and our Members' work environment.

We are actively promoting ASAP as the primary safety information, incident, and/or event-reporting tool for Southwest Airlines Flight Attendants. The TWU Local 556 Safety Team will continue to educate Grievance Team Members, the Executive Board, and our Membership on the importance and relevance of ASAP, and how it will positively impact every single Southwest Flight Attendant.

We are establishing a new reporting protocol relating to ASAP and our Aviation Safety/Health Data and Incidents (ASHDI) reporting tools. This protocol defines an ASAP report as any safety related information, incident, or event that a reporting Flight Attendant believes requires corrective action and/or follow-up on the part of the Union, Company, or FAA. Informational reports to the Union regarding safety-related events or incidents that the reporting Flight Attendant seeks no action are directed to ASHDI for tracking and trending purposes only.

Instructions on how to file both ASAP and ASHDI reports can be found under "Safety Reporting" on the Union's Web site.

Valentine's With AirTran



Patrice Tilford



Stephanie Roberts



Don Shipman



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THE MAGAZINE OF TWU LOCAL 556

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Unity and Unity Update are official publications of **Transport Workers Union Local 556**, representing the **Flight Attendants of Southwest Airlines**.

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2011 SCHOLARSHIP APPLICATIONS NOW AVAILABLE ON TWU 556 WEB SITE

- **Paul Gaynor Scholarship**
TWU Local 556 Member
One time award of \$1500.00
- **Shanna Martin Memorial Scholarship**
Dependants of TWU 556 Members
One time award of \$1500.00
- **TWU 556 Scholarship**
Sponsored by Lori Whitaker, Agent
Dependants of TWU 556 Members
One time award of \$1500.00

Visit www.twu556.org for more information and to download the application. Good Luck!