



AIRCRAFT MECHANICS FRATERNAL ASSOCIATION

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To: All AMFA Locals

Re: **National Director's Monthly Update for December 2008**

Dear Members:

I hope that each of you enjoyed the Holiday Season and have a prosperous New Year.

The first week of December I attended the Southwest Airlines contract extension negotiations for the mechanic's contract. We reached a tentative agreement (TA) on a 4 year deal. The TA provides for increased job security, strict foreign outsourcing limitations, and 17% in compensation increases over the term of the Agreement. The compensation breakdown is for an increase of 10% in base wages and 7% in obtainable ratification/productivity bonuses. Specifically, there is a 3% ratification bonus, then 3% base wage increases in 2009, 2010 and 2011 and a 1% increase in 2012. There is also, for employees at the "thereafter" rate on the pay scale, a 1% productivity bonus all four years. It is noteworthy to recognize that the TA is "front-end" loaded with the increases coming early to put the money into the member's income sooner which brings the benefit of compounding the increases in subsequent years.

Negotiating Committee members will be conducting informational meetings during the month of January concluding sometime around mid-month. The ratification voting will conclude on January 29th and results will be posted by Friday, January 30th.

The second week of December I attended the contract extension negotiations at Alaska Airlines. We had detailed discussions on the health insurance provisions of the contract. Tom Richards, Managing Director of employee benefits for Alaska attended this session and provided further detail on the costing of the plans. We established future dates for continuing these discussions. Additionally, we informed the Company that we are not agreeable to simply converting over to the management plan and that we were not going to openly expose ourselves to the potential for ever increasing premium rates after the amendable date of the next contract.

The third week of December I attended the Local 14 monthly membership meeting and the special meeting for contract proposal endorsement. The next step in the Section 6 negotiations is for Local 14 and Local 32 to combine the two local's endorsed proposals and create the proposal prioritization survey that will be mailed to each Alaska member's home.

In December there were no Horizon Air negotiations scheduled; the next scheduled negotiations begin the week of January 19th.

At Northwest our Seniority Integration Committee reached a TA with Delta's Committee for a Letter of Agreement that will "dove-tail" the two seniority lists by date-of-hire; establishing both

SAFETY IN THE AIR BEGINS WITH QUALITY MAINTENANCE ON THE GROUND



company and classification seniority. The ratification voting will conclude on January 15th and results posted by Friday, January 16th.

As a reminder to our members, with AMFA you have the ability to influence negotiations in real time as the contract is being crafted. AMFA welcomes and encourages our members to participate in our unique “open-negotiations.” Our informed member-observers play an important role in the overall success of the negotiation process.

For more carrier specific updates and in depth information regarding AMFA and the airline industry, please visit AMFA National’s Web site at www.AMFANational.org and remember our most determined efforts will not succeed without your continued support and participation. Please stay informed. With your participation we will jointly craft our collective future. Work together, support one another and be proud of your important profession.

Sincerely,

Louie Key
National Director