



# INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES

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# INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES

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TO: All Pilots  
FROM: Flight Operations Negotiating Committee  
DATE: September 22, 2011  
RE: Seniority Integration Agreement

Since August 30, 2011, the Company has been meeting with the SWAPA Negotiating Committee (NC) and the AirTran Merger Committee (MC) in hopes of reaching a new agreement on seniority integration. These meetings began shortly after the AirTran Master Executive Council (MEC) voted not to send the original agreement to the AirTran Pilots for ratification. On September 16, 2011, we reached agreement with the SWAPA NC and the AirTran/ALPA MC on the Company's proposal for a new integrated seniority list. Last week, the AirTran Negotiating Committee (ATNC) joined the discussions and by the end of the week, agreement was reached on the contractual amendments necessary to modify and implement the Company's proposal.

Yesterday the AirTran/ALPA MEC voted to send the seniority integration agreement to their members for ratification. Today the SWAPA BoD has made the same decision. We are pleased that both organizations elected to allow you to vote on your future. The Company strongly believes this proposal merits your support. Ratification gives each Pilot group certainty: certainty of a seniority list that recognizes the contributions of our Southwest Pilots, and certainty of integration for the AirTran Pilots.

Attached you will find a summary of the benefits, Side Letter 10 of the Southwest/SWAPA CBA, the Letter of Agreement to modify the AirTran/AirTran ALPA CBA, the Seniority Integration Agreement, and the Questions and Answers associated with the Agreements. SWAPA and AirTran/ALPA will be hosting road and call-in shows in the coming weeks. Company representatives will be joining SWAPA and AirTran/ALPA for some of these events, as well as meeting with you at Company sponsored roundtables in the domiciles and crew hotels. We look forward to talking to you about the Agreement and our future.



## BENEFITS

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A ratified Agreement provides benefits for Southwest Pilots:

- Certainty of a “no harm” Integrated Seniority List
- An improvement in relative seniority
- An overall increase in the value of Southwest Pilot’s career earnings
- Significant and assured upgrade opportunities for First Officers
- B737 aircraft minimums if a co-domicile (B737 and B717) is established
- Existing domicile aircraft protection and a commitment from the Company to open a new Southwest B737 domicile



A ratified Agreement provides benefits for AirTran Pilots:

- A place on the Southwest Airlines Master Seniority List
- A clear and certain path to integration of flight operations
- Establishment of a 15-aircraft ATL B717 domicile
- “Southwest-like” Minimum Monthly Guarantees
- Improved contribution rates for certain Medical and Dental Plans starting January 2012
- Participation in the Southwest 401(k) and Profitsharing Plan starting January 2012
- Application of the Southwest Fatigue Policy
- Coverage of the Southwest/SWAPA CBA no later than January 2015
- Significant increases in career earnings through application of the Southwest/SWAPA CBA no later than January 2015



# SIDE LETTER 10

INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES

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## **SIDE LETTER 10: COMPLETE INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES OPERATION**

September 22, 2011

Captain Chuck Magill  
Vice President Flight Operations  
Southwest Airlines Co.  
2702 Love Field Drive  
Dallas, TX 75235

Dear Chuck:

In accordance with the Seniority Integration Agreement between Southwest Airlines, SWAPA , and AirTran ALPA, Southwest and SWAPA do hereby agree to the following amendments to the their Collective Bargaining Agreement (CBA). The following amendments, however, are expressly subject to and conditioned upon, and shall not become effective unless and until, the Seniority Integration Agreement is ratified by the memberships of both SWAPA and AirTran ALPA in accordance with their respective governance procedures.

### **CBA Amendments**

- Amend the first sentence of Section 1.M. to read:  
*In the event that the Company, during the duration of this Agreement, should: (1) acquire for its use any type of aircraft other than the B717, B737-300, B737-500, B737-700 and the B737-800...*
- Add new sub-section to Section 3 SENIORITY as follows:  
**D. SOUTHWEST/AIRTRAN SENIORITY LIST INTEGRATION**
  1. *The ratios below are the basis for compiling the final integrated Master Pilot Seniority List as attached in Appendix 1 to the Southwest/SWAPA CBA.*
  2. *The integrated seniority list will be compiled in the following order based upon each Pilot's previous airline (Southwest or AirTran) seniority:*

- a. *Pilots on each airline's Master Seniority List as of September 26, 2010:*
  - i. *1347 most senior Southwest Pilots;*
  - ii. *A segment of 1620 Southwest Pilots ratioed with 208 AirTran Pilots, beginning with a block of Southwest pilots;*
  - iii. *A segment of 756 Southwest Pilots ratioed with 117 AirTran Pilots, beginning with a block of Southwest pilots;*
  - iv. *A segment of 1817 Southwest Pilots ratioed with 580 AirTran Pilots, beginning with a block of Southwest pilots;*
  - v. *A segment of 342 Southwest Pilots ratioed with 342 AirTran Pilots, beginning with a Southwest pilot;*
  - vi. *449 most junior AirTran Pilots.*

- b. *Pilots hired between September 26, 2010 and May 2, 2011:*

- i. *Pilots hired at Southwest;*
- ii. *Pilots hired at AirTran.*

- c. *Pilots hired on or after May 2, 2011:*

- i. *Hire date regardless of airline.*

3. *The final integrated seniority list, by name, is attached as Appendix 1 to the Southwest/SWAPA CBA.*

4. *A pilot whose name is not currently on either side's master pilot seniority list, but has a contractual right to be returned to the seniority list in his previous position, will be placed on the integrated seniority list one position senior to the pilot who was immediately junior to him on his original master pilot seniority list.*

- After December 31, 2014, AirTran pilots whose seat positions are eliminated by reduction of the B717 fleet will bid system seniority for their new assignment.
- Creation of new section to be located immediately after Section 26: TERM OF AGREEMENT, to read as follows:

Section 27: AIRTRAN PILOT INTEGRATION RESULTING FROM SOUTHWEST ACQUISITION OF AIRTRAN AIRWAYS

This section will be in effect until January 1, 2015, at which time it will become null and void, and the remainder of the Southwest/SWAPA CBA will be in full effect without any modifications delineated within this section.

- A. AirTran Pilots will be transitioned to Southwest and will be subject to and covered by the Southwest/SWAPA CBA upon entering training for service as Southwest Pilots. At that time, they will also be eligible for and covered by current benefit and insurance plans and any other programs available to current Southwest Airlines Pilots, subject to standard eligibility requirements.
- B. Using guidelines to be established jointly by Southwest, SWAPA and AirTran ALPA, a joint committee will be formed to determine items including, but not limited to: the current-year vacation, sick leave and OJI accruals to be credited to each individual AirTran pilot when he or she is transitioned under the Southwest /SWAPA CBA. The committee will develop a transition plan to determine the number of vacation weeks each pilot is eligible for once the AirTran vacation system is converted to the Southwest system. The committee will also establish guidelines for pilots who have been awarded vacation periods at AirTran that will conflict with their training periods at Southwest.
- C. No Sections in the CBA referencing “New Hire” provisions will apply to the AirTran pilots transitioning to Southwest *except*: (1) Section 2.O., (2) Section 4.K.6., and (3) Section 5.E.7.a.
- D. Transition of Pilots from AirTran to Southwest:
  - 1. AirTran Pilots will transition to Southwest in scheduled groups, taking into consideration the operational and training needs of both Southwest and AirTran. Southwest will determine the timing, qualifications and number of AirTran pilots needed for each scheduled group. The transition of AirTran Pilots to Southwest will be completed by December 31, 2014, unless otherwise mutually agreed by Southwest and SWAPA.
  - 2. To the extent possible within seat, while facilitating staffing requirements during the transition period, the transition of Pilots from AirTran to Southwest will be accomplished on a seniority bid process based upon AirTran seniority, AirTran equipment and seat position, and additional AirTran duty at the time of the award.
  - 3. AirTran Check Airmen will be transitioned to ensure sufficient coverage at Southwest and AirTran during the integration. AirTran Check Airmen transitioned to Southwest out of the projected transition order will be assigned to the Southwest domicile that their seniority would have held.
- E. Equipment Lock:
  - 1. Except as provided below, B717 vacancy awards will be limited to AirTran Pilots and new hire pilots until the January, 2015 bid period.

- a. Notwithstanding the transition of aircraft from AirTran to Southwest, in the event of B737 downgrades, displaced Southwest Captains may displace to B717 Captain starting with the January 2015 bid period.
  - b. In the event of furloughs, Southwest pilots may displace and bid to the B717 prior to the January 2015 bid period.
  - c. Involuntary equipment displacements will not result in an equipment lock.
  - d. Displacements resulting solely from changes in domicile staffing with no reduction in equipment seats shall be B717 and B737 aircraft specific.
  - e. Hiring will be fleet specific (i.e. A B737 Pilot cannot bid to fill a B717 New Hire slot) until the January 2015 bid period.
2. AirTran Pilots whose seat positions are eliminated by reduction of the B717 fleet will bid system seniority for their new assignment.
  3. The only Captain seat an AirTran B717 Captain may displace to is a B717 Captain seat in a different domicile.
  4. An equipment lock applies until the later of two (2) years from transfer to the aircraft or through the December 2014 bid period.
  5. During a furlough, equipment locks will be removed.
  6. To prevent a furlough, Southwest and SWAPA may agree to remove equipment locks to balance staffing between fleets.

F. Upgrade Provisions:

1. AirTran Pilots will be prohibited from holding a Captain or Lance Captain position on the Southwest B737 until the January 2015 bid period.
2. No Lance Captain program will be established for the B717.

G. Domicile Integrity:

1. Unless otherwise mutually agreed by Southwest and SWAPA, the provisions of Side Letter 8 Section 3.E. will apply through December 31, 2012, or until opening a new traditional B737 domicile, except as provided in G.2 below. The Company commits to opening a traditional B737 Southwest domicile by January 1, 2013.
2. The provisions of Side Letter 8 Section 3.E. will apply to any current Southwest B737 domicile should the Company elect to establish a B717 domicile within the same domicile. Additionally, the provisions of Side Letter 8 Section 3.E. will

apply until the January 2015 bid period to the MCO domicile should the Company elect to establish a TPA B717 domicile, unless otherwise mutually agreed by both parties.

3. Southwest Airlines commits to establishing an Atlanta domicile with a minimum of fifteen (15) overnighing B717 aircraft by January 1, 2015, unless otherwise mutually agreed by both parties. If necessary, a second B717 domicile will be announced prior to the Transition Bid process at AirTran.
- H. Specific CBA Sections will be temporarily amended for the duration of the integration period for the sole purpose of clarifying the language's effect on AirTran Pilots becoming Southwest Pilots. Upon Complete Operational Integration, or as otherwise delineated below or mutually agreed by Southwest and SWAPA, the temporary amendments below will be null and void.
1. Reference to Section 1.C. MERGERS AND FRAGMENTATION:  
Until December 31, 2014, or as otherwise mutually agreed by the Company and Association, Southwest /AirTran routes, flown by AirTran pilots operating aircraft listed in Appendix B of Side Letter 8, will be exempt from the restrictions of Section 1.C.1.
  2. Reference to Section 1.F. CODESHARING:  
Until December 31, 2014, or as otherwise mutually agreed by the Company and Association, Southwest /AirTran marketing and connectivity ventures will be exempt from the restrictions in Section 1.F., provided that any such ventures involving the flying of AirTran aircraft by AirTran pilots will be limited to aircraft listed in Appendix B of Side Letter 8.
  3. Reference to Section 1.M. RE-OPENER:  
All parties have agreed that the discussion of International wages, relocation expenses, bidding and hours or conditions of employment will be addressed in accordance with the Southwest/SWAPA CBA.
  4. Reference to Section 3.C. PROBATION:  
AirTran pilots who have completed their pilot probationary period at AirTran prior to transitioning to Southwest will not be subject to the probationary period provided for in Section 3.C. of this Agreement. Pilots still on probation at AirTran when transitioned to Southwest will be credited for time spent on probation at AirTran, and will be subject to completion of their probationary period pursuant to the provisions of Section 3.C.

5. Reference to Section 4.A. PILOT LONGEVITY:  
For prospective pay, vacation and benefits purposes, AirTran pilots transitioning to Southwest Airlines as Southwest pilots will be given credit for any qualified years of service as pilots at AirTran.
  
6. Reference to Section 4.C. EQUIPMENT LONGEVITY PAY:  
Effective January 1, 2015, the B717 rates will snap up to B737 rates applicable in the CBA at that time. Until such time, current AirTran pilots' B717 pay rates will remain at the AirTran rate, adjusted as needed for TFP/block hour conversion and any applicable increase per the AirTran CBA.

B717 pilot pay table:

<b>Year in Service</b>	<b>Current Captain Longevity Pay Rate (TFP)</b>	<b>12/1/2011</b>	<b>12/1/2012</b>	<b>12/1/2013</b>	<b>12/1/2014</b>
1	91.63	92.59	94.31	110.00	112.07
2	105.85	106.81	108.81	119.02	121.26
3	109.86	110.83	112.91	121.65	123.95
4	112.08	113.06	115.18	124.36	126.71
5	115.87	116.86	119.06	127.12	129.53
6	117.45	118.45	120.69	130.02	132.48
7	119.16	120.18	122.43	133.00	135.51
8	128.38	130.00	132.45	136.24	138.81
9	131.84	132.86	135.38	139.72	142.36
10	133.59	136.29	138.86	143.82	146.55
11	134.55	138.99	141.61	147.01	149.79
12	139.33	142.17	144.88	150.75	153.61
13	139.76	143.80	146.53	152.89	155.79
14	140.19	145.45	148.21	155.10	158.05
15	140.62	147.13	149.93	157.39	160.52

Year in Service	Current First Officer Longevity Pay Rate (TFP)	12/1/2011	12/1/2012	12/1/2013	12/1/2014
1	36.83	36.83	50.17*	50.17*	50.17*
2	57.78	60.37	61.52	66.92	69.30
3	65.73	68.57	69.86	71.89	73.24
4	74.12	74.60	76.01	78.31	79.79
5	78.41	79.75	81.26	83.83	85.42
6	79.69	82.03	83.58	87.34	89.00
7	80.31	83.78	85.36	90.08	91.79
8	81.92	85.46	87.07	92.31	94.06
9	83.18	86.77	88.40	94.66	96.45
10	85.08	88.71	90.39	97.48	99.33
11	85.72	89.37	91.06	98.16	100.01
12	86.83	90.49	92.19	99.32	101.20

\* These rates will be adjusted in accordance with any variable or otherwise contractual modified raise included in the SWA/SWAPA CBA.

Southwest Pilots will be paid B737 rates in the event they are awarded the B717.

7. Reference to Section 4.K. TRAINING PAY:

AirTran Pilots will be paid the greater of hours pulled for training or the prorated Southwest line guarantee for the time spent in transition training.

8. Reference to Section 5.A. BIDDING MONTHLY LINE FLYING:

Section 5.A.3: Newly transitioned AirTran Pilots will not be considered New Hire pilots for the purposes of awarding reserve or blank lines.

9. Scheduling Parameters for B717 Bases.

Unless otherwise mutually agreed by Southwest and SWAPA, until the January 2015 bid period, the following modifications to Section 5 of the CBA will apply to all Southwest B717 domiciles as they are developed.

Reference to Section 5.E. BID LINE PARAMETERS:

Section 5.E.2: A maximum of fifteen (15) days of duty will be scheduled in every line of time except reserve lines. The following workday targets will serve as the targets for monthly line writing.

Days in the Month	Workday Target
31	13.45
30	13.00
29	12.55
28	12.10

Sections 5.E.3 and 5.E.4. will not apply.

Section 5.E.6: The Company will build pure AM/PM first round lines to the maximum extent allowable by the respective pairing inventories.

Section 5.E.7.a: The process for providing pairings to new hire First Officers will be extended to new hire Captains.

Section 5.E.9. will not apply.

Section 5.G.1. will not apply.

Section 5.G.2. will not apply.

10. The parties agree to negotiate contractual language applicable to the B717 listed in paragraph 9 above by September 1, 2014.

11. Reference to Section 9.B. INVOLUNTARY DISPLACEMENT PROVISIONS:  
AirTran B717 Pilots transitioned to Southwest will be treated as displaced Pilots and will be allowed to bump more junior AirTran B717 Pilots who have previously transitioned. AirTran B737 Pilots will not be considered “involuntarily displaced”.

12. Reference to Section 10 MOVING EXPENSES:  
Atlanta and Orlando will not be treated as new domiciles. Provisions in 10A.1. & 10.A.2. will apply to the combined Southwest/AirTran operation in Atlanta.

AirTran Pilots based in Atlanta, Milwaukee or Orlando at the time they enter training at Southwest who are then assigned to a domicile (excluding temporary domiciles) other than the domicile they originated from, will be considered “displaced”.

All B717 domiciles, other than Atlanta and Orlando, will be treated as new domiciles and the benefits offered in Section 10 will be available.

13. Reference to Section 18 STANDARDIZATION:

The provisions of B.1. will not apply to the AirTran B717 Check Airmen selected by the Company to continue in a Check Airman status after transition to Southwest.

14. Reference to Section 23.D. TRAINING SCHEDULING:

AirTran Pilots will be scheduled for two (2) days off prior to the start of and after the completion of training at Southwest.

15. Reference to SIDE LETTER 8:

Southwest Pilots who transition into the B717 fleet will be exempt from Section 3.C.iii. of Side Letter 8.

I. Definitions Specific to AirTran Integration:

For purposes of this Section and the process of integrating AirTran into Southwest, the following definitions shall apply:

1. "AirTran Pilot": Any Pilot on the AirTran Master Pilot Seniority List as of the date of ratification of Side Letter 10.
2. "Complete Operational Integration": The point in time where all active AirTran Pilots have completed training at Southwest and all AirTran active aircraft have been converted to Southwest.
3. "Joint Southwest /SWAPA/ALPA Committee": Committee staffed in accordance with a dispute resolution agreement agreed upon between the parties will be empowered to determine the conversion of AirTran Pilots Sick Leave and OJI balances from Hours to Southwest Trips for Pay (TFP) and to determine the number of vacation days that will be available after they are covered by the Southwest/SWAPA CBA.
4. "Southwest Pilot": Any Pilot on the Southwest Master Pilot Seniority List as of the date of ratification of Side Letter 10, and pilots hired by Southwest Airlines after ratification of Side Letter 10.
5. "Transition": For the purposes of this Side Letter, Transition refers to the process of moving AirTran pilots to Southwest.

This Agreement shall be effective upon ratification by both pilot groups.



# ALPA AIRTRAN LETTER OF AGREEMENT

INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES

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LETTER OF AGREEMENT  
between  
AIRTRAN AIRWAYS, INC.  
And the  
AIR LINE PILOTS  
in the service of  
AIRTRAN AIRWAYS, INC.  
as represented by the  
AIR LINE PILOTS ASSOCIATION, INT'L

Merger-Related Modifications to Collective Bargaining Agreement
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THIS LETTER OF AGREEMENT is made and entered into in accordance with the provisions of the Railway Labor Act, as amended, by and between AirTran Airways, Inc. (hereinafter referred to as the "Company") and the Air Line Pilots Association, International (hereinafter referred to as the "Association"), together referred to as the "Parties", for the purpose of facilitating and implementing the merger of AirTran and Southwest Airlines Co. and the integration AirTran Pilots into the service of Southwest.

NOW THEREFORE, it is agreed that:

A. Changes to Section 1, Scope and Related

- 1) Paragraph C.5. and 6. – Notwithstanding anything in this provision to the contrary, Southwest and AirTran may enter into code share and other marketing, partnership, operating or management agreements and arrangements in order to facilitate network connectivity, brand awareness and merger of the two carriers into one operation, so long as any such agreements and arrangements are consistent with and in compliance with this Agreement and the Parties' Seniority Integration Agreement.
- 2) Paragraph E.2. – Notwithstanding anything in this provision to the contrary, pre-merger flight operations will be merged, i.e. AirTran pilots will be covered by the SWA/SWAPA CBA, when aircraft conversion is complete or January 1, 2015, whichever occurs earlier.

- 3) Paragraph G.1. – Notwithstanding anything in this provision to the contrary, the Company in accordance with the Seniority Integration Agreement may transfer and/or assign assets from AirTran to Southwest Airlines Co. (“SWA”) without regard to any reduction in net block hours, provided the Integrated Seniority List of SWA and AirTran pilots is effective.

B. Changes to Section 15, Retirement

- 1) Paragraph B.1.c. – will be changed effective January 1, 2012 to read:  
“After completion of one (1) year of employment with AirTran (DOH plus one [1] year), the Company will match the pilot’s contributions to the AirTran pilots’ 401(K), dollar-for-dollar, up to the first nine and three-tenths percent (9.3%) of the pilot’s eligible gross earnings (as defined in Paragraph D.3, below).”
- 2) Paragraph C. – Company contributions to the Pilot-Only Defined Contribution Pension Plan (“DC Pension Plan”) will cease effective December 31, 2011. Effective January 1, 2012, AirTran pilots will participate in the Southwest Airlines Co. Profit Sharing Plan on the same terms and conditions as SWA pilots.

C. Changes to Section 18, Furlough and Recall

- 1) Paragraph A., General, will be changed by adding the following:  
“Unless prohibitive conditions beyond the control of Southwest occur, to include extreme economic conditions, no AirTran pilot will be placed on furlough prior to his or her transition to Southwest. Southwest will not hire new pilots while an AirTran pilot is on furlough.”

D. Changes to Section 6, Filling of Vacancies and Displacements

- 1) Add Section 6.K. Transition of Pilots from AirTran to Southwest
  1. Notwithstanding anything in Section 3 or Section 6 of the 2010 collective bargaining agreement between the parties (“Agreement”) to the contrary, the transition of pilots from AirTran to Southwest will be accomplished as described below.
  2. The Company shall conduct a Transition Bid to determine each pilot’s equipment and seat assignment at the time of their transition to Southwest Airlines. This process supersedes the Reduction Notice and Vacancy Notice requirements described in other paragraphs of the Section 6.
  3. The choices will include:
    - a. 717 CA ATL
    - b. 717 FO ATL
    - c. 737 FO Southwest – domicile to be determined

4. The Transition Bid Notice will be posted 30 days prior to the close of bidding. The Transition Bid Notice will include:
  - a. The current AirTran seniority list
  - b. The most current aircraft conversion schedule (subject to change)
  - c. Southwest Airlines latest domicile projections (subject to change)
5. The Final Transition Bid Award will be posted within 72 hours of the Transition Bid close. The Final Transition Award posting will include:
  - a. Each pilot's new equipment and seat assignment
  - b. A schedule of projected training events by date (subject to change). This schedule will be based on training requirements and balancing AirTran's remaining staffing.
6. A 4-day protest period will commence once the Final Transition Award has been posted. Valid protests will be limited to errors in new assignment awards.
7. Training to support the Transition Award will be scheduled through a Monthly Training Bid. The number and types of training events and the number of pilots available to be awarded from each crew class will be posted. Awards will be made in seniority order within each crew class (for the purposes of this process, a crew class is defined as a pilot's base, seat, equipment assignment).
8. The Monthly Training Bid will be closed 7 days after posting
9. The results will be posted by the close of business, the following business day after bid close.
10. Since these training events are awarded on a seniority basis, trade of training assignments will not be allowed.
11. Bypass pay will not be given to pilots based on the training schedule or awarded training events.
12. Transition Vacancy Awards will become effective for each pilot as they are converted to Southwest Airlines or as needed to backfill vacated positions at AirTran.
13. Section 6.H. and Section 14.A.10. of the AirTran/ALPA CBA do not apply to Transition Vacancy Awards and subsequent training events.
14. As AirTran pilots are transitioned to Southwest Airlines, they will be included in the Southwest vacancy bid to determine their domicile assignment. The

first SWA vacancy including transitioned pilots will close not less than 30 days after the Final Transition Award posting and protest period.

15. Check Airman and management pilots will be transitioned to Southwest in a manner to ensure coverage at Southwest and AirTran during the integration.
16. AirTran Check Airmen transitioned to Southwest out of normal transition order will be assigned to the preferred Southwest domicile that their seniority would hold.
17. Pilots on leave will participate in the Transition Bid and will be converted as dictated by their seniority and the Transition Vacancy Award. Any required training will be conducted in the next scheduled class opening after the pilot returns from leave."

E. Section 4.B, Pilot Longevity

- 1) Consistent with the current collective bargaining agreement as well as the spirit and language of the prior collective bargaining agreement, any pilot who has taken a paid leave of absence (e.g., long-term disability, extended loss of license) and who did not accrue longevity for all of that paid leave, shall have his longevity corrected to reflect full accrual of longevity for the entirety of such leave.
- 2) For prospective pay, vacation and benefit purposes under the SWA-SWAPA CBA, and as provided for in SWA-SWAPA Side Letter 10 dated September XX, 2011, AirTran pilots transitioning to Southwest will be given credit for qualified years of service as pilots at AirTran, including the corrections reflected in paragraph E.1 above. An AirTran pilot's initial longevity at SWA for pay and benefits will therefore be his/her longevity accrued at AirTran as defined in the Agreement and this Letter of Agreement as of the date he/she starts training at SWA.

F. Section 4.O. Rigs and Minimums (Credit Pay)

- 1) To offset the potential degradation of line quality during the transition of aircraft to Southwest Airlines, Section 4.O.4. will be adjusted to resemble the Schedule Line Guarantees at Southwest Airlines, adjusted for TFP/HOUR conversion. Effective with the first full bid period following the transition of the first AirTran aircraft to Southwest Airlines, Section 4.O.4., of the AirTran ALPA CBA will be amended to read as follows:

"4. Minimum Monthly Guarantee (MMG):

- a. Minimum monthly pay for all pilots, other than reserve pilots, will be seventy-six (76) hours of pay per thirty-one (31) day bid period and seventy-five (75) hours of pay per thirty (30) day bid period.

- b. Minimum pay for reserve pilots will be as follows:
  - i. A Reserve Short Call pilot's Minimum Monthly Guarantee is seventy-eight (78) hours per month.
  - ii. A Reserve Long Call pilot's Minimum Monthly Guarantee is seventy-six (76) hours per month."

G. Changes to Section 5, Scheduling

- 1) Notwithstanding anything to the contrary in Section 5, unless the Parties otherwise mutually agree, the scheduling of AirTran Pilots will be combined into a common Southwest scheduling system under the scheduling rules of the SWA-SWAPA CBA by the completion of aircraft conversion or January 1, 2015, whichever occurs earlier.

H. Fatigue

- 1) Effective upon date of ratification, the Southwest Fatigue Policy applies. The policy states:  
"A pilot may declare himself fatigued at any time in the interest of safety. The Company will immediately pull the pilot from the pairing with no questions asked. The pilot will be left in a paid status and will not be required to contact his Chief Pilot. Declaring fatigue will not result in any disciplinary action. The Company will work with the pilot to get him back on his pairing as quickly and efficiently as possible after the pilot is sufficiently rested."

- I. Except as expressly modified herein, all provisions in the Agreement shall remain in full force and effect.

J. Effective Date

- 1) This Letter of Agreement will become effective on its date of signing, contingent upon the ratification of the Seniority Integration Agreement by both the AirTran and Southwest pilots groups, and will run concurrent with the Agreement.



# SENIORITY INTEGRATION AGREEMENT

INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES

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## AGREEMENT

between

**SOUTHWEST AIRLINES CO.,**

**AIRTRAN AIRWAYS, INC.,**

**THE AIRLINE PILOTS IN THE SERVICE OF SOUTHWEST AIRLINES CO.**

as represented by

**THE SOUTHWEST AIRLINES PILOTS' ASSOCIATION,**

and

**THE AIRLINE PILOTS IN THE SERVICE OF AIRTRAN AIRWAYS, INC.,**

as represented by

**THE AIR LINE PILOTS ASSOCIATION**

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## SENIORITY INTEGRATION AGREEMENT

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**THIS SENIORITY INTEGRATION AGREEMENT** ("Agreement") is made and entered into in accordance with the provisions of the McCaskill-Bond Act, 49 USCA § 42112, Pub.L. 110-161, Div. K, Title I, § 117, Dec. 26, 2007, 121 Stat. 2383, in accordance with the provisions of the Southwest Airlines and AirTran Airways pilots' respective collective bargaining agreements, and in accordance with the Parties' Seniority Integration Process Agreement dated April 14, 2011, by and between **SOUTHWEST AIRLINES CO., AIRTRAN AIRWAYS, INC.,** the **AIRLINE PILOTS** in the service of **SOUTHWEST AIRLINES CO.,** as represented by the **SOUTHWEST AIRLINES PILOTS' ASSOCIATION,** and the **AIRLINE PILOTS** in the service of **AIRTRAN AIRWAYS, INC.** as represented by the **AIR LINE PILOTS ASSOCIATION.**

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**WHEREAS,** on September 26, 2010, Southwest Airlines Co. ("Southwest") and AirTran Holdings, Inc., parent company of AirTran Airways, Inc. (together "AirTran") entered into an Agreement and Plan of Merger ("Merger Agreement"); and

**WHEREAS,** under the Merger Agreement, effective on May 2, 2011, Southwest – through a series of simultaneous transactions - acquired all of the stock of AirTran and AirTran became a wholly-owned direct subsidiary of Southwest; and

**WHEREAS**, the McCaskill-Bond Act provides that in the event of a transaction between air carriers in which one air carrier acquires fifty (50) percent or more of the stock of another air carrier in a transaction for the combination of multiple air carriers into a single air carrier that results in the combination of crafts or classes subject to the Railway Labor Act, as amended, 45 U.S.C. Section 151 *et seq.* (“RLA”), the seniority lists of the employees of the air carriers shall be integrated pursuant to the provisions set out in Sections 3 and 13 of the CAB’s decision in *Allegheny-Mohawk*, 59 CAB 22 (1972); and

**WHEREAS**, Section 3 of *Allegheny-Mohawk* requires that such seniority lists shall be integrated, through negotiations, in a “fair and equitable manner;” and

**WHEREAS**, SWAPA, ALPA, Southwest and AirTran also have provided in the Seniority Integration Process Agreement dated April 14, 2011, for the orderly combination of Southwest Pilots and AirTran Pilots under a single Collective Bargaining Agreement (“CBA”) and representation by a single collective bargaining representative within a single transportation system under the RLA.

**THEREFORE**, Southwest and AirTran (the “Companies”), on behalf of themselves and their wholly-owned affiliates, SWAPA (acting on behalf of the pilots in the service of Southwest Airlines), ALPA (acting on behalf of the pilots in the service of AirTran), and their respective Seniority Merger Committees (the “Merger Committees”) as duly created and authorized by SWAPA and ALPA respectively (each such Merger Committee, SWAPA, ALPA and the Companies is a “Party” under this Agreement) agree as follows:

### **Section I: Terms of Seniority Integration**

The Parties hereby agree to seniority integration on the terms set forth in: (A) this Seniority Integration Agreement, (B) the Seniority Integration Process Agreement, dated April 14, 2011, (C) Side Letter 10 to the SWAPA-Southwest CBA, dated September 22, 2011, (D) Questions and Answers regarding Side Letter 10 to the SWAPA-Southwest CBA; (E) the ALPA-AirTran Letter of Agreement concerning Merger-Related Modifications to their CBA, dated September XX\_\_, 2011, and (F) the Parties’ Letter of Agreement concerning Dispute Resolution Procedures, each of which is attached hereto and incorporated by reference herein. Every AirTran pilot’s name appearing on the merged seniority list created pursuant to the terms of this Agreement shall remain on the Southwest Master Seniority List until it is removed due to retirement, death, resignation or termination in accordance with applicable Collective Bargaining Agreements.

## **Section II : Non-Voidability and Inviolability Covenant**

This negotiated settlement is a final and binding resolution delineating the AirTran-Southwest pilot seniority list integration, subject to approval and ratification as provided by applicable Union governance provisions. The conditions and restrictions to the integrated seniority list, as specifically set forth in Section 27.F., G.3., H.4., H.5., H.6., H.7., H.11., and H.12. of Side Letter 10 of the SWAPA-Southwest CBA, constitute an integral and essential part of the merged list itself and shall be inviolable for the duration of this agreement as set forth in Section V.. These conditions and restrictions shall continue in full force and effect, notwithstanding any subsequent acquisition, merger or other corporate transaction affecting any pilots on the combined AirTran-Southwest seniority list, and without regard to any subsequent (A) agreement between Southwest and its pilots (whether reached during Section 6 negotiations or otherwise); (B) change in collective bargaining representative of the AirTran or Southwest pilots; or (C) sale or corporate transaction involving the ownership or control of Southwest or AirTran. This Agreement is binding on the successors and assigns of the parties. In the event of any acquisition, merger or other corporate transaction in which the combined pilot group is represented by a committee of pilots for purposes of resolving disputes concerning seniority integration, at least one pre-merger AirTran pilot and one pre-merger Southwest pilot shall each be given a position as a full, voting member of each such committee; provided, however, that any such committee shall not be disabled from performing its designated functions due to the absence of at least one member from a pre-merger pilot group if there is not a pilot from that group who is ready, willing and able to serve.

## **Section III: Effective Date**

This Agreement shall take effect upon approval by the Companies, the SWAPA Board of Directors and membership, the ALPA AirTran MEC and membership and the President of ALPA.

## **Section IV: Authority to Sign**

Each of the signatories below represents and affirms that he is authorized in accordance with the Constitution and By-Laws, corporate charter and by-laws and/or any other governing documents of the organization for which he is signing to execute this Agreement and the attached agreements referenced in Section I above and to bind that organization thereby to comply with the terms of these agreements.

## **Section V: Termination**

This Agreement shall expire on the later of January 1, 2015 or when the last AirTran pilot transitions to Southwest, (excluding the requirement that a former AirTran pilot be a member of a merger committee), and all conditions and restrictions contained in Section 27 of the SWAPA CBA, ALPA letters of agreement and any other referenced or binding agreements specific to the AirTran-Southwest seniority list integration shall in all other respects be null and void the later of January 1, 2015, or when the last AirTran pilot transitions to Southwest, or as otherwise delineated in the documents listed in Section I above. Notwithstanding the foregoing, the negotiated seniority list, as it may be enlarged by the addition of pilots as a result of any subsequent corporate transactions referenced in Section II above, shall remain as provided for by this Seniority Integration Agreement if and when it is approved and executed by all Parties in accordance with the terms of the attached Seniority Integration Process Agreement dated April 14, 2011, and applicable Union governance provisions.



# QUESTIONS & ANSWERS

INTEGRATION OF AIRTRAN PILOTS INTO SOUTHWEST AIRLINES

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## AGREEMENT

Between and among

**SOUTHWEST AIRLINES CO.,**

**AIRTRAN AIRWAYS, INC.,**

**THE AIRLINE PILOTS IN THE SERVICE OF SOUTHWEST AIRLINES CO.**

as represented by

**THE SOUTHWEST AIRLINES PILOTS' ASSOCIATION,**

and

**THE AIRLINE PILOTS IN THE SERVICE OF AIRTRAN AIRWAYS, INC.,**

as represented by

**THE AIR LINE PILOTS ASSOCIATION**

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**Questions & Answers Regarding Side Letter 10 to the SWAPA-Southwest CBA**

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**THIS AGREEMENT** ("Agreement") is made and entered into between and among **SOUTHWEST AIRLINES CO.** ("Southwest" or "SWA"), **AIRTRAN AIRWAYS, INC.** ("AirTran"), the **AIRLINE PILOTS** in the service of **SOUTHWEST AIRLINES CO.**, as represented by the **SOUTHWEST AIRLINES PILOTS' ASSOCIATION** ("SWAPA"), and the **AIRLINE PILOTS** in the service of **AIRTRAN AIRWAYS, INC.** as represented by the **AIR LINE PILOTS ASSOCIATION** ("ALPA"), collectively (the "Parties").

The Parties intend to clarify the various agreements comprising their Seniority Integration Agreement through the following questions and answers, which shall apply to the situations described as the provisions set out in those more traditionally formatted agreements, and which shall apply during the same periods of time as those agreements, and therefore agree as follows:

1. Q. Section I of the Seniority Integration Agreement provides: "Every AirTran pilot's name appearing on the merged seniority list created pursuant to the terms of this Agreement shall remain on the Southwest Master Seniority List until it is removed due to retirement, death, resignation or termination in accordance with the applicable Collective Bargaining Agreements." If an AirTran pilot whose

name is on the agreed list is furloughed prior to transition to Southwest, or if prior to his transition, AirTran ceases scheduled flight operations, is sold, whether in whole or in part, or files for bankruptcy, will his or her name remain on the Southwest Master Seniority List?

A. Yes. As long as that AirTran pilot has not retired, died, resigned or been terminated in accordance with the applicable CBA, his or her name will remain on the Southwest Master Seniority List, and he or she will be considered a furloughed Southwest pilot with all of the rights and benefits afforded any other Southwest pilot. Southwest will recall or transition him or her, as the case may be, before offering employment to new hires.

2. Q. When can AirTran pilots bid into Southwest domiciles?

A. As AirTran pilots are transitioned to Southwest Airlines, they will be included in the Southwest vacancy bid to determine their domicile assignment. The first SWA vacancy including transitioned pilots will close not less than 30 days after the final transition award posting and protest period.

3. Q. Under what circumstances can a Southwest pilot displace an AirTran pilot from a 717 Captain seat?

A. Only if furloughs occur prior to January 2015. At that time, normal vacancy rules apply.

4. Q. When can Southwest pilots be awarded the 717?

A. Not before January, 2015, except in the event of furloughs. (27.F.1.b.)

5. Q. What is the order of furlough?

A. On the Southwest side of the partition furloughs occur in reverse seniority order from the Integrated Master Seniority List excluding those AirTran pilots who have not transitioned to Southwest. Furloughs to AirTran pilots who have not transitioned to Southwest will be in reverse seniority order from among those pilots remaining on the AirTran side of the partition.

6. Q. What is the order of recall?
- A. Pilots will be recalled in seniority order per the SWA/SWAPA CBA 22.B.1.
7. Q. Will Southwest 737 domiciles shrink due to 717 basing?
- A. No. (27.H.)
8. Q. What is a “new traditional 737 domicile”?
- A. A domicile that does not require SWAPA-Southwest CBA amendments, consisting of at least 8 RON aircraft.
9. Q. How are captain downgrades determined?
- A. System Seniority and fleet specific (unless there is a furlough prior to January 2015).
10. Q. How will 717 captain vacancies be filled before January 1, 2015?
- A. Prior to January 1, 2015, B717 captain vacancies on the SWA side of the partition will be filled only by AirTran B717 pilots. On the AirTran side of the partition, B717 captain vacancies may be filled by any AirTran pilot.
11. Q. How will 717 captain vacancies be filled on or after January 1, 2015?
- A. On or after January 1, 2015, B717 captain vacancies will be filled in System Seniority Order.
12. Q. How will future 737 captain vacancies be filled?
- A. Until January 1, 2015, all 737 Captain will be filled by current Southwest pilots. After that date, Captain vacancies at SWA will be determined by system seniority.

13. Q. What is the AirTran “Transition Bid”?
- A. This bid allows AirTran pilots to choose among themselves, their preference for their initial equipment and seat for transfer to Southwest. The Transition Bid referred to Section D of the ALPA-AirTran LOA will only be open to AirTran pilots and only AirTran pilots will fill the positions in that bid.
14. Q. How are captain downgrades determined?
- A. System seniority after December 31, 2014. Prior to that date, downgrades will be determined by seniority within fleet type. System seniority will determine downgrades during any furlough period.
15. Q. If Southwest needs additional 717 First Officers prior to January 1, 2015, how will those seats be filled?
- A. New hire pilots will fill those vacancies.
16. Q. When are AirTran pilots covered by the complete Southwest/SWAPA CBA?
- A. AirTran pilots are covered by the Southwest/SWAPA CBA upon entering training for service as Southwest pilots. AirTran pilots who have not entered training for service as Southwest pilots by January 1, 2015 will be covered by the SWAPA-Southwest CBA on January 1, 2015.
17. Q. Side Letter 10 states that for pay and benefit purposes, AirTran pilots transitioning to Southwest “will be given credit for any qualified years of service as pilots at AirTran.” How will “qualified years of service” at AirTran be determined?
- A. Years of service for pay and benefit purposes (“longevity”) may or may not equate to seniority for competitive bidding purposes, such as to select monthly flying assignments or vacation schedules. Qualified years of service at AirTran will be determined by AirTran and ALPA pursuant to the ALPA CBA, AirTran policies and practices, and credit for that AirTran service shall remain in effect throughout an AirTran pilot's career at Southwest.

18. Q. What will the “Joint Committee” (27.B) accomplish with regard to AirTran pilots’ vacation, sick 401(k) and OJI bank?
- A. The Joint Committee will calculate the value of current AirTran benefits and convert them to a corresponding value under the Southwest/SWAPA CBA.
19. Q. How do the “New Hire” provisions in sections referenced in 27.D apply to AirTran pilots during their “Transition to Southwest” training?
- A. Section 2.O. of the Southwest/SWAPA CBA allows SWAPA representatives the ability to address the class. Section 4.K.6. addresses the TFP pay guarantee minimum pilots will receive. Section 5.E.7.A. provides for the flying schedule a pilot may fly after the completion of training.
20. Q. I am an AirTran B717 Check Airman. I want to transfer to Southwest as soon as possible. Will I be able to do this? (27.E.3)
- A. Yes, but based on AirTran system seniority, and in accordance with Southwest’s need to balance Check Airman staffing at AirTran and Southwest.
21. Q. I am an inactive AirTran pilot on OJI or LTD. How will I be treated during the “Transition to Southwest” bid Process? (LOA D.13.)
- A. You will be transferred to Southwest in your current inactive status in accordance with your “Transfer to Southwest” bid. The value of your OJI, sick or LTD will be converted to a corresponding value under the Southwest/SWAPA CBA by a joint Southwest/SWAPA/ALPA committee. (Section 27.B.)
22. Q. Where will AirTran pilots be based?
- A. As AirTran pilots are transitioned to Southwest Airlines, they will be included in the Southwest vacancy bid to determine their domicile assignment. The first SWA vacancy including transitioned pilots will close not less than 30 days after the final transition award posting and protest period.

23. Q. An AirTran pilot is involuntarily displaced from his or her last AirTran domicile on entering training at Southwest. When that pilot completes training, can he/she displace a less senior, former AirTran pilot out of the Southwest ATL base?
- A. Yes, per 27.I.11, AirTran B717 Pilots transitioned to Southwest will be treated as displaced pilots and will be allowed to bump more junior AirTran B717 pilots who have previously transitioned. AirTran B737 Pilots will not be considered “involuntarily displaced”.
24. Q. Can a Southwest pilot be awarded an ATL 717 vacancy?
- A. Not until January 2015, or except in the event of a furlough.
25. Q. If there are five vacancies for ATL B717 captain positions on the SWA side of the partition, who fills those seats?
- A. Prior to January 1, 2015, AirTran B717 pilots will fill B717 captain vacancies. On or after January 1, 2015, B717 vacancies will be filled by system seniority. However in the event of furloughs, Southwest pilots may displace and bid to the B717 prior to the January 2015 bid period. (27.E.)
26. Q. Can an AirTran pilot change their aircraft assignment during the transition period?
- A. Yes, prior to that pilot’s transition to Southwest.
27. Q. Can an AirTran 717 captain, after transitioning to Southwest, voluntarily downgrade during the equipment lock?
- A. Yes, in the same equipment type.
28. Q. Who may bid on B717 captain vacancies on the SWA side of the partition during the equipment lock?
- A. AirTran 717 pilots. However in the event of furloughs, equipment locks would be removed, and displacements to and vacancies on the B717 would be awarded by system seniority. (27.E.).

29. Q. Are AirTran B737 captains who transition to B717 captain positions during the transition period locked following their award?
- A. Yes, the new AirTran B717 captain would be equipment locked on that aircraft, unless they are displaced, through the December 2014 bid period, or two years after being awarded, whichever is later.
30. Q. In the event that B717's are replaced with different aircraft, will B717 captains keep their captain seats?
- A. AirTran pilots whose seat position is eliminated by reduction of the B717 fleet will bid system seniority for their new assignment. (27.F.2.)
31. Q. How will an AirTran or Southwest pilot pursue a claim that AirTran or SWA has not correctly applied the terms of the seniority integration agreement or these questions and answers?
- A. The Parties have agreed on dispute resolution procedures, which are available to any pilot to challenge the manner in which the various agreements on seniority integration including these questions and answers are applied. Claim forms will be made available through ALPA and SWAPA. Like the grievance-arbitration procedures in the existing ALPA-AirTran and Southwest/SWAPA CBAs, these procedures permit individual pilots to enforce their rights, as established in the various agreements that make up the Parties' seniority integration agreement.
32. Q. What is the reason for adding the B717 to Sec. 1.M of the Southwest/SWAPA CBA?
- A. After December 31, 2014, B717 pay rates will snap up to and remain equal to those of the B737-300, B737-500, B737-700, and the B737-800.