

# WAYPOINT

SWAPAFamily Newsletter

Vol 4 | No. 2

## LOOKING AHEAD



DEC. 2020

**SWAPA**  
family



## ABOUT



SWAPAFamily was created to bring Pilots and their families together to meet one another and share information about SWAPA programs and services as well as our current situation in contract negotiations.

Your SWAPA leadership is committed to our members and building lasting relationships and unity will ultimately help us achieve the best quality of life for our families.

Stay connected with us on Facebook & Instagram!



[facebook.com/groups/SWAPAFamily](https://facebook.com/groups/SWAPAFamily)



[@SWAPAFamily](https://instagram.com/SWAPAFamily)

## In This Issue

- 4 A Grateful Farewell**  
*Jon Weeks – President*
- 6 Weathering The Storm Ahead – Together**  
*Jean Peck – Outreach Chair*
- 9 Meet SWAPA's President-Elect**  
*Casey Murray – Negotiating Chair*
- 11 Meet Your 2021 Board of Directors**
- 14 Living a Legacy: Doyle Vaughn**
- 18 Taking Advantage of Every Day**
- 23 What Exactly Is a WARN Notice?**
- 25 Airline Economics in the Era of COVID-19**
- 29 Support SWAPAfamilies!**



Jon's daughter, Braya.

## A Grateful Farewell

---

### Jon Weaks, SWAPA President

I have served as SWAPA president for a total of seven years now. I served one term nearly 20 years ago, and I have been president this go around since 2016. I can honestly say it has been an incredibly rewarding experience. I didn't say it was fun; I only said it was rewarding. And I would do it all over again.

I have seen a lot while occupying the corner office at Empire Central. I have experienced both highs and lows with our Pilot group. I have been inside a crumpled cockpit helping one of our injured crewmembers get out and on a chartered plane escorting our crew home after they successfully recovered a plane with catastrophic engine failure. I have also been in a packed hangar with nearly a thousand fellow SWAPA Pilots where the spirit of enthusiasm and camaraderie filled the air. I have stood proudly in a line with many of your fellow Pilots to fight for what was justly deserved. And now, due to the Company's actions earlier this month, I've witnessed the disappointment and frustration of our entire membership with SWA leadership's decision to issue WARN Notices days before the holidays begin. Like I said, both highs and lows.

With all I have experienced in the past, I can say that we have never been through a year like 2020 before. We began the year with the future backbone of our Company's fleet grounded around the world. Incidentally, we are drawing to the close of this year with the expectation that the MAX will be airborne again soon. However, the MAX was just the tip of the iceberg. From murder hornets to national unrest to forest fires along with an industry-crushing pandemic, I can say with confidence that we are ready to turn the page on 2020.

However, as trying as this year has been for our industry at large, I am incredibly proud of the way SWAPA Pilots, along with their families, have weathered it. Despite the challenges of the past year, you all have shown the fortitude and family spirit that are the hallmarks of our Pilot group. From the thousands who have stepped up to participate in voluntary programs to help our Company reduce expenditures to the thousands who continue to do the important work of moving people across our country and beyond, your can-do team spirit and dedication to your passengers, crews, and fellow Pilots is simply awe-inspiring. While we still face uncertainties in our future, I have no doubt this Pilot group and our families are well positioned to face those uncertainties – together.

It has been my distinct privilege to serve you and your families as SWAPA president for the last five years. I would be lying if I told you I am not absolutely giddy about getting my life back, powder days at Squaw, beaches in Hawaii, rescuing every animal I can, and stalking my daughter at college next fall. I look forward to finally being able to wear my “I have a daughter, a gun, a shovel, and an alibi” T-shirt to make my point! In all seriousness, my daughter, Braya, has been my rock and succeeds in spite of me; I love you, B.

As I go back to the line to return to the job I originally intended to do when I applied to Southwest, I ask my First Officers for patience, understanding, and help reading the small print. I wish Casey Murray the best as he takes over the reins as the next president of SWAPA. And above all, I wish you all and your families fair winds, following skies, great single-malt scotch, and a happy and prosperous career at Southwest Airlines. Thank you for allowing me the opportunity to serve you for the last five years. It was the professional honor of a lifetime. **W**

Leading Forward One Last Time,

Jon



## Weathering the Storm Ahead – Together

---

Jean Peck, SWAPAFamily Outreach Chair

Looking out of the window of the airplane at 35,000 feet, one would never know anything has changed in our world during the year 2020. The scenery remains the same – beautiful mountains, coastlines, and forests are still abundant with color and so much life. Perhaps 2020 doesn't look so bleak from this view. But upon landing, it's back to reality. To say it has been a difficult year would be an understatement. The challenges we are facing due to the COVID-19 pandemic are very real. On the home front, while some kids are back in school, others are still tackling classwork at home with parents. Restaurants and businesses are mostly open although not at full capacity, and the country is (almost) back to work. Although layovers in certain cities are a challenge, regarding our profession as essential workers, flying the jet is actually the most calming and rewarding part of life (for me at least) at this juncture. Our spouses and partners left behind might not feel so fortunate as they must forge ahead to keep the household running.

And now, just days before the December holidays begin, 1,221 of our Pilots received WARN notices. It is hard to believe that our beloved airline, which prides itself on never having furloughed, would choose this time right before the holidays to send these notices to our Pilots and families. Please read the WARN notice information on page 22 and keep in mind that these notices are a predictable part of the management strategy and ARE NOT furlough notices, nor do they mandate a future furlough. Rest assured that SWAPA continues to negotiate with the Company in good faith to seek solutions to the problems at hand and remains committed to finding a mutually agreeable solution that prevents any furlough. We will get through this together. If you have any questions or concerns, please reach out to your base reps (see page 11).

On a lighter note, we wrapped up the final SWAPA Board of Directors meeting for 2020 a few weeks ago, and we would like to thank CA Jon Weeks for his dedication and service to the SWAPA membership for the last five years. As we welcome CA Casey Murray to lead us as President, we'd also like to recognize the devotion and personal sacrifices that he has made as Chair of the Negotiating Committee over the past four years. We applaud him and his incredible team of negotiators for our current CBA and for everything they've accomplished so far during these difficult times. You are an inspiration to us all.

He leaves a very capable Negotiating Committee ready to face the new year. No doubt it will be a challenging negotiating atmosphere in the coming years, but we have full faith that this team will continue to do what's right for SWAPA Pilots and our families. What lies ahead no one can predict, but rest assured that SWAPA has the right people in place to negotiate on your behalf going forward. That's true of not only the Negotiating Committee but of all of the committees at SWAPA. As an example, the Economic, Financial Analysis & Industry Research Committee is constantly analyzing Southwest's financials and the overall industry health and providing that data to our Negotiating Committee. (See their article, "Airline Economics in the COVID-19 Era" on page 24.) This collaboration and support from all SWAPA committees is vital to our team at the negotiating table.

And speaking of support, while your SWAPA Outreach Committee may not seem as active as in years past, please know that the members of the SWAPA Pilot Services Group (CIRT, HIMS, LIFT, Benefits and SWAPAFamily) are here to serve and support our members and families. Any one of us can be reached any time. Call any of the numbers on page 8, day or night, and someone will be on the other end of the line, waiting to assist you and put you in touch with the resources you need. Now more than ever, we need one another to lean on, to share with, to laugh with, and yes, sometimes, to cry with. We have some beautiful stories around the system of our families pulling together when times are tough. One such story can be found on page 17 of this issue. Wendy Graf's story is an excellent reminder to us all that life is precious, and we cannot take one day of it for granted.

In closing, we have our work cut out for us in 2021 and beyond. It is now more than ever so important to stay informed about what is going on with SWAPA and our continued negotiations with the Company. We must

focus on preserving our profession so that we can weather this storm for our families. Spend a little extra time reading those SWAPA emails you receive. If you are on social media, join our SWAPAFamily Facebook group ([facebook.com/groups/SWAPAFamily](https://facebook.com/groups/SWAPAFamily)) – there is a wealth of information among our group on our current critical situation. We have to hold tight to one another and work hard to take care of one another. Unity will be more important than ever as we move through this tumultuous and uncertain time. Stay strong, stay in touch. **W**

With love,  
Jean Peck

## Additional Resources

### SWAPA SPECIAL SERVICES



SWAPA Special Services volunteers are available to assist you and your family 24/7. Whether you're dealing with stress and anxiety, substance abuse, or need to start a meal train for a fellow Pilot or spouse in need, reach out to us at any of the following:



Project LIFT 855.737.LIFT (5438)

HIMS – 301.535.9871

SWAPAFamily – 770.313.0045

### THE SWAPA NUMBER

The SWAPA Number podcast series was designed to dive into issues facing our Union so our members can hear from the subject matter experts themselves. Stay up to date on topics ranging from COVID-19, negotiations, scheduling issues, and much more. Subscribe to The SWAPA Number on any app where podcasts can be found.







## Meet SWAPA's President-Elect

---

Many of you may know me from the SWAPAFamily events I attended throughout 2018 and 2019 as the Chair of your Negotiating Committee. And even though those interactions were brief, I feel like I got the chance to know many of you during that period of time. In case you don't know me or I haven't had the chance to meet you face-to-face, I'd like to tell you a little about myself and what drove me to run for President of our Union.

I wanted the opportunity to lead our team and our Pilots through what is arguably the toughest times our industry and our airline have experienced. I believe that strength and strategic vision in the face of the current downturn are paramount to our success.

Many years ago (13 to be exact), I chose Southwest Airlines because they were different. And because SWAPA was different. SWAPA has built its most recent position of strength by defending our CBA and putting teams in place with specialists in their areas of expertise. We have had to stand our ground more vigorously than ever before and those stances need to be further fortified.

In that vein, here are five fundamental promises I will make each SWAPA Pilot and their family.

The first is Contract 2020. The SWAPA leadership team committed the resources to fully rewrite our CBA, a process that I led through three years of open and honest communication with our Pilots, as they were a fundamental part of that process. Today we have a proposal that provides the efficiencies and productivity the Company needs more than ever during this pandemic. SWAPA has provided a roadmap that will ensure the Company's success as well as the success of our Pilots.

That leads to my second promise, protection of every Pilot on our seniority list. The Company's decisions over the last three years have fostered uncertainty through our ranks that will affect our culture for years to come. As inefficiencies have arisen, SWAPA has offered solutions and provided data to support fixes that have been universally shunned. You have my promise that SWAPA will continue to offer solutions to increase the security that each of you deserves.

Thirdly, communication will continue to be open and honest. As we move forward, you deserve to know what SWAPA knows and when we know it. We will continue to provide unlimited data and analysis on our industry, on our Company, and on internal SWAPA processes.

Tied to open and honest communication is my fourth promise: fiduciary responsibility. Most of our members see only line items in the budget with very little visibility on how that money is actually spent. We need more detailed breakdowns to what those line items contain. Furthermore, it's imperative that we get back to a balanced budget. The last two years of deficit budgets can be attributed to necessary IT expenditures and preparations for Contract 2020 negotiations, but part of SWAPA's long-term strategic plan has to be balancing the budget.

Lastly, I feel very strongly that SWAPA is in the customer service business. I have spoken at many SWAPAFamily events and my message has been clear – when ANYTHING happens to a Pilot or within our SWAPA Pilot family, the first thought needs to be “I’ll call SWAPA.” Benefits, CISM, contractual compliance, scheduling or just having someone to talk to are all services SWAPA provides. That’s what makes us family. That’s what ultimately makes us strong.

Advocacy is where I’ve devoted my life. I’ve been married for 24 years and have one son who we just sent to college to begin his medical career. My wife and I have run several successful businesses and oversee the planning and execution of two successful churches. As for me personally, I am a graduate of the University of North Dakota and The John Marshall Law School. I began my work with SWAPA in 2009 when I was asked to join the NC after a failed TA and remained on the committee until 2012. In 2015, I was asked to replace a member of the Training Committee who had moved on to the 2nd VP position. In late 2015, I was then asked to put together a team and chair the Negotiating Committee after the failure of TA1 culminating in a contract ratified by 84% of our membership.

I am grateful to be a part of this family, the SWAPA family, and I hope that someday in the not-too-distant future we will have the opportunity to meet in person. **W**

Casey A. Murray

# Meet your 2021 Board of Directors



**PRESIDENT**  
CA Casey A. Murray  
cmurray@swapa.org  
#85854



**VICE PRESIDENT**  
CA Michael Santoro  
msantoro@swapa.org  
#83046



**2ND VICE PRESIDENT**  
CA Tom Nekouei  
tnekouei@swapa.org  
#81207



**FO Brian Hagedorn #101117**  
Chair bhagedorn@swapa.org



**FO Kris Takle #90153**  
Vice Chair ktakle@swapa.org

**ATL** atl@swapa.org



**CA Mike Baker #68226**  
Chair mbaker@swapa.org



**FO Daren Black #75048**  
Vice Chair dblack@swapa.org

**BWI** bwi@swapa.org



**FO Matthew Wright #116513**  
Chair mwright@swapa.org



**CA Craig Schmidt #89617**  
Vice Chair cschmidt@swapa.org

**DAL** dal@swapa.org



CA Rob Odom #83352  
Chair rodom@swapa.org



CA Jon Thompson #85535  
Vice Chair jthompson@swapa.org

**DEN** den@swapa.org



CA Doyle Hill #80084  
Chair dhill@swapa.org



CA Rudy Hachtel #87617  
Vice Chair rhachtel@swapa.org

**HOU** hou@swapa.org



CA Dennis O'Leary #52773  
Chair doleary@swapa.org



CA Matt Affenita #80641  
Vice Chair maffenita@swapa.org

**LAS** las@swapa.org



FO Chris Hall #107203  
Chair chhall@swapa.org



CA Mike Callaghan #54910  
Vice Chair mcallaghan@swapa.org

**LAX** lax@swapa.org



**FO Scott Thatcher #116029**  
Chair [sthatcher@swapa.org](mailto:sthatcher@swapa.org)

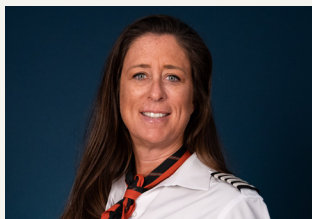


**CA David Peck #25548**  
Vice Chair [dpeck@swapa.org](mailto:dpeck@swapa.org)

**MCO** [mco@swapa.org](mailto:mco@swapa.org)



**CA Ron Welsh #67523**  
Chair [rwelsh@swapa.org](mailto:rwelsh@swapa.org)



**CA Laurin Toriello #74843**  
Vice Chair [ltoriello@swapa.org](mailto:ltoriello@swapa.org)

**MDW** [mdw@swapa.org](mailto:mdw@swapa.org)



**FO Douglas Booher #95877**  
Chair [dbooher@swapa.org](mailto:dbooher@swapa.org)



**FO Chris Davis #95881**  
Vice Chair [cdavis@swapa.org](mailto:cdavis@swapa.org)

**OAK** [oak@swapa.org](mailto:oak@swapa.org)



**FO Luke LeBeau #103154**  
Chair [llebeau@swapa.org](mailto:llebeau@swapa.org)



**CA Mike Vastano #36680**  
Vice Chair [mvastano@swapa.org](mailto:mvastano@swapa.org)

**PHX** [phx@swapa.org](mailto:phx@swapa.org)



## Living a Legacy: Doyle Vaughan

1933-2020

### Communications Committee

How do you define a life that has been well-lived? Is it defined by the accomplishments of the person who lived it? Is it defined by the people whose lives have been changed throughout the course of that life? Or is it defined by the legacy that life has left behind? For some, a life can be defined by one or maybe two of those things, for others like Captain Doyle Vaughan, a life well-lived can be defined by so much more.

Doyle Ray Vaughan was born on August 21, 1933 to Lloyd and Pearl Vaughan in Farwell, Texas. Growing up, Doyle spent a lot of his childhood on his grandparents' farm in Farwell, but it wasn't until he got the opportunity to visit a fair in New Mexico that he realized exactly what he would do with his life. After watching a Pilot land a plane in a nearby field, Doyle approached him to ask about the plane and grill him about how he started. "The bug really gets to you," Vaughan said, speaking of his love for aviation with Jon Beilue of the Amarillo Globe-News back in 2017. "It's hard to describe what flying does for you. It just gets in your blood." After that experience, his mind was made up. Aviation became his life's passion from then on out.

In 1952, Doyle was drafted into the Korean War but never saw combat, so he kept his eyes on his loftier goal of becoming a Pilot. After being honorably discharged from the Army, Doyle began planning to achieve

that goal. He started working for Hutchinson Air Service Company in Texas. Doyle washed and fueled planes and did everything he possibly could in order to earn money he needed to pay for his flying lessons. He eventually flew his first solo in 1959. From there, Doyle flew crop dusters across the United States, operated charters, and acted as a flight instructor – anything to build up his logbook and his hours.

In 1962, Captain Vaughan was chosen to be an instructor Pilot for the U.S. Army and was stationed at Fort Wolters in Mineral Wells, Texas. Doyle was one of the few civilian Pilots helping the Army prepare young officers to fly in Vietnam. During his time as a U.S. Primary Helicopter instructor, he received a Gold Safety Certificate. After his stint as flight instructor for the Army, Doyle went on to work for one of American's aviation tycoons of the time, Howard Hughes. While working for Hughes Tool Company, Doyle primarily flew in California and Nevada. He also flew some astronauts back and forth from New Mexico to Florida as the United States began the space race with the Soviet Union.

In 1966, Doyle met TWA flight attendant Diana Wiltshire, whom he would marry in July of 1967. They started their family with the birth of their first child, Judy, in 1969. Not long after Judy's birth, Doyle picked up his family and moved to Wyoming to start work at a fixed-base operation at the Johnson County Airport in Buffalo. As part of this operation, Doyle provided aviators in the Buffalo area fuel and maintenance on their aircraft, flight instruction, aerial spraying, a helicopter service, and even geological surveying for those interested in Wyoming's landscape.

By 1972, Doyle was working as one of the first Pilots at Federal Express, which would later become FedEx. Doyle flew primarily night legs and grew weary of the night freight flying. Around that same time, a small intrastate airline was still getting its wings and flying routes between Dallas, Houston, and San Antonio. In April of 1973, Doyle Vaughan was hired as the 18th Pilot in the Company's history. At the time of his hiring, SWA had just three planes and 35 flight attendants. According to his family, being an original Pilot for SWA was one of the proudest moments of his life. Captain Vaughan would ultimately spend 11 years living in Texas and eventually became the No. 1 Pilot in Houston, but his love for Wyoming was still as strong as ever. So, in 1984, Doyle picked up his family once again and moved back to Wyoming, this time living out of Jackson since it provided the best air service for commuter Pilots.



CA Doyle Vaughan with his three sons, all Captains for Southwest Airlines.

In 1985, Captain Vaughan piloted the first -300 to ever land at Jackson Hole Airport, and he continued work for SWA until he was forced to retire in 1993 due to the Age 60 Rule. Even though the Age 60 Rule took him out of the commercial aviation space, Doyle continued to work as an ambassador for the profession. He attended career days at local high schools in Jackson, he helped load planes at Young Eagles events, flew charter trips, mentored up-and-coming Pilots, and lobbied for aviation activities to receive more federal funding and attention.

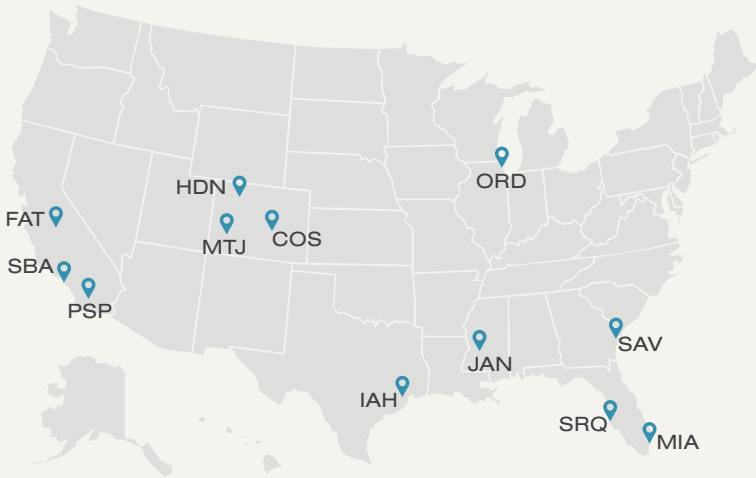
In 1999, Captain Vaughan was appointed to the Jackson Hole Airport Board for the first of two five-year terms. During his time on the Jackson Hole Airport Board, Doyle served twice as president, in 2004 and in 2009. In 2007, Captain Vaughan worked closely with Wyoming Senator John Barrasso in support of the Fair Treatment for Experienced Pilot Act, which raised the commercial Pilot retirement age from 60 to 65. Also, during his tenure on the board, he was able to help secure federal funding to expand the airport facility with a state-of-the-art baggage claim area and saw the expansion of an overrun area for a short runway addition. He also served on the Wyoming Aeronautics Commission from 2009-2020 and was inducted into the Wyoming Aviation Hall of Fame in October of 2020.

While Captain Vaughan's achievements and accolades are numerous, his greatest effect was on the people whom he guided and supported in the aviation industry. One of his sons, CA Kevin Vaughan (LAX/#43140) put it best when discussing his father's life. "If we were to list everything, it would be like writing a Moby Dick novel," Kevin said, as he discussed his father's legacy. But what touched Kevin and his mother Diana were the countless letters from SWA Pilots and other members of the aviation community thanking him for his service and contributions to aviation.

Captain Vaughan is survived by his wife of 53 years, Diana; sisters Wilma Fulgham and El Nora Borden; daughter, Judy, and son-in-law Tom; daughter, Terri, and son-in-law Ed; sons, Kevin, Larry, and Lynn, who are all Captains for SWA; and granddaughter Shandee. **W**



## Southwest Expands Service



Southwest recently announced that it was beginning service to the following destinations:

- Palm Springs (**PSP**) and Miami (**MIA**) on November 15.
- Steamboat Springs (**HDN**) on December 19.
- The Colorado cities of Montrose and Telluride via Montrose Regional Airport (**MTJ**) on December 19.
- Sarasota (**SRQ**) in the first quarter of 2021.
- Colorado Springs (**COS**); Jackson (**JAN**); and Savannah (**SAV**) by June 2021.
- Chicago O'Hare (**ORD**) and Houston Bush Intercontinental (**IAH**) will begin next year.
- Fresno Yosemite International Airport (**FAT**) and Santa Barbara Airport (**SBA**) will begin next year.



## Taking Advantage of Every Day

### Communications Committee

Choosing to see the good in life's curveballs is easier said than done. Especially when that curveball comes in the form of breast cancer. But Wendy Graf, wife of ATL FO Brad Graf #76776, refuses to see it any other way.

In 2016, Wendy, mother to Greyson (18), Madeline (16), and Zachary (13) made the somewhat-random decision to start a workout routine. One night in October, as she was doing her sit-ups laying on the floor, her hand grazed the bottom of her breast and felt a very noticeable lump.

She was in her doctor's office two days later for an exam, then a mammogram with ultrasound followed by a biopsy.

After that, all Wendy and her family could do was wait. It would take 10 long days to receive the results. During times like this, you often don't remember how you passed the time, or the mundane tasks you did to take your mind off the passing hours. But Wendy says she remembers exactly where and what she was doing when she received the news.

"I never wanted to be out of the house when the call came. I wanted to be home, but on Monday afternoon, I needed to run out to the store to grab some things for dinner. It was around lunch time so I thought that would be a safe time to make my errand. Of course, my phone rings while I'm right in the middle of the aisle at the grocery store."

“Invasive lobular carcinoma.” The words rang in her ears. “I remember sitting in the aisle of the grocery store crying. I know I got home, but don’t remember the drive.”

Invasive lobular carcinoma is a rarer type of breast cancer that begins in the milk-producing glands (lobules) of the breast rather than in the ducts, which is where the more common ductal carcinoma is typically found.

Wendy doesn’t have a history of cancer in her family — breast or otherwise. Her annual mammogram just four months prior showed no signs whatsoever of a lump. In just four months, it had become the noticeable lump at the base of her breast. “It was just shocking considering I had JUST had a clear mammogram.” Wendy would later discover the source of the fast growth.

Earlier that same year, Wendy had undergone a hysterectomy and began taking hormone replacement therapy (HRT) immediately following. The HRT was replacing the estrogen hormone that her body was no longer producing due to the hysterectomy. After she was diagnosed with cancer five months later, Wendy would discover that her form of cancer was estrogen receptor positive, or ER positive. The cells of this cancer have receptors that allow them to use the hormone estrogen to grow. What does this mean? The hormone replacement therapy was putting fuel on a fire.

Some people might view all of this as a horrible stroke of bad luck, but Wendy doesn’t see it that way. “I’ve always been a positive person, but certainly this has made me realize that everything happens for a reason and the way it should — if I hadn’t had the hysterectomy, if I hadn’t taken the HRT — who knows how long the cancer would have been growing or how long it would have taken to discover it. Maybe it would have been years down the road when I might not be as physically fit to handle treatment.”



“Had they not found it during surgery, I would have been at Stage 4 in six months. Everything happens for a reason.”

After her official diagnosis on November 7, it was time to start discussing treatment and surgery. MRIs and follow up tests had to be run first in order to start making decisions. There would be good and bad news. The good news was that it wasn't bilateral, meaning in both breasts, as is common with this type of cancer. The bad news came with the BRCA gene test she took to determine if she was a carrier of either one of the two breast cancer susceptibility genes. It turns out she was. These results, and others, led her to the decision to undergo a double mastectomy and reconstructive surgery using skin and fat tissue from other parts of her body. This would be a complicated vascular surgery that required three surgeons to be present — one breast surgeon and two plastic surgeons.

It would also be a surgery that quite possibly saved her life.

The surgery ended up taking 11 hours to complete and Wendy would be in the ICU for four days following the procedure. But again, like the hysterectomy, it would prove to be a blessing in disguise.

During a complicated surgery such as Wendy's, surgeons are dissecting, harvesting, and reattaching extremely small blood vessels. In order to

access blood vessels, surgeons had to remove part of her fourth rib. There behind her sternum, the surgeon found cancer in her internal mammary lymph node.

“I've been through a lot, my family's been through so much, but cancer is almost as much a mental battle as it is anything else. I've chosen to continue working and traveling — I'm choosing to live.”

“During that surgery, I went from a Stage 1 diagnosis to a Stage 3,” says Wendy. “But again, if I hadn't chosen the surgery that I did, they may not have discovered the cancer in my lymph node. Had they

not found it during surgery, I would have been at Stage 4 in six months. Everything happens for a reason.”

The road to recovery since her surgery in January 2017 has not been an easy one. After surgery, she developed an infection and was hospitalized for sepsis that would delay chemo treatments. She suffered through six months of chemo and all the terrible effects that come with it. She finished her chemo treatments on September 12, 2017, only to begin



radiation on October 9, which was her and Brad’s anniversary. Wendy chose the treatment option that she did to hopefully avoid radiation and was devastated to learn she would need it now anyway. Three more revision surgeries would also follow with potentially more in her future.

“I’ve been through a lot, my family’s been through so much, but cancer is almost as much a mental battle as it is anything else. I’ve chosen to continue working and traveling – I’m choosing to live.”

And of course, it’s the people along the way, who help you through to the other side.

SWAPA Outreach Chair FO Jean Peck lived in the same town as Wendy and Brad and had known them for a while. “SWAPAFamily sprang into action for Wendy! The minute we heard what was happening, we coordinated our resources and helped them through this stressful time along with the help of many families in our group,” Jean says.

And even though Brad decided not to take the grant from the SWAPA Pilot Relief Fund, he was encouraged to know that it would be there for them if they needed it. Wendy had to take leave from her job as Clinical Operations Manager at CorMedix and Brad opted to drop as many trips as necessary to be by Wendy’s side and take care of their family. “We have a very humble Pilot group. But it is important for our membership to know that we all contribute to this Fund for situations just like this. If you’re having to take time away from work to care for family – a little extra money can make a big difference!” says Jean.

“I can’t accurately express how amazing everyone in our life was during all of this. People close to us, like my mother-in-law taking a leave of absence for a month to come be with me, but also people who

barely knew us or didn't know us at all! I can't say enough about our "family" here at Southwest. Brad's Chief Pilots were amazing, the Pilot wives group started a meal train and brought gas cards, gifts, notes of encouragement – it was all so incredible. I was just overwhelmed with emotion from the support we received."

Although her cancer is gone, she has two more years until she can be deemed in remission. "November 17, 2022, will be the day I'm officially in remission. Which is also my son's birthday. You can bet we will have a big blowout on that day."

"The last four years have totally changed me and my mindset. I tell my kids all the time, tomorrow's not promised. Take advantage of today." **W**



# What Exactly Is a WARN Notice?

---

Helen Yu, SWAPA General Counsel

On December 3, Southwest Airlines sent WARN notices to 1,221 of our Pilots. The first visible step in the furlough process is the issuance of WARN notices as required by the Worker Adjustment and Retraining Notification Act of 1988 (the "WARN Act").

**To be clear, WARN notices are not furlough notices. The issuance of WARN notices does not mean that there will be a furlough and receiving a WARN notice does not mean you definitively will be laid off.**

The WARN Act requires that notice also be given to employees' representatives (i.e., a labor union), local chief elected officials, and the state dislocated worker unit. The advance notice is intended to give workers and their families transition time to adjust to the prospective loss of employment, to seek and to obtain other employment, and, if necessary, to enter skill training or retraining programs that will allow these workers to successfully compete in the job market.

In addition to WARN notices, our CBA requires furlough notices to be issued a minimum of 30 days prior to a furlough.

## Pilot Protections Under the WARN Act

- The issuance of WARN notices does not mean there absolutely will be a furlough and receiving a WARN notice does not mean you definitively will be laid off.
- A WARN Notice must be in writing and received 60 days before the date of the layoff.
- It may be sent by mail or email.
- The 60-day WARN notice period cannot be reduced by the CBA. However, the CBA's 30-day requirement for furlough notices can run concurrently during the WARN period.
- The notice must contain:
  - An explanation of whether the layoff is permanent or temporary (6 months or less).

- The date of layoff or the date of termination (or a 2-week period).
  - The name and telephone number of a SWA official to contact for further information.
  - Job search and training through the State Rapid Response Dislocated Worker Unit.
- Pilots on leave must be notified as well.
  - The Notice is not applicable to those Pilots who retire, resign, or are terminated for cause.
  - If the layoff is delayed for 60 days or more, the Company must issue a new WARN notice.
  - SWAPA will hold SWA responsible and bring a federal lawsuit for any breach of the WARN Act and seek Pilot back pay and benefits for the period of violation.

#### For More Information

- The WARN Act can be found at Public Law 100-379 (29 U.S.C. § 2101, et seq.), 20 CFR Part 639.
- The DOL has a helpful Worker's Guide to Advance Notice of Closings and Layoffs at: <https://www.dol.gov/sites/dolgov/files/ETA/Layoff/pdfs/WorkerWARN2003.pdf> **W**



# Airline Economics in the COVID-19 Era

---

## Economic, Financial Analysis, & Industry Research Committee

Every three months, SWAPA's EFA & IR Committee reports on Southwest's quarterly earnings and discusses the overall state of the industry. We, like all airline analysts, focus on the Company's income statement, and comment on items like revenues, expenses, operating income, pre-tax income, and net income. In normal times, the Big Four typically post operating and pre-tax margins in the high single-digits, sometimes in the teens. As a point of reference, last year, SWA reported a near-industry-leading adjusted operating and pre-tax margin of 13.2%.

### TRADITIONAL METRICS

Because airlines are highly commoditized, analysts obsess on a carrier's unit-level metrics such as Revenues and Costs per Available Seat-Mile (RASM and CASM), yields (revenues per passenger mile), and year-over-year changes in capacity. Small trends in these metrics — even the rate of change of the trends — become the measuring stick by which investors project the value of each airline. Again, for reference, United's financial performance improved last year, as it reduced CASM by 1.2%, grew RASM by 1.2%, while adding 3.5% to its capacity.

Then the COVID-19 pandemic changed everything. By late March, the U.S. aviation industry was virtually grounded. Second quarter capacity, measured by ASMs, shrank by nearly 80%, while revenues fell 87%. Airlines filled less than 10% of available seats in April, improving by the third quarter to post 40%-60% quarterly load factors. Such unprecedented statistics upended "normal" financial performance metrics. Quarterly operating margins plummeted an unfathomable 240%, CASM was up 144%, while RASM fell 39%. United's CFO confessed recently "[earnings per share and margin growth], metrics such as these simply aren't relevant today."

"Cash is king." The industry reacted immediately to plummeting revenue by raising enormous piles of cash. Airlines drew funds from revolving credit facilities, secured debt by pledging aircraft, slots, gates, and routes, and even collateralized lucrative frequent flyer programs. They sold additional shares, floated convertible bonds, and inked sale-leaseback deals to raise money. And, the U.S. Treasury contributed more than \$22.2

billion via the Payroll Support Program (PSP) in the form of grants and loans. All told, U.S. airlines have raised more than \$83 billion since the pandemic began, which will roughly replace the year's lost revenues.

Southwest was one of the busiest in terms of raising cash, adding about \$18.7 billion net, including \$13.2 billion in new debt, convertible bonds, and sale-leasebacks, \$2.2 billion in a new stock offering, and \$3.3 billion from PSP proceeds. It remains active in the debt markets and has about \$12 billion in assets unencumbered by current loans. At the end of the third quarter, Southwest reported \$14.6 billion cash on hand against \$10.9 billion in debt, meaning it has negative net debt. Put another way, Southwest could pay all of its current debt with its cash on hand. No other U.S. airline is even close — American, for example, reported over \$32 billion in total debt at the end of the third quarter with approximately \$15.6 billion cash on hand and a staggering debt-to-capital ratio of 120%.

However, Southwest still has a (relatively) low debt-to-capital ratio of 56% (though double from last summer), and it has maintained its investment-grade credit rating, so it can continue to borrow at attractive rates.

## **NEW MEASURES OF AIRLINE "HEALTH"**

As Wall Street's focus shifted from profitability to liquidity, investors began paying greater attention to two other fundamental accounting statements: the balance sheet (assets, liabilities, and equity) and the statement of cash flows (cash changes from operating, investing, and financial activities). These statements weren't ignored before the pandemic, but so long as investors saw consistent and predictable activity, such as routine rollover of debt, affordable capital expenditures, or planned returns to shareholders, they were free to concentrate on the near-term financial performance and outlook of the airline. Southwest, more than any other carrier, has trumpeted the strength of its "fortress" balance sheet. It entered 2020 in an enviable position with virtually zero net debt (\$4 billion of cash on hand against \$4 billion of debt).

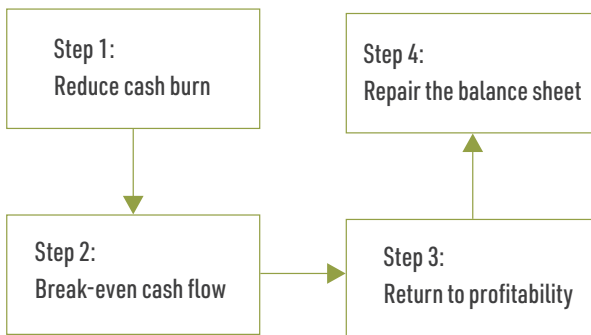
Beginning in March, airlines scrambled to slash expenses and capital expenditures by parking aircraft, accepting voluntary leaves of absences,

## **Next Earnings Report**

Q4 2020 Earnings Call, January 28 at 12:30 p.m. ET/11:30 a.m. CT

and eliminating cash returns to shareholders post-pandemic. Wall Street now emphasizes cash as a proxy for survival. Analysts write about cash on hand, debt ratios, and daily cash burn rates. The Street's most important measure has become the daily cash burn rate.

While each airline defines its daily cash burn differently, fundamentally, think of it as revenues less expenses, debt payments, capital expenditures, and cash refunds. April cash burns were staggering; American, Delta, and United each burned between \$50 and \$60 million per day. Southwest's daily cash burn has dropped from April's peak of \$30 million to \$16 million in the third quarter and the company projects lowering the daily burn to \$10 million in the fourth quarter. Dividing the cash on hand by the burn broadly suggests how long Southwest could survive; more than four years at the present rate. Marginal improvements, mostly through revenue, will extend the runway even longer. However, SWA can't continue to lose hundreds of millions per month for the next two years; if demand does not improve, you can expect renewed calls for cost-savings.



### **PATH TO RECOVERY**

Given the dramatic change in airline fortunes, how do we get from today's focus on liquidity and cash burn and return to the usual discussions of CASM, RASM, and capacity? One way is to think of the recovery in four stages: reduce cash burn, break even, turn a profit, and then repair the balance sheet.

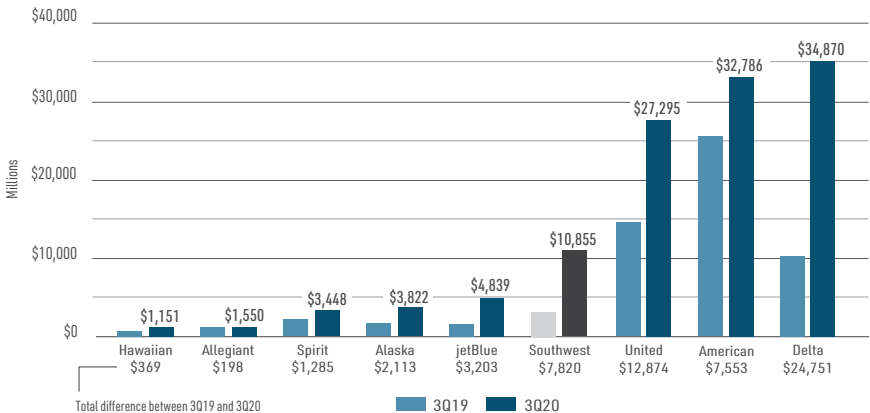
First, an airline has to find ways to reduce daily cash burn to zero. It does this by flying routes that cover variable costs like fuel and oil, maintenance, landing fees, and passenger handling. Once variable costs are covered, then it must increase revenues to cover its fixed costs so it can break

even. Management teams are fixated on “break-even” cash flow (BECF) now; the braver ones are targeting BECF by early to mid-2021.

Once airlines achieve BECF, the next challenge will be to convert the new cash flow into profits. There are a lot of deferred expenses that will come due and one-off cost-savings that will expire. As airlines work to recover to 2019 levels, their early profits will be challenged as managements begin to once again spend at normal levels. Finally, airlines will have to accumulate their renewed profits and begin paying down their very large debts. Stronger airlines like Southwest will have a far easier time with this; other carriers with massive debt loads will need years of sustained profits to recover.

The pandemic has catastrophically altered the industry’s economic fortunes over the last several months and it’s now clear that airlines are in the midst of one of the greatest financial crises that they have ever faced. A few months ago, IATA predicted worldwide airline profits of \$29 billion; one analyst now predicts U.S.-only airline losses of \$35 billion this year. Surely, the maxim, “change is the only constant in the airline industry” is truer today than ever. **W**

### Total Debt - 3Q 2019 vs. 3Q 2020



# Support SWAPafamilies!

---



## TEAM ROCK YOUR HEALTH

Are you looking for a healthy way to shed weight? We are health and wellness coaches. Prin was diagnosed with hypertension in 2017, instead of taking medication she decided to change her nutrition. With this success we decided to help others. Friend/Follow us on Facebook at Marcus Cole or Prindricka Black Cole. **Marcus Cole #97163 HOU FO.**

Prin Cole, Certified Optavia Health Coach, **817-688-3117,**

[teamrockyourhealth@gmail.com](mailto:teamrockyourhealth@gmail.com)

Marcus Cole, Certified Optavia Health Coach, **817-688-8006,**

[teamrockyourhealth@gmail.com](mailto:teamrockyourhealth@gmail.com)



## DAL REALTOR

Moving in or out of Dallas/Fort Worth? I can help! I am a proud SWA and military spouse and helping other SWA families with their Real Estate needs is my specialty. Even if you aren't ready to buy or sell, I can gladly answer any questions you have! Call or text **214-649-1212**, or email at [BrittanyJeanesRealtor@gmail.com](mailto:BrittanyJeanesRealtor@gmail.com). #142219 Daniel Jeanes



## PASSPORT 4 CHANGE

CA Tony Reimer #83591 and FA wife use the tooth fairy to teach kids about the world. We asked our 5 year old niece where she would go if she could go anywhere in the world, to which she replied, "Target!" Wanting to expand her mind, we created an educational TF kit where each time a child loses a tooth, the TF brings a real foreign coin from different countries around the world sparking conversations about different cultures and traditions. It's a fun way to teach children about geography, time-zones, foreign currency and much more. [www.passport4change.com](http://www.passport4change.com)



## NORTHERN COLORADO REALTOR

No one geeks-out over delivering exceptional service like Northern Colorado Realtor, Anna Goldetsky. Investing the time to fully understand her clients needs, desires, and timing, she customizes her approach for everyone. By aligning the best processes with the evolving market conditions, Anna ensures you don't miss any viable options. When Northern Colorado real estate comes to mind, contact Anna.

[www.goldetskyrealestate.com](http://www.goldetskyrealestate.com) 970-682-3255 (Joel Goldetsky 131704)

## AUDITING

AcuLog - Pilot Logbook Transcription/Auditing Wisconsin-based company specializing in auditing/transcribing logbooks to digital. Owner is Christen Otto who has been in aviation for over 15 years, from working at FBOs, co-owning an aircraft repossession company, and blessed to have co-owned several aircraft. Mention the SWA Family for a 10% discount - [www.aculogconversion.com](http://www.aculogconversion.com), (608) 285-2416  
Trevor Otto #143564

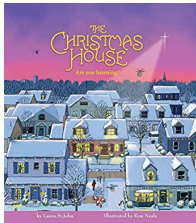


## LAS REALTOR

Are you relocating in to or out of LAS? Let Realtor Kathleen Morrison take care of you! A Pilot's wife familiar with all things SWA would LUV to help you with buying or selling. She will always find the perfect fit for your needs! Call or text [702.773.7456](tel:702.773.7456) for a personalized property search. Mark Milrot #79639

## WEBSITES & MARKETING

DME, Digital Marketing Experts, is a Parker, Colorado-based small business that specializes in affordable digital and traditional marketing solutions with the small-business owner in mind. We create websites, logos, brochures, business cards, and more! Jaclyn Haugen, [720.238.3420](tel:720.238.3420) or [experts@dmemarketing.net](mailto:experts@dmemarketing.net), [www.dmemarketing.net](http://www.dmemarketing.net) Toby Haugen #108198



## CHILDREN'S BOOKS

Pilot wife Laura St. John has two children's books perfect for homeschool learning or bedtime stories. *Don't Judge a Bug By Its Cover* teaches the value of non-judgemental thoughts based on looks, teamwork, and believing in one's self. *The Christmas House* teaches children digital awareness and to focus on the moments in our lives versus the screen. Both are available at [booksbylaura.com](http://booksbylaura.com) and [Amazon](https://www.amazon.com). Charlie Gay #20948

## RUNNING LOW ON FUEL?

There is no better time to take charge of your health. By providing the body with the correct tools to heal, it absolutely knows what to do. Free 15-min. consults with Dr. Laurinda Kwan via Telehealth or visit her online at [www.KwanNaturopathic.com](http://www.KwanNaturopathic.com). Follow her on Instagram [@drlaurinda](https://www.instagram.com/drlaurinda) or [www.facebook.com/kwannaturopathic](http://www.facebook.com/kwannaturopathic) for healthy living tips! Mike Berkner #75871

## ATTORNEY & MEDIATOR SERVICES

Attorney and mediator Suzanne Whitaker provides legal services in Arizona and Georgia for estate planning, adult and minor guardianships, adoption, and family law. She also represents military veterans in VA disability appeals anywhere in the world. Suzanne is a Certified Child Welfare Law Specialist and a Department of Veterans Affairs accredited attorney. [www.SuzanneWhitakerPLLC.com](http://www.SuzanneWhitakerPLLC.com) Charles Flkenmayer #79777



## DEN REALTOR

Denver-based Realtor, Gina Roth, loves helping SWA families relocate to the metro area. Do they want to be close to the mountains, looking for a family friendly neighborhood, or chasing certain schools? She has the knowledge and resources to help narrow down these difficult choices. For local families looking to trade up from their current homes, she offers a generous listing discount to help offset some of the expensive moving costs. [www.ginaroth.com](http://www.ginaroth.com), 303.895.8025. Brian Roth #103172



## CUSTOM PARTY GOODS & PERSONALIZED GIFTS!

VSP Early Retirement Party? Need custom cups for your boat? For parties and other celebrations, we specialize in custom printing of cups, koozies, napkins, and other supplies to make life more personal! Also a dealer of fine stationery, personalized Tritan plastic for pools and patios, pewter/silver engraved gifts, wood serving boards, luxury candles, and more! All discounted & shipped to you! [www.seaswag.net](http://www.seaswag.net), Insta @sea.swag, 410.570.0520! Craig Saunders #60449



## NOVELS

If you love fantasy novels, you'll love the Blessed of the Dragon series. Order *The Path of the Synthesizer*, *The Island of Kvorga*, and *The Dragon King* online and from your favorite local bookstore. E-books available on Kindle, Kobo, and Nook. *The Death of the Sun* due to be released this fall! For more information, visit [patrikmartinet.com](http://patrikmartinet.com). Patrik Martinet #137448



## FINANCIAL PLANNING

We specialize in serving Southwest pilots and families. We help you create, grow and protect wealth so you can have as much fun in retirement as you do flying airplanes! We offer objective, fee-only financial planning and investment management. Initial consultations are always free. Contact us - we'd love to help, 865.240.2292, [charlie@leadingedgeplanning.com](mailto:charlie@leadingedgeplanning.com), [www.LeadngEdgePlanning.com](http://www.LeadngEdgePlanning.com) Charlie Mattingly #83934, Lisa (Shane) Rosenthal #119214

## Support SWAPAfamilies Guidelines

- The "Support SWAPAfamilies" section is intended for active SWAPA Pilots or their spouses.
- Only goods and services offered by an active SWAPA Pilot or his family will be printed.
- All submissions are offered free of charge on a first-come space-available basis.
- All submissions are limited to 60 words total.
- All submissions must include a SWAPA Pilot name and employee number.
- Submissions may not be used for political purposes – no election material will be allowed.
- Families may submit only one classified ad per Waypoint edition.
- SWAPA retains the right to limit the contents of classified listings or alter the printing of classified listings as it deems appropriate.
- SWAPA assumes neither responsibility nor liability for members who choose to sell, purchase, use or engage in any commerce with classified advertisers. Those who trade through the use of the classifieds are solely responsible for any and all of their individual actions.



1450 Empire Central Dr.  
Suite 737  
Dallas, TX 75247

