



MERGER WATCH

The International Association of
Machinists and Aerospace Workers

September 28, 2010

Volume 3, Issue 13

www.goiam.org/mergers

Southwest Airlines to Acquire AirTran for \$1.4 Billion

The merger mania that has reduced the nation's network air carriers to just four, spread to low-fare carriers this week with the announcement that Southwest Airlines will acquire AirTran Airways for \$1.42 billion.

The merger is expected to close in the first half of 2011, pending approval by shareholders and federal regulators. For representation purposes, the companies will continue to operate as separate, independent entities until the National Mediation Board issues Single Carrier Rulings and representation issues are resolved.

Southwest Airlines is widely regarded as a bright spot in a troubled industry, with a track record that includes stable labor relations, strong union contracts and a fiercely loyal customer base.

The IAM represents 5,000 Passenger Service and Reservations Agents at Southwest, while similar employees at AirTran are unrepresented.

"The Machinists Union has more airline merger experience than any other union," said Transportation GVP Robert Roach, Jr. "Our team will monitor the situation and ensure our members' collective bargaining agreement is protected."

While Southwest maintains a significantly larger fleet of aircraft, AirTran serves more locations, with 70 airports, compared to Southwest's 69. Of those airports, 32 have overlapping service between the two companies.