SOUTHWEST AIRLINES' SAFETY INITIATIVES

I. Southwest Airlines' Leadership in Safety Initiatives

- Safety personnel at Southwest Airlines include graduates of the University of Southern California's Aviation Safety and Security Program. Our people also have completed many safety programs at the Southern California Safety Institute, the FAA Academy's Transportation Safety Institute, the NTSB Academy, and have gained professional development through the International Society of Air Safety Investigators, of which six Southwest employees are full members. Various Southwest employees participate on the Air Transport Association (ATA) Flight, Ground, and Cabin Safety Committees. Southwest Airlines participates and sponsors the annual Cabin Safety Symposium held in North America. Southwest Airlines is a long time full member of the Flight Safety Foundation. More than 100 of our employees have completed the FAA's System Safety Course, including a group of 52 who undertook the instruction when we sponsored three FAA Instructors to convene the three-day course at Southwest Airlines' Headquarters.

- Industry, Boeing, and FAA partnered to create the Industry Maintenance Steering Group (MSG-3), a new maintenance program for the -200, -300, -400, and -500 models of the 737 aircraft. Southwest Airlines was a major contributor of both data and technical expertise that were used to create the MSG-3 logic-based maintenance program for these aircraft. MSG-3 improves upon the predecessor MSG-2 program by incorporating the most current methodology, thereby promoting a higher level of safety. While adopting the MSG-3 program is voluntary for carriers which were operating these models of the 737 prior to its release in 2004, Southwest Airlines is continuing the process of transitioning its fleet of 737-300/500 aircraft from an MSG-2 based maintenance program to an MSG-3 based maintenance program. The 737-700 uses a maintenance program based on MSG-3.

- Southwest Airlines has worked closely with Boeing and the FAA to develop new inspections and modifications, many of which were developed in advance of regulatory requirements.

    ◊ It was Southwest which led the way to implementation of the Chem Mill Airworthiness Directive (AD). In June 1999, because of cracks observed at the chem-milled areas of the aircraft skins bonded adjacent to lap joints, Southwest developed two inspection documents to mitigate safety concerns.

The first document, issued in August 1999, prescribed a one-time external ultrasonic inspection to verify that the bonded internal skin panel was still intact. The second inspection document was issued the following month (September 1999) and prescribed an external close visual inspection of the chem-mill areas adjacent to lap joint at stringers 4, 10 and 14 (crown area), which was repeated every "B" check (every 100 days).

As these inspections were developed, we were reporting our findings to Boeing. In December 2000, Boeing issued Service Bulletin (SB) 737-53-1210 to address this type of cracking on the 737 Classic fleet. In October 2004, the FAA mandated compliance with this Service Bulletin by issuance of what is most commonly known as the Chem Mill AD.

◊ The Extreme Makeover Program is an assortment of voluntary alterations, to the exterior skin panels and interior structural components, to address the structural durability of the 737-300 and -500 aircraft. In the course of these alterations, several elective and Airworthiness Directive-mandated inspections are being addressed.

In 2004, Southwest Airlines initiated a study to pinpoint which areas of the fuselage are the most troublesome. This study substantiated that the lower fuselage lobe and particularly ten skin/bonded panels (four forward of the front spar and six aft of the rear spar) are the most prone to fatigue cracking.

Southwest Airlines worked closely with Boeing and the FAA and developed a new Service Bulletin that replaces the ten lower crack-prone skin panels with new solid skin panels. The installation of these new panels addressed all mandatory inspections of the following ADs at the common areas of the modification:

- AD 2002-07-08 "Lap-joint & Window Corner AD"
- AD 2003-14-06 "Skin/Bonded Doubler Inspections"
- AD 2004-18-06 "Chem Mill Inspections AD"
- AD 2005-07-19 "Cargo Doorway Skin Panel Inspections"
- AD 2006-07-12 "Scribe Inspections"

Further, Southwest Airlines provides to Boeing the removed production panels from the oldest 737-300 airplanes to assist Boeing with its on-going investigation to better address fleet aging concerns such as scribes, lower lap-joints fastener inspections, and in general fatigue assessments of aged structure.

◊ In 2002, the FAA issued an Immediate Adapted Rule AD 2002-22-05 applicable to all Boeing Model 737 Classic aircraft to require repetitive inspections to find fractures of the spindles on the wing flap systems. The AD required repetitive inspections ranging from daily inspections to inspections every three days

based on the overhaul age of each component. The inspections often produced inconsistent and inaccurate results because of the lack of uniformity in their application by the various operators of the 737 Classic aircraft.

Southwest hosted a training session/seminar at our Dallas Maintenance Headquarters that was attended by multiple 737 operators, Boeing, and the FAA to show how to properly inspect the flaps. From this session, Southwest developed a training video which we shared with Boeing. Boeing, with Southwest Airlines' permission and FAA concurrence, distributed this video around the world to every 737 Classic operator as a visual aid to assist in seeing that these critical inspections were accomplished properly. Southwest received recognition from the FAA, the NTSB, Boeing, the Air Transport Association (ATA), and many other operators for making available such valuable information, all in the name of aiding the industry in the interest of safety.

◊ In August 2007, the FAA issued Emergency AD 2007-18-15 for inspections of the wing leading edge slat track downstop assemblies for loose hardware. Over the next several days, Southwest, as the Lead Airline for the 737 Fleet, worked closely with the FAA, the NTSB, and Boeing, to rapidly develop an inspection plan for the worldwide fleet.

When the AD was released, although the AD allowed 24 days to accomplish these inspections, Southwest Airlines was the first and only airline to accomplish these inspections within five days from AD issuance on all affected airplanes. By accomplishing the inspections of our fleet so quickly, we were able to provide valuable feedback to the NTSB, the FAA, Boeing, and other domestic and international operators on our findings and unique how-to instructions and sequencing for access requirements. Again, Southwest received recognition from the NTSB, the FAA, Boeing, and numerous operators on how aggressively we stepped up and addressed such an important safety issue.

- Solid-State Cockpit Voice Recorder (CVR) Conversion — Southwest Airlines contracted with Honeywell in December 1999 to upgrade/convert Southwest Airlines CVRs to include two-hour recording capability, thus anticipating by nine years the requirements of the Final Rule issued on March 7, 2008, mandating such conversion by March 31, 2010.

- Required Navigation Performance (RNP) — Working with the FAA in this collaborative effort, Southwest Airlines has committed to equipping its entire aircraft fleet with RNP capability, at which point Southwest will have more aircraft so equipped than any other domestic air carrier. RNP provides very accurate lateral and vertical guidance, which allows precise navigation accuracy without the use of ground based navigation systems. This capability enhances safety by accurately containing the aircraft flight path and provides precision guidance to runways that

are not served with instrument landing systems. RNP also enables capacity improvement in the National Airspace System, increases efficiency, and reduces the environmental impact of aviation.

- Aviation Safety Action Partnership (ASAP) Programs — The objective is to enhance aviation safety by preventing accidents and incidents by generating trend information that would otherwise be unobtainable:

  ◊ The initial Flight Operations Memorandum of Understanding (MOU) was signed by officials from Southwest Airlines, the Southwest Airlines Pilots' Association (SWAPA), and the FAA on July 27, 2000 as an 18-month demonstration program. The "Continuing Program" began on June 6, 2002, and was extended per a MOU revision in July 2007.

  ◊ The initial Maintenance Memorandum of Understanding (MOU) was signed by officials from Southwest Airlines, the International Brotherhood of Teamsters, the Aircraft Mechanics Fraternal Association, and the FAA on September 4, 2001 as an 18-month demonstration program. The "Continuing Program" began upon expiration of the demonstration program and has been renewed for successive two-year terms with the current term set to expire, unless sooner voluntarily terminated, on October 5, 2008.

  ◊ The initial Dispatch Memorandum of Understanding (MOU) was signed by officials from Southwest Airlines, the Southwest Airlines Employee Association, and the FAA in March 2003 as an 18-month demonstration program. The Continuing Program remains in place per a MOU revision, dated October 3, 2007, extending the Partnership until October 3, 2009.

- Systematic Approach For Eliminating Risk (SAFER) Program — Southwest's Maintenance Department has been at the forefront of the System Safety initiative, constituting the SAFER program in 2005. This program was industry leading at adoption and continues to assist our Maintenance organization to proactively identify, eliminate, or mitigate risks that would have a negative impact to safety for our employees, customers, and aircraft.

- Heads-up Guidance System (HGS) — In January 2005, Southwest Airlines began voluntary installation and training of HGS. The HGS provides the pilot with a full complement of aircraft situational data as well as two unique types of information derived from inertial sensors: flight path and flight path acceleration. In addition, a sophisticated guidance cue is used to direct control inputs by the pilot. The interrelationship of these indications, in combination with other flight data displayed, keeps the pilot continually aware of the aircraft position, flight path and energy state, and, as a result, allows for extremely precise aircraft control. The HGS is specifically designed to be flown manually, even under extremely low visibility conditions.

In addition, because HGS keeps the pilot continually aware of how environmental conditions are affecting the flight path, the ability to avoid or fly out of potentially dangerous windshear encounters is enhanced.

- 737 Rudder System Enhancement Program (RSEP) Rudder Modifications — In January 2003, Southwest Airlines modified and returned to service the first Boeing 737 aircraft with the rudder system modification known as RSEP. Since then, Southwest has modified more than 300 additional existing aircraft and has received another 177 new aircraft with this modification.

- Onboard Performance Computers — Southwest introduced onboard performance computers in 1997. The usefulness of this tool is analogous to the transition from long hand multiplication and division to a calculator. Where performance was formerly extracted from tables and charts (with a commensurate probability for human error), we now have computer-generated data that is precise for all phases of flight and provides our flight crews with the ability to quickly and accurately determine the optimum performance capabilities of the aircraft for any given flight segment. No other major Part 121 carrier had the capability to do this, and only recently have efforts been made by those carriers and Boeing to certify tools to do what Southwest Airlines has had in place for more than a decade. Southwest continues to improve the system with new and improved features to enhance safety.

- Communications Management Unit (CMU) — The CMU is the central computer handling the Aircraft Communications and Reporting System (ACARS) functionality. Southwest uses this system to monitor and log critical aircraft parameters and send reports when aircraft safety parameters are exceeded so that Maintenance, Flight Operations, and Dispatch personnel can take action. Southwest also receives reports on stable cruise data to help evaluate the overall performance of our fleet and identify when an aircraft or fleet of aircraft require additional monitoring. The functionality of the CMU is being constantly evaluated and upgraded as new technologies increase its usefulness to the fleet.

- Enhanced Ground Proximity Warning Systems (EGPWS) and Predictive Windshear — EGPWS uses aircraft inputs such as position, attitude, air speed and glideslope, which along with internal terrain, obstacles, and airport databases, to predict a potential conflict between the aircraft's flight path and terrain or an obstacle. This system has been instrumental in the significant reduction of the number of airline industry Controlled Flight Into Terrain (CFIT) accidents.

  EGPWS/TAWS was a CFR Part 91 Rule requirement to be accomplished by March 29, 2005. Southwest Airlines began installations in January 1995 and completed EGPWS installations in October 2004. Predictive Windshear, derived from the Weather Radar system, while not mandated, has been installed fleet wide.

- Southwest's Operations and Safety Programs have been included in the bi-annual audit conducted by the Department of Defense (DoD) under the Air Carrier Safety

Program. The DoD, which audits each U.S. airline authorized to carry military personnel, has lauded Southwest Airlines' safety programs following each audit.

- Pilot Hiring Requirements — Southwest has among the most stringent hiring requirements of any airline worldwide. To be hired, each pilot must possess a U.S. FAA Airline Transport Pilot Certificate, Unrestricted U.S. Type Rating on a Boeing 737. In addition, each candidate must have actual flight experience of 2,500 hours total or 1,500 hours turbine total, including a minimum of 1,000 hours in turbine aircraft as the pilot in command. Southwest Airlines defines "Pilot in Command" (PIC) for the purposes of application for employment as the pilot ultimately responsible for the operation and safety of the aircraft during flight. Southwest considers only pilot time in fixed-wing aircraft. In essence, all Southwest Airlines pilots are qualified as PICs/captains.

- Flight Instruction — Southwest Airlines' team of flight instructors has in excess of 1,000,000 hours of actual flight time experience. To initially qualify, each Southwest flight instructor must possess a FAA-issued Airline Transport Pilot Certificate with a B737 Airplane Type Rating. Additionally, each flight instructor must satisfactorily complete the initial training required to be completed by a Southwest first officer and the upgrade training required to be completed by a Southwest Airlines captain. Specialized training is required for the enhancement of instructor skills, the use of standardized lessons, the operation of the various training equipment instructor controls, and the importance of creating accurate and complete qualification records.

- Aircraft Technician Requirements — Southwest requires all related maintenance functions to be performed by an airframe and power plant (A & P) federally licensed aircraft technician. The necessary qualifications to be hired as an aircraft technician at Southwest are among the most stringent in the airline industry. To be considered for employment, aircraft technicians must possess a current A & P License and have a minimum of two years of heavy aircraft (12,500 pounds or more) experience or equivalent experience with systems similar to Boeing 737 aircraft. Southwest's technicians are required to maintain consistent experience and training in all areas of aircraft maintenance, allowing our technicians to remain current and proficient at all levels of maintenance functions.

- Aircraft Technician Apprentice Program — Southwest also maintains an Aircraft Technician Apprentice Program that is somewhat unique to the industry. Under this program, current Southwest employees from other work groups that have an A & P license, but less than the required heavy aircraft experience, train under the constant supervision of Southwest A & P mechanics for 18 months to gain the requisite experience. Upon successful completion of this program, including an additional six-month probationary period, an apprentice has the benefit of focused training and experience in a controlled environment from some of the best mechanics in the industry.

- Crew Resource Management (CRM) — CRM consists of training given to pilots and other participants to ensure recognition and the most beneficial use of all available resources for detecting and solving operational problems. Southwest CRM training began on December 13, 1989. Southwest utilizes internal and external resources – including Human Factors expertise from NASA Ames Research and subject matter experts from the University of Texas – to make sure our CRM training is continuously improved and updated to allow focus on the use of best available resources and techniques.

- Operations Coordination Center (OCC) — The Director of Operations and the OCC, including Dispatch and Maintenance Control, enhance safety by providing a real-time focus on CRM. Real-time communication allows Southwest to develop a verified, accurate assessment of environmental and operational conditions, thereby enabling collaborative decision making with regard to daily operations that enhance safety and efficiency. Information from the processes involved is shared with operational department leaders on an ad hoc basis, as well as more formally during the biweekly "Ops Roundup" meetings.

- Southwest Integrated Flight Tracking system (SWIFT) and Aircraft Situation Displays (ASD) – Southwest uses these technology tools in the OCC. They provide visual alerts (color changes, dialogue boxes, etc.) to assure continuous recognition of changing conditions. Yet another CRM tool, SWIFT enables the OCC to "lock down" a flight/aircraft with known maintenance requirements and prevent departure until the particular condition is addressed.

- Southwest Airlines Normal Operations Team (SNORT) — During 2002, in order to address information garnered from monitoring ASAP reports, Southwest partnered with representatives from the Human Factors, Human-Systems Integration Division of NASA Ames Research, led by Dr. Immanuel Barshi, to form the Southwest Normal Operations Review Team. During the ensuing two-year period, this team, which included Southwest pilots, check airmen, and flight instructors, focused on the development and implementation of a new, innovative method of carrying out flight operations flight deck procedures, thereby enhancing safety through increased focus on standardized procedures. The Flight Training Center trained all pilots in the new procedures from January 1, 2004 through April 20, 2004.

  The SNORT process and the resulting procedures have been recognized by the FAA to represent a leading-edge initiative, and, most importantly, have been proven to be very successful in enhancing the safety of Southwest's operation through auditing procedures and acceptance by Southwest pilots. Flight operations safety data collected through the Flight Data Analysis Program validates that the improvements to our normal operating procedures increased the level of focus on consistency and standardization, with a corresponding enhancement of operational safety.

- Flight Data Analysis Program (FDAP) — Similar to the Flight Operations Quality Assurance (FOQA) programs of other major carriers, the FDAP Implementation and Operations Plan was adopted in August 2001, with overwhelming support from Southwest pilots and SWAPA, in furtherance of the FAA's endorsement of the development and implementation of voluntary FOQA programs as a tool for continuously monitoring and evaluating operational practices and procedures–specifically one of the programs identified as included as part of a carrier's Internal Evaluation Program.

  FDAP enables the routine analysis of flight data. Analysis of FDAP aggregate data provides significant benefits because it identifies trends that highlight potential problems and enables corrective steps to be implemented before accidents happen. The Southwest Airlines FDAP program now analyzes more flights per month than any other airline in the world, with 340-plus aircraft being monitored by the program and 47,000-plus flights reviewed each month. Southwest Airlines now has more than 1.1 million flights in its database.

- Voluntary Aviation Safety Information (VASI) — While FDAP and ASAP are encompassed within VASI programs at Southwest Airlines, the extension of these programs to enhance safety throughout our industry is evidenced by our involvement in the FAA industry information sharing efforts. Southwest employees have been key contributors to the development of the effective FOQA Advisory Circular, as well as "Threat and Error Management"/ASAP software. In conjunction with another carrier (UPS), we essentially wrote the Aviation Safety Information and Analysis System (ASIAS) and advocated for its acceptance by additional airlines and pilot associations, including the Allied Pilots Association and the Air Line Pilots Association. ASIAS is one of the key FAA initiatives for NEXGEN and the future U.S. System Safety processes as it enables sharing safety information from existing FOQA and ASAP programs.

  By committing our people and our information to this effort, we were the first airline to agree to send its safety information across the internet, saving the FAA substantial dollars in recurring costs. We lead the first combined airline FOQA data sharing initiative in 2005 and have been directly involved in every effort since. No other U.S. airline has committed more resources to this effort, and we believe we can be considered and are recognized as the industry experts in this area. We did this of our own volition, without expectation of any type of recognition or reimbursement, because of our sincere belief that doing so enhances the safety of our industry and the traveling public.

- Turbulence Safety Action Team (TSAT) — Southwest Airlines established the TSAT in 2004. The team includes representatives from Flight Operations, Dispatch, Operational Safety, Inflight, and Flight Operations Training to retrospectively analyze and examine events that occurred as a result of encountering turbulence during flight. With the benefit of relevant and specific event data, including the turbulence plots, weather, injury, and response data, the TSAT focuses on how to improve our

operations by learning from these occurrences to decrease the likelihood of future events, thereby mitigating the potential of injuries to our customers and flight crews.

- First Aid/Cardiopulmonary Resuscitation (CPR)/Automated External Defibrillation (AED) Training — Including all employee groups, National Safety Council (NSC) certified training has been provided to in excess of 11,000 Southwest Airlines employees:

  ◊ All Station Leadership is required to attend the CPR/AED/First Aid course instructed in accordance with NSC standards every two years. This course is also offered on an optional basis for employees covered by a Collective Bargaining Agreement.

  ◊ We have also trained Maintenance "new hire" employees, as well as a select group of mechanics, to support confined space entry needs in maintenance operations. Other internal customers include Reservations, Flight Operations, and In-Flight. To enhance our capability to respond quickly to medical emergencies on our Headquarters campus, we trained our contract security personnel and the staff of our cafeteria contract service.

  ◊ Southwest achieved NSC approval of the First Aid, CPR AED instruction provided to our flight attendants, which means each of our flight attendants are NSC Certified. Southwest is the first airline to have achieved such approval and certification. Working with the NSC, we developed and obtained approval of the first "recurrent" training program for this course.

  ◊ In conjunction with our training program, we have purchased and installed AEDs in Ground Operations, Provisioning, and Maintenance at locations that have at least 50% of their target group employees trained to assure availability of this important device within reasonable proximity. This is not the first time we have ventured into the AED acquisition market. We have them on every airplane and have even placed them in airport terminals when the local authority did not have funding to do so.

- Emergency Preparedness —

  ◊ The NTSB has observed our emergency preparedness exercises and has made presentations to Southwest Airlines' Emergency Response Committee. At the NTSB's request, our Station Emergency Program Team partnered with the NTSB to develop a Station Emergency Training class.

  ◊ The NTSB has recognized Southwest Airlines for "taking a proactive approach to Emergency Preparedness and... doing a good job at preparing our Employees." The NTSB has shown our original version of *Everyone Counts* at its Training Center, and it shows Gary Kelly's Flight 1248 media briefing in their "Managing Communications After an Aircraft Disaster" course.

◊ Virtually all of Southwest Airlines' executives serve on our Emergency Response Committee and have a role in a crisis.

- Infant Fares — To make travel more affordable for customers who reserve and purchase seats for children under two years old, Southwest Airlines is the only airline that offers deeply discounted Infant Fares because it has been proven safer for a child to travel in an approved child restraint device rather than in the lap of an adult.

II. Departmental Safety Focus

- Flight Operations — To assure achievement of the highest level of safety throughout our operations, our commitment is to obtain, validate, and analyze all available information and data, including information garnered directly from our pilots and all operational departments, and ensure development and incorporation of best operating practices into, and delivery to proficiency through, our training and all aspects of our operation.

- Inflight — Our commitment is to foster and support a safety culture in Inflight that identifies risks to the operation and employees and proactively deals with these issues before they become injuries or accidents. After an injury, incident or accident occurs, we will investigate for the well-being of the individual involved and to gather information for prevention of future injuries.

- Ground Operations and Provisioning — Our continuous commitment to action and enhanced structure identifies our support for continuing to enhance the safety culture attendant to all aspects of our operations, including maintaining a vigilant focus on quality assurance, thereby enabling our ability to monitor, measure and improve training, and behaviors in every regard. This inures to the benefit of our employees and our customers, as well as our aircraft and equipment.

- Fuel Operations — The crux of Fuel Operations' safety/quality focus is the Fueling and Fuel Quality Manual, which is used to assure the safe and proper fueling of our aircraft. Its procedures and standards are derived from the ATA's Standards for Jet Fuel Quality Control at Airports, commonly known as ATA Specification103, and also from Boeing, GE, the National Fire Protection Association, the American Petroleum Institute, and the American Society for Testing and Materials. Maintenance Quality Assurance conducts an annual audit of Fuel Operations to ensure we are meeting the needs of the Company and that our methods, tools, reviews and procedures meet the highest levels of safety.

- Maintenance — Our commitment is to meet and exceed our responsibility to assure the highest level of professionalism, workmanship, and compliance with regard to maintaining the airworthiness and operational performance of each Southwest

Airlines aircraft, including its components systems, mechanisms, and structure, to ensure the personal safety of each Southwest customer and employee.

- Operations Coordination Center (OCC) — The commitment of the OCC is to meet the continuous and omnipresent needs of Southwest Airlines for real time situational awareness and communication with each of its operating departments and thereby assuring that we are operating in the safest operating environment.

III. Companywide Safety Focus

- The commitment of the Safety, Security and Environmental Department is to serve as a resource to all of Southwest Airlines in areas of safety, security, and environmental regulation, compliance, training, investigation, and internal evaluation. Technical support is provided to assure proper procedures, resources, and oversight are available and utilized to maximize injury prevention and minimize the occurrence of accidents and incidents.

  Southwest has numerous voluntary reporting programs, all of which are non-jeopardy programs that encourage our employees to come forward with observations and suggestions, thereby enhancing the likelihood we can appropriately assess attendant risk and move forward to remedy hazardous conditions before an injury, accident, or incident occurs. We are not content with what we have in place, though, and are focused on developing ASAP-like programs in Inflight, Ground Operations, and Provisioning.

  Newsletters are a common method of communicating at Southwest Airlines, ranging from the monthly *LUVLines* corporate newsletter to the *Onboard* newsletter published by our Inflight Department to *From the Ground Up* in Ground Operations and *Plane Talk* in Maintenance, to name but a few. All of these periodicals regularly feature a focus on safety.

  Our Certification and Compliance and Safety Performance Teams are fully engaged with the operations groups to assure we meet the parameters of the Air Transportation Oversight System, as well as address all issues identified in the recent International Air Transport Association (IATA) Operational Safety Audit (IOSA) gap analysis we voluntarily initiated. Meeting these goals will further enhance the safety of our operations.

  Safety at Southwest is vibrant and our efforts vigorous. We recognize, however, that our efforts must be ever-increasing to assure we maintain the highest levels of safety and thereby continue to earn and warrant the trust of our customers and our employees.

- The Southwest Airlines' Safety Commitment was endorsed by Gary Kelly and Colleen Barrett in June 2007 to more formally state the focus of our Safety Culture and has been incorporated within our Guidelines for Leaders. We are

focused on making sure this becomes a part of the fabric of our workplace through not only our Safety Representatives and Field Leadership, but by promoting the various voluntary reporting mechanisms in place. We are also in the process of evaluating and implementing additional/improved reporting mechanisms, including electronic access to Safety Recommendation Reports — a voluntary mechanism currently available in paper format throughout Southwest Airlines — and additional 24-hour telephone communication vehicles.

- While monthly interdepartmental meetings focused on safety have been in place in the Maintenance and Safety Departments since 1999, the Operational Safety Committee was organized in 2006 to further this practice throughout the company's operational departments. This Committee brings together safety leaders from across operational lines to jointly focus on, prioritize, and resolve safety issues and meets monthly. This Committee is responsible for coordinating the safety efforts across the operation and for developing the risk mitigation strategies for our airline. Examples of focuses to date include our weight and balance process, regular discussion of safety data, development of a companywide Safety Management System, Field Condition Reporting, dissemination of ASAP/Irregularity Report information, updates on operational events, and support of the FAA "Call to Action" to reduce runway incursion occurrences.

- An Operational Safety Investigation Protocol has been developed based upon the Flight Operations Safety Mediated Debrief program to provide a better focus on particular events involving multiple departments. The protocol allows gathering and development of information in a "non-punitive environment" to be used to enhance safety processes and procedures.

- Southwest Airlines voluntarily commissioned an IATA IOSA Gap Analysis – which is not required for our domestic operations – as an assessment of how we are functioning as a company from a safety perspective. According to the auditors, Southwest Airlines is one of the few airlines to have conducted this comprehensive industry leading audit before being required to do so. The audit was conducted in December 2007, and we received the report in January 2008. The report's findings and recommendations are currently being addressed.

- The Safety @ SWA program began in Ground Operations in 1999 and currently continues at all of our Maintenance, Station, Ground Operations, Provisioning, and Inflight Base locations, with monthly focuses, regular meetings, and our annual interdepartmental conferences, which include Senior Leadership participation. The safety representatives participating in the program include supervisors, managers, agents, mechanics, and flight attendants who are active in our operations, promote adherence to safety processes and procedures at their locations and bring their day to day experience to our corporate focus on enhancing all aspects of the safety of our operations.

- On an annual basis, the Ground Service Equipment group (GSE) within the Ground Operations Department selects approximately ten Southwest Airlines cities in which it conducts a full equipment evaluation. These evaluations, performed jointly with local leadership, union representatives and Safety Department members, allow GSE to thoroughly review the status of equipment for that location. It allows for a hands-on physical evaluation of all vehicles, a review of local preventive maintenance programs and shop facilities, and also provides local union leadership and employees the opportunity to raise questions or voice concerns about equipment issues. The ramp walks are conducted over a two-day period and generally include at least one GSE Regional Director and five GSE managers from various Southwest Airlines locations. The first day includes a review of all equipment on the ramp, in Provisioning and in Cargo. The second day includes a briefing with local leadership on the status of equipment followed by attendance at the normally scheduled monthly safety meeting.

- An overview of the Safety, Security and Environmental Services Department, together with a case study, is provided to our front line leaders to provide guidance regarding the expectations of Leaders at Southwest Airlines with regard to safety, as well as to let them know what safety resources available. In addition, annual OSHA/EPA required safety training classes are required for all Ground Operations and Provisioning employees. Course of instruction includes topics such as HAZCOM, Lockout/Tagout, Fire Protection, Emergency Action Plans, Hearing Protection, and Hazardous Waste Operations and Emergency Response Standard (HAZWOPER).

- Through participation with the ATA Ground Safety Committee, which is currently chaired by a Southwest Airlines' Safety Manager, Southwest is actively involved in collaborative initiatives to develop best practices to investigate aircraft damage and equipment incidents, develop a ramp area driving safety program, and prevent passenger loading bridge damage. We are also active in the NSC Aviation Safety Committee program to prepare an industry standard guideline for ergonomics in aviation, focused on all aspects of ergonomics from clerical and administrative functions to baggage handlers. We also participated with OSHA and the NSC in an OSHA Alliance focused on baggage handling in ticket counter operations.

IV. Awards and Recognition

- **World's Safest Airlines, 1990** — *Condé Nast* ranked Southwest Airlines number one for best record by number of flights and number one for best record by number of passengers carried.

- **Airport Safety Excellence Award, 2001** — Indianapolis International Airport Received the "Airport Safety Excellence Award" for 2001 from the Great Lakes Region Airports division of the Federal Aviation Administration.

- **Diamond Award Certificate of Excellence 1999, 2003, and 2005** — The FAA honored Southwest Airlines' Maintenance and Engineering Department with the Award in recognition for its maintenance training program. The award is the highest level given by the FAA to airlines in recognition of maintenance training.

- **Safety Performance Survey, 2005** — Highest in flight Safety, the most well-maintained fleet, and best overall performer.

- **PAMA Gold Metal, 2005, 2006, & 2007** — Over the past three years, Southwest Airlines Maintenance Technicians have participated in the Professional Aviation Maintenance Associations (PAMA) Olympics designed to test the Mechanics' all-around knowledge of aircraft maintenance, highlighting Safety, quality, and adherence to procedures. Southwest Airlines placed in the top three in 2005 and 2006 and achieved first place in 2007.

- **Environmental Excellence Award, 2007** — The Port of Portland presented Southwest Airlines with an Environmental Excellence Award in recognition of an exemplary effort in the category of Environmental Innovation.

- **5 Year Blue Thumb Award, 2007** — City of Dallas for outstanding compliance with the pre-treatment of wastewater.