

Delta, pilots still far apart

Sides strike deal on minor items

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New York — Delta Air Lines and its pilots have agreed to a handful of cost-cutting items that would save about \$17 million annually, but they remain far apart on big-ticket items, the airline said Wednesday.

Delta and the Air Line Pilots Association remain up to \$235 million apart in annual cost savings in their proposals, according to a comparison the airline submitted Wednesday to the federal bankruptcy court.

The airline, flying under Chapter 11 protection from creditors since Sept. 14, detailed up to \$328 million worth of annual givebacks it wants from pilots in a new five-year deal. Delta says the pact would be a vital element of its recovery strategy.

The airline's comparison of the two proposals came on the ninth day of a U.S. Bankruptcy Court hearing on Delta's motion to void the current pilot contract and impose new terms. Out-of-court discussions between the union and management continue but haven't produced a consensual deal, despite Judge Prudence Beatty's prodding.

"I see you're still here," Beatty said with an air of disappointment as she opened Wednesday's hearing.

Delta lawyers presented a comparison of the two sides' proposals, saying the union is offering \$93 million worth of savings as part of a four-year proposal. They noted that the union has valued its proposal at \$161 million.

The biggest difference between the two: Delta calls for a 19 percent pay cut it says will save \$185 million, while ALPA's proposal includes pay cuts that start at 9 percent and go to 5 percent by the end of 2006, saving \$57 million annually.

Delta has said in court documents that its cut would reduce average annual pay to \$137,209, from \$169,393 now.

Items the two sides have agreed to include eliminating a night-flying pay premium, cutting per diem expenses and freezing accrual of certain benefits. The pilots also agreed to pay a new \$50 annual fee for employee flight privileges.

Lee Moak, chairman of ALPA's Delta unit, said he had not seen Delta's analysis before Wednesday's hearing and had no comment.

With a potential Dec. 16 decision deadline approaching, Beatty pressured the company to pick up the pace of testimony.

"We're going to get to the 16th and I am going to rule on the basis of the record that I have," said Beatty, suggesting that she might not have enough evidence.

Under the bankruptcy code, Beatty must decide whether to reject the contract or deny Delta's request within 30 days of the airline's motion, unless both sides agree to an extension. The hearings will resume Friday, with more proceedings tentatively scheduled next week.

Meanwhile, ALPA leaders — who've suggested pilots might walk out if Delta's motion succeeds and it imposes new terms — meet today in New York to consider allowing Moak to call for a strike authorization ballot.

Such a decision would be the first step in a weeks-long process, according to union officials. Even if a majority of the union's members voted to authorize a strike — a ballot process that would require at least two weeks to complete — the union's leaders might never call a strike or other labor action such as random absences or work slowdowns.

"We leave all options open," said ALPA spokesman John Culp.

Delta maintains that the union is barred by the Railway Labor Act from a strike or other labor actions without first going through protracted mediation and a 30-day cooling-off period.

Bloomberg News contributed to this article.