

Delta Unfazed By Pilots Union Decision

Union to ask members for strike authorization

ATLANTA, Georgia (AP) -- Delta Air Lines Inc. says the decision by its pilots' union to ask rank-and-file members to authorize a strike doesn't change the company's position on its need for \$325 million in concessions, nor its willingness to negotiate a consensual deal.

The decision by the union's executive committee to seek a strike authorization came Thursday after a daylong closed-door meeting of union leaders in New York, said Lee Moak, chairman of the executive committee.

"It's my recommendation that the pilot group vote for the strike ballot," Moak told The Associated Press in a telephone interview.

The tension comes as the nation's third-largest airline, which filed for bankruptcy protection in New York on September 14, has asked the court to reject the pilots contract so it can impose the concessions it is seeking on its 6,000 pilots, which would include a 19 percent pay cut.

A hearing on the contract rejection request was scheduled to resume Friday afternoon in New York, but was postponed because of inclement weather.

Delta lawyers have asserted in court that the company believes it could impose new contract terms on its pilots starting December 16 even if the judge doesn't rule on Delta's contract rejection request by then. It's not clear if the judge extends the hearings beyond that date what Delta's position would be.

The pilots, who are represented by the Air Line Pilots Association, initially offered \$90.7 million in average annual concessions over four years. They have since reviewed their proposal and now value it at \$150 million, which would include a 9 percent pay cut for seven months followed by lower cuts thereafter.

The cuts would be on top of \$1 billion in annual concessions the pilots agreed to last year.

'We just have seen no movement'

A Delta spokeswoman, Chris Kelly, said Thursday after the union leaders' vote that the company would continue to try to reach a pact with its pilots.

"This was an expected procedural vote by the pilots union leadership and in no way impacts our operations or our preference to reach a consensual agreement in time to save the company," Kelly said.

Kelly said the airline would consider extending the December 16 deadline "if we felt a consensual agreement could be reached."

A successful strike authorization would allow the union to call a strike without having to come before the rank-and-file again. The process calls for balloting to occur over 15 days. The timing of sending out ballots is uncertain, union spokesman John Culp said.

"We remain committed to a consensual agreement, but we just have seen no movement," Moak said. "At this moment, management has refused to negotiate. They are still at \$325 million."

The airline has said a strike by its pilots would put the company out of business. It believes a strike would violate the Railway Labor Act. The union has argued that if its contract is thrown out by the court, it would be allowed to strike.

During a visit to Atlanta Thursday to meet with executives from area companies, Commerce Secretary Carlos Gutierrez said he is aware of the situation at Delta, but declined to say whether the Bush administration would step in if the pilots strike.

"We hope that ultimately they come to a conclusion that is good for everyone," Gutierrez said in an interview with The Associated Press.

He said pension reform is a key part of helping Delta get back on its feet.

"If workers are made a promise regarding pensions, those pensions need to be respected and they need to be delivered," Gutierrez said. "That's been the administration's policy."

Bankruptcy law provides that a debtor can impose changes to a contract 30 days after making a request in court. Delta made such a request for contract changes in mid-November.