

Delta asks court to void pilots contract

Report: Carrier says it still hopes to reach agreement with pilots; union calls move an 'ultimatum.'

November 2, 2005: 6:47 AM EST

NEW YORK (Reuters) - Delta Air Lines asked a bankruptcy court judge to allow it to void a contract with its unionized pilots after talks with the group failed to secure \$325 million in annual concessions the company says it needs, the *Wall Street Journal* reported Wednesday.

The Atlanta-based carrier, the third-largest in the United States in terms of traffic, said it filed what is known as a Section 1113 motion with the U.S. Bankruptcy Court in New York, which has been overseeing Delta's reorganization since the company filed for Chapter 11 on Sept. 14, the paper said.

In a memo to pilots, represented by the Air Line Pilots Association (ALPA), Delta said the filing of a Section 1113 motion does not preclude continuing negotiations and that it still hopes to reach an agreement.

Delta had said it was delaying filing such a motion while the two sides tried to reach terms for an agreement. The company had set a timetable that included an interim deal by Oct. 26, though that deadline passed, the paper said.

With the peak holiday travel season approaching, Delta also runs the risk that labor strife could hurt bookings, something the company cannot afford. Delta has reported cumulative losses of nearly \$10 billion since the start of 2001, the paper said.

Negotiators for Delta and ALPA have been meeting for the past two weeks, but the union said there has been little movement toward a deal.

A union spokesman said no new talks were scheduled, though the two sides could meet again during the 51-day period that would begin if Delta files a court motion.

If the two sides fail to reach an agreement in that time, a judge could impose contract terms, the paper said.

Delta executives in recent weeks have said the company's restructuring plan calls for a specific level of cuts from the pilots. The company's previously announced wage and benefit cuts imposed on non-union workers took effect on Tuesday.

Most workers are taking a 9 percent pay cut, on top of a 10 percent cut in January. Last fall, pilots agreed to \$1 billion in annual cuts to help Delta avoid bankruptcy then, the paper said.

The union said Delta negotiators presented their latest proposal late Monday, which "amounted to an ultimatum" to reach a deal within about three hours or face off in bankruptcy court.

The union said the proposal was virtually unchanged from Delta's initial offer, which included the extension of a program that lets Delta bring in recently retired senior pilots to fly for the carrier when there are potential staffing shortages, the paper said.

On Friday, Delta said it was to close its [low-cost carrier Song](#) in May, as it focuses on turning around its core operations.