

Delta Pilots OK Pay Cut 58-42%, Prepare For More Talks

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Pilots at Delta Air Lines approved a second major pay cut in 13 months Wednesday to help their cash-strapped airline survive bankruptcy.

By a vote of 58 percent to 42 percent, rank-and-file pilots ratified a union-backed measure that immediately slashes their pay 14 percent. The pay cut comes on top of a 32.5 percent pilot wage drop last year.

The latest concession is part of \$3 billion in annual savings Delta is seeking to emerge from Chapter 11 bankruptcy court protection.

Delta pilots, once the most highly paid in the airline industry, are now in the middle of the pack and trail cargo carriers FedEx and UPS as well as profitable Southwest — a company that flies much smaller jets. Average yearly pay among Delta's 6,000 pilots now falls to \$146,000, from \$170,000.

A total of 5,166 pilots voted on the deal, with 3,001 approving it and 2,165 rejecting it.

The pay cuts that pilots ratified Wednesday don't solve all the thorny issues facing Delta pilots and managers, however. The two sides will go back to the negotiating table almost immediately to hammer out a comprehensive deal covering pay rates, work rules, pensions and the size and number of jets that Delta affiliates will be allowed to fly.

If the two sides can't reach an overarching agreement on those contentious issues by March 1, Delta pilots and managers could return to court where Delta has sought to throw out the pilot contract and impose terms. Pilots have bluntly told managers they will refuse to work without a contract and threatened a strike that could permanently ground the venerable carrier.

Robert Ashmore, an Atlanta lawyer who has worked for airline clients involved in bankruptcies and high-stakes labor talks, also expects the two sides to avoid a potentially disastrous confrontation.

"Delta pilots don't really want to strike because they have the most to lose," Ashmore said. "They tend to make careful, balanced decisions in matters like this where their careers are at stake. They don't want to put the final nail in Delta's coffin."

—Kirsten Tagami contributed to this article.