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## Pilots Demand \$1 Billion if Delta Ends Pensions

By BLOOMBERG NEWS

Pilots at [Delta Air Lines](#), the nation's third-largest airline, are demanding a \$1 billion payment should the airline scrap employee pension plans as part of its bankruptcy reorganization.

The Delta Air Line Pilots Association, with 6,000 members, is requesting a \$1 billion interest-bearing note, according to a company memorandum sent yesterday to Delta executives. The airline has offered to pay the pilots \$300 million if the plans are scrapped, a Delta spokesman, Bruce Hicks, said. The union did not return calls seeking comment.

Under bankruptcy regulations, the airline can eliminate employee pensions and turn them over to a federal insurer should the company persuade the judge that it cannot fund them. The pension negotiations are part of broader talks with the pilots as Delta seeks to return to profitability. The union has said the pension plan will probably be terminated.

The airline and the union agreed last year to seek arbitration if a new contract was not reached by March 1. The pilots have threatened to strike should the arbitration panel allow the company to void their contract.

Delta's pension programs are underfunded by \$10.6 billion, according to the Pension Benefit [Guaranty Corporation](#), the federal agency that would take over the plans and partly fund them if they are terminated.

Pilots at another carrier in bankruptcy protection, [Northwest Airlines](#), will vote this month on allowing their union leaders to call a strike.

The union's chairman, Mark McClain, asked for the ballot yesterday, a spokesman, Will Holman, said. Northwest pilots will vote from Feb. 13 to Feb. 28, and a strike could occur by the end of the month if the company rejects the pilots' contract in bankruptcy court. Northwest is seeking court permission to scrap the contract and impose new terms if an agreement is not reached by Feb. 17.

Northwest says it needs to cut annual expenses by \$2.5 billion to avoid liquidation. It is seeking court permission to impose pay and benefit cuts on its pilots and flight attendants. The airline wants to save \$358 million on pilots' compensation. The pilots have threatened to strike if the court approves cuts of that size.