

Delta pilots to open strike base

Union calls it 'self-defense' in contract talks with bankrupt airline; carrier wants \$15M plan for managers.

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NEW YORK (Reuters) – The pilots' union at bankrupt Delta Air Lines Inc. said Wednesday it would open a strike center in Atlanta as contract negotiations with the troubled airline suffered a setback.

In a separate move, the airline asked a U.S. bankruptcy court to allow it to introduce a plan worth about \$15 million for its senior managers as part of its effort to stop them from leaving.

Delta's pilots' union said it would open the strike center Thursday, which would act as the "hub of any self-defense operations."

"This response is an act of self-defense against a Delta management that seems intent on rejecting our contract," Lee Moak, chairman of the union, told pilots.

The airline has said it needs about \$325 million in givebacks from pilots as part of its efforts to cut costs.

Delta spokeswoman Keyra Lynn Johnson said the union's move would not impact the carrier's operations or customer service.

"We continue to focus on reaching a comprehensive consensual agreement with (the union) in the best interests of both the pilots and the company," she said.

Atlanta-based Delta reached an interim agreement with its pilots in December and is scheduled to negotiate a final deal by March 1.

The No. 3 U.S. carrier, which filed for Chapter 11 bankruptcy protection in September, has said it needs to raise \$3 billion through cost savings and revenue increases to survive.

Moak told pilots that a contract proposal made by Delta during talks this week consisted of "little more than their same overreaching demands, packaged with some minor cosmetic changes."

Meanwhile, Delta asked the court to let it introduce a severance package for its officers and director-level employees, according to documents filed late on Wednesday.

"Delta seeks only to reassure its officers and directors that, in the event of a qualifying termination of employment, they will receive some severance pay," the airline said in the filing.

The plan would cover about 140 senior managers who currently do not have such coverage and face the "instability and risks of job loss" due to the airline's bankruptcy, the carrier said.

"The severance plan provides some protection that is intended to reduce unwanted attrition," it said.

Chief Executive Gerald Grinstein and Chief Operating Officer Jim Whitehurst have opted not to participate in the plan, according to the company.