

American Air Attendants Ask for Clearance to Strike (Update1)

By Mary Schlangenstein

March 16 (Bloomberg) -- **American Airlines'** flight attendants requested federal approval to end contract talks, a step toward the first strike at a major U.S. carrier in almost five years.

The **Association of Professional Flight Attendants** asked the **National Mediation Board** to declare bargaining with **AMR Corp.**'s American at an impasse, union President **Laura Glading** said. Only the board can approve a halt to negotiations, putting the parties into a 30-day "cooling-off" period before a walkout.

Glading's proposal to break off talks made the attendants union the second labor group at American to try to trigger a countdown toward a strike. The **Transport Workers Union**, which represents ground workers, asked permission last week to be freed from contract discussions.

"I believe negotiations will continue," said **Jerry Glass**, president of consultant F&H Solutions Group in Washington and a former airline labor executive. The board is most likely to tell both unions and American to resume mediated talks rather than start the clock ticking toward a strike, he said.

Glading told reporters on a conference call that a review of the attendants' request by the mediation board may take three weeks. She said she was hoping to avoid a strike.

American is "very disappointed" the union wanted to abandon negotiations, a spokeswoman, **Missy Latham**, said in an e-mail message. "Talk of 'impasse' or 'release' at this time is premature, unproductive and can be detrimental to the process," she said.

The mediation board didn't immediately return a voice-mail message seeking a comment.

2005 Walkout

Federal law sets out the mediators' role in airline labor talks. No large U.S. carrier has suffered a strike since 2005, when 4,200 Northwest Airlines Corp. mechanics and aircraft cleaners walked off the job. Northwest, which was acquired by **Delta Air Lines Inc.** in 2008, responded by hiring replacements.

Talks between American, the world's second-biggest airline behind Delta, and the APFA began June 10, 2008. The union, which represents 16,550 active attendants and 1,450 on furlough, has said it will conduct a strike authorization vote.

Attendants, ground workers and American's pilots union are all in contract negotiations, trying to recoup \$1.6 billion in pay and benefits given up in 2003 to save the Fort Worth, Texas- based carrier from bankruptcy. American wants to reduce its industry-leading labor costs and raise productivity.

Ground Workers

Mediators haven't decided on the TWU's March 11 request to be freed from talks with American. The TWU represents ground workers including mechanics and bag handlers.

Should the board conclude that further talks wouldn't yield a contract, American and the attendants would be offered binding arbitration. Rejection by either side would start the "cooling-off" period, which would still allow for further discussions.

The board also may order the airline and the attendants to resume talks, or decree a recess in negotiations.

"It doesn't necessarily bode well for American," said **Henry Harteveltdt**, a senior analyst at Forrester Research Inc. in San Francisco. "It is interesting that both unions, the flight attendants group and the TWU, have requested to be released, and I don't know if the NMB will try to get at least one of those back to the table."

AMR fell 18 cents, or 1.8 percent, to \$9.66 at 4:15 p.m. in New York Stock Exchange composite trading. The shares have gained 25 percent this year.

American has told the Federal Aviation Administration that it was considering training managers and other employees as replacement attendants in the event of a strike. In 1993, American trained about 1,300 replacements to try to keep some planes flying during a five-day walkout.

The strike ended when then-President **Bill Clinton** intervened. It cost American about \$10 million a day.

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