



Airlines, unions brace for bumpy labor talks

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By Marilyn Adams, USA TODAY

Tense labor-management relations in the airline industry could get nastier as more contract talks get underway at a time airlines are losing money and grounding planes because of the recession.

United Airlines (UAUA), the USA's No. 3 carrier, opens contract negotiations with its unions Monday.

Talks already are going on or soon will be at Continental (CAL), US Airways (LCC), AirTran Airways (AAI), Southwest Airlines (LUV) and Alaska Airlines (ALK). No. 2 American Airlines (AMR) has been in strained talks with all its unions since last year with no agreements reached.

Among those involved: Unions representing 90,000 flight attendants across the industry.

For many unions, this is the first time they've been at the negotiating table since their pay and benefits were slashed after the 2001 terrorist attacks that collapsed travel and drove airlines into bankruptcy court. Workers want to get back at least some of what they lost, especially if the economy rebounds late this year.

Talks aren't all going well. American's pilots union has said its members will disrupt flights to pressure the company if it can't get a contract.

Last week, the union representing American's mechanics and bag handlers launched an ad campaign criticizing executives for their stock bonuses.

At United, talks with the Air Line Pilots Association open after courts ruled union members broke the law last year by calling in sick to disrupt flights and press United into negotiating sooner. The sickout has stopped, but resentment remains.

"United's executives rewarded their shareholders, their banks and themselves," says Captain Steve Wallach, chairman of the pilots union. "Pilots' expectations are high."

But times are tough. The industry had shed more than 75,000 jobs since January 2003.

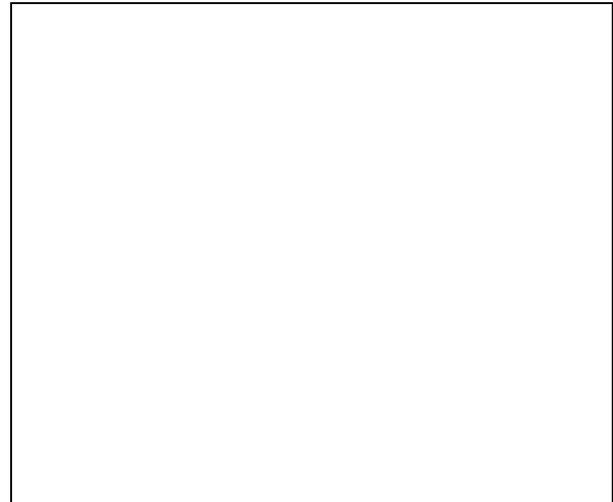
Pilots at Delta Air Lines (DAL), which bought Northwest Airlines last year to become the No. 1 carrier, won raises when the merger closed. Now Delta says it may have to lay off workers this year.

"No one in the industry believes airlines are in a position of (financial) strength," says Jeff Brundage, American's senior vice president for human resources.

Some analysts advocate ending the tradition of awarding workers — and executives — fixed annual raises regardless of whether the airline is profitable.

Washington-based consultant Jerry Glass, a former airline executive, says both sides would be better served by giving workers more modest base salaries plus bonuses when the company prospers. "In an industry like this that's always under pressure, it's a common-sense approach," he says.

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