



AMR, Unions to Resume Talks as Strike Threat Eases

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By Mary Schlangenstein

April 14 (Bloomberg) -- AMR Corp.'s American Airlines and unions representing its flight attendants and airport workers were ordered back to contract talks by federal mediators, easing a strike threat at the second-biggest U.S. carrier.

The National Mediation Board decided yesterday that bargaining should resume while it considers requests from the Association of Professional Flight Attendants and the Transport Workers Union to declare negotiations deadlocked. AMR rose the most in a month in New York trading.

Both unions want the board to trigger a 30-day "cooling-off period" after which members would be allowed to strike and the company would be able to bring in replacements. Fort Worth, Texas-based American began talks with the Transport Workers Union in November 2007 and with attendants in June 2008.

"They certainly think that the parties can continue to make progress and that remaining in mediation will prove to be productive," Jerry Glass, president of consultant F&H Solutions Group in Washington, said today in an interview.

No major U.S. airline has suffered a strike since 2005, when mechanics at Northwest Airlines Corp. walked off the job. Federal labor law requires that the mediation board release the parties from talks before workers can strike, so negotiations spanning several years are common in the industry.

Airline Response

"The company negotiating teams remain focused and are ready to get back to work at the table as soon as the NMB schedules new dates," Missy Latham, an American spokeswoman, said today in an e-mail. American "continues to believe a negotiated agreement is the best solution," she said.

Spokesmen for the two unions confirmed receiving yesterday's ruling by the mediation board while declining to comment further. Dates for further talks haven't yet been set, the airline and APFA said.

AMR gained 29 cents, or 3.3 percent, to \$9.04 at 4 p.m. in New York Stock Exchange composite trading, the biggest advance since March 9. The shares have climbed 17 percent this year.

American also is in contact talks with its pilots, and the three work groups represent about 77 percent of its workforce. The unions are seeking to recoup pay and benefits given up seven years



ago to help keep AMR out of bankruptcy. The airline, which spent a third of its 2009 operating expenses on labor, wants to curb its industry-leading costs and boost productivity.

The TWU, representing 25,000 workers including mechanics and baggage handlers, filed March 11 for an impasse declaration. The flight attendants union, which has 16,550 active members at American, made its request on March 16.

Delta Air Lines Inc. is the largest U.S. carrier. It bought Northwest in 2008.