

American Air May Face Attendant Strike Vote as Talks Wind Down

By Mary Schlangenstein
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(Bloomberg) -- **American Airlines** may face a strike vote by flight attendants as soon as tomorrow as the world's second-largest carrier and the employees' union near the end of a bargaining session.

Balloting may be pushed back if the two sides are making progress when the talks near their scheduled conclusion today, said **Laura Glading**, president of the **Association of Professional Flight Attendants**. No **walkout** is imminent.

The so-called focused negotiations that began Jan. 11 are a bid to wrap up bargaining that began in June 2008 with Fort Worth, Texas-based American trying to reduce its industry-leading labor expenses and attendants pushing for higher pay. The union struck the **AMR Corp.** unit for five days in 1993.

"American is still not in a very good position to make financial concessions," said **Hunter Keay**, a Stifel Nicolaus & Co. analyst in Baltimore who advises **holding** shares of AMR. "They can offer status quo, and that's probably the best scenario for the flight attendants."

The APFA represents 16,550 active attendants. A federal mediator joined the discussions a year ago to try to speed progress. The union said Nov. 6 it was setting tomorrow as the earliest possible date for a strike vote, which if approved by members would give leaders the authority to call a walkout.

Union negotiators have been "been working intensely," Glading said in an e-mail. "We remain optimistic that we will achieve a contract that recognizes the sacrifices flight attendants have made over the past seven years."

Airline's View

Asked about the talks, a spokeswoman, Missy Latham, cited a statement on American's **labor negotiations Web site** that the airline is committed to reaching a contract "that recognizes the contributions of flight attendants while allowing the company to be competitive and provide for long-term success."

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The bargaining is set to end tonight, according to the union and the airline, which didn't give a specific time.

Talks with the attendants may prove pivotal in American's efforts to reach contracts with its 11,500 pilots and 25,000 employees represented by the **Transport Workers Union**. All three labor groups are seeking to win back pay and benefits ceded in 2003 to save AMR from bankruptcy.

American and the attendants agreed to the session of focused negotiations in hopes of reaching agreements on 11 remaining contract articles, including compensation, vacation and medical and retirement benefits.

No Favorable Odds

Robert Mann, president of aviation consultant R.W. Mann & Co. in Port Washington, New York, said he "wouldn't give favorable odds on a settlement outside of super mediation."

So-called super mediation is a last-ditch effort to reach agreement before a strike could begin. Before that can happen, the **National Mediation Board** would have to declare the talks at an impasse. Both sides would then be asked to agree to binding arbitration to reach a contract. If either side declined, a 30-day cooling-off period would be triggered.

Without an accord in super mediation during the 30 days, the union would be allowed to strike and American could hire replacement workers.

"I doubt any carrier could successfully fly through a reasonably effective flight attendant strike," Mann said.

Then-President **Bill Clinton** ended the 1993 walkout by persuading both sides to agree to binding arbitration. American lost \$300 million in revenue during the strike.

AMR reported a fourth-quarter loss yesterday of \$344 million as businesses cut travel in the recession. The carrier also is working to keep **Japan Airlines Corp.** in the Oneworld alliance and to gain government approval to coordinate fares and schedules on trans-Atlantic flights with **British Airways Plc.**

"American has to find a way to make sure its labor costs are in line with its competitors'," said **Jerry Glass**, president of Washington-based consultant F&H Solutions Group and a former airline executive. "Is there a scenario where American could provide some increase? Sure, but you've got to see significant productivity improvements. It's just a very difficult time."