The Washington Post

Airline unions ask House panel for changes in bankruptcy law

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Thursday, December 17, 2009; A09

A group of unions representing airline workers is seeking changes to U.S. bankruptcy laws that would make it harder for airlines to scrap labor agreements in court.

The Coalition of Airline Pilots Association and other unions told a House Judiciary panel Wednesday that current law gives airlines an unfair advantage over workers in the bankruptcy process.

Several major U.S. airlines have filed for bankruptcy in the past decade, including US Airways, Continental Airlines, Delta Air Lines and Northwest Airlines. Union groups have complained for years that the bankruptcy process has allowed airlines to dismantle labor agreements, leaving employees with diminished pay, pensions and work rules.

The unions say they want legislation that would give airline workers the same type of contract protections enjoyed by rail workers, whose labor agreements are more difficult to change.

"Airline employees are exposed," said Arnie Gentile, the government affairs chairman of the US Airline Pilots Association, which represents US Airways pilots. In railroad bankruptcy cases, federal regulations force companies to renegotiate contracts with labor unions, he said.

"The railroad management is not looking for the judge to come out and throw the contract out because the judge can't. That ultimately makes them partners," Gentile said.

The Air Transport Association, the airline industry's main lobbying group, said it wasn't invited to the hearing and declined to comment about the labor testimony.

At the hearing, the subcommittee also heard from Capt. Chesley "Sully" Sullenberger, the US Airways pilot credited with January's successful emergency landing of an airliner in the Hudson River in New York City. Sullenberger said his pay was cut 40 percent after US Airways bankruptcy proceedings in 2002 and 2004. He said commercial pilots' salaries have fallen to the levels of the late 1980s and early 1990s. He said working conditions in the industry "challenge even the most seasoned pilot."

Industry analyst Jerry Glass, president of F&H Solutions Group, a Washington-based consulting firm, said major airlines would have died in bankruptcy court if they had faced greater restrictions on lowering labor costs.

"What's the objective of the employee?" Glass said. "Is it to retain your wages and see your company go out of business, or do you make modifications to the agreement, albeit with tremendous sacrifices?"