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United's Mechanics Reject Additional Pay, Benefit Cuts

Their union vows to strike if the airline gains Bankruptcy Court approval for reductions.

January 29, 2005 | Nancy Cleeland | Times Staff Writer

United Airlines mechanics overwhelmingly rejected the troubled carrier's attempt to win another round of pay and benefit cuts and voted to strike if the airline was able to persuade a U.S. Bankruptcy Court to impose the concessions, union leaders said Friday.

Hours after the announcement by officials of the Aircraft Mechanics Fraternal Assn., United said it would ask the court to void its existing contract with the union and set wages and benefits at a lower level.

"We're disappointed that members did not ratify the agreement," spokeswoman Jean Medina said. "Regretfully, we will be seeking to reject the current contract to achieve the savings we need."

The deal would have cut overall pay and benefits by 18.3% annually on top of the 13% wage cut the mechanics negotiated two years ago. Union officials said that would have put them well below similarly qualified workers.

"Our members are tired of subsidizing mismanagement," said O.V. Delle-Femine, national director of the union, which represents about 7,000 United mechanics and related employees. United mechanics broke away from the International Assn. of Machinists in 2003 to join the fast-growing craft union.

The vote was seen as a fresh setback for United parent UAL Corp., which has struggled to emerge from Chapter 11 bankruptcy protection. The company filed for bankruptcy in late 2002, the victim of spiraling losses related to the 2001 recession and the Sept. 11 terror attacks.

It has continued to wrestle with soaring fuel costs and growing price pressures from consumers.

This week, UAL reported a \$1.6-billion loss for 2004 on top of a \$2.8-billion loss the previous year. The company sought to reassure analysts by stressing the new concessionary deals made with its labor unions.

On Monday, unions representing United pilots and flight attendants are scheduled to announce votes by their members on the airline's proposed givebacks.

Later that day, the airline is scheduled to appear in Bankruptcy Court and could ask the judge to void some or all of its labor contracts.

Such a move by United probably would trigger a hearing, at which company managers and union leaders could present their vastly different proposals for a leaner airline.

If the judge agrees with United, the mechanics will strike, union officials said.

"A strike would be lethal," said Michael Boyd, president of aviation consulting firm Boyd Group in Colorado. "I understand the pain and the frustration of the mechanics, but it's like drilling a hole in the bottom of the boat." Union director Delle-Femine noted that his members agreed twice, in 1994 and 2003, to cuts in pay and benefits and changes in work rules that he said saved the airline millions of dollars.

The airline is also attempting to void its pension obligations with current and retired union workers.

"The employees just feel battered," said Ron Kuhlmann, vice president of Unisys R2A Transportation Management Consultants in Oakland. "They're getting to the point of saying, 'I really don't care anymore. They've taken everything away that they possibly could and then come back and said, 'How about a little bit more?'"

Based in suburban Chicago, United is the nation's second-largest airline, behind AMR Corp.'s American Airlines. United also is the largest carrier at the Los Angeles International and San Francisco International airports.

The airline's 62,000 employees include about 4,000 in the Los Angeles area. About 57,000 retirees and other former employees are covered by United's defined-benefit pension plans.

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Times staff writer James F. Peltz contributed to this report.