

Some Delta Pilots Seek to Forgo Raise

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April 2, 2004; Page A3

Some [Delta Air Lines](#) pilots are pressuring their union to unilaterally decline a pending 4.5% wage increase as the loss-plagued carrier continues to seek cost cuts. But the union is resisting the move.

Under terms of their contract signed in 2001, Delta's 7,500 pilots are due to receive the increase May 1. But with Delta set to record an estimated \$400 million quarterly loss later this month -- on top of more than \$3.2 billion in losses in the past three years -- some pilots, and others outside the union, believe the Delta unit of the Air Line Pilots Association should turn down the wage increase without receiving anything in return.

One group of pilots has begun urging members to write to their union leaders and urge them to move closer to Delta management's proposed 30% pay-cut request. In an e-mail message to fellow pilots recently, one pilot wrote, "Gentlemen and ladies, it is time that you write your reps and tell them to get moving on something or we will pay a very heavy price later."

The union, in its counterproposal to Delta, has offered to take a 9% wage cut, plus forgo this year's 4.5% wage increase and a similar one made last year. But in return, it seeks to stop pay cuts there, plus add a form of profit sharing to pilot compensation.

A Delta spokeswoman said the airline wouldn't comment on contract negotiations.

The 4.5% raise would represent about \$100 million to \$150 million in additional annual costs for Delta, said Ray Neidl, equity analyst at Blaylock & Partners. Pilots at most mainline carriers have taken wage and benefit cuts as their airlines continue to struggle with high costs and weak passenger traffic.

Jim Gray, a retired pilot formerly active in the union and now vice chairman of the Delta Pilots Pension Preservation Organization, a retiree group, said current and former employees dependent on Delta's recovery are hoping the union leadership will decline the raise to help jump-start negotiations. "For those of us sitting on the sidelines, any movement in negotiations, even if it's just setting aside this pay raise, would be an encouraging sign that maybe this impasse can be broken," said Mr. Gray.

John Malone, chairman of the union's leadership committee, said he's aware pilots would rather not get the pay raise in these dire times. However, he said,

the wage issue has to be part of the overall negotiations.

Management and union negotiators haven't met since January, and no negotiating meetings are scheduled. Gerald Grinstein, Delta's chief executive, last week told pilots and their families in meetings that the company's concession request will only get larger, not smaller, the longer wage-cut talks take.

Annual pay for Delta pilots ranges from about \$48,000 for beginning pilots to about \$275,000 for veteran Boeing 777 captains, according to a pay survey by Air Inc., an airline-career-consulting firm in Atlanta.

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