

DELTA'S PILOTS SAY IT'S THEIR TURN TO CASH IN

News / Airlines



The union representing Delta Air Lines Inc.'s pilots wants raises of almost 40 percent compounded over three years, attempting to reverse some of the pay and benefit cuts adopted in the early 2000s.

The union cites the carrier's surging profits in saying it had requested a 22 percent raise for 2016, followed by 7 percent raises in the following two years, according to a memo from the Air Line Pilots Association. The union and Delta declined to comment.

The memo suggests that the union is taking a more aggressive stance in negotiations with the Atlanta-based airline, which typically has had some of the the strongest labor relations in the industry. Almost two-thirds of the pilots over the summer voted against a deal that would have given them almost a 22 percent increase over three years.

"We applaud the fact that Delta Air Lines is a clear leader in our industry, in terms of revenue, marketing, and profitability," according to the union's Dec. 22 memo to its 13,000 members. "However, Delta did not rise from the ashes of bankruptcy to post successive record-breaking years of profit without the sacrifices of its employees, especially its pilots."

Pilot pay has been rising as unions seek a bigger piece of airlines' growing profits. Aviators at United Continental Holdings Inc. are expected to vote soon on a contract extension that would give them a 13 percent pay raise in 2016, followed by annual boosts of 3 percent and 2 percent, people familiar with the matter said in November.

Delta's pilots would probably top the U.S. industry's wage scale if they get the raise they want. American Airlines Group Inc. pilots currently have the highest base pay for 2016 among the country's biggest airlines, according to data provided in November by Kit Darby, a pilot consultant who tracks airline pay.

The captain of a Boeing Co. 777 jet with 12 years experience makes \$293 an hour at American, Darby's data show. That compares with \$272 at Delta and \$270 at United. A 22 percent raise would push that Delta captain's pay above \$300 an hour. Pilot pay typically is calculated using factors such as flying time, time away from home and various incentives.

Delta is enjoying a long period of inexpensive fuel and robust demand from U.S. businesses. Profit adjusted for some items is expected to reach \$916 million in the fourth quarter, according the average analyst estimate compiled by Bloomberg. That compares with \$649 million a year earlier. Delta reported a \$1.1 billion loss for 2009, two years after exiting from bankruptcy protection.

Its pilots took a series of pay cuts that started after the Sept. 11, 2001, terrorist attacks, including a 32.5 percent cut in 2004, although they have received several raises in recent years.

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