

JOHN F. BROWN COMPANY EMAIL NEWSLETTER
Consultants to the Airport Industry

14 February 2002

✈ FINANCIAL STATE OF THE AVIATION INDUSTRY

MECHANICS RIP OUT UNITED'S HEART...

Summarized from Reuters, 2-13-02; and CBS.MarketWatch.com, 2-13-02:

United's mechanics rejected the latest contract offer while also voting to authorize a strike that could begin as early as February 20. The strike was supported by 86 percent of the voters and 68 percent rejected the contract terms. The union was unhappy with the contract because it contained no job security provisions, and it had a presidential emergency board recommendation that mechanics defer retroactive pay. The two sides began negotiations in December 1999.

...WHILE UNITED HOPES TO SWEET TALK MECHANICS

Summarized from the Associated Press, 2-13-02; and BusinessWeek Online, 2-14-02:

United Airlines and its mechanics agreed to meet February 15 in an effort to forestall a possible strike that could occur as early as February 20. United has asked that the federal government avoid imposing a settlement in order to avoid souring labor relations further.

AIRCRAFT LEASING COMPANIES YEARN FOR BELOVED RECOVERY

Summarized from AirlineMonitorWeekly.com press release, 2-12-02:

Henry Hubschman, president of GE Capital Aviation Services, is predicting that airlines will face two to three more rough years, before a recovery is seen. The September 11 terrorist attacks compounded with the pre-existing economic downturn have caused lease rates and aircraft values to decline. GECAS owns and manages about 1,000 jets, and leases them to major airlines worldwide.

BRITISH AIRWAYS PRACTICES TOUGH LOVE

Summarized from the Associated Press as reported by Yahoo!, 02-14-02:

British Airways has announced that it is cutting another 5,800 jobs, in addition to previously announced cuts of 7,200 jobs. Total job losses will equal 23 percent of the company. While CEO Rod Eddington stated that this will help BA become a "leaner, more focused airline," Bill Morris, general secretary of the Transport and General Workers Union, referred to the cuts as "butchery."

✈ AVIATION SECURITY

DELTA HAS A PASSION FOR PERSONAL DEFENSE

Summarized from Delta Air Lines press release, 2-12-02:

Delta Air Lines has announced that it intends to offer its 19,033 flight attendants voluntary, paid personal defense training. The program is schedule to begin next month, under partnership with PPCT Management Systems, Inc. "The training offers a further layer of safety and security aboard the aircraft. We are pleased to offer this training to our flight attendants through PPCT," states In-Flight Service Senior Vice President Sharon Wibben.

✈ CORRECTION

In Issue 48, we incorrectly reported that only 5,520 of Delta's 13,513 flight attendants voted for union representation. The correct report is that only 5,520 of Delta's 19,033 flight attendants voted for union representation. We regret any inconvenience this error caused.