# Aviation industry workers face deep cuts to pay and hours worldwide

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Aviation industry workers are facing deep cuts to wages, benefits, and jobs worldwide, and although US workers are temporarily secure through September under the Paycheck Protection Plan, their future can be seen by looking at fate of an increasing amount of their international brothers and sisters at pandemic distressed aviation companies.

Chicago-based United Airlines is cutting the hours of its 2,500 catering workers, members of the Unite Here union, according to reports released Wednesday. Even though United received $4.8 billion from the CARES Act, the company reduced hours for caterers at Newark International Airport in New Jersey by 25 percent in late May, and also cut caterer hours the same amount at United facilities in Cleveland, Denver, Honolulu, and Houston. The workers are low-wage earners, and the cuts will force them into dire financial circumstances. Unite Here has been seeking a contract with United, which is one of the only major airlines that doesn't utilize an outside catering contractor.

In a preemptive move, Alaska Airlines announced it was going to cut up to 3,000 of the company's 23,000 workers when the pay support program under the federal CARES act is depleted at the end of September. Alaska is one of the ten largest US airlines. It was founded as McGee Airways in 1932. The airline's operations are focused on the US and Pacific Northwest region, along with destinations across North and Central America. The company's home base is at the Seattle Tacoma International Airport.

Hawaiian Airlines, the tenth largest airline in the US, received $654 million in federal funds in April as part of the bailout of the airline industry. It has meanwhile been given permission to eliminate some of its flights. A report revealed Great Depression-era unemployment levels in Hawaii, which is heavily dependent on tourists, with an estimated 25 percent of jobs there linked to tourism.

Major US airlines including American, Delta, Southwest, and United have all seen severe downturns in the volume of travelers as a result of the coronavirus pandemic. The conditions in the travel industry are still very unstable, despite some media reports of a rebound. Some of the hype was doused when Delta announced June 5 that it was indefinitely curtailing service to 11 US cities including Erie, Pennsylvania, Flint, Michigan and Peoria, Illinois. In addition, Delta is retiring a number of its planes effective July 8, and ending service to Ottawa, Canada June 21. It expects to reduce its domestic and international schedule by 85 percent and 90 percent respectively in the second quarter of the year.

On Tuesday, some of the major airlines announced stricter enforcement of facemask requirements for passengers, which include banning those that refuse to wear masks from future flights. The Trump administration has failed to issue any national or industry-wide rules mandating the use of facemasks to protect travelers and crew members from COVID-19.

Other measures airlines have taken to raise cash include the selling of their planes to leasing companies, who then lease back the aircraft. Southwest sold 20 planes in May to raise $815 million.

*Consumer Reports* has received over 3,500 airline customer complaints with Southwest over flight cancellations, where the airline has refused to make a refund, so that the money can be used to bankroll their faltering operations. This has prompted the US Department of Transportation Secretary Elaine Chao, spouse of Senate Majority Leader Mitch McConnell, to write letter to the airlines stating that in certain cases the department could theoretically force the airlines to give refunds. United and Hawaiian were noted to be strictest in not issuing refunds.

American and others have also attempted to sell junk bonds, but inadequate collateral was cited as the reason that American's bond offer was withdrawn. This forced the airline to put forward a stake in its loyalty program, which is the industry's largest at $31.5 billion, in order to have credit extended through a consortium of banks.

In the first-quarter, American had reported a first-quarter net loss of $2.2 billion, but had received $5.8 billion in payroll support from the US CARES Act in April.

This past May 26, LATAM Airlines, based in Chile, with subsidiaries in the US, Colombia, Ecuador, and Peru, sought Chapter 11 bankruptcy in Manhattan federal court to reorganize its business. The company had laid off 1,400 workers in Chile, Ecuador, Peru, and Colombia this past May 15, and was the largest airline in South America with 42,000 employees.

After pulling down $10 billion in 2019 revenue, LATAM suspended operations this Wednesday at its Argentinean subsidiary, placing 1,715 employees on unpaid leave. Management blamed Argentina's travel ban for the indefinite closing of operations there. This Thursday LATAM announced that its Colombian operations temporarily suspended employment contracts.

While the global airline industry was flying with a tail wind of profits in 2019, it had been announced in September that Delta Air Lines had bought 20 percent stake of LATAM shares in a deal valued at $1.9 billion, which was seen as a blow aimed at its US rival American Airlines that enjoys greater access to region. American failed in its attempt to acquire LATAM as both American and Delta sought to expand and solidify their routes and position in Latin America. The complex bankruptcy does not yet involve LATAM's largest section in Brazil, or the Paraguay affiliate.

Colombia's Avianca with 20,000 employees, the second largest airline in Latin America, had also filed for bankruptcy protection on May 10 in Manhattan federal court. Last year it was reported that United Airlines turned a 2018 loan of $456 million that was defaulted upon in May 2019 into a majority stake in Avianca. United loaned another $250 million to Avianca in November 2019 to shore up operations.

Irish carrier Aer Lingus workers face deep pay cuts of 70 percent in a plan the company unveiled and that will be put up for a ratification vote by the unions as part of the company's "Covid Crisis recovery program." It was the state-owned airline of Ireland until the privatization process began in 2005. International Airlines Group (IAG) now owns the company, which is a product of the merger between British Airways and Iberia of Spain. The privatized British Airways is demanding an up to 60 percent wage cut from workers, or they will face massive layoffs of 12,000 of the 42,000 employees. British Airways is also demanding that the pay of those that remain be cut or "streamlined" as the company has termed it.

German airline Lufthansa has also announced cuts of some 22,000 workers across all sections of the company, which include Austrian Airlines, Brussels Airlines, and Eurowings. They are in talks with their Vereinigung Cockpit, Verdi, and UFO unions, and are asking that they pressure members to accept a cuts agreement by June 22.

Meanwhile, airline ground crews from gate staff to those that are fueling, loading, and unloading the planes face dangerous conditions, while at the same time often receiving minimal pay and benefits.

On the other end of the spectrum the wealthy are increasingly utilizing private airplanes to avoid the hazards of exposure to COVID-19 present on existing commercial aviation flights.