

## HAWAIIAN AIRLINES/IAM NEGOTIATE NEW CONTRACT

Hawaiian Airlines and the International Association of Machinists (IAM) reach a tentative agreement on a new contract covering about 1,220 customer service, reservation, ramp, and clerical employees. The proposed two-year contract provides for a base pay increase of 3 percent effective April 1 and freezes employee health care contributions at current levels, according to Rich Delaney, President of the IAM District 141. In addition, employees will have the option of receiving the carrier's contribution to their 401(k) retirement plans for two years in the form of wages, effectively increasing their pay by 5.4 percent for those who choose that option, according to Randy Kauhane, a spokesman for the IAM local at Hawaiian Airlines.

The union's negotiating committee unanimously recommended that members ratify the agreement. "This tentative agreement puts more money into our members' pockets during extremely difficult economic times," Delaney says. Other provisions of the proposed contract would provide for an incentive compensation program, including performance and profit bonuses, while making contract adjustments that "recognize the challenges facing the industry," he says.

Mark Dunkerley, Hawaiian's president and chief executive officer, says a collaborative approach enabled the carrier "to reach a tentative agreement with the IAM that would increase pay for our unionized ground staff while helping to strengthen our company at the same time." The agreement will replace a contract that became amendable March 31, 2008. The IAM announcement follows a similar tentative agreement between Hawaiian and the Association of Flight Attendants. Separate negotiations for a new contract for 560 mechanic and related employees are continuing.

(Source: BNA, *Daily Labor Report*, No. 44, March 10, 2009, pp. A13-A14.)