

Former United boss discusses unions

by Chad Abrahams, Aspen Daily News Staff Writer
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Airlines represent the only growth industry — that is, more people flew last year than the year before — that consistently loses money.

That's according to Jerry Greenwald, who should know. Greenwald, who spoke at Wednesday's Aspen Business Luncheon at the Hotel Jerome, is former chairman and CEO of United Airlines.

From 1994 until retiring in 1999, Greenwald, who owns a home in Aspen, helped return the company to profitability. In doing so, he worked with recalcitrant unions for pilots (which he called a "pain in the ass"), mechanics and flight attendants.

"This country is better off with unions, but quit screaming about protectionism," he said. "Unions are the only industry that hasn't been globalized."

He touched on the current state of airlines and what the future may hold. The industry is basically split into two groups, "legacy" airlines like United and "bare bones" fliers like Southwest that are making money and continuing to grow. United and similar airlines hope to make gains against Southwest and other operators by becoming more fuel efficient through the use of new, lighter weight components and better engines.

But it won't be easy. United officials several years ago had their pilots and other personnel fly on Southwest flights up and down California to study the model.

"People make fun of the lack of food" but there's a reason for it, Greenwald said. It takes 10 minutes to load food onto a flight and another 10 to get the food material off. By offering mere peanuts (if that), "Southwest has figured out how to squeeze an extra flight or two into a 24-hour period," he said.

Most legacy airlines know how to compete but are taking half-steps that prevent them from catching up.

Greenwald also spoke of possible safety innovations — including airbags — that could make airline fatalities a thing of the past. Most deaths on planes occur when the aircraft is traveling 30 mph or less, he said. So airline engineers are testing an airbag, about the size and weight of a book, that would attach to seat belts and rise in front of a passenger's face; they wouldn't explode out as they do in automobiles.

He also predicted more conveniences for travelers, to the point where everything "done on the ground will be available in the air."

However, he said he had "no answers to delays. We can't get out of our own way."

chad@aspendedailynews.com

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