

# Wien Update

The management of Wien Air Alaska announced it will not enter into arbitration to settle the issue of how many crewmen should man the cockpits of Wien's Boeing 737's.

Wien President James Flood made the announcement in response to a statewide appeal by the pilots last week. Flood said the company made a similar offer to the pilots last year, which was rejected.

The Wien pilots, on strike since last May, in their appeal to Wien to enter into arbitration, cited the economic damage that both sides are suffering while the strike continues.

In other strike news, the Wien pilots group, represented by the Air Line Pilots Association, suffered several setbacks in Juneau. State Attorney General Avrum Gross issued an opinion stating that the strike against Wien should have no bearing on whether the Alaska Industrial Development Authority assists in the sale of bonds to help the airline finance airport facilities it serves in Alaska. The pilots contend that the bonds will allow Wien to refinance debts brought about by the strike, thereby voiding the strike as a tool to force recognition of pilot grievances.

Earlier, the State Senate defeated a resolution that would have blocked state participation in the Wien bond sale.

According to the Fairbanks Daily News-Miner, the pilots may go to court to stop the bonding.

Commissioner of Commerce and Economic Development Phillip Hubbard sent a note to

Alaskan newspapers explaining partly how the AIDA works.

"Contrary to recent media reports, the much discussed Wien Air financing through the Alaska Industrial Development Authority is not a State loan. Funds provided to qualifying applicants are from private investors, not the State nor any agency of the State. Private investors purchasing industrial revenue bonds, can look only to the credit of the company for which the bonds are issued. Thus, every applicant must be credit-worthy and able to borrow in private investor markets.

"The AIDA is merely a vehicle established under IRS regulations, enabling private investors to receive tax-exempt interest income through the purchase of industrial revenue bonds. Such bonds are available in 40 other states and have been sold for economic development purposes since the early 1950's."

The Anchorage Daily News congratulated the legislature for staying out of the Wien bonding issue, but offered support for the pilots' contention:

"It is, however, very possible that the administration overstepped its bounds by granting a state loan to Wien and that the action by the Industrial Development Fund Authority may not have been in keeping with the government's neutrality code.

"If this indeed is the case, the best place to find out is in court, and that is apparently where the pilots are heading."