

## Alitalia hope for quick deal

Brussels. The Italian government on Tuesday voiced hope that a deal on the new Alitalia would be forged by the original deadline of Thursday night.

Despite a setback from pilots Monday, Welfare Minister Maurizio Sacconi said "I'm optimistic and I think everything will be settled on Thursday night".

Alitalia's new incarnation, Compagnia Aerea Italiana (CAI), aims to be up and running by the start of November. Sacconi said the government was making "very informal" contacts between the two sides and was ready to step in if asked.

Talks on a new contract got off on the wrong foot Monday when pilots and flight attendants rejected a 25% pay cut and longer working hours.

National trade unions are also set to start negotiating an industrial plan which includes job cuts of about 3,200, the bulk of which will fall on ground staff.

One of Italy's three big union federations, UIL, said Tuesday it was prepared to cut a deal.

"If there's willingness on all sides it can be done in two days," said UIL's Raffaele Bonanni.

Of the other two big unions, only leftwing federation CGIL is holding out strongly against the new terms.

In Brussels Tuesday, the European Commission said it would vet a change to Italy's bankruptcy laws that allowed Alitalia to split quickly into a 'bad company' and CAI, a newco with viable assets.

Italian government experts will meet Wednesday in Brussels with Antonio Preto, cabinet chief of European Transport Commissioner Antonio Tajani.

On another sticky subject, Tajani said Italy has a month to answer objections to an Italian government loan that is keeping Alitalia in the air.

The loan has been contested by British Airways, Ryanair, Nordic low-cost airline Sterling and Milan-based leisure airline Neos Air, as well as the European Tour Operators Association.

Italy has until October to answer the objections to the 300-million-euro loan.

Once it receives the reply, the EC will decide whether to ask for further details.

The European Union will ask Alitalia to return the loan if it judges it to be state aid, Tajani said, adding that Competition Commissioner Nelly Kroes is also examining the dossier.

Italian anti-trust oversight was waived to pave the way for a planned merger between CAI and private rival Air One. This would enjoy a virtual monopoly over Rome-Milan flights.

CAI says unions must accept its plan or see the airline collapse with the loss of all 20,000 jobs.

If it gets the green light, CAI will slim down Alitalia's operations to become profitable before seeking a strategic foreign partner like Air France or Lufthansa.