UNITED ACTING CEO TO BE PAID EXTRA US$100,000 IN CASH A MONTH

News / Airlines, Personalities

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United Continental Holdings Inc.'s acting Chief Executive Brett J. Hart will be paid an extra US$100,000 in cash a month while he holds the title, according to a regulatory filing.

Mr. Hart took over as acting CEO last week, filling in for Oscar Munoz, who had a heart attack on Oct. 15. Mr. Munoz, whose condition is unknown, is on indefinite medical leave.

United said earlier Friday that Mr. Hart, who joined the company in 2010 after six years at packaged-food maker Sara Lee, was no longer general counsel.

"Our structure is being finalized," the company said, declining to provide details.

At the time of his hiring, Mr. Hart's base pay was set at US$500,000 a year.

Mr. Hart is one of the few members of United's senior executive team who doesn't have long ties to former Chairman and Chief Executive Jeff Smisek, whose ouster was announced Sept. 8 and tied to a federal probe into the airline's relationship with the former chairman of the Port Authority of New York and New Jersey.

Mr. Smisek had led Continental Airlines before its merger with United, and following the merger he cleared out much of United's senior leaders to make way for Continental executives.

Mr. Munoz, then president and chief operating officer of railroad company CSX Corp. and longtime United director, took over the company's reins on Sept. 8, pledging to fix operational problems and poor labor relations that had plagued the No. 2 U.S. airline by traffic since the merger. Terms of his contract were still being negotiated when he had the heart attack, the company said.

Mr. Hart, whose appointment was questioned by some industry analysts citing a lack of experience running an airline, has said he would press ahead with Mr. Munoz's plan to turn around the company.

On Friday, United and its mechanics union reached a tentative agreement, after more than three years of negotiations. The details of the proposed contract weren't disclosed.

The Chicago-based airline continues to negotiate with its flight attendants and has asked its pilots union to consider extending their current contract, which opens for renewal in January 2017.

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