

## AMERICAN AIRLINES PLANS TO ELIMINATE 13,000 EMPLOYEES



American Airlines, known for being one of the most popular commercial airlines in the United States, has recently released information on its expectations for the restructuring process, which will be taking place very shortly. The airline filed for bankruptcy towards the end of 2011, during the month of November. And, now the company has plans to eliminate 13,000 of its works, which would be a total of 16 percent of its work force. The company has also planned to get rid of pension plans, eliminate some of the health benefits that are already offered to current employees and those who worked for the company and are now retired, and cutting the employee costs by a large percentage as well. These proposals that have been made by the airlines are just the beginning, as negotiations are expected to be long and quite complicated. Many of the union representatives were in absolute shock after attending a meeting with the executives for the airline, in Fort Worth, Texas. American Airlines has made an estimate that by following through with its proposal, the company would be able to eliminate \$2 billion in spending each year. The Chairman of American Airlines, Tom Horton, tried to justify the proposal by saying that the airline carrier has not been as competitive as it once was. Horton said, "The world has changed around us and this is our moment to adapt or lose the opportunity forever." He also said, "Our industry is now defined by the changes our competitors made in restructuring to secure their futures, and the landscape is littered with those airlines that failed to change." However, the union representatives, who were shocked and appalled, made it very clear that the proposal that was made by American Airlines was simply asking way too much. They are planning to fight against the proposal made by the company. The President of the Association of Professional Flight Attendants, Laura Glading, has said, "They have taken every provision of our contract and simply ripped them out." She also said, "It's outrageous. This isn't something we will agree to and we will fight it." A Research Engineer for the International Center for Air Transportation, William S. Swelbar, says that the proposal made by American Airlines was definitely harsh. However, he does agree that this is the same move many other airlines have made in the past when they were facing bankruptcy. Swelbar says, "This is going to be a tough sell, but they are negotiating with a hammer." American Airlines believes that even after cutting the work force, they will still be able to operate as normal as usual. And, the Vice President of Human Resources for American Airlines said that the airline company may even add on more rules, which would include making pilots and flight attendants work longer hours or fly more each month without receiving a higher pay.