

## AA TO LAYOFF 13,000

### American Airlines®

Some of you astute readers may recall the article that we wrote, [earlier this month](#) about the layoffs at American Airlines is going to be undertaking in the near future. At that time the details of the layoffs were left mostly to conjecture and the educated guesses of analysts who had been looking at the company over the long term. The numbers at that time were not encouraging. It was being predicted that about 20,000 workers were going to be out of a job when all was said and done. Now, there is good news and bad news about the American Airline layoffs. The good news is that there will not be a loss of 20,000 jobs. The bad news is that the number of people who are going to be out of a job is still astronomically high. According to new numbers released by the company about the job losses from the round of layoffs are expected to total about 13,000 positions. So while 7,000 workers who might have been on the job market will not be, almost twice that number will be looking for new work. In addition the company is also cutting back on some other benefits that will have an impact both on the current and the former employees of the company. The company is currently considering options such as a cessation of its pension plan and cutting out the health insurance benefits that it currently gives to retired workers of the company. According to information provided by Tim Smith, a spokesman for American Airlines, these plans have not been finalized, and for now the company is looking at its options with the pension and benefit plans. They hope that through negotiations with the employee union, they will be able to make other cuts that will help to save some of the pension or benefits listed. Currently, the company does not even know which airports will take the job cuts. Mr. Smith recently told a reporter for [Compass Cayman](#) the following about the future layoffs: "There is no way of knowing what the layoff count at any specific airport might be, if any. Yesterday's high level and total estimates of layoffs are from our American Airlines initial proposal. And it is just our proposal at this stage. Under bankruptcy law, we must now begin negotiations with all our union groups in an effort to reach a consensual agreement. And whether that happens or not, the bankruptcy court has the final say. This means we do not yet know what the final contracts will look like, so there is no way to discuss or know specifics about a location such as yours, or others..." We do however know what kinds of jobs are going to be cut. According to information provided by the Associated Press cuts will come to the following positions: 4,600 maintenance workers, 4,200 baggage handlers, 2,300 flight attendants, 1,400 unnamed members of the management and support staff, and 400 pilots. As was mentioned above the company did recently file for bankruptcy, and their parent company, AMR Corp, has ordered them to cut their costs associated with labour by about 20 percent when all is said and done. In addition the company need to cut spending by about \$2 billion a year.

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