



---

## AMERICAN AIRLINES CUTS MAY BE MITIGATED BY UNION CONCESSIONS

### American Airlines

Some of you may recall our earlier discussions about the layoffs at American Airlines and the potentially massive consequences that they can have on a large number of workers. For those of you who missed our earlier coverage here is **an excerpt**: "It looks like AMR is going to get ready to lay off a serious number of workers at American Airlines. If you're a little bit confused by now lets begin by clearing the air. We are not talking about the medical supply company. We are talking about the parent company of American Airlines. For those of you who are not familiar with the company here is how it **describes itself**: 'At the company's annual meeting in May 1982, stockholders approved a plan of reorganization under which a new holding company, AMR Corporation, was formed and became the parent company of American Airlines. The reorganization took effect on Oct. 1, 1982. The formation of AMR had no effect on day-to-day operations of American, but it did – and still does – provide the company with access to sources of financing that otherwise might not be available. The holding company structure also allows the company to take advantage of appropriate new opportunities. The name "AMR" was taken from the airline's three-letter New York Stock Exchange trading symbol. It simply stands for "American." Today, AMR is the parent company of both American Airlines, Inc. and American Eagle Airlines, Inc., and has a number of businesses and key facilities within its corporate structure. The company is also a founding member of the global **one** world Alliance. All aspects of the airline's worldwide activities are overseen from AMR's Corporate Headquarters campus in Fort Worth, Texas. ' How many workers are getting the boot? Well, that is the worst of the news. The layoffs are expected to affect up to 20,000 workers. While that number is massive, it is by no means the entirety of the company's workforce. AMR actually employs about 87,000 workers between the two airlines, so the cuts will end up being about one quarter of the total staff. That is, if the numbers are as high as is expected. At the current moment there is no official statement with a solid number on the layoffs that are coming.' Well, it looks like the union for the workers, the Transport Workers Union is looking to deal in order to save some of the jobs. The union has put two different proposals out there that they help to avoid what they are calling, "draconian, involuntary layoffs, while saving money for the company." The proposal features two different plans that they want the company to consider. Here is a look at the plans. **Plan A: for those employees who are eligible for retirement (those with 10 years of service and who are +55 or) the benefits includes** • A one time payment of \$75,000 as well as a second lump payment for all accrued vacation and unused sick time • A continuation of the medical coverage for both early participants and those who are already retirees, as well as a continuation of the air travel as provided for the current retirees **Plan B: early retirement for those who qualify (10 years of service and 45+)** • Payments and travel the same as plan A payout • 18 months of medical insurance coverage through COBRA Currently there is no news if the company will take the deal.

<https://blog.granted.com/>