

AVEOS TO LAYOFF 1000'S AFTER TAKING CCAA



The odds are very good that unless you work in the aviation industry you probably do not know what Aveos is at all. For the majority of us who have no clue what they do here is a look at how the company [describes itself](#): "Our company was founded in 1937 as the in-house maintenance division of Air Canada, operating as Air Canada Technical Services (ACTS). In 1968, we began providing airframe, engine and component solutions to non-Air Canada customers, helping us expand our MRO reach among new carriers. In 2007, we reached an agreement to acquire 80% of Aeroman, the MRO affiliate of Taca Airlines, one of Central America's largest airlines. On October 16, 2007, ACTS became an independent company. **On September 23, 2008, we formally adopted Aveos as our new name**, signifying the latest step in our evolution." So why is Aveos important? Well they recently filed for, and one Bankruptcy protection support in the Canadian courts. That protection, known better as CCAA in Canada will allow the company to stay in business but not without some hefty penalties along the way. One of those penalties has been for the ground level workers of the company. That means the layoffs have arrived. The company announced the layoffs publicly with little fan fair. In their brief statement this was the only place that the workers were mentioned, ". As of March 18, 2012, Aveos ceased its Airframe maintenance service operations and will make decisions with respect to its other operations as it seeks Court protection to allow it a period of time to assess its options. Aveos employs approximately 2,600 employees across Canada. " Oddly enough the internal announcement to the employees was any more detailed, though the company did acknowledge that it would be the workers who bore the brunt of the changes. Here is a look at some of what the company wrote to them: "In 2010, our board of directors made a strategic decision to recapitalize the Company in an effort to allow us to strengthen our balance sheet and put Aveos on solid financial footing. The goal was to emerge stronger and better aligned to meet the needs of a changing market. However, given that we have faced reduced, deferred, and cancelled maintenance services despite Aveos' exclusive contracts with our principal customer, we no longer have the capital resources we need to continue to do business. Aveos has been a Canadian institution with a rich history for more than 75 years. Today's filing is a tragedy on many fronts, but beyond the institution, we recognize the human toll and dislocation this action will cause. We want to sincerely thank all of you, for your exceptional professionalism and dedication to Aveos as we work through these issues. " It is being estimated by the company that the layoffs will impact about 1,800 of their workers. Since the Aveos only employs about 2,600 people in total these layoffs will impact a fairly high percentage of their overall workforce.

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