

ARCH COAL INC. TO CUT JOBS



The name Arch Coal Inc. may sound like it should belong to a cartoon super villain, but in reality it is the name of one of the largest producers of coal in the world. The company **describes itself**, in more detail, in the following terms, "U.S.-based Arch Coal is a top five global coal producer and marketer, with 157 million tons of coal sold in 2011. Our core business is supplying cleaner-burning, low-sulfur thermal and metallurgical coal to power generators and steel manufacturers on five continents. Arch is the most diversified American coal company, with more than 20 mining complexes across every major U.S. coal supply basin. In total, we represent 15% of America's coal supply from our **mining complexes** in Wyoming, Utah, Colorado, Illinois, West Virginia, Kentucky, Virginia and Maryland." Apparently the company hopes to be able to maintain the prestige and level of service while cutting back on a significant percentage of its workforce. The company is getting ready to cut back on 750 of its workers in a bid it increase its profitability and make things fiscally sound. The company said the following **in a release** about the changes, "Arch Coal, Inc. (NYSE: ACl) today announced plans to idle several operations and to reduce production at other mining complexes in Appalachia due to the unprecedented downturn in demand for coal-based electricity. Today's actions, along with other recent changes in Appalachia, will result in a total workforce reduction of approximately 750 full-time employee positions." So the company will be cutting back on workers, primarily in the area of Kentucky, where the bulk of the cuts will be coming from. Around 600 of the cuts have come from this area. This means that we are in the territory of a mass layoff action, at least in one state in this case. For those of you who are not familiar with the idea of a mass layoff action here is a look at how the federal government **defines** the term, "Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days." This mass layoff will likely be the cause of other job cuts, as the layoff has a ripple effect to the local economies surrounding the mines in the already hard hit state. In the same release John W. Eaves, the president and chief executive officer of Arch Coal expressed his sadness at having to put so many people out of work at once, "We deeply value our people, and the decision to reduce personnel was made only after exhaustively reviewing other options and exploring opportunities to avoid this measure. We sincerely regret the impact this announcement will have on our employees and their families as well as on the local communities where we operate. This decision was difficult but necessary in order to weather the current downturn and to position the company for long-term success."

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