

## ALPHA NATURAL RESOURCE TO CUT 1,200 JOBS



For those of you do not remember the name Alpha Natural Resources from our earlier coverage of job cuts to the company here is a look at how they [describe themselves](#). "Alpha Natural Resources is one of America's leading producers of coal, which is an essential part of our daily lives. From generating light and heat to helping make the steel that goes into our roads, bridges and buildings, coal powers our future. In fact, coal generates 40% of the world's electricity and powers almost 70% of global steel production." The company is getting ready to cut back on 1,200 positions through their workforce. While a lot of the details are not clear at this point, in terms of where all of the cuts will come from we do know that about 400 workers are being cut ASAP from facilities that are closing in the states of Pennsylvania, Virginia and West Virginia. This means it is likely that at least one mass layoff action will happen in the near future. 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, "The **Mass Layoff Statistics (MLS)** program collects reports on mass layoff actions that result in workers being separated from their jobs. 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." The company is describing the changes that they are making in terms of a larger restructuring plan that the company is taking in order to cut back on costs. Here is a look at how the company is [termining the job cuts](#). "Between now and early 2013 operational adjustments will reduce approximately 1,200 positions from the current workforce of 13,100 employees. The first of the planned reductions commence today with the idling of eight mines in Virginia, West Virginia and Pennsylvania. Approximately 400 positions will be eliminated, with some employees having job opportunities elsewhere in the organization...Overhead cost savings from the streamlining of field and corporate support functions are now targeted to be approximately \$150 million, which includes the \$50 million to \$60 million of cost reductions Alpha announced on June 8. These overhead savings will be reflected both in lower cost-of-coal-sales and lower SG&A expenses." This is not the first time that Alpha has resorted to layoffs in order to cut its expenses. For those of you who missed out on our earlier coverage of cuts made by the company [here is a look](#). "While it looks like the company is getting ready to shut down some of its mining operations in a bid to stay profitable in the energy production arena. The company is getting ready to cut back on a significant number of workers, about 130 miners in total, when it brings two of its mines out of the operational status and into a state known as idle. When a mine is idled it is not claimed to be void of workable resources, or unsafe to be in, but the company has decided that at the current moment it is not worth the cost of perusing more natural resources in that location at this time. The process is traditionally used to allow a mining company to move to a location where the digging is easier or the sources are more abundant. For the workers at the facility it is the same as the mine closing."