

**HOT HOT HOT – RED HOT**  
**Keeping Tarrant County Working**  
**February 8, 2012 Workforce Development Board Meeting**

**American Airlines**

LAY-OFF ANNOUNCEMENTS

On February 1, 2012 AMR Corp. announced plans to cut 13,000 workers across the country and close its Alliance Airport maintenance base as part of a broad bankruptcy restructuring that aims to cut costs by \$2 billion a year. The proposed cuts include 400 pilots, 4,600 mechanics & related workers, 4,200 fleet services employees, 2,300 flight attendants, and 1,400 management and support staff.

The Fort Worth-based carrier plans to close its Alliance Airport maintenance facility, which has 2,200 employees, as it outsources some of its maintenance work along with a portion of its fleet services work. We are currently projecting a total lay-off in the metroplex of approximately 4,500, including impacted suppliers and vendors.

As part of the bankruptcy process, American now has to negotiate with its unions in "good faith." Only after consensual agreements cannot be reached will the carrier be able to file a motion with the bankruptcy court to reject any of its collective bargaining agreements. This process could take anywhere from between three months to a year, therefore, the earliest lay-offs are expected to take place is around April of this year.

American also said it wants to terminate all four of its pension plans and to replace its existing retirement benefit plans with defined contribution plans such as 401(k)s, as part of a broad bankruptcy restructuring that aims to cut costs by \$2 billion a year.

In a letter to employees, AMR's chairman and CEO Tom Horton said the company aims to improve its finances by \$3 billion a year, with \$1 billion coming in revenue improvements and \$2 billion in reduced costs including restructuring debt and leases, grounding older planes and "necessary employee -related changes."

The company aims to reduce employee-related costs by more than \$1.25 billion, Horton said, saying that all work groups, including management, would need to reduce costs by 20 percent.

AMR has more than 88,000 employees, including about 25,000 in North Texas.

## **American Airlines**

### WORKFORCE SOLUTIONS' RESPONSE

Presently, we are looking at the amount of funding that will be needed to serve the American workers who will be affected by the upcoming reductions in force and developing strategies for service.

Other activities that have taken place include:

- Contacted the parent company and provided an overview of rapid response services
- Contacted the TWC Trade unit regarding a potential Trade petition if maintenance jobs are moved to South America.
- Contacted the TWC Rapid Response unit to consider requesting National Emergency Grant (NEG) funding—potentially involving with North Central Texas and Dallas County. Weekly conference calls have been scheduled
- Reviewing the available WIA dislocated worker funding for rapid response services
- Met with Garry Drummond, International Vice President, Transport Worker Union of America, the key to interact with a multitude of Transport Worker Unions in the DFW area.
- A WARN was received for American Eagle (224 affected workers) and Executive Airlines last month. However the number of affected workers is projected to increase as more information is known.

Future activities of Workforce Solutions will include:

- Seeking assistance and support of the Local Elected Officials, Chambers of Commerce, Department of Labor and the Airport Board..
- Including other local Workforce Boards, Veterans representatives, United Way, and other social services agencies in provision of services.
- Establishing “Transition Centers” for affected workers.
- Establishing a Web presence for frequently asked questions and service schedules.

## **WASHINGTON NEWS**

On Wednesday, Feb. 1, the House, Education and Workforce Committee Chairman John Kline (MN) and Subcommittee on Higher Education and Workforce Training Chairwoman Virginia Foxx (NC) sent a letter to Department of Labor Secretary Hilda Solis requesting more information on the job training proposal President Obama announced in his State of the Union address on Tues. Jan 24. The President called on Congress to implement "one program, one website, and one place to go for all the information and help job seekers need."

The letter commended the Administration for acknowledging that the current number of federal employment and training programs is "overwhelming and are a disservice to workers", citing the GAO report in 2011 identifying 47 separate job training programs spread across 9 federal agencies, costing taxpayers about \$18 billion annually.

Republicans on the Education and Workforce Committee have been developing what they consider a more accountable job training system, and in 2011 committee members introduced 3 pieces of legislation that lay the foundation for a 21st century workforce system: The Workforce Investment Improvement Act (HR 2295); The Streamlining Workforce Development Programs Act (HR 3610); and, The Local Job Opportunities and Business Success (JOBS) Act (HR 3611).

### **Fort Worth Resident in Live Chat with Obama**

Jennifer Wedel of Fort Worth chatted online with President Barack Obama about a controversial program to hire highly skilled foreign workers -- and the president ended up asking for her husband's résumé. Her husband lost his job as a semiconductor engineer at Texas Instruments three years ago.

Since the online chat, she said, her phone has been ringing off the hook with calls from news media, recruiters, the Texas Workforce Commission and various companies about possible job opportunities for her husband, Darin. Workforce Solutions for Tarrant County also attempted to contact the Wedels to offer assistance, but received no response.