

# American Airlines sends layoff notices to 11,000 employees

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American Airlines, the third-largest US airline, announced Tuesday that it plans to send layoff notices to over 11,000 mechanics, ground workers and other support personnel as part of its bankruptcy court-mediated restructuring. Thousands of notices have already been sent to employees.

Of those who receive notices, the airline said it expects to actually lay off 4,400. The company said in February it planned to cut up to 14,000 jobs but it reduced that number after ground workers and flight attendants accepted concessions contracts that included bonuses for workers who left voluntarily. Some 1,800 flight attendants and 800 ground workers have left so far, the Associated Press reported.

American Airlines' parent company, AMR Corp., filed for bankruptcy protection in November. It did so in order to rip up its employee contracts and implement a restructuring program designed to slash labor costs by 20 percent and total costs by \$1.1 billion.

The airline operates about 1,700 flights a day and had 78,000 employees when it filed for bankruptcy.

The layoff announcement coincided with an apparent sick-out and coordinated work slowdown by employees. The airline has had to cancel over 300 flights since the weekend because an unusually high number of workers have called in sick and others have filed large numbers of maintenance requests on aircraft.

American Airlines canceled more flights on Sunday and Monday than any other US-based airline, and only half of its flights arrived on time, according to data from flight tracking service FlightAware.com.

Bruce Hicks, a spokesman for American Airlines, said that the airline plans to cut its September schedule by up to 2 percent to prevent flight delays due to personnel shortages and increased maintenance requests.

The Allied Pilots Association and other unions representing the airline workers were quick to disclaim any responsibility for the actions of employees. "This isn't being organized, supported or sanctioned by the union, period," said Tom Hoban, the chairman of the pilot union's communications team.

The pilots are the only major section of the American Airlines workforce that has not yet voted to accept the concessions being demanded by the airline as a part of its restructuring. Flight attendants, members of the Association of Professional Flight Attendants, and mechanics and baggage handlers, represented by the Transport Workers Union, voted to accept layoffs and benefit cuts earlier this year.

TWU spokesman Jamie Horwitz told CNN last month that the union supported the concessions contracts because they were better than what the workers would have got if they had "thrown themselves on the mercy of [the bankruptcy] court." Horwitz told the Associated Press, "As bad as this is—and we knew this day was coming—we've been able to lessen the pain."

The airline's 7,500 pilots voted overwhelmingly last month to reject the company's demands. This was despite the fact that the union's board voted in favor of the deal and urged the pilots to accept it rather than

having the bankruptcy court decide the outcome.

Earlier this month, American Airlines won court approval to throw out its previous contract with the pilots and the company began imposing \$370 million in cost cuts. The measures include the termination of one of the pilots' retirement programs and increased outsourcing of jobs to other airlines. Under the new terms, about 5 percent of the pilot workforce will be eliminated.

The pilots union last week distributed strike authorization ballots, which are due by October 3. However, Bloomberg News reported that federal law makes it illegal for airline workers to strike without permission from federal labor relations officials, and the union's acting president has said the pilots will not strike "illegally."

The airline intends to close a maintenance facility in the Dallas-Fort Worth area and has sent layoff notices to 3,000 employees there. Another 3,000 notices were sent to workers at a facility in Tulsa, Oklahoma. Thousands more workers in New York City, Newark and Chicago have received notices.

When the airline announced it was filing for bankruptcy protection last November, the *New York Times* quoted Bob McAdoo, an airline analyst at Avondale Partners, as saying, "This is not a defensive move, but an offensive bankruptcy where they go after their labor groups to reduce costs. They have a great franchise and a lot of cash. They are not being forced into bankruptcy here. They have a problem with their cost structure that they want to tackle."

American Airlines has followed the precedent set by its major rivals in seeking to slash jobs and labor costs through bankruptcy. The outcome of court supervised bankruptcy proceedings at United (2002), US Airways (2002 and 2004) and Delta (2005) was more layoffs, wage cuts of up to 30 percent, and pension cuts as high as 50 percent.

American Airlines' assault on its workers underscores the necessity of taking the airline industry out of private hands and reorganizing it as a public

utility, based not on private profit, but the needs of society. This is the only basis for securing the jobs of airline workers, guaranteeing decent wages, pensions and working conditions, and providing the public with affordable, safe, reliable and comfortable air travel.



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