

REALITY HITS HOME

877

USA's Florida employees expected to be let go Friday

200

Additional shuttle contractor jobs also expected to end Friday

344

Number of USA workers who nominated themselves to be laid off

Who goes

Departing USA employees include the following job titles:

- 223 technicians
- 155 engineering staff members
- 119 operations and processing staff members
- 87 inspectors
- 33 managers
- 10 administrative assistants



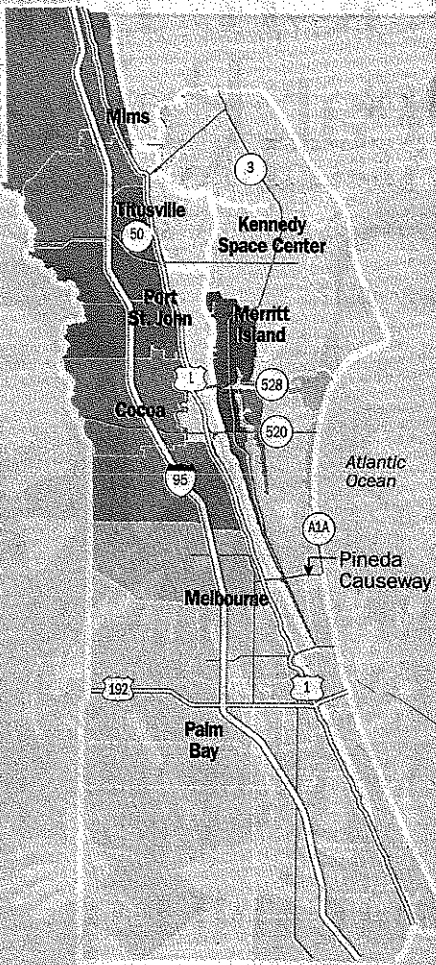
Michael R. Brown, FLORIDA TODAY

Swan song. Space center employees look at shuttle Discovery earlier this month. On Friday, hundreds of USA employees will be jobless.

USA work force on the Space Coast

This map shows where about 5,770 United Space Alliance employees working in Brevard County lived, by ZIP code, as of Oct. 1, 2009. Some 88 percent lived in Brevard; the rest lived in other Florida counties, including Orange and Volusia. About 600 of those have since left the company through layoffs, retirements and attrition. On Friday, USA will cut nearly 900 more local workers as part of the wind-down of the shuttle program. Of those, nearly 40 percent nominated themselves to be laid off.

500+ workers
 100 to 249
 250 to 500
 Less than 100



■ 32780	Titusville	819
■ 32927	Port St. John/Cocoa	650
■ 32953	Merritt Island	512
■ 32955	Rockledge	491
■ 32796	Titusville	457
■ 32952	Merritt Island	432
■ 32926	Cocoa	386
■ 32754	Mims	293
□ 32920	Cape Canaveral	170
□ 32931	Cocoa Beach	165
□ 32940	Melbourne	140
□ 32937	Satellite Beach/ Indian Harbour Beach	77
□ 32935	Melbourne	72
□ 32922	Cocoa	65
□ 32934	Melbourne/Eau Gallie	42
□ 32904	West Melbourne	35
□ 32907	Palm Bay	35
□ 32954	Merritt Island	27
□ 32909	Palm Bay	22
□ 32901	Melbourne	22
□ 32959	Sharpes	21
□ 32903	Indialantic	20
□ 32775	Scottsmeer	18
□ 32905	Palm Bay	15
□ 32783	Titusville	13
□ 32781	Titusville	12
□ 32908	Palm Bay	9
□ 32923	Cocoa	8
□ 32951	Melbourne Beach	7
□ 32956	Rockledge	6
□ 32932	Cocoa Beach	4
□ 32950	Malabar	2
□ 32906	Palm Bay	2
□ 32925	PAFB	1
□ 32910	Palm Bay	1
□ 32941	Melbourne	1

Source: United Space Alliance

FLORIDA TODAY

First major wave of space worker layoffs strikes cape Friday

BY JAMES DEAN
FLORIDA TODAY

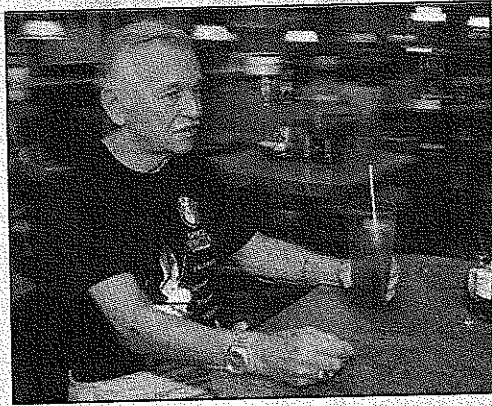
TITUSVILLE — When the first of several large groups of United Space Alliance employees dined at El Leoncito on U.S. 1 earlier this month, Michael Sanchez initially saw it as an encouraging sign for the family business.

Then, at the Mexican and Cuban restaurant with a direct view of Kennedy Space Center's Vehicle Assembly Building and launch pads, he learned the occasion: It was a going-away party for employees being laid off or retiring Oct. 1.

"It took the happiness out of the moment," Sanchez said. "We're giving quite a few of those, unfortunately."

This week, the reality of long-anticipated shuttle program job losses hits the Space Coast as nearly 900 local employees of Houston-based USA, NASA's lead shuttle contractor, prepare for their last day of work Friday. Local workforce officials believe subcontractors will cut another 200 positions, bringing the total to about 1,100.

The succession of farewell par-



Wrapping it up.

Tommy Kramer of Rockledge sits Friday at Shuttles Dugout Sports Bar & Grill on Merritt Island. He has worked on the shuttle since 1981. His last day is Friday. We break down where USA workers live on the Space Coast, 6A.

Malcolm Denmark,
FLORIDA TODAY

ties at Sanchez's restaurant and others illustrates the difficult transition facing employees and the potential ripple effect on businesses near where they live and work.

El Leoncito sits in the heart of a Titusville zip code that was home to more USA employees — over 800 — than any other in Brevard County as of last fall, according to data provided by the company.

The data shows the distribution of the largest shuttle contractor's

work force, not where actual layoffs will occur.

But local officials and business experts say it confirms what they've expected all along: North Brevard and Merritt Island will likely bear the brunt of thousands more layoffs to come as the shuttle program nears retirement.

"This is probably a good representation of what the hit is going to be," said Michael Slotkin, an associate professor of business at Florida Tech. "When the pain is felt, it's going to be felt asymmetrically at the north end of

See LAYOFFS, 6A

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6A SUNDAY, SEPTEMBER 26, 2010

LAYOFFS, from 1A

the county."

Overall among USA's Florida employees last October — before the company began smaller rounds of mostly "self-nominated" layoffs — about one of every five lived in Titusville.

Merritt Island was home to a slightly smaller percentage, as were the combined communities of Port St. John and Mims, bordering Titusville. Nearly one out of 10 lived in Rockledge.

USA cut about 600 jobs over the past year, leaving the company with about 5,100 Florida employees today. After Friday, at least another 3,000 are expected to be let go next year, starting with an undetermined number in January.

A lot 'still in denial'

The employees saying goodbye this week range from 25-year-old Chris Cease of Melbourne to 76-year-old Tom Kramer of Rockledge.

"Out of all the guys out there, I'm the best one to go now," said Cease, an engineer on a team that services Launch Complex 39 elevators, including the one astronauts ride up to the shuttle. "I'm ready to go anywhere and do anything."

An unmarried native of the Washington, D.C., area who joined USA in 2007, he expects to leave Florida for a job in the energy industry after completing a master's degree at Florida Tech this spring.

Kramer, on the other hand, has worked on the shuttle program since 1976, when he began testing main engines in Mississippi. He moved to KSC in 1981.

Part of a team that monitors leaks of hazardous gasses when the shuttle is fueled, he hoped to see the program through to its conclusion.

He'd like to continue working to support his extended family, but also plans to devote more time to local theater productions.

"For 54 years now I've been getting up every morning about 5 and going to work around 7," said Kramer. "All these years, I'll miss that. I'll probably wake up automatically at 5 o'clock, for a while."

In between Cease and Kramer is Brian Kissel, a 51-year-old senior mechanical engineer from Indian Harbour Beach whose specialty was solid rocket boosters.

The competitive body builder plans to leave the aerospace industry to run a beachside gym aimed at helping at-risk youth.

"I'm fortunate I have a Plan B," said Kissel, whose shuttle employment fell just shy of 20 years. "I think a lot of people are still in denial."

Each of the employees on Friday will report to the NASA Shuttle Logistics Depot in Cape Canaveral to complete paperwork, a day after their space center badges expire.

'Ripple effect'

With the nation's post-shuttle path for human spaceflight still uncertain, workforce officials estimate that the shuttle's end will trim space center employment by roughly 8,000 jobs.

What's harder to predict is how severely those cuts will impact local communities already suffering from the housing crisis and recession.

"The ripple effect is what we're going to start seeing next," said Lisa Rice, president of Brevard Workforce, which is trying to help dislocated workers find jobs with the aid of a \$15 million federal emergency grant.

Using a NASA statewide multiplier of 2.5 community jobs lost for each shuttle job cut, Rice said the area's shuttle-related impact could total 19,000 jobs, "give or take a few thousand."

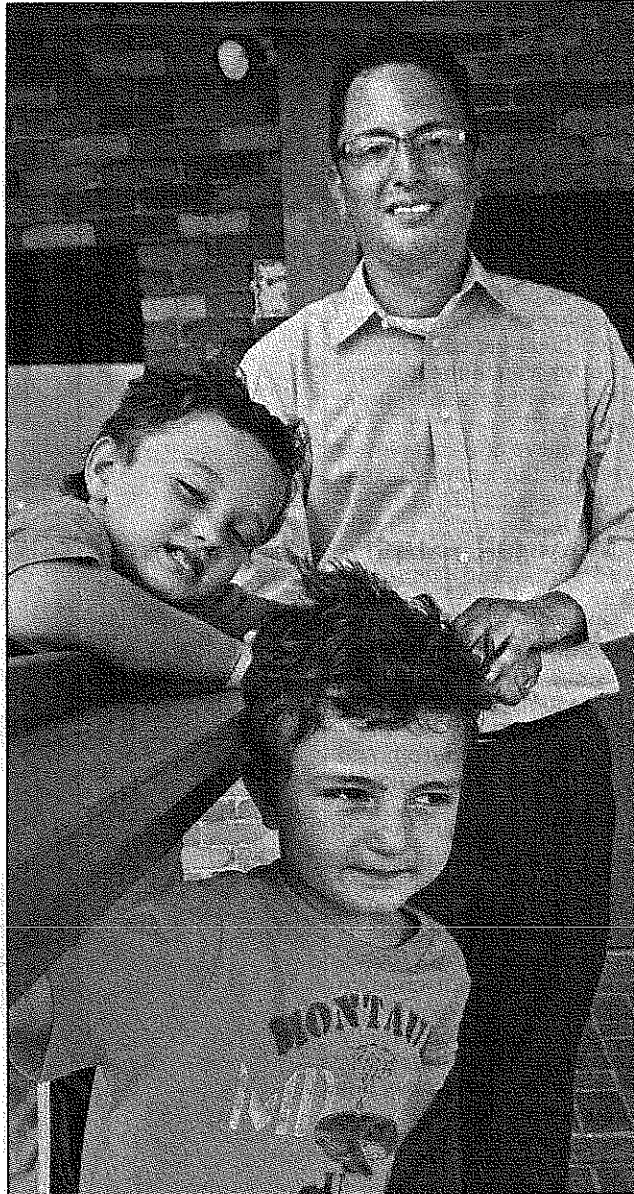
In the short term, the financial impact from layoffs will be tempered by severance packages that several employees called generous — a week's pay for each year of employment, up to 26 weeks, plus additional "critical skills" bonuses.

Local government leaders and business owners in the most affected communities are concerned but maintaining a degree of optimism about the upheaval to come.

It's a daily topic of conversation at Serendipity Hair Salon on North Courtenay Boulevard on Merritt Island, owner and stylist Jodi Tinker said. Her husband is a USA employee not affected this week.

The salon south of the space center occupies a zip code with the third-highest concentration of USA employees, and Tinker estimates space center families account for up to 40 percent of her business.

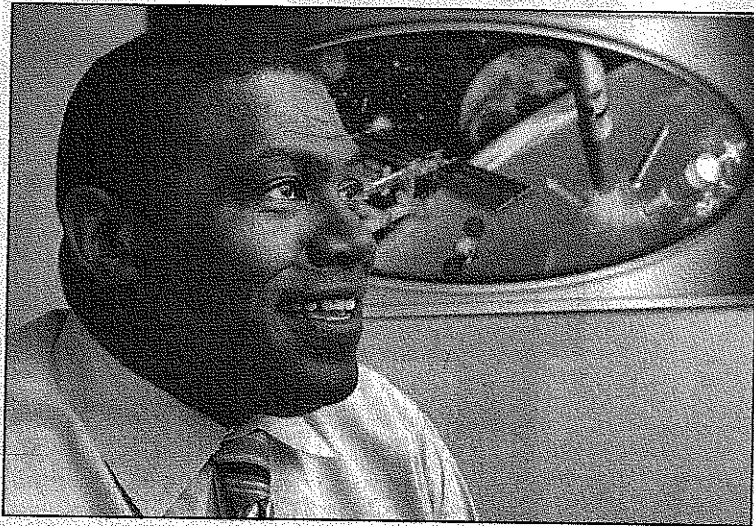
But while some families are being forced to leave for new jobs,



Tim Shortt, FLORIDA TODAY

Bracing for impact. El-Leoncito co-owner Michael Sanchez, who runs the Mexican-Cuban restaurant along with his mother and sister, is seen with sons Vincent, 5, and Michael Jr., 7. Sanchez is bracing for the impact of layoffs at KSC, which are expected to trickle into the Titusville community.

Reality sets in for workers



Tim Shortt, FLORIDA TODAY

leadin. Brevard County Commissioner Robin Fisher, seen at his Titusville office in April, compares the shuttle's retirement to a foreboding hurricane. "We don't know yet if it's going to be a Category 1 or a Category 5. We'll weather through it and we'll figure it out, but there will be some rebuilding that has to be done from it."

Tinker sees others arriving.

"We still see people walking in our doors that have just moved into the area," she said.

A few doors down in the Courtenay Villa plaza at Sinatra's Flowers, owner Joan Sinatra said customers remain loyal but are spending less. Space center families generate a quarter of her business, which has two part-time em-

ployees.

"You can't live here without being affected by this, you just can't," she said. "It's cut back on how I spend too, so it's all part of that ripple effect."

Rice sees some positive signs, such as a recent energy symposium and upcoming entrepreneurial summit that are generating potential new investment and jobs.

And more than 60 percent of the \$15 million federal grant will help companies pay new hires.

A federal task force will pump another \$40 million into the area, noted Titusville City Manager Mark Ryan. And he said a USA notice detailing the numbers and types of jobs impacted by this week's layoffs, which was required by federal law, could help lure businesses looking for those skills. They include engineers, technicians, inspectors, as well as

a packer and crater and a crane operator.

"Prospective employers that were looking at our region were kind of waiting in the wings until they knew for sure when and if the labor force was going to be available," he said.

Now, Ryan said those companies are showing more serious interest.

Robin Fisher, the Brevard County Commission representative for North Brevard, likens the shuttle retirement to an approaching hurricane of uncertain intensity.

"We don't know yet if it's going to be a Category 1 or a Category 5," he said. "We'll weather through it and we'll figure it out, but there will be some rebuilding that has to be done from it."

At El Leoncito, Sanchez has no doubt he'll continue to serve his signature margaritas and chile colorado beef fajitas until space center jobs, and the local economy, recover.

In the worst-case scenario, the family would cut back on staff and handle all the restaurant's operations.

"We're just trying to be positive," he said. "The city can't shut down like everybody seems to think it will. It's going to be OK." ■

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88%

Percent of USA's 5,772
Florida employees lived in
Brevard County, as of last
October

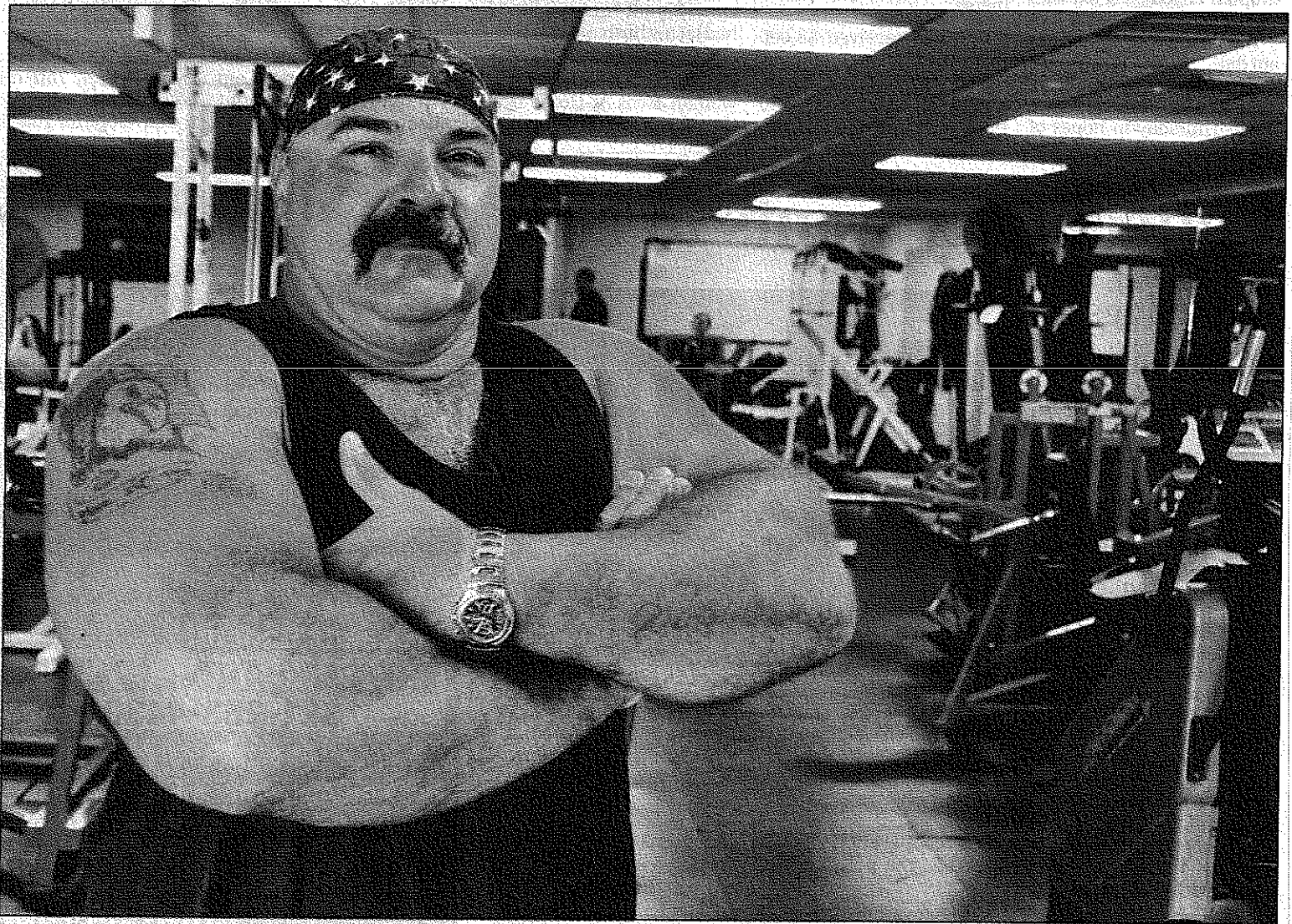
22%

Percent — 1,276 — of the
Florida workforce lived in Ti-
tusville

Source: United Space Alliance zip code data and Workers' Adjustment and Retraining Notification Act (WARN) notice. Brevard residence percentages based on employees zip codes as of Oct. 1, 2009. Some of those workers have since left the company.

“I’m fortunate I have a Plan B. I think a lot of people are still in denial.”

Brian Kissel, 51, of Indian Harbour Beach, a senior mechanical engineer whose specialty was solid rocket boosters



Malcolm Denmark, FLORIDA TODAY

End of an era. Brian Kissel works out at Space Coast Barbell on Merritt Island. His last day at USA, a Kennedy Space Center contractor, is this Friday.