

The Way Forward

TUC

14th January 2010



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Core Principles

British Airways will continue to be a great place to work but also be recognised as a model of excellence, being perfectly placed to deliver consistent world-class customer service into the 21st century.

Our Challenges

Delivering permanent and sustainable cost savings.

Introduction of a new Flexi fleet.

Reduction of current costs.

Greater flexibility.

Protection and reassurance for existing crew.

The opportunity for talented people to rise to the top of a service focused environment.

Stable and simplified phased platform for change allowing a return to sustained onboard service levels with an increase in direct customer contact staff.

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Our Successes

Cost base reduction

The only department within British Airways to agree a two year pay freeze on all earnings basic and variable - delivering substantial savings directly from the current cost base.



Flexibility for our customers

It is recognised that to compete in a highly competitive market it is necessary to put our customers first. Greater focus on our customer's needs and well-being will be achieved by far greater flexibility in time of operational disruption.

It will no longer be necessary for crew to inconvenience our customers with the requirement of a double nights rest in times of operational disruption requiring the introduction of the disruption agreement. Crew will give up two nights rest moving to a legal minimum of 10 hours or as covered under current scheme rules.



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Our Successes

Increase to productivity

Increased opportunity for flexible crew working to support the flying operation and customer requirements.

Cabin crew will be able to participate in longer annual working hours to benefit our customers as and when required.

Current willing to work opportunities introduced.



New flexible fleets

A new 'flexi fleet' will be introduced with immediate effect, leading to immediate as well as medium and long-term savings. Over time this will lead to a complete realignment of future costs in line with market rates, yet at the same time ensuring a continued commitment to excellence. This will keep British Airways as a market leader within the airline industry.

A framework for a new highly flexible fleet.

Reassurance and security for current crew.



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Our Successes

Future Talent

It is recognised that British Airways employs a high number of talented people within the area of customer service. It is important that opportunity continues to be available to allow all exceptional individuals to not only be recognised, but to have the ability to achieve their full potential.

Continued Promotion opportunities.

The reaffirmation of a dynamic process that suits the needs of both the business and individuals, allowing movement between bases and fleets according to the economic, fiscal and logistical requirements.

A cost effective and flexible opportunities and choices system reaffirmed.



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The Future

Working together

With mutual respect - to achieve a harmonious working environment.
Recognising the value of individuals and groups within the process.

Agreements and policies should be reached and enacted in accordance within the values of good faith and respect.

The importance of blending established agreements alongside change. Ensuring the principles of good faith are recognised within all our agreement. Creating a partnership between the trade unions and the company, built upon a bedrock of mutual trust and respect, to ensure that both partners are comfortable and confident about facing the challenging environment of the 21st Century.

Pensions

Commitment to work together to seek solution to the pension deficit.

The sky and the earth are born of my own eyes

Hason Raja (1854 -1922)

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Way forward - Resolution to the industrial conflict between British Airways and Unite the union.

This proposal is without prejudice to the breach of contract case to be heard by the High Court in February.

Fleet Issues

WorldWide:

April 1st return to agreed crewing levels and working position responsibilities.

Monday 18th January -April 1st

This can be achieved by a range of options:

- Increase to contract type
- Cancel unpaid leave
- Defer part time offers until 01/04/10
- Zone close
- Cap First Class
- Shorthaul surplus to WW
- Temps to LGW - LGW transfers
- Specific Flight Cancellations
- LGW main crew member returns to purser

01st March to March 31st

World Wide: Current one down payment

Disruption Agreement:

The double night will be removed from diverted inbound services, and this will be incorporated into current disruption agreement.
Minimum of 13.5hrs rest (hotel key to wake up)
Guarantee of fixed rosters moving forward

Willing to Work: To be implemented

Eurofleet:

PSR back on Band 4 - 767 - 1st Feb 2010
Until then reduce cabin service

Move PSR work to CSD pot. (To enable Pursers to be put back on Band 4 flights)

A319 revert back to minimum four crew, except GLA/EDI/ABZ with affect 1st Feb 2010

1st Feb 2010- All other current imposed matrix levels will be trialed as per trialing agreement between Unite and BA - To be agreed by 28th Feb 2010.
Otherwise an STR payment per crew member on any flight will be paid where crewing levels are still reduced until trialed and agreed.

March 31st to March 31st

Shorthaul: STR Payment

Gatwick Fleet:

Maldives - Red ring - Payment equivalent of Box 1 payment for all crew operating this service . To allow single sector to a maximum of 13hrs duty. 3 days off will be accrued for each itinerary operated - extending the monthly and annual caps.

London City - night stop Shannon in accordance with MOA.

3 class/4 class 777 - Crewing levels to be determined by a/c type i.e. 3 class x 10, 4 class x 11 - irrespective of onboard service and or destination.

Cessation of volunteer list practices - undermining MOA.

Air Cabin Crew National Sectional Panel Issues

EG300:

Honour crew agreement document

Ops and Choice:

Honour the current agreement

In-flight Consultative:

Revert to onboard trialing procedures as per Terms of reference - across all fleets.

PAY:

Two Year pay Freeze

Future variable pay:

Agree to discuss the feasibility of a redistribution of variable payments (taking in to account securing existing payments - that will be diminished) protecting the principles of rewarding longer duty days

Employee incentive program

New Crew-

Introduce a new contract to integrate new crew with current legacy crew.

Entry point for new crew where vacancies occur on all fleets.

At the commencement of each season, the vacancies that occurred during the prior season will be filled from the ops and choice list. Remaining vacancies will then be filled by new crew.

Initially there will be a cap on the use of new crew within existing crew complements:

Worldwide - 3

Eurofleet - 1

Gatwick Fleet - 3 Longhaul

1 Shorthaul

Employee incentive program

FlexiFleet -

Will provide crew for all fleets as and when vacancies occur during each season after the requirements of the ops and choice agreement have been satisfied.

Seniority -

To be determined by British Airways.

Fleet will have it's own at base arrangements and licensing agreements - but will fly to the agreements of the fleet they operate on the day.