

Alex Cruz
Chairman and CEO



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25 June 2020

Huw Merriman MP
Chair
Transport Committee
House of Commons, London, SW1A 0AA

sent via email: transcom@parliament.uk, [REDACTED]

Dear Huw,

Thank you for your letter of 19 June inviting me to give evidence to the Transport Committee in respect of your report on the impacts of coronavirus on the aviation industry.

Given you have already had extensive evidence from the CEO of our parent company and have already published your report, I do not see what purpose a further evidence session with me at this stage would serve.

As Willie Walsh has explained to the Committee and in letters to MPs, BA is burning through £20 million cash per day and the value of the CJRS is equivalent to just a few days of this cash burn, at a time when there is no significant revenue coming in. Given this and the longer-term impact of the Covid-19 crisis on the global economy and the aviation industry, the CJRS offers little relief and does not avoid the urgent need for BA to restructure its business. This is even more so given that we have been topping up all of our furloughed staff to 80% of their actual salary rather than to the statutory cap of the CJRS, such that it does not neutralise our employment costs.

The fact remains that BA needs to be smaller and operate differently to survive in the radically different business environment that we can expect to face in the coming years. We have repeatedly asked both Unite and GMB to come to numerous consultation meetings to discuss these challenges since the consultation began over the last 55 days. We make no excuse for complying with our legal obligation to supply information and consult when redundancies are proposed, an obligation that the Transport Select Committee's Report does not appear to acknowledge or appreciate. A "Section 188" letter is not, as has been suggested, a "notice of dismissal". It is an important first step in a statutory consultation process, a process that is designed for employers and elected representatives to come together to save jobs. The pilot's union BALPA has engaged with this process and we are hopeful that there will be some progress on this front.

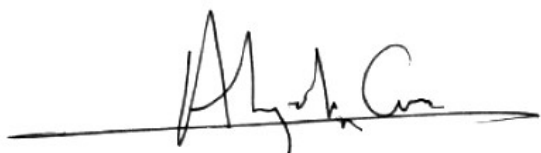
I can assure you that my management team understand that they must consult over ways of avoiding, mitigating and reducing the number of any proposed redundancies. They are committed to do this and they have already advanced ideas and proposals that could save jobs. If Unite and the GMB had engaged in consultation meetings to which they have been invited, or if they had considered and responded to our written proposals, you may have had a more accurate and full account of the facts for your report.

Although you have already published your report, I would be willing to attend further meetings, as you suggest, after our redundancy plans are announced. We still hold out hope that the elected staff representatives will attend consultations, so this would need to be after that process has concluded. Indeed, Willie has also advised me that he would welcome the opportunity to appear before the Committee again. If there is some engagement from Unite or the GMB in the meantime, the progress of any consultation can also be reported to the Committee.

We are in an unprecedented situation exacerbated by a lack of acknowledgement of the vulnerability of our sector at these difficult times. The quarantine measures have also severely impacted our cash position by delaying any potential restart.

I would encourage you and your committee members, especially those who clearly have close ties and funding from the relevant unions, to encourage them to engage with us as soon as possible and to help us save jobs. I would like to emphasise that, in the face of the biggest challenge our industry has ever faced, my priority is to save as many jobs as possible at BA through consultation.

Your sincerely,

A handwritten signature in black ink, appearing to read 'Alex Cruz', written over a horizontal line.

Alex Cruz
Chairman and CEO
British Airways