

SPECIAL UPDATE ON ROSTERING PRACTICES 2007

Ladies and Gentlemen

Introduction

Firstly, we ask you to print a copy of this Special Update and pass it onto any Cathay Pacific Flight Crew you come across who are not members of your Association. Rostering Practices affects all flight crew equally, so it is important that all Flight Crew are informed.

However, the right to vote on the matter of a Variation of RP07 is exclusive to HKAOA members. Anyone who is not a member and wants his or her voice to be heard, needs to join the HKAOA as soon as possible if they want to take part in the vote on the motion described later on in this special update. Email hkaoa@hkaoa.org for an application form. A completed form must be received by 7th November if you wish to vote on this issue.

Background

The Rostering Practices 2007 Policy Agreement (RP07) came into effect in May 2007. It was designed to run until the end of 2010. Whilst some elements of RP07 could be improved, it has, in general, been working well. Until recently, neither side has sought to make any variations.

However, it contains clauses to seek variations on a “mutually acceptable” basis, and to allow termination by either side at the end of 2008.

Discussion on the future of the RP07 was first raised by the AOA at the monthly Joint Rostering Committee (JRC) as early as February 2008. Over the next few months, the then GMA maintained that Management resources were constrained, and that a comprehensive re-negotiation of RP07 was considered impractical. Recognising this difficulty, on 18 June 2008, HKAOA formally proposed that RP07 should be allowed to run its full course, until 31 Dec 2010.

The outgoing GMA, in a response on 04 July 2008, indicated that he wished to ‘reserve his position’ while he waited for the final outcome of the new CAD document on Flight Time Limitations (FTLs), CAD371 Version 2. More on this later.

On 12 September 2008, GMA advised the HKAOA that Cathay Pacific wanted to change the Period of Validity of RP07, such that it expired 18 months early, at the end of June 2009. A deadline of 1 week was given for agreement. This timescale was unrealistic and we could not agree.

On 19 September, GMA Designate reiterated the request, though with a changed expiry date of the end of December 2009 (expiry 12 months early), and informed us that if agreement was not forthcoming within 3 working days, Cathay Pacific would serve notice of termination of the agreement. As it was clearly impossible to meet the deadline, notice of termination was served by Cathay Pacific on 26 September.

RP07 will now expire on 31 December 2008 unless the Membership agrees to a Variation which changes the Period of Validity of RP07.

What are the consequences?

Without a valid RP agreement we may find it more difficult to enforce our rights to contractual RPs. If we fail to ratify a Variation, this is the situation we will find ourselves in.

Certainly we have a right to contractual RPs. This has been established over a number of years and in a number of legal actions. As in any contractual matter we may end up having to revert to the courts and if we fail to ratify the Variation, that could be sooner rather than later.

However, a negotiated solution is a preferable option and by ratifying the Variation we will facilitate that negotiation. If, at the end of 2009, the Company gives us notice and a new RP agreement is not in place then we still have the option of legal enforcement.

Why is the Company doing this?

CAD's Flight Time Limitations Working Group (FTLWG) has been meeting for many months now reviewing CAD 371.

The Company believes this forthcoming document will include significant changes to the current AFTLS. They desire to terminate RP07 so as to implement these changes prior to the expiry of the original RP07 Agreement.

In particular, the Company wishes to ensure that any changes proposed to 3 man ULH operations can be introduced into the AFTLS.

At this stage there is no certainty whatsoever that any change will actually take place.

What is the opinion of the GC?

For some time your rostering representatives have been pressing the idea that flight safety must be the underlying principle of any rostering system. Experience has shown that the AFTLS alone cannot prevent the onset of fatigue. For this reason we believe that future rostering practices must include a proper Fatigue Risk Management System (FRMS) based on sound, scientifically backed concepts. In fact, there are indications that ICAO may soon mandate the use of FRMS.

Our representatives at the FTLWG have indicated that there is a possibility that 3 man ULH operations may be extended out to 14 hours **but** under certain strictly controlled circumstances - if the change even takes place at all.

Of course, until we see the final proposed draft in black and white everything at this stage is simply educated guesswork. The final decision will be the CAD's. The HKAOA, through HKALPA, is only party to these talks, though we have had success in championing a scientific approach over subjective opinion. . Indeed, it is likely that any change along these lines will be subjected to further scientific study being carried out and a trial period to oversee any change. If this happens it could be some time before there actually is a new AFTLS produced as a result of any changes made to CAD 371.

Encouragingly, members of senior management are now discussing FRMS. There has also been discussion of introducing more choice into rostering.

We believe that more choice in rostering can only be good for the Company and the Officer. For our part, we'd like to explore concepts like bidline systems and preferential bidding systems.

All this, though, requires meaningful dialogue. For the last decade, Rostering has been the principle issue of industrial discontent with the Company. Your GC is of the view that we should do all in our power to ensure that meaningful dialogue is maintained and our Rostering team remains engaged in any future discussion of Rostering Practices

What options do we have?

1. Do nothing.

RP07 will expire at the end of 2008. The Company would be tempted to act unilaterally and we could be forced back into court before negotiations have had a chance.

2. Vary the terms of RP07 such that the Period of Validity is changed to December 2009, one year earlier than planned, and automatically renewed until such time as either party gives three (3) months notice.

Rostering will remain in accordance with RP07 at least until December 2009, or until such later time as either party gives three months notice. During this time, in the light of CAD371 Version 2, we can work towards formulating a replacement roosting practices agreement which could contain provision for more choice.

What is the recommendation of the GC?

We have made it clear to the Company that allowing the current RPs to run their full course is preferable. The current RPs represent the resolution to several years of industrial conflict and casting the agreement aside risks returning to that state.

However, we would also like to see improvements to RPs and securing RPs for a further year is a markedly better position for us to be in. It allows RP07 to remain as a legally binding agreement; it keeps both parties at the table and, most importantly, allows sufficient time to properly negotiate a new RPA that can be mutually beneficial.

We therefore present you with the following motion on which to vote:

Be it resolved that the Membership of the HKAOA accepts a Variation to the Period of Validity of RP07 such that the agreement will expire on or after 31 December 2009.

A vote **FOR** the motion will allow RP07 to run for one further year, at least until the end of 2009.

A vote **AGAINST** the motion will terminate RP07 at the end of 2008.

Our recommendation is that you vote FOR the motion.

Online voting will be open from Friday 31 October and will close on Monday 08 December at 0900 and can be accessed via AOAOnline. If you have forgotten your password, email hkaoa@hkaoa.org to have it reset.



Captain Paul Weatherilt
President
30 October 2008