



PAKISTAN AIRLINE PILOTS' ASSOCIATION

AFFILIATED WITH :
INTERNATIONAL FEDERATION OF AIR LINE PILOTS' ASSOCIATIONS &
INTERNATIONAL TRANSPORT WORKERS FEDERATION.

FLASH

Dear Members:-

February 03, 2012.

السلام عليكم

We have in clear terms opposed acquiring of aircrafts on wet-lease by the management. On 4th November 2011 a detailed letter was sent to the management whereby we expressed our concerns and reservations. Management had spent minimum of US\$ 8.445/- Million on acquiring two B-747s aircrafts for Hajj while if the management could have spent aprox US\$ 1.5/- Million only to make its grounded fleet airworthy.

Presently, twelve (12) aircrafts are grounded i.e. 06 A-310s, 02 B-737s, 02 B-747s, 01 B-777 & 01 ATR for want of spare parts. The acquiring of spare parts has been made a cumbersome process as the same is dealt with a Dubai based company in the pattern of a cartel. The reason the Dubai based firm was introduced was that spare parts would be supplied on credit, whereas, such decisions has also become counter productive as despite payment of exorbitant amounts.

The management had accepted our point of view and given up the idea of acquiring aircrafts on wet-lease. The decision was published in leading newspapers on 13th November 2011.

However, despite the above clear assurance of the management, we have come to know that the management has decided to acquire two (02) A-320s aircrafts on wet-lease on ASAP basis. The management has already started processing documents of 52 Cockpit Crew, 77 Cabin Crew, 26 Aircraft Technicians, 06 Dispatchers and 01 Aircraft Engineer of FREE BIRD Airline for endorsement by PCAA and clearance by I.B.

The incumbent Executive Committee of PALPA though under transition and going through the election process, cannot be a silent spectator to actions which are detrimental to the airline and our community. The decision of the management of acquiring aircrafts on wet-lease by paying exorbitant amounts and markup is disastrous and it appears that PIA's own fleet is being grounded so as to justify their actions. If the management spends fraction of the lease amount on its own grounded fleet then the same would become airworthy.

We have already expressed our reservations to the management and informed them that they will face our forceful opposition if actions against the interest of PIAC and our membership are taken.

We earnestly request the membership to remain steadfast and remain prepared to challenge the arbitrary actions of the management. We stand for utilizing our own fleet and crew by the management instead of undertaking wasteful expenditures.

Yours sincerely,

Capt. Suhail Baluch
PRESIDENT

Enclosed:- Letter dated 3rd February 2012
Addressed to the Managing Director -PIAC.



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Ref: PALPA/G/06/746

February 03, 2012.

The Managing Director,
Pakistan International Airlines,
PIA Head Office,
KARACHI AIRPORT.

Subject: UNJUSTIFIED, ACQUIRING OF TWO A-320s ON WET-LEASE

Dear Sir,
السلام عليكم

We are in a state of shock on coming to know that management has secretly decided to ASAP acquire Two (02) A-320 aircrafts on wet-lease and have also started processing documents of 52 Cockpit Crew, 77 Cabin Crew, 26 Aircraft Technicians, 06 Dispatchers and 01 Aircraft Engineer of FREE BIRD Airline for endorsement by PCAA and clearance by I.B.

We after considering all the pros and cons are confident that management's above decision is not in the interest of the airline and rather disastrous. Time and again we have made the management understand the repercussions of taking aircrafts on wet-lease and on agreeing with us management had retracted their decision regarding wet-lease aircrafts. In this context, the following sequence of events would fortify our stand.

- On 4th November 2011 written a letter was submitted which enumerate as under:-

02 (TWO) B-747'S ON WET LEASE FROM HELLENIC IMPERIAL AIRWAYS		
S. No.	Details	US\$ Million
01	SX-TIE 400 hours guaranteed @ US\$ 6,500/-	2.6/-
02	SX-TIC 600 hours guaranteed Cockpit @ US\$ 7,500/-.	4.5/-
03	Crew / Ground Engineers + Cabin Crew Coordinator/Others	0.645/-
04	130 Rooms for Greek crew in Ramada/Marriot Hotel @ US\$ 90/- per day for 60 days (Approx).	0.7/-
Total		8.445/-

The above chart shows that management spent a minimum of US\$ 8.445/- Million on acquiring two B-747s on wet-lease for Hajj whereas, if management would have spent US\$ 1.5/- Million on our own engines then our own aircrafts would have become operational. Moreover, this does not include the money paid to the under utilized staff of PIA.

- Business Recorder dated 12th November 2011.
News items was published that the PIA employees unions have made it clear that they would not extend their services for wet-lease aircrafts and have seriously objected to such desire of the management.

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- Business Recorder dated 13th November 2011.
News item was published "Sanity, after all prevailed and in a swift move, the Managing Director Pakistan International Airlines (PIAC) has rejected the Airbus-320 wet-lease option, to avoid possible disaster". The same story was published in The News, Pakistan Today, Financial Daily, Ummat, Jang and Jurrat.
- On 27th December 2011, letter was written to Mr. Hafeez Shaikh, Minister of Finance, as it was reported that he would head a task force to resolve the problems of National Institutions including PIAC. It was stressed that it was of great urgency that PIA is stopped from acquiring aircrafts on wet-lease and to direct that PIAC own fleet of aircrafts be made airworthy.

Sir, there are about twelve (12) aircrafts grounded i.e. 06 A-310s, 02 B-737s, 02 B-747s, 01 B-777 & 01 ATR for want of spare parts. The acquiring of spare parts has been made a cumbersome process as the same is dealt with a Dubai based company in the pattern of a cartel. The reason the Dubai based firm was introduced was that spare parts would be supplied on credit, whereas, such decisions has also become counter productive as despite payment of exorbitant amounts in advance, the firm is not able to deliver. It is ironical that 160 foreign crew and ground staff would be utilized in place of PIA's own crew who would be paid guaranteed flying allowance. The past experience shows that despite paying heavy lease amounts, PIAC had to bear additional maintenance charges. There were instances when PIA had used their own engines and landing gear on wet-lease aircrafts. Please appreciate that PIAC has neither the finances to pay such lease amount and interest/markup and if the plan goes through then PIA will never be able to recover from the poor financial condition.

We earnestly request you to drop the idea of acquiring aircrafts on wet-lease and make all possible efforts for making the grounded aircrafts airworthy. We see no reason for PIAC's own fleet of aircrafts being grounded and apparently it is done so as to justify acquiring aircrafts on wet-lease. **Does any one has an answer as to why our aircrafts are not being made airworthy? Can we not spend fraction of the amount to be spent on wet-lease aircrafts on our own aircrafts and make them airworthy? Once management dropped the idea of acquiring wet-lease aircrafts (decision reported in Business Recorder, The News, Pakistan Today, Financial Daily, Ummat, Jang and Jurrat) then what has compelled to take such secret action and mentioning of ASAP?**

We seriously suspect foul play and probably you have been wrongly briefed on the issue. We immediately request for an audience so as to convince you and till such time please do not take further steps in acquiring of the wet-lease aircrafts. Nevertheless, we make it clear to you that you will face our forceful opposition if actions against the interest of PIAC and our membership are taken.

It is only logical that available resources including PIA's own fleet and crew are utilized and the management realizes that in the given financial condition, PIAC cannot afford such adventurism.

Thanking you,

Yours sincerely,



Capt. Suhail Baluch
PRESIDENT

cc: Mr. Hafiz Shaikh, Minister of Finance/Chairman Task Force - PIAC
cc: All Members, Board of Directors - PIAC

Enclosed:- Above referred documents.