

27th February 2017.



Dear colleague,

I remain committed to reaching agreement on achieving payroll cost savings and delivering efficient work practices that would help address our immediate insolvency exposure. This would also start the process of making Bus Éireann a viable, efficient and competitive organisation, ensuring its ability to survive long term.

While failure to reach agreement at the Workplace Relations Commission last week is very regrettable, things cannot continue as they are. Presently, the financial situation continues to deteriorate at an accelerated rate - which is deeply concerning. Operating losses at Bus Éireann increased to €1.5m in January and if this run rate continues the company will be insolvent in May. Company management, with the approval of the Board, therefore has no option but to implement changes to work practices that will result in immediate cost savings. This will also be a first step on our road to competitiveness.

A detailed list of the measures we will implement is outlined below - and for the purpose of clarity - include all measures announced in my letter to you on January 16th last. These work practice initiatives are only an initial step; further measures involving changes to terms & conditions are also essential.

Some of the measures outlined below have already been implemented. All others will be implemented from Monday, March 6th next.

Our objective is not to become a low cost operator; we are committed to protecting basic pay rates and enhancing these as circumstances permit. Delivering greater efficiencies and commencing the process of re-structuring is vital to modernising our work practices and making us more flexible. This will enable us to compete effectively and provide the services our customers both desire and deserve.

Some of our inefficiencies are indefensible. Spending money on bus hire for example, because of the unavailability of a driver or vehicle, is a waste of financial resources and a glaring inefficiency that simply must stop.

I have already advised that a review of all structures is on-going and will be finalised by the end of March. This is likely to result in job losses in some areas but will also provide opportunities in others, as we adapt to a changing and more competitive marketplace with growing customer expectations.

Difficult decisions are being taken to safeguard the company's future - these are not being taken without careful consideration; some of these decisions will impact pay, but in doing so, will safeguard the maximum number of jobs possible.

This is a Bus Éireann problem that we all must find resolution to. I urge your representatives to engage with us immediately to find a satisfactory solution to our problems. A strike is not in the interest of the company, staff or our customers.



Ray Hernan,

Acting Chief Executive Officer

Bus Éireann