Senate Committee on Commerce, Science, and Transportation
Subcommittee on Aviation Operations, Safety, and Security
"FAA Reauthorization: Aviation Safety and General Aviation."
Senate Russell Office Building – 253
April 28, 2015

Statement of Faye Malarkey Black
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Opening statement

Good afternoon, Chairwoman Ayotte, Ranking member Cantwell and Members of the Subcommittee. Thank you for the invitation to testify at this hearing. I'm Faye Malarkey Black, Interim President of the Regional Airline Association (RAA).

Regional airlines carried about 157 million passengers and served 623 U.S. airports last year. At 394 airports, 223 in the 48 contiguous states, regional airlines provide the only source of scheduled air service. Regional airlines operate 46 percent of the nation's passenger flights.
I am proud that the safety of passengers and employees is the number one priority of the RAA's member airlines – every day, and on every single flight. The RAA's member airlines are constantly working to evolve and advance safety.

Regional Airline Safety Commitment

Safety has progressed significantly for all airlines in the past decade, and regional airlines have remained on the leading edge in this effort. Much of the advancement in safety has been associated with the continued implementation of specific programs and the proactive implementation of safety management systems (SMS) in advance of FAA rulemaking. All of the RAA's part 121 member airlines have fully implemented Aviation Safety Action Programs (ASAP) safety reporting programs, which are designed to bring forward information to allow airlines to learn from incidents or errors in an effort to prevent occurrence or reoccurrence. Flight data monitoring and analysis programs, referred to as FOQA, are also in place at nearly all the

RAA member airlines, and provide a powerful window into flight operations through aircraft data.

The most important aspect of these programs is that the collected data is used in a meaningful and proactive manner to manage risk. To facilitate use of the data, there are sophisticated systems in place that promote the sharing of this safety information for the purpose of continuously improving aviation safety. Programs like the Aviation Safety Information Analysis and Sharing (ASIAS) system enable participants to understand and incorporate the lessons learned through numerous voluntary programs, creating an enriched, industry-wide safety culture supported by statistically significant data. This extensive repository of information collected from airline voluntary safety programs allows airlines to monitor and collaborate on known risk, evaluate the effectiveness of risk mitigation efforts, and detect emerging hazards. Today, regional airlines represent over 40% of the ASIAS participants and provide nearly 50% of the data analyzed.

Moreover, many regional airlines have implemented Advanced Qualification Programs (AQP) that further enhance safety. With the goal of achieving the highest possible standard of individual and crew performance, these programs rely on multiple data sources, including ASAP and FOQA, to tailor airline training to be responsive to changes in aircraft technology, operations, and mitigations of any identified hazards. The RAA member airlines are also represented on the Commercial Aviation Safety Team (CAST) and implement the comprehensive Safety Enhancements developed to continue reducing the commercial aviation fatality rate in the United States. Additionally, the RAA's members successfully complete a number of independent safety audits that are designed to evaluate the operational management and control systems of an airline. In conjunction with internal evaluations, rigorous independent safety audits are an element of safety management which subjects airline operations to a systematic, critical evaluation. These audits determine whether system processes comply with regulatory requirements, whether they are implemented effectively, and whether they are suitable to achieve expected results.

Perhaps the most holistic safety innovation has been the ongoing implementation of SMS, which combines numerous safety elements into a cohesive company-wide system to proactively manage risk. While it includes such programs already mentioned, like ASAP and FOQA, SMS is far broader. SMS ultimately focuses an organization's culture around safety. Policies, processes, systems, and culture combine to instil safety and the objective to minimize risk as a core business value. This, SMS, defines the modern regional airline. Most of the RAA members proactively implemented SMS as part of a voluntary FAA pilot program in advance of the new rule, putting the regional sector in a safety leadership role.

There are many other specific areas of focus for regional airlines, including studies and programs to address pilot fatigue, innovations to reduce the risks during approach and landing, and a host of other initiatives. For example, the regional airline industry has provided key support and funding for an independent, four-phased study, conducted by Washington State University, on the topic of pilot fatigue. While the science supporting duty start time is well established, there was a void in the science with respect to the type of multi-segment operations typical to regional airlines. Seeking to fill that science gap, the RAA and WSU launched the Fatigue Study by comparing fatigue experienced by pilots in a duty day with multiple take-offs and landings against a duty day of equal duration with a single take-off and landing.

Each of these programs and initiatives independently, as well as how they function together as a single enterprise system that governs all operational areas, illustrates the tremendous progress and continuous improvement the industry has made toward advancing airline safety. These programs are the fundamental reason the United States enjoys the safest air transportation system in the world.

Impact of First Officer Qualification (FOQ) regulations on Pilot Workforce and Training

As this Committee knows well, Federal regulations enacted in the past six years, alongside industry initiatives, have brought about additional, important improvements in aviation safety. In 2010, President Obama signed into law the Airline Safety and FAA Extension Act, which contained a number of provisions of which this committee is well aware. One of the notable rulemakings involved the requirement for airline first officers to possess an Airline Transport

Pilot (ATP) certificate, and 1500 hours in flight, with some credit awarded to military and academic structured training, in order to fly in FAR Part 121 operations. Formerly, the ATP requirement only applied to airline captains.

The RAA believes that rulemaking, implemented in 2013, has provided a framework to introduce enhanced knowledge and training for pilots entering the cockpits of our airliners. The RAA agrees with the safety enhancing rationale behind the rule, and strongly support changes such as requiring pilots to undergo training in specific airline conditions, like high-altitude and severe-weather operations, and a requirement that a pilot spend 50 hours "in class of airplane" time. The RAA also supported the requirement that first officers in 121 operations hold an aircraft type rating. These are just some of the examples of the ways this rule has meaningfully advanced safety.

Moreover, the experience we have obtained since implementation has provided us useful insights into how to evolve FOQ further, focusing on the unintended consequences the regional airlines are experiencing under the rule. As we examine that process, we continue to voice our deep concern over a specific element of the FOQ provision requiring pilots to amass 1500 hours of flight time before FAA recognizes them as being qualified airline first officers.
Our job as professionals in this industry is to promote continuous learning and improvement in all aspects of training and operations. Although we believe the rule has carried many benefits, we have identified areas that will benefit from continued enhancements to the rule. In particular, regional airlines are experiencing unintended consequences from a requirement of 1500 hours of flight time for first officers. To be sure this is a contentious issue, but it need not be. We believe we can all agree that the training, knowledge, and skills required under FOQ are beneficial to safety. And we believe, as professionals, that this industry – both airlines and the FAA - have continually approached challenges collaboratively with facts and professional observations. And we have always been willing to adapt to improve safety. Again, to be perfectly clear – the FOQ rule and the opportunity to enhance it is a safety issue for all of us, as is reversing the unintended negative impacts the rule has had on pilot supply.

To that end, I want to discuss our observations related to the unintended consequences of FOQ. And I know that anything labeled "unintended" will not be taken lightly in this room – safety is intentional and anything that is "unintended" must be carefully examined. As we do that, I know that any changes must be well thought-out and part of a package, which, as a whole, further advances safety.

The stated intent of Congress in modifying the requirements for pilots who fly in part 121 operations was to "ensure that all pilots entering air carrier operations have a background of training and experience that will allow them to adapt to a complex, multi-crew environment in a variety of operating conditions." However, the reality is that the regional airlines are struggling to fill new hire classes with pilots whose experience contains the background consistent with the intended requirement. The FOQ provision has had far-reaching, unintended consequences. Frankly, the FOQ places an emphasis on flight-time that favors candidates who have amassed 1500 hours over candidates who have undertaken academic pathways through their piloting career but have not amassed 1500 hours. This has changed the quality of the candidate pool considerably. Those candidates with 1500 hours may not have a structured training background at all, and those candidates coming from structured training programs are now forced to build "unstructured" hours after graduating. The process of building hours takes significant time, and that time away from training is noticeable to airlines evaluating new hires' training performance.

Historically, regional airlines hired qualified pilots directly upon completion of an academic aviation program or shortly thereafter. We know that this has changed – such pilots must gain either 1000 or 1250 hours, based on their academic qualifications – and military pilots must gain 750 hours. These provisions of FOQ focus on the value of such structured training programs. An unintended consequence of the 1500-hour provision – even with credit for hours from academic credentials - is a substantial gap in the path of pilot development, between graduation and qualification for employment.

Instead, graduates from university programs seeking a career as an airline pilot are now forced to suspend their training at a very critical juncture in order to spend one or more years building hours, potentially at their own, significant expense. Most of these pilots build time in

unstructured environments, which do not provide for the development of skills relevant to a commercial airline pilot. For example, a pilot might work as a crop duster or power/pipe line patroller for hundreds of hours. This is generally not time spent flying under instrument flight rules, in inclement weather conditions, managing complex avionics, or learning to work as part of a team of professional crewmembers.

Other pilots seek to build time by working as flight instructors, although, naturally, flight instructor positions will diminish as fewer students enter the pilot pipeline. Nonetheless, flight instructing has been a traditional path for working toward an airline career, offering valuable benefits such as learning leadership and communications skills. However, the new rule has now created an unintended problem with this path. Pilots are now required to work so many additional hours as instructors that the benefits of doing so are outweighed by negative impacts. These negative impacts are neither theoretical nor insignificant. Rather, they go to the heart of a person's development as a professional pilot. In particular, experience has shown that there is a point of diminishing value as flight instructors surpass many hundreds of hours of instruction. Instructors become increasingly removed in time from focusing on their own skill development, have less opportunity to fly, and the flights they make tend to be the same flight repeated hundreds of times.

The growing pilot shortage has implications for the quality of pilot candidates

According to the FAA's U.S. Civil Airman Statistics, between 1978 and 2014, a reduction of 24 percent in active pilot certificates took place. Additionally, fewer students are entering the pipeline. In 1978, student pilot certificates accounted for 26 percent of the total certificates held. But in 2009, this number dropped to just 12 percent. Following an FAA rule lengthening the period of time before student certificates expire, the percent of total increased to 20 percent, without necessarily introducing new student pilots to the mix. Consequently, there have been fewer original certificates issued. From 2009 to 2013, there was a 10 percent reduction in original student pilot certificates issued, a 21 percent reduction in original private certificates issued, and a 28 percent reduction in original commercial pilot certificates issued. When compared to 1990, these reductions are considerably more dramatic with 44 percent fewer original student pilot certificates issued, 62 percent fewer original private certificates issued, and

47 percent fewer original commercial pilot certificates issued. Furthermore, surveys of academic aviation program students indicate that only about half of these certificate holders intend to pursue a career as an airline pilot.

What's more, according to a recently-released RAND Corporation report (Air Transport Pilot Supply and Demand: Current State and Effects of Recent Legislation, March 2015) 45 percent of new Commercial Certificates are issued to foreign students. Finally, Airline qualified pilots are aging: Since 2009, the number of certified pilots (private/commercial/ATP) older than 59 has increased more than 8 percent. Certified pilots aged 20-59 (private/commercial/ATP) are not increasing at the same rate, in fact, conversely to the 60+ group, there are 14.7 percent fewer pilots aged 20-59 in 2014 than in 2009.

The new hours-building element of the first officer requirements contributes further, and significantly, to this growing pilot shortage by dramatically increasing education costs and interrupting the structured path for future airline pilots. Aviation students no longer have a direct path to becoming an airline pilot; they must first overcome years of uncertainty as they work to build hours. This creates a barrier of entry for recent graduates of highly-regarded academic and structured training programs and promotes movement to other industries. This new career uncertainty will undoubtedly discourage potential aviators from pursuing airline pilot careers. Universities have reported that many pilots are simply leaving the career path before they finish school, seeing no financial way to bridge the gap in flight time to a career with a commercial carrier – regional or otherwise.

Amidst this challenging recruiting environment, airlines are seeing another discouraging trend in newly-hired pilots; fewer and fewer new hires have recent piloting experience as flight instructors, military pilots, pilots for other airlines, or flying in 91/135 operations. A recent survey of the RAA member airlines revealed that the percentage of new hire pilots most recently employed as flight instructors dropped from 40 percent in 2013 to 32 percent in 2015. In April 2015 alone, 38 percent of new hires had recent experience other than the aforementioned (typically most successful in training) occupations. An additional noteworthy outcome from this

survey is that 17 percent of pilots hired since January 2013 were most recently employed at other regional airlines. This last point highlights a lack of new pilots in the pipeline.

Although the regional airline industry has redoubled its recruiting efforts, offered substantial signing and retention bonuses, and implemented and strengthened existing pipeline programs with the country's best universities, this fact remains: the number of pilots qualified for hire has shrunken dramatically as airline industry demand for pilots continues to rise. Furthermore, not all of these remaining pilots can meet individual airline hiring requirements or make it through airline training programs.

Demand, coupled with the changed criteria emphasizing 1500 hours of flying time, has also caused different types of candidates to seek employment with regional airlines. These pilots may have flown recreationally for years, with no or limited commercial experience, but they meet the 1500 hour requirement. These candidates are among the roster of ATP holders listed, and some have suggested that these pilots, who meet the flight-hour requirements, should be able to fill pilot vacancies. Experience has shown that this is not often the case.

Unintended Training Outcomes

Airlines are discovering that pilots with backgrounds comprised predominantly by hours of unstructured flying face great difficulty adapting to structured airline operations, and the washout rate, an industry term for the failure of candidates to pass airlines' initial screening processes, has been disappointingly high for these candidates.

The RAA's member airlines are highly selective about the candidates they put through their training programs, which require strong skills and airmanship. Unfortunately, the new rule is limiting access to the best and most proficient aviators. Airlines have observed, since FOQ implementation, a distinct change in the percentage of those applying and interviewed versus those hired for pilot jobs. By this I mean, we are screening far more applicants to find pilots qualified for the job. Of course, we will not change our high standards in the face of these challenges. One of our airlines has shared its story publicly: seeking to hire 800 candidates, the

airline successfully attracted 2,700 applicants. Of those applicants, only 400 met the airline's own rigorous requirements.

Airlines' high evaluation standards are also reflected in training failure rates, which have increased, despite enhanced training protocols that regional airlines have put in place since the 1500 hour provision went into effect. One airline reports a three-month period where not one first officer candidate was able to successfully complete training at the airline.

Moreover, carriers report an overall degradation in the quality of applicants, citing the forced time-building culture has offered no merits other than hours in a log book, and noting the very real concern of skills slowly deteriorating over time, with bad habits developing. Some pilots who spent time in unstructured flying environments seem to have regressed in their instrument flying skills. The RAA member airlines have had to expand training in order to bring pilots who have been away from their training "up to speed." One member airline put it this way: "proficiency remains a concern, as pilots are spending more time building low-quality time and have to be re-trained on procedures they learned in the solid aviation program they attended. Our training programs are more than capable of bringing them up to speed, but it does require more effort from the pilots and instructors as valuable proficiency is lost in low-quality flight environments." Another notes, "We waste a lot of time in training breaking bad habits acquired during time spent trying to quickly get the 1500 hours."

We believe all of this reflects the unintended consequence of the 1500 hours provision, with its focus on accumulated flight time. Of course, our member airlines have upheld safety despite this additional challenge, and have redoubled efforts to counter this observed regression in proficiency by incorporating additional training sessions for new hires, and, in some cases expanding initial operating experience with a check pilot.

In addition to these shared stories, our airlines are participating in ongoing data collection and research on pilot sourcing and performance. In order to test whether or not the FOQ ruling improved the quality of first officers flying for part 121 carriers as intended, a University of North Dakota study (paper currently under review) at a regional carrier compared pilots hired

prior to the FOQ ruling with those hired after the FOQ ruling. The study compared 232 pilots hired from 2005-2008 with 184 pilots hired from August 2013 - November 2014.

The pilots were compared in three areas: Total Flight Hours, Training Completion and Extra Training Events. The results of the study show that, while pilots hired after the FOQ ruling had a significantly higher number of total flight hours, that group was more likely to need additional training and less likely to successfully complete training than those who were hired prior to FOQ. The average total flight hours of a new hire pilot pre-FOQ were 1,654 and post-FOQ were 3,095. Prior to FOQ, nine percent of new hire pilots required extra training events; following the rule, that percentage had more than tripled, with 33 percent of post FOQ new hires requiring extra training. Additionally, prior to the rule, four percent of new hire pilots failed to complete training; and following the rule, ten percent of new hires failed to complete training. Although more research is needed, the study illustrates some of the unintended consequences of the FOQ ruling.

Enhancing the Pathway to Pilot Safety and Proficiency

It is imperative that the traveling public, from the smallest communities to the largest, have confidence that they are flying with a well-trained and proficient crew. It is also important that regional airlines feel confident about our hiring pool so that we can continue to provide safe service to communities large and small. Safety and training experts within the airline industry must continue to innovate and to suggest ways to enhance the training experience for our crews. Our experience since the implementation of the FOQ can inform meaningful dialogue for adaptation and change.

We believe the pathway to becoming a professional aviator works best when it allows for a seamless transition between top-notch professional aviation programs and the rigorous training programs offered by regional airlines. But the building of a professional aviator goes further still. A comprehensive approach to all aspects of a pilot career—from the time he or she first dreams about flying, until a captain's retirement flight—is needed. And mechanisms to ensure quality, promote professionalism, and assess, adapt, and evolve training based on real data will serve us well.

The RAA is working on a number of major initiatives and suggesting others that we believe are needed to ensure that the goal of putting the best possible pilots into the control seats is truly met. These initiatives are mutually dependent and constitute a comprehensive approach to the pilot training pathway. The intent is to strengthen FOQ and provide for even better pilot training. We want to continue to work with this Committee, the FAA, and our industry and employee partners toward solutions that can accomplish all of these goals.

Successful solutions will be multi-faceted and include commitment on many fronts. We need adjustments to eliminate that lapse of time between training and hiring by allowing for addition credits toward the 1500 hours, overcome the notion that all flying time is equally enriching, improve the quality of the new hire candidates at regional airlines, and to allow for alternate civilian pathways to a career as an airline pilot that permit airlines to hire pilots from structured training programs before they begin amassing unstructured hours.

On our part, regional airlines are striving to promote and support the airline pilot profession by showing and encouraging future aviators the career is exciting and rewarding. The RAA, our members and their stakeholders are involved in a number of different ways generating enthusiasm and passion for a career in the sky. We are involved in the Organization of Black Aerospace Professionals, Women in Aviation, the University Aviation Association, and more, and both our Association and individual members are participating in STEM outreach programs in order to help introduce youngsters to the technical fields.

Partnerships between universities and regional airline partners are critical. Those partnership are already strong, but getting stronger every day. Pilots, mechanics and other aviation leaders are visiting campuses each day to talk about their careers and to encourage and mentor young students. Regional airlines readily provide samples of their operational manuals, training curricula and even training devices to schools. By providing airline training curricula, for example, the students can be taught from day one with the course structure and standards of professional aviators.

The RAA member airlines are also involved in professional development for professors, offering opportunities to serve on their staffs during sabbaticals, lending their own perspectives on enhancing airline training, and gaining valuable experience in the process. The RAA participates in the AABI Industry-Educator Collaboration Committee and is continuing to assist in brokering partnerships between academia and the regional industry. Regional airlines are now heavily plugged into AABI and the collegiate scene, in recruiting, internships, advisory boards, research collaboration and professional development, with regional people speaking at universities and professors spending extended periods of time at airlines.

We believe in the value of accreditation, for it sets standards jointly agreed to by both industry and academia – and it sustains those standards in periodic accreditation visits – holding such programs to a quality level that is enviable worldwide. The RAA sits on the Board of Aviation Accreditation Board International (AABI), which sets and maintains the standards for aviation university programs worldwide. AABI has always been jointly administered by both industry and academia and it has provided superb results for enhancing professional education and technical training. While accreditation is a means by which the quality of collegiate training organizations can be evaluated, providing a way to ensure compliance with appropriate standards and outcomes, we also see the value of other structured training providers working under the provisions of FAR Part 141. They, too, can provide structure, oversight and professionalism to ensure a standardized and qualified pilot who completes training. Such training providers could well be considered for inclusions into the hour-reduction provisions of FAR Part 61.160.

We must continue to define a clear career path so that those already interested in and pursuing the profession see open doors and opportunities. And most importantly, we must continue to work together to ensure that the best, most qualified pilots are flying in airline cockpits today and that airlines can hire from pools of the best, most qualified pilots who have no lapse in their structured training backgrounds and who are prepared to transition into the complex environment of a commercial airline.

Regional airlines will continue to do our part. We have established self-help measures currently in place, such as stepped up recruiting efforts, wage increases, signing bonuses, flow-through and

bridge programs. Our member airlines have built ground-breaking professional pathway programs and continue to build others with their mainline partners. The RAA encourages and promotes such pathways, for, like any profession, a defined path goes far in facilitating career entry to aspiring professionals and the families who are contemplating funding their training.

Airlines will have to continue adjusting training programs, extending training footprints, and expending additional resources to ensure that all cadres of new hire pilots have the knowledge, skills, and abilities to move from training into the ranks of qualified, competent, and proficient line pilots. The additional training resources dedicated by airlines today are often to no avail and result in training failures (washouts) when new hire pilots cannot meet the airline's standards. Instead, these resources could be dedicated to an alternate pathway that guarantees the creation of a highly-qualified new pilot.

We would like to work collaboratively with lawmakers, regulators, and stakeholders to develop a comprehensive pilot training pathway that truly enhances safety.

Our job as professionals in aviation is to continue to focus on the best training and the timing of that training. By continuing to refine FOQ and to consider the enhancements we suggest, we can prevent the unintended consequences that have developed in the past few years by placing pilots from accredited and structured programs into the professional ranks sooner, in a very thoughtful and intentional way. And, as we continue to ask for an evaluation of the hour requirement for accredited and structured programs, we want you to know that we are committed, as an industry, to enhancing the post-hiring environment in a way that ensures the highest levels of safety.

An Additional Unintended Consequence is Air Service

Although we wish to speak primarily about unintended training consequences of the 1500 hours provision of the FOQ rule, the Committee has asked us to address another unintended consequence of the rule, which is unfortunately, already becoming well-known by many communities.

The expected wave of pilot retirements at the mainline carriers is formidable, with cumulative retirements projected at more than 16,000 between now and 2022. To offer perspective, the full contingent of pilots in the regional aviation workforce numbers less than 18,000. (Air Carrier Financial statements recorded by Bureau of Transportation Statistics, Form 41, Schedule P-10, latest available CY2013). The network carriers will continue to find the best and brightest pilots working at regional airlines. This is how the professional pilot pathway is supposed to work and represents a natural career progression. However, given such high industry attrition, if the commercial airline pilot pool remains static and a comprehensive pilot training pathway is not restored, implications for small community air service could be far-reaching.

According to industry analyst Bill Swelbar, Executive Vice President for InterVISTAS Consulting, if the commercial airline pilot pool remains fixed over time, the regional airline industry will shrink to 20 percent of its present-day self within a decade. Swelbar further observes that with 302 70 –seat aircraft on order, the industry would need to park about 569 units just to staff this larger equipment. Facing a scarcity of pilots, many regional airlines will be forced to up-gauge to larger equipment in order to ration their flying and stay in business. As this committee knows, these smaller jets and turboprop aircraft predominantly serve small and medium-sized communities. Without sufficient pilots to operate all of an airlines' equipment, smaller communities across the nation will unquestionably lose air service. This air service represents a key economic driver by providing direct and indirect jobs for Americans as well as ensuring the connectivity needed to remain competitive.

While some stakeholders have referred to this as "tomorrow's problem," here are some examples of the 1500 hours provision playing out on small community air service today, with carriers reporting new constraints on every area of the flying schedules.

- One airline has reduced flights scheduled and block hours year-over-year by approximately 20-25 percent.
- Another airline reports being 15 - 20 percent short on pilots, leaving revenue flights uncovered every day.
- Other airlines have not yet changed schedules, but have needed to cancel individual flights due to lack of crew.

- One airline reports no ability to cover sick calls or spare aircraft protection, given limited crew resources.
- Many airlines expect peak seasons to present particular difficulty.
- All regional airlines report that recruiting efforts are becoming substantially more difficult.
- Several regional airlines have already collectively grounded more than 100 regional aircraft, and have announced plans to remove many additional aircraft in the next 12-18 months, in part due to insufficient pilot availability that meet their stringent, internal hiring criteria.
- Another airline was formerly serving 64 cities, but today serves just 32 – due to an inability to staff their former schedule with qualified pilots.

These examples stretch on; these are just a few. And the consequences are not limited to just the airlines and communities they serve. As industry analysts predict, some airlines have changed their fleet plans to account for fewer pilots already, others are still evaluating long-term fleet plans. Some airlines are simply in "growth hold mode" for now, despite plentiful new service opportunities, because they cannot hire sufficient pilots. Airlines have even begun to pull management and training pilots from their regular duties to fulfill revenue flying, and the cascading effects have impacted training throughput and focus on management initiatives.
The effects on small and medium-sized communities across America have been articulated in the statistics, too. It is clear that small-town America is losing its connectivity. In 2004, 862 U.S. airports had scheduled domestic departures. In 2014, only 642 airports had scheduled domestic departures, marking a 25.5 percent reduction in airports served. (T-100 Domestic Segment U.S. Carriers). Overall, since 2004, there has been a 19 percent reduction in domestic passenger departures performed.

And of course, even as pressures mount on small community air service, no new communities may be added to the Essential Air Service roles under the current statute in the event a community loses air service altogether. And, among current EAS communities, the dearth of Air Transport Pilots resulting from the rule change has pushed some existing Essential Air Service communities into single-engine aircraft that are operated in the program only by exemption from

a multi-engine requirement—a requirement imposed in EAS statutes because multi-engine aircraft offer redundancy in case of engine failure. Because single-engine aircraft do not require the pilot-in-command to hold an Air Transport Pilot certificate, and multi-engine aircraft do, the new rule creates an incentive for airlines to down-gauge service from multi-engine to single-engine aircraft.

Pilot Wages

Before I close, I want to discuss pilot compensation. The marketplace and, to a great extent, collective bargaining, determines pilot pay. We are seeing the marketplace react in a number of areas, with significant signing bonuses for new hires that, effectively, are increasing compensation throughout the sector.

Generally, influences on pilot pay scales include position (captain, first officer), seniority, the revenue potential of the aircraft and market, passenger price sensitivity, structured fee-for-departure agreements with major airline partners, and other external constraints. Notably, most regional airline wages are governed by collective bargaining agreements. Unions negotiate and then ratify these agreements on behalf of all their members, including first officers. Collective bargaining agreements determine how existing salary resources are allocated among senior and entry-level pilots, often favoring higher pay for captains at the expense of lower pay for first officers. For example, in some cases, pilot groups have rejected tentative labor agreements that would have improved first officer wages or enhanced flow-up to a major airline.

It is typical at both regional and network airlines to see wages for first officers in their first year notably lower than subsequent years. At regional airlines, on average, first officer pay increases 32 percent between year one and year two, and on average 52 percent by year five. Additionally, in year one, regional airlines make additional, significant financial investments in a new hires, providing airline systems and safety training, which represents an investment of between $25,000-35,000 per pilot – during the first year. Notably, this training is portable; the pilot will use it for the duration of his or her career. Finally, elements of total compensation that should not be dismissed include retirement benefits and 401K matching, medical benefits, and profit sharing.

More to the point, most regional airline salaries have already been increasing, and many airlines have offered significant signing bonuses, yet, the problem persists. One regional airline has offered industry-leading wages – wages that are higher than some mainline counterparts – but nonetheless reports difficulty in attracting qualified candidates. Even after instituting these dramatic pay increases, the carrier is not fully filling new hire classes.

The RAA Supports the Swift Implementation of a Comprehensive Pilot Records Database

This Committee has worked hard to drive improvements to pilot recordkeeping, and the RAA thanks the Chair, the Ranking Member, and the Committee for its interest in the pilot records database issue. The RAA strongly supports Section 203 of the Airlines Safety and FAA Extension Act of 2010 (Pub.L. 111-216), which directs the FAA to establish a comprehensive pilot database. The Association urges the Committee to continue its oversight of, and support and encouragement for, the creation of a comprehensive pilot records database.

The RAA has long supported this initiative. In fact, the RAA requested that FAA create a single, integrated database of pilot records in the summer of 2009. The RAA stands ready to assist on this effort and stands as a resource as we urge FAA to safely and swiftly implement this important safety tool.

Conclusion

Regional airlines have continually embraced the industry-wide focus on raising the safety bar and have seen considerable advancement in recent years. We are proud that regional airlines have contributed in important and essential ways to the extraordinarily safe industry we are today. We are grateful for the steady oversight and contributions this Committee has made to partner with us toward that end.

Thank you for the opportunity to testify today.