Testimony of Constance von Muehlen Executive Vice President and Chief Operating Officer Alaska Airlines

Senate Commerce Science and Transportation Committee "Strengthening the Aviation Workforce" March 16, 2023

Thank you, Chair Cantwell, Ranking Member Cruz, Chair Duckworth, Ranking Member Moran, and distinguished members of the committee for the opportunity to testify on the important topic of aviation workforce. My name is Constance von Muehlen and I am the Chief Operating Officer of Alaska Airlines. I am proud to represent our company and our 23,000 employees across Alaska Air Group, nearly 14,000 of whom are represented by the Senators on this Committee. I was also proud to be a member of the Women in Aviation Advisory Board established in the 2018 Federal Aviation Administration reauthorization.

Alaska Airlines is the 5th largest U.S. carrier, and we have operated in this highly competitive and often challenging industry for more than 90 years. Our success over that time has been fueled by the dedicated and engaged people who work here. I want to thank our employees for their commitment to our success, and for the work they do every day to operate safely and reliably while delivering the caring service we are known for.

We are the only major airline based on the West Coast, with our headquarters in Seattle and additional hubs in Anchorage, Portland, Los Angeles, and San Francisco. With more than 1,100 flights per day to 120 destinations across North America – spanning from Alaska to Hawaii and Washington, D.C. – we operate and employ people in urban centers and rural areas across the U.S., as well as in Canada, Mexico, Belize and Costa Rica. We provide our guests global reach as a member of the **one**world alliance with over 900 destinations in more than 170 countries and territories.

At Alaska Airlines our employees are empowered and guided by a care framework built on five values:

- Own safety.
- Do the right thing.
- Be kind-hearted.
- Deliver performance.
- Be remarkable.

We have always taken a balanced, long-term approach to running our business, and that's why after 90 years in the business we are here today, ready to deliver for the next generations who depend on us.

A Strong Workforce Enables a Strong Operation

Running a safe and strong operation is something that I have been personally passionate about throughout my 30-year aviation career. In my role today at Alaska Airlines, I am responsible for overseeing the day-to-day operations on the ground and in the air. This year my key operational objectives fall into three categories:

- 1. Ensuring safety
- 2. Building resilience
- 3. Enabling growth

Safety is our top priority and at the core of everything we do – this applies to our workforce strategy as well, because our workforce enables safety. Safety is personal to every one of us at Alaska Airlines and is a core part of our onboarding and ongoing training. Our safety program is rooted in what we call "Ready, SAFE, Go" – only after we've ensured we are ready, and able to deliver safely, do we proceed with our work in the operation.

This framework empowers each one of our team members to "stop the operation" if they see something that isn't right. It also empowers us to speak up and be transparent, to ensure issues are corrected. In 2022, we held the first of what has become a quarterly Safety Day to reaffirm our personal and collective commitment to safety across our company – we stop our operation and have stand downs across all our work groups to discuss safety and our safety culture. As we hire at Alaska Airlines, we want to attract talent that embodies this approach and train our new team members not only in their functional work, but also in the importance of speaking up when it comes to safety.

In its most recent rankings for 2023, AirlineRatings.com has again ranked Alaska as the only U.S. airline within its Top 10 safest airlines in the world. We also received our 22nd Diamond Award of Excellence from the Federal Aviation Administration, recognizing both Alaska and Horizon aircraft technicians for their dedication to training. Alaska is the only carrier to earn this honor for 22 straight years.

Additionally, we know that our federal partners at FAA, TSA, CBP, NTSB and others have a similar approach and having a safe and transparent relationship between industry and the agencies is vital to the overall safety of the National Air Space.

Resilience means having the equipment, trained workforce and staffing plan to deliver not only a safe but a reliable and on-time operation. In the last year, we focused on three strategic priorities to build a resilient operation:

 Strengthening operational integrity across the network was key to providing guests with reliable service during a period of historic travel demand. We finished the year with completion and on-time performance rates near the top of the industry. Operational integrity is the cornerstone of a healthy airline, and we remain focused on consistently

- delivering the operational excellence Alaska Airlines is known for as we build the foundation for our future growth.
- Updating labor contracts with represented labor groups to ensure our employees
 receive market-competitive rates, and to recognize their valuable contributions to our
 success. We ratified five contracts in 2022: Pilots, dispatchers, and customer service
 agents at Alaska as well as pilots and maintenance technicians at our regional carrier,
 Horizon Air. We're actively negotiating with our flight attendants and are making good
 progress toward an agreement. We also recently started our negotiation with our
 maintenance technicians which we expect to be done by the end of the year.
- Prioritized transitioning our Mainline and Regional operations to single fleets. The single-fleet operating models, anchored by the Boeing 737 for the Mainline fleet and Embraer 175 aircraft for the Regional fleet, will drive simplicity and efficiency for our business.

These important steps and our strong results in 2022 signal how well our teams are navigating recovery and setting up a foundation for our return to pre-COVID flying levels and sustainable growth thereafter.

Coming out of the COVID-19 pandemic there are new staffing realities, and this is not just true of aviation. To ensure we reliably deliver on our schedule we have adapted our staffing plans and apply approximately 5% more staff than we did for equivalent capacity prior to the pandemic. To support resilience and prudent growth, we hired 8,000 people in 2022 and plan to hire 3,500 more for 2023.

Enabling growth is the third pillar in my operational objectives. As I look to the future and growth for Alaska Airlines, the critical path to success is a strong pipeline of ready and trained talent to join our team. Thus, we are making joint efforts to develop a robust workforce pipeline not only for pilots, but also maintenance technicians. Across the industry it is imperative we cultivate talent and take an inclusive approach to aviation by expanding and diversifying the talent pool.

I started my career as an officer in the U.S. Army, flying Black Hawk helicopters and leading flight operations throughout the world. I enlisted when I was 23 years old. After rotary wing pilot training, my first assignment was with a Germany based aviation unit tasked with protecting the no-fly zone over Northern Iraq – part of Operation Provide Comfort.

Our team was made up of soldiers from all across the country – from every place and every background. There was me – a young woman who grew up speaking German and French, and didn't even learn English until I moved to Southern California when I was 13. There was a farm boy from Kentucky. Another young man who grew up in public housing in the Bronx. Another was from Manhattan. And another was from an immigrant from Poland.

Still, we found a way to come together as a team and achieve our goals. We built on what we had in common. For me, it was a powerful, lifelong lesson about each person bringing their own brilliance, and despite differences accomplishing extraordinary things together.

I see it every day. I see teams across our company bring together different skill sets and backgrounds and expertise to really do remarkable things. And that's what it's going to take to solve the big challenges facing aviation today: I believe in building collaborative career pathways that build on relationships between airlines, government, military, manufacturers, and schools of all sizes.

To meet the strong demand for flying that we are seeing now and expect to continue, and as our workforce ages and retires, we need to create a bigger pipeline and expand our sources of talent, making sure we are reaching all communities in our recruitment. There are incredible careers in aviation, but the pool of those who have access to and benefit from this industry has often been limited in the past. Continuing to do things the old way will not allow us to grow into the future; expanding our talent sources is the way forward.

According to federal labor statistics, currently 94% of all aircraft pilots are male and 93% are white. To build a workforce that is accessible to all, we must invest in training, open up career pathways for a broader source of talent by removing barriers to entry, and engage young people early so they imagine themselves in the aviation field.

As we plan for the future of mainline Alaska Airlines and regional Horizon Air, we are actively working to train the next generation of pilots. We have established new programs to enable more young people to reach aviation and other career goals, including working with local schools and establishing our own pilot academy.

- Horizon Air Pilot Development Program: Student pilots launching their flying careers
 receive a flight training stipend and take advantage of mentoring from professional
 pilots. With completion of the program and after gaining the necessary experience,
 these pilots step into roles as First Officers for Horizon.
- Ascend Pilot Academy: In partnership with Hillsboro Aero Academy in Oregon, Ascend Pilot Academy provides aspiring pilots with a well-developed, more financially feasible way to become an airline pilot. Enrolled cadets will be eligible for access to low-interest financial assistance, and a stipend of \$26,000 upon signing to fly for Horizon. In the first month after its recent launch, more than 700 prospective pilots applied for the program surpassing our goal by more than 600%. We expect to graduate 250 pilots a year and the current class is 38% women, 29% BIPOC, and 17% people from other jobs within Alaska Airlines and Horizon Air.
- Pilot Pathways Program: This is the most direct flight path for Horizon pilots who want to become Alaska Airlines pilots. Each year, Alaska recruits internally from Horizon to fill positions on the flight deck. Since its inception in 2018, 365 pilots have advanced through the program.

- True North Pilot Development: A first-of-its-kind program in the industry, we are partnering with historically Black colleges and universities to develop and hire pilots who are Black, Indigenous and people of color. Financial assistance, mentoring and eventual direct hire placement in an entry-level position are all part of the program. The program kicked off in 2021, and in early 2022 we accepted four students from two HBCUs, Delaware State University and University of Maryland-Eastern Shore. In 2023, we have accepted three more students in the program. In the future, we plan to expand the program to other schools as well as broaden its scope of career opportunities within Alaska.
- Our Maintenance Technician Development Program is open to employees who are
 interested in careers as aircraft technicians. The program provides mentorship, up to
 \$10,500 in stipends and up to \$1,800 for A&P test fee reimbursement, and an aviation
 maintenance technician (AMT) job at Alaska or Horizon maintenance bases when
 licensed. Participants are guaranteed a technician job upon successful completion of the
 program.

Recently, we had our first employee complete our Maintenance Technician Program. He is a Tsimshian and Tlingit Native from Metlakatla, Alaska. He joined Alaska Airlines as a ramp service agent in Juneau, and after his managers encouraged him to apply to the program, he completed his two years of training and is now established in his role as a line aircraft technician in Anchorage.

Across the industry, about 3% of aircraft maintenance technicians are women, so clearly there's an opportunity to grow to strengthen the talent pipeline. But it's not just about the numbers; we also want people to come work in aviation because it's a fascinating, well-paying career that sparks passion for many who are fortunate enough to pursue it.

How the Government Can Help Strengthen the Aviation Workforce

I was pleased to share my passion for aviation and experience through my role on the FAA's Women in Aviation Advisory Board – one of two federal advisory committees established by the 2018 FAA Reauthorization Act. Congress saw five years ago, even before the pandemic and challenges the industry faced, that the aviation workforce was something to pay close attention to and study so that air carriers, the FAA, manufacturers, and other stakeholders have the workforce they need to secure the future of aviation.

Finding people with a passion and giving them opportunities is why Alaska Airlines and Horizon Air have been advocating for expanded federal student loan coverage for flight training at accredited institutions.

As we look to grow our workforce, one significant barrier to entry for aspiring pilots is cost, particularly for young people who are unable to afford the estimated \$70,000 to \$100,000 to pay for training, schooling, and the licenses to become an airline transport-rated pilot.

Furthermore, it can be difficult for flight school students to secure government-backed financing, which means financing terms are often prohibitive.

We believe it should be as easy to get a federally backed, low-interest student loan to become a pilot as it is to attend medical school. Offering low interest subsidized and unsubsidized federal loans to students entering critical professions is key to improving access to the pilot pipeline and is a policy we urge this Congress to explore and advance so we can have the pilot supply needed to meet demand across the country long-term.

We continue to support the Federal Aviation Administration's investment in training schools for both pilots and maintenance technicians through workforce grants set forth in Section 625 of the 2018 FAA Reauthorization. Specifically, we support expanding the scope of the programs to be supportive of partnerships that directly support outreach, education, and training of commercial pilots and maintenance technicians, as well as increasing the authorized and appropriated funding for these programs.

These FAA grant programs could also support assistance for transitioning from military to civilian careers as a pilots or maintenance technicians. Additionally, one of the recommendations of the Women in Aviation Advisory Report was that Congress should restore the ability of American Veterans to use the GI bill for obtaining pilot certifications.

In closing, aviation plays a vital role in our economy. We connect people and places to enable relationships and opportunity. We carry cargo all around the country, we connect families to their ski trips and summer vacations, and we connect people from different coasts and different countries to move business forward.

If you take away three things today, remember these points:

- First, Ensuring Safety is aviation's top priority: Our national airspace is safe. We need to be vigilant and continue investing our time and effort across various stakeholders to continue improving.
- 2. Second, **Building Resilience** with the right equipment, workforce, and staffing models to deliver not only a safe but a reliable and on-time operation to our guests. We value the people who make up Alaska Airlines. We invest in their development and their careers because we entrust and empower them to own safety and take care of our guests.
- 3. Third, **Enabling Growth** by expanding and investing in our talent pipelines: We do need government action to strengthen and deepen the pipelines for both pilots and maintenance technicians. We are taking action ourselves, but it requires a collaborative effort.

Thank you and I look forward to working with the Committee on Commerce, Science & Transportation on enhancing and developing the safest and strongest aviation workforce for our future.