

Testimony of

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Aviation Safety: The Relationship between Network Airlines and Regional
Airlines

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Chairman Dorgan, Ranking Member DeMint, members of the Subcommittee, my name is Peter Bowler and I am President and CEO of American Eagle Airlines, Inc., based in Fort Worth, Texas. I am responsible for American Eagle Airlines and Executive Airlines, two regional airlines that constitute the vast majority of the American Airlines regional network.

I am pleased to have the opportunity to be with you today to testify about the relationship between American Eagle and our network carrier partner, American Airlines. In the next few minutes I'd like to explain how the two airlines are structured, how our employees work together, and tell you a little about our principal safety programs.

American Airlines, American Eagle and Executive Airlines are wholly owned by AMR Corporation. The 12,000 employees of American Eagle and Executive Airlines operate approximately 1,500 flights each day to nearly 160 cities across the U.S., in Canada, Mexico, the Bahamas and the Caribbean. We fly a fleet of modern regional jets and large turbo-prop aircraft.

From an organizational perspective, I report directly to Gerard Arpey, the Chairman, President and CEO of both AMR Corporation and American Airlines. I sit on the Executive Committee of American Airlines, which is the senior executive group that meets weekly to decide policy and make various operational decisions. I interact closely with my American colleagues on various aspects of the operations of both airlines. Periodically, I brief the American Airlines Executive Committee and the AMR Board of Directors on the performance of - and strategic issues related to - American Eagle.

American Eagle has a autonomous Safety Department that reports directly to me, rather than an operating executive. Eagle's Vice President of Safety, Captain Ric Wilson, a highly-experienced pilot, holds an A&P Mechanics license and has undergone extensive training on aviation safety practices.

Captain Wilson is responsible for managing various safety programs. He also interacts closely and frequently with his counterparts at American, his fellow American Eagle executives, the Federal Aviation Administration (FAA), the National Transportation Safety Board (NTSB), the Occupational Safety and Health Administration (OSHA) and other agencies with safety-related oversight responsibilities. Captain Wilson and I meet or speak on a daily basis and he has access to me 24 hours-a-day.

American and American Eagle are headquartered in the same corporate offices in Fort Worth and we share best practices on a regular basis. The safety departments of both carriers meet quarterly and more frequently as events warrant. We coordinate as much as possible with each other while respecting that each carrier has its own operating certificate. The Vice Presidents of Safety

at American and at American Eagle also regularly review Eagle's safety programs with AMR's General Counsel.

American Eagle has committed significant resources to the creation of a safety culture across all aspects of the company. We have adopted voluntarily numerous safety programs for our flight crews, our ground personnel, our managers and front-line airport employees.

American Eagle was one of the first regional airlines to implement an Aviation Safety Action Program (ASAP) covering our pilots. The program has been in active use since 2001 and has been a great source of information on how to improve and modify our training, procedures and manuals. In subsequent years, we have implemented ASAP programs covering our mechanics and flight dispatch employees and we are awaiting FAA approval to implement a program this Fall covering our flight attendants.

We have had an active Line Observation Safety Audit (LOSA) program in place for at least eight years. The LOSA program ensures that our flight crews operate our aircraft consistent with Federal Aviation Regulations (FARs), our Flight Manuals and our training guidelines. During audited flights, qualified observers collect data about pilot and flight attendant behavior, situational factors, and any safety-related issues that may arise during the flight. The results of the audits are analyzed and used to improve training practices, policies and procedures.

American Eagle also is a member of the FAA-sponsored Aviation Safety Information Analysis and Sharing program (ASIAS), which aims to discover systemic safety issues that span multiple operators, fleets and regions of the nation's air transportation system.

We are awaiting FAA concurrence to implement a Flight Operations Quality Assurance program (FOQA). To date, Quick Access data recorders have been installed on many of our aircraft. Contracts have been signed with an industry-leading vendor to do the analysis on the data those recorders will provide. We have also reached agreement with the Air Line Pilots Association (ALPA) and local FAA officials on the use of this data. FOQA will identify potentially dangerous trends and issues so that we can make changes to our training, our procedures and our manuals.

I am proud of the fact that Eagle's Vice President of Flight Operations, Captain Jim Winkley, is a member of the Aviation Rulemaking Committee (ARC) currently meeting on the topic of flight and duty time regulations for commercial aviation as directed by newly-appointed FAA Administrator Randy Babbitt.

In other areas we have gone above and beyond federal safety standards. For example, we have expanded our sterile cockpit policy above the minimum

standards and we schedule our flight crew members above the regulatory requirements. This includes overnight rest periods and length of duty days.

All of our flight crew members are scheduled under FAR Part 121, including repositioning and ferry flights. We also have published a fatigue policy in our Flight Manual Part 1 and we hold monthly Fatigue Review Board meetings with ALPA to review events and schedules that led to crewmembers calling in for work saying they were too fatigued to fly.

A critical aspect of our flight safety program is the training received by our pilots. As of mid-July, American Eagle had 2,376 pilots. They are among the most experienced and well-trained pilots in the industry. Our Captains average 16 years of company seniority and our First Officers average 4 years. The average American Eagle Captain has more than 13,000 hours of flight time and our average First Officer has more than 4,900 flight hours.

American Eagle pilots and flight attendants are trained at the American Airlines Flight Academy. Although we have not hired pilots since Spring 2008, all pilots we hire must have a commercial pilot certificate or greater with Airplane Multi-Engine land ratings and an Instrument Airplane rating.

A new-hire pilot receives 40 hours of classroom instruction on company policies and procedures, including aircraft performance, pilot flight time and rest requirements, Crew Resource Management, and compliance with FARs. They also receive 130 hours of classroom and computer-based instruction on aircraft systems and emergency training.

Our flight training is conducted in full-flight simulators and, in some cases, an airplane. Pilots receive 38 hours of training and testing as well as 22.5 hours of pre- and post-flight briefings that involve maneuvers and procedures to be covered in the simulator and debriefings on the pilot's performance.

Once flight training is completed, pilots enter the operating experience phase of the training program. A new-hire pilot is assigned to fly his or her first revenue flights with a check airman, a pilot who is specially-designated by the FAA. The check airman spends on average 35 hours supervising and assisting the pilot so that he/she may become accustomed to the FAR Part 121 commercial airline operating environment.

In total, a newly-hired pilot will spend more than 265 hours in training, satisfying each training phase prior to proceeding to the next step, and is subjected to multiple tests before being allowed to operate our airplanes in revenue service with a line Captain. Failure to satisfactorily complete any phase of training will end that pilot's employment with the company.

We continually adjust our training program based on feedback from our ASAP and LOSA programs and soon plan to incorporate findings from our FOQA program.

American Eagle pilots also undergo extensive training for flying in known icing conditions. Our manuals also contain clear guidance regarding ice protection systems operation, which exceeds what the aircraft manufacturer provides as well as that required by FARs.

First time Captains attend a Captain's Duties and Responsibilities course. It focuses on the transition to being the pilot-in-command of a FAR Part 121 aircraft. We also conduct simulator training on events that flight crew members may experience such as Controlled Flight into Terrain avoidance scenarios and Unusual Altitude Recovery Techniques.

I would also like to note for the Subcommittee that American Eagle pilots undergo 28.5 hours worth of recurrent pilot training annually.

Unlike most of our regional partners, American Eagle has invested in a state-of-the-art electronic weight and balance system (EWBS). This system uses computer-based automation to ensure aircraft weight and balance limitations are never exceeded during any phase of the operation. The pilot closeout release will not appear in the cockpit until all required parameters are satisfied, therefore preventing an improperly loaded aircraft from departing the gate.

The training for our 1,713 American Eagle and Executive flight attendants takes place in the same facility as that is used by American Airlines to train its flight attendants. Each new hire flight attendant must complete a 23-day safety-based training course. Eagle flight attendants are trained on both fleet types – Embraer and Canadair – and flight attendants at Executive Airlines are trained on the ATR. All flight attendants must also complete two days of recurrent training every year.

In addition to sharing training facilities, American Eagle is working with American Airlines to develop an Advanced Qualification Program (AQP) for flight attendants that offers proficiency-based training and encourages experiential learning instead of lectures. It also integrates TSA requirements into training modules and evaluates crews and flight attendants using scenarios that incorporate technical and crew resource management challenges.

From a Maintenance and Engineering (M&E) standpoint, Eagle airplanes are maintained by Eagle employees at maintenance bases under our control and we operate under a Continuous Analysis and Surveillance System (CASS) to monitor the quality of our maintenance and make modifications as needed.

I'm proud to note that American Eagle's maintenance facilities and personnel provide a level of quality that was recognized by the FAA in 2007 with the

awarding of the Gold Employers Certificate of Excellence Award for the commitment we've made to train our employees.

We also train our ground employees when they are first hired and they receive additional training throughout the year. New hires must complete 40 hours of training before working on the ramp. American Eagle employees also ground handle American Airlines at 14 airports and we also have contracts with other mainline and regional carriers to perform ground handling services at airports around the country.

In addition to American, our other codeshare partners also conduct periodic on-site audits of our operations, as does the U.S. Department of Defense as a part of our Military Air Transport Agreement. Of course, we also undergo audits conducted by the FAA, OSHA and TSA.

Additionally, we developed and now use an extensive internal audit system called an Internal Evaluation Program (IEP). There is no regulatory requirement for an IEP; however, the FAA has encouraged the use of such a program. An IEP helps us refine our management systems and processes to ensure effectiveness and efficiency and that we meet internal quality and external regulatory standards.

In closing, I would like to underscore that both American and American Eagle fully support the leadership of the FAA in its efforts to insure one level of safety for all air carriers – mainlines as well as regionals. We also believe mandatory participation in FOQA, ASAP and ASIAs by all Part 121 carriers will further enhance the one level of safety concept.

By virtue of being a wholly owned subsidiary of the same company as our partner airline, American Eagle is in a relatively unique position. We recognize that on every American Eagle flight the reputation, of not only Eagle, but of American Airlines, is at stake. Although we are confident that we operate an extremely safe airline, with thousands of highly trained, experienced and dedicated employees, we also recognize that we can never be complacent. We are continuously striving to improve upon what is an extremely safe operation.

Thank you for the opportunity to appear before you today. I would be happy to answer any questions that the Chairman or Members of the Subcommittee might have.