

**WRITTEN STATEMENT OF
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AIR LINE PILOTS ASSOCIATION, INTERNATIONAL (ALPA)
BEFORE THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
U.S. SENATE
MARCH 16, 2023**

“Strengthening the Aviation Workforce”

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On behalf of the Air Line Pilots Association, International (ALPA), I want to thank you for inviting me to testify on Strengthening the Aviation Workforce. My name is Captain Jason Ambrosi and I am a current and qualified international captain on the Boeing 767 at Delta Air Lines, and serve as the president of ALPA. ALPA is the largest airline pilot union in the world, as well as the largest nongovernmental aviation safety organization, with a history of safety advocacy spanning more than 90 years.

Thanks to the leadership of Chair Cantwell and many others on the Committee, the Payroll Support Program and its strong worker protection and retention provisions provided a bridge to guarantee there are a sufficient number of pilots to not only ensure system operability throughout and after the pandemic, but to also accommodate demand-driven growth for air carriers today. In the absence of bold intervention to invest in and preserve pilots and other airline personnel, we likely would not be having this hearing today. Carrier capacity would be extremely limited, and *available* pilot personnel would be a major constraint on passenger and cargo operations.

Much has been written about the current and future supply of pilots in the United States, with frequently little to no substantiation of information, misleading data, or a failure to account for a multitude of industry dynamics at play. Here are the facts: there are more than enough pilots to meet U.S. airline hiring demand; airline pilot growth has increased each year since the pandemic; and airline decisions to leave communities are market-driven business choices and should not be conflated with pilot supply. Training capacity has been the dominant *pilot*-related constraint on air travel. The displacement of pilots by carriers to ease costs combined with post-pandemic carrier hiring growth has created considerable attrition and a significant training backlog. These are the pilot labor dynamics prevailing today. The good news is that the system is resilient—and is working to correct this current, short-term situation.

Responding to temporary post-COVID industry problems with permanent changes to pilot training and qualification requirements is ill-considered and dangerous. The lifesaving safety improvements ushered in by this Committee through the Airline Safety and Federal Aviation Administration Extension Act of 2010 and attendant minimum first officer qualification rules is the framework by which the U.S. airline industry is safer than at any point in history. In fact, since the passage of the 2010 Act, the United States has experienced a 99.8 percent reduction in airline passenger fatalities. Attempts to undermine or otherwise alter or repeal this lifesaving set of requirements, including moving from an experiential-based training and qualification regime to a simulation-based system, threatens the traveling public and should be summarily rejected.

Pilot Supply and the Airline Industry

Over the last decade, segments of the industry have speciously suggested there is an issue with pilot supply in the United States. This narrative does not reflect reality. According to the only publicly available data on pilot head counts at U.S. air carriers, there are more than 5,500 net pilots at mainline and ultra-low-cost carriers (ULCC) than pre-pandemic, as airlines supplied by a strong pilot pipeline are filling classes and meeting passenger demand as airlines grow.

Mainline and ULCC Pilot Counts			
Airline	Pilots on 12/31/2019	Pilots on 12/31/2022	Difference
Delta	13,082	15,040	1,958
United	12,251	13,831	1,580
American	13,800	13,450	(350)
Southwest	9,300	9,342	42
JetBlue	3,661	4,314	653
Alaska	3,048	3,292	244
Spirit	2,390	3,184	794
Frontier	1,440	2,013	573
Frontier	869	1,012	143
Total	58,401	65,478	5,637

*Pilot counts from airline annual reports, Frontier pilot counts from ALPA member data

To most accurately quantify the number of pilots who can operate aircraft for FAR Part 121 air carriers (as opposed to all commercial pilots), it is necessary to examine the ATP multiengine rating (ATP-MEL) holders. The ATP-MEL is the required license that pilots flying for Part 121 major, low-cost, regional, and cargo airlines hold¹. ATP-MEL pilots include both ATP and R-ATP pilots who can operate aircraft for these air carriers. The current production of ATP-MEL certificated pilots has outpaced U.S. airline hiring needs to replace retiring pilots and has also covered the new hiring demand created by flying increases before the pandemic and today. Specifically, over the last nine-and-a-half years for which there is data, the FAA has issued 62,972 certificates, while mainline airline carriers hired for 48,500 pilot positions—leaving a surplus of 14,472 certificated pilots relative to demand.

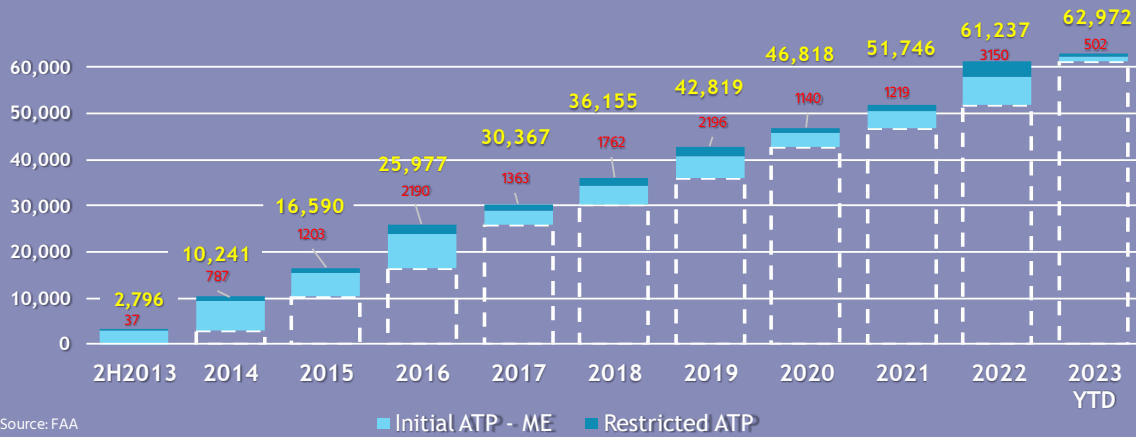
¹ This testimony will use “ATP-MEL” when discussing pilot supply and demand. This term covers ATP and Restricted-ATP certificate holders. ATP-MEL is the data series provided by the FAA for use by airline stakeholders, including Airlines for America (A4A), the Regional Airline Association (RAA), and ALPA. By using ATP-MEL, we ensure the removal of pilots with only single-engine licenses, which represent a fraction of ATP and R-ATP certificate holders. The data presented in this testimony therefore represents the most accurate statistical approximation of the pilot pool that can apply for and fly for FAR Part 121 air carriers.



ATP-MEL Issuances

62,972 ATPs and RATPs in last 9.5+ years

Cumulative ATP Certificates Issued (with restricted ATP) since July 2013



Source: FAA

Initial ATP - ME Restricted ATP

This represents ~56% of the Active ATP -ME certificates today

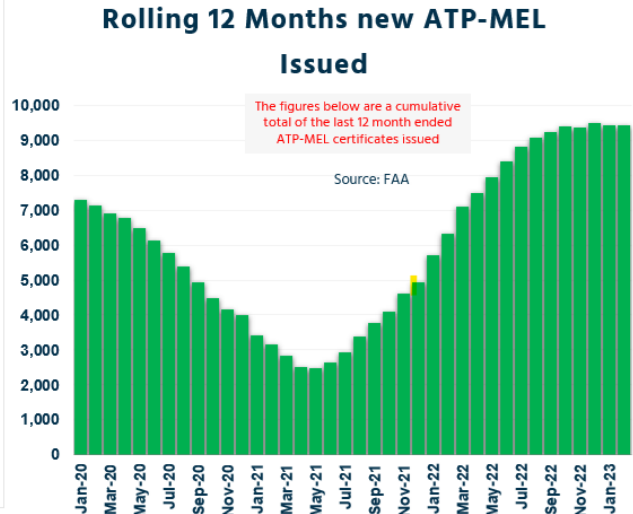
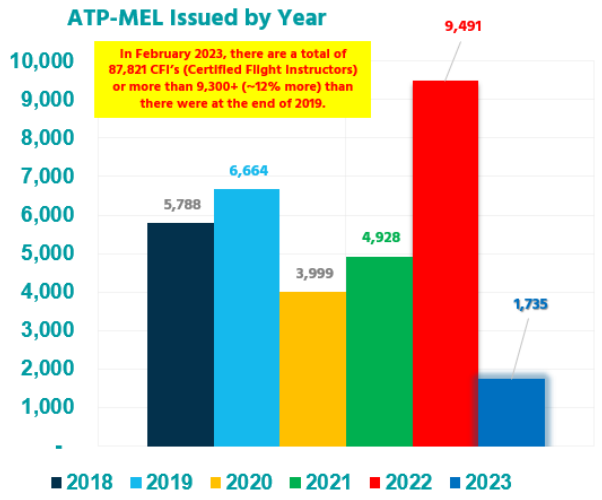
*FAA, airplane multiengine land

Air Line Pilots Association, Int'l

Economic & Financial Analysis

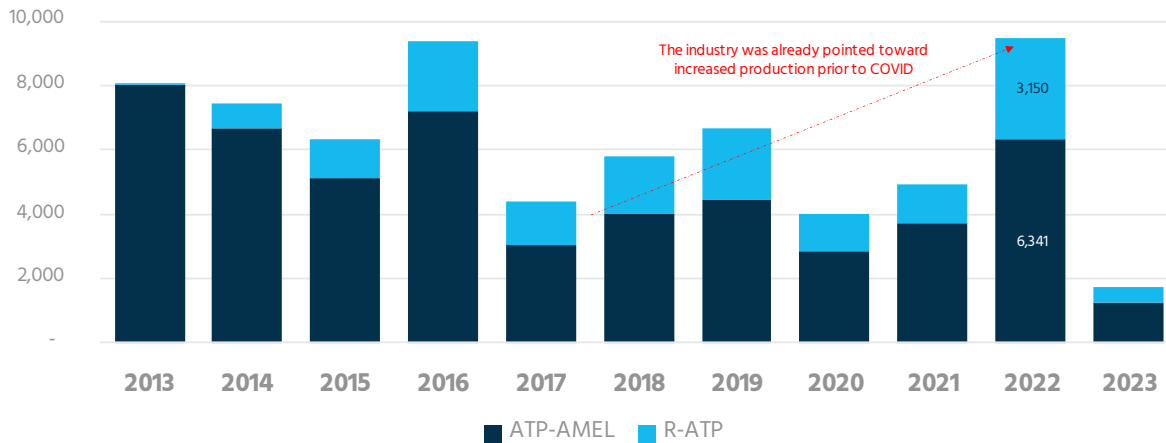
Looking at the certificates issued by year versus cumulatively, there has been an average of more than 6,200 new ATP and R-ATP certificates issued every year since 2014, and that figure has increased since airlines have announced additional hiring needs. For example, from March 2021 to February 2023 the FAA has issued 15,759 new ATP and R-ATP certificates (or an average of 657 per month). This also means that more than half of all active ATP and R-ATP certificate-holders under the age of 65 today received their FAA certification during the last nearly 10 years, signifying a younger cadre of new pilots who will remain in the industry for a long time. These numbers also reflect a demand for pilots to accommodate substantial growth in the airline industry year-over-year.

The start of 2023 is mimicking the start of 2022.
In CY2022, 9,491 new ATP-MEL's were issued
 9,431 new ATP-MEL's have been issued in the last 12 months (Mar22-Feb23)



Air Line Pilots Association, Int'l | Economic & Financial Analysis

Full Year ATP-MEL's reach 9,491 for 2022

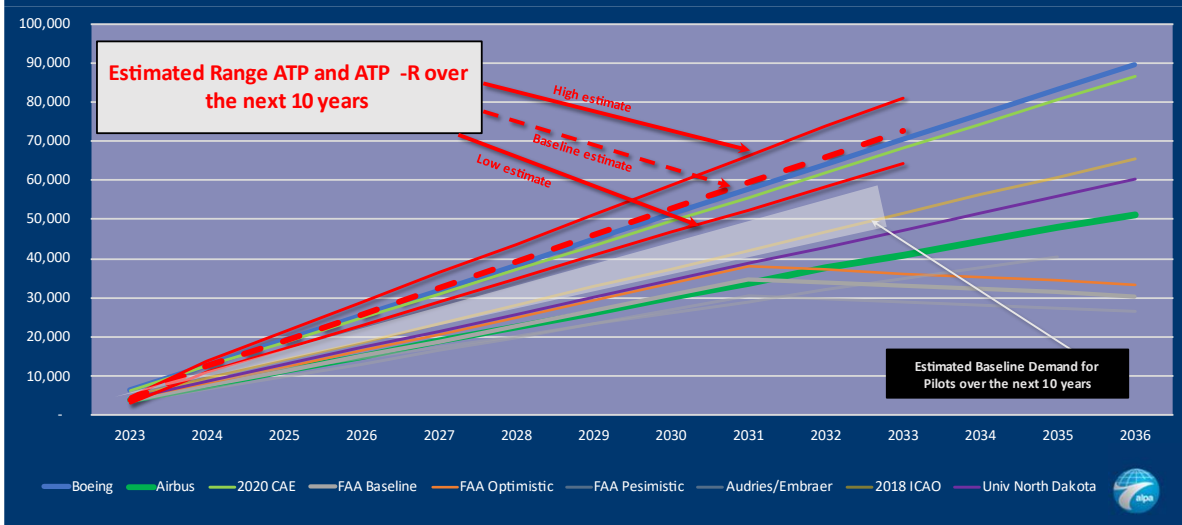


Air Line Pilots Association, Int'l | Economic & Financial Analysis

As we examine various data to use in the discussion about pilot availability, it's important to frame the context under which forecasts for pilot demand or independent reports about pilot supply are created and published. For example, Boeing releases an annual forecast on the global commercial market that includes pilot demand. This forecast, based on fixed growth assumptions, is useful for the manufacturer's purpose of selling aircraft, but has limited predictive value for the U.S. airlines and the pilot profession, which are

subject to cyclical dynamics, including recessions, fuel prices, and pandemics. Building aircraft is a time- and resource-intensive process that requires long lead-time horizons to match forecasted future demand for aircraft with a manufacturer’s ability to design and build planes. That said, Boeing’s latest forecast through 2041 predicts demand for the entirety of *North America* for the next 20 years to be 6,400 pilots a year, which is far below historic and current ATP production for the *United States*.

Estimated number of ATP and ATP -R issued expected to be issued over next 10 years is projected to exceed the baseline demand

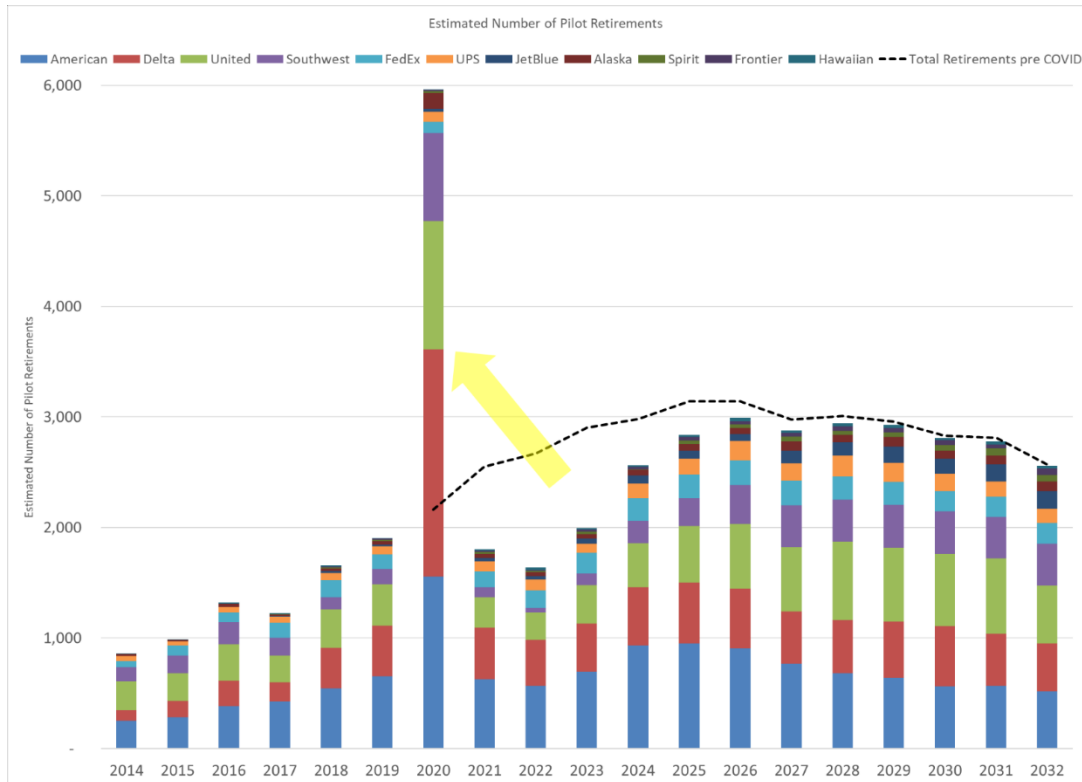


Source: EFA Research

Oliver Wyman, a management consulting firm, has produced popular reports on both the global pilot and North American pilot pipeline following the pandemic. The firm’s analysis, however, comingles North American supply with U.S. domestic pilot supply, and fails to provide any substantiating information for its sweeping conclusions about the U.S. market.

Misinformation regarding pilot supply is often related to the little-understood effect of pilot retirements. During the pandemic, airlines offered various “early out” retirement-inducement programs primarily to pilots between the ages of 62 and 65 to help reduce costs for airlines and enable younger pilots to remain in their jobs rather than face furlough.

While the prudence of this decision may be questionable in hindsight, these “early outs” had minimal effect on supply. Rather, they simply accelerated retirements that were already planned to take place in the following years for pilots subject to the statutory retirement age of 65. As a result, 2020 saw a higher-than-expected number of retirements as pilots in the oldest age bracket—approximately 62–65 years of age—retired early. Consequently, this will reduce the number of retirements expected in the next few years. Specifically, retirements for 2024–2025 will be below pre-pandemic forecasts, with retirements stabilizing and returning to the pre-pandemic, forecasted levels by 2025.

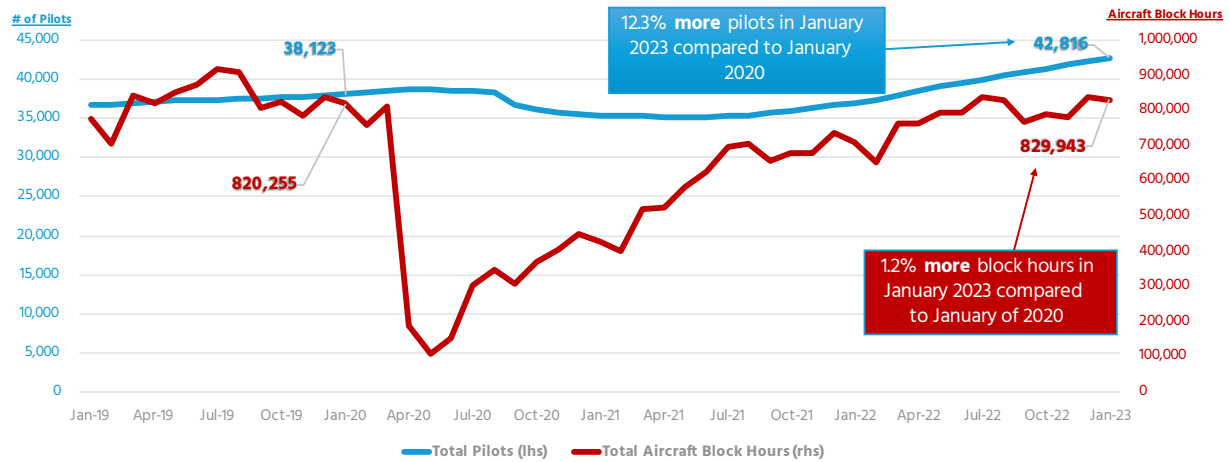


Dispensing with concerns related to the supply of pilots, ALPA understands that both the available pilot labor market and the provision of flying has been complicated, owing to the difficulties of returning from the pandemic. Most notably, there has been a significant training backlog as a result of the airlines’ decisions during the pandemic to park planes, bump pilots off larger aircraft to smaller aircraft fleets and types, furlough during the lapse of the first PSP, and place pilots on inactive status. Given pilots are a seniority-structured profession, this resulted in a massive, across-the-board allocation of pilots. Such decisions may have seemed reasonable to carriers as the industry, manufacturers, and analysts predicted an approximately three- to five-year recovery lag. However, because demand returned significantly quicker than predicted, airlines have consequently had to reverse these decisions and effectively retrain nearly every pilot, often back to the equipment they flew prior to the pandemic, while accommodating *new* pilot hiring due to growth. This massive training event is costly (e.g., mainline retraining cost per pilot is approximately \$22,000 to \$55,000), time-intensive, and set against a fixed training footprint of limited personnel and simulators that was never designed to respond to a one-off event like a global pandemic.

This training backlog has affected flying capacity as carriers have *more* pilots today than in 2019, but pilot utilization—as measured in block hours—is down. For example, ALPA’s seven largest mainline passenger airlines have *more* pilots than in 2019 but are flying substantially fewer block hours as airlines struggle with pilot training throughput. The CEOs of American, Delta, and Southwest agree and have publicly declared to investors that the constraint on their flying is pilot training, not supply.²

² Delta Air Lined, Inc. Earnings Call, Q4 2021, American Airlines Group Inc. Earnings Call Q4 2021, Southwest Airlines Co. Earnings Call Q1 2022.

The seven largest mainline ALPA all -passenger carriers employ ~4,700 more pilots today, yet operate roughly the same block hours than they did prior to the start of the pandemic



Note: Data for Alaska, Delta, Frontier, Hawaiian, JetBlue, Spirit and United
Sources: OAG (schedule load date March 13, 2023) and ALPA Membership database

AIR LINE PILOTS ASSOCIATION, INTERNATIONAL | ECONOMIC & FINANCIAL ANALYSIS

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Many of the regional carriers have complained about the “pilot shortage,” but what they really face is pilot *attrition*. The regional airline industry is necessarily fragile by its structure. Mainline carriers use their regional “feed partners” to operate their regional flying in small markets set by contract. These contracts require the regional airline to cover labor expenses, aircraft maintenance, and aircraft ownership costs, while the major airline effectively controls and limits regionals’ economic capability, including ticket pricing and schedules. This arbitrage strategy has historically resulted in low pilot regional pay, single-digit operating margins, fewer regional carriers, and pilot-retention problems.

For decades, pilots entered these low-paying positions at a specific regional airline with a “flow” program to a major carrier partner. However, flow programs have diminished in size and scope, guaranteeing very few mainline positions, while the ULCC carriers increasingly provide an avenue for pilots to move to higher-paying jobs more quickly, achieve greater career progression, or bypass the regional system entirely. Currently, regional airlines’ problem is a matter of *captain* attrition, not inadequate numbers of first officers or overall pilot supply. Given the pay differential between regionals and their ULCC and mainline counterparts, captains have been leaving regional carriers as ULCCs and mainlines increased hiring the last two years. Mainline carriers in particular have been seeking first-mover advantages to build out their networks as demand for flying and, specifically, international flying opportunities increase. This post-pandemic growth has created a temporary hiring binge by mainline carriers. By the admission of the largest regional carrier to its investors, with a new, higher-paying contract, they expect to “manage attrition”³ for captains while their first officer “pilot classes [are] filled.”⁴ This should be the case for many regional carriers who have followed suit in terms of improving pilot contracts and will face fewer headwinds as mainline hiring slows down.

³ SkyWest Earnings Call, Q1 2022

⁴ SkyWest Earnings Call, Q3 2021

Since deregulation in 1978, airlines have made their business decisions based on expected consumer demand, geography of growth, route profitability, network planning and allocated flights, frequency of service, and aircraft purchases accordingly. With the cessation of the Payroll Support Program’s requirement for continuation of air services for certain markets served prior to the pandemic, airlines began making substantial changes to meet pandemic-market demand, with leisure travel largely replacing small community business travel and many carriers ending or reducing service to markets *they* deemed no longer economically advantageous.

Simultaneously, for nearly a decade, airlines have shifted to “higher gauge” aircraft with more seats and away from fuel-inefficient regional aircraft. According to Wall Street analysts, by retiring smaller regional jets in favor of larger and newer aircraft, carriers will “see operating cost efficiency and market share gains”⁵ by improving unit costs, matching consumer demand with supply, and improving aircraft features.⁶ Fifty-seat aircraft, which historically operate to smaller markets, are fuel inefficient, cannot accommodate high-end, first-class seating, are expensive to maintain, and consequently are being phased out by the industry.⁷ Put simply, airlines are in the business of making money and, right now, the profit is in leisure markets and in-demand cities through the use of larger aircraft. As a result, they are phasing out 50-seat regional jets in favor of narrowbody aircraft and reducing frequencies in favor of larger aircraft with high load factors and greater profitability. Such decisions, which are not made by pilots, are increasingly depriving small and rural markets of connectivity, business opportunities, and growth.

As carriers rationalize their networks and increase the gauge of their aircraft, we must not let market demand sacrifice small and rural air service markets. We believe air service to small and rural communities is a national responsibility and that safe, efficient, and reliable air service to these communities is a critical component of our national air transportation system. We call on Congress to increase its support for the Essential Air Service (EAS) program, and to incentivize greater carrier participation and increased service. The goal of the EAS program was to ensure that air connectivity for smaller and rural airports remained. Congress has, at times, either through the FAA authorization process or annual appropriations bills, impaired the program by limiting funding, restricting eligibility criteria, and eliminating program expansion.

Airlines have cancelled their EAS contracts and thus eliminated air service to smaller and rural communities. Remedying the market failure of the deregulated airline industry’s provision of air service to rural and small markets will require consideration for changing the subsidy and enplanement cap, allowing air carriers to renegotiate EAS contracts to account for unforeseen operating costs, revising the DOT’s calculation for driving distance, allowing communities that lost EAS service to regain or reestablish eligibility, and revise the DOT’s process for carrier selection. ALPA looks forward to working with the Committee to balance these reforms with careful financial stewardship to help ensure the irrevocable benefits of community air service remain a federal priority.

Pipeline Development

While the current supply of pilots is robust enough to meet demand, ALPA is fully committed to inspiring, developing, and supporting the next generation of pilots. Each year, ALPA connects with thousands of students—from elementary to university aged—to inspire young people from all backgrounds to see themselves as pilots. ALPA is also working to create an accessible, inclusive airline

⁵ “En-gauging the Growth Engine.” Morgan Stanley Research. June 30, 2021.

⁶ “United Next—not just an aircraft order.” Deutsche Bank Research. June 29, 2021.

⁷ “The 50-Seat-Jet Era Will End Soon at Republic Airways Holdings Inc.” The Motley Fool. May 22, 2014.

pilot workforce for all who are interested and for those who for too long have not been adequately represented in the pilot profession. Women and people of color, in particular, face significant barriers to becoming aviators—and that must change.

Congress can and must do more to reduce the cost of flight training. Specifically, the FAA reauthorization provides an opportunity to amend the Higher Education Access Act of 1965 to ensure flight education and training qualify for federally subsidized student loans for four-year, two-year, and appropriately accredited Part 141 programs. There is no reason for unequal loan treatment between a traditional college student and a student seeking to be a professional airline pilot, who must shoulder prohibitively costly private loans for training. We thank Senator Baldwin for her leadership and for working with ALPA to reduce financial barriers to entry in this great profession, and making clear that we will not lower the pilot training and qualification bar in the process. More wholistically, reforming educational opportunities should include increasing participation for underrepresented or nontraditional, low-income, and rural populations as well as providing grants to build flight training and education degree programs at minority-serving institutions, including historically Black colleges and universities. To ensure prospective student success and long-term career attachment, qualifying programs should be structured and accredited training programs, and cost control should be a consideration given that higher education institutions' too frequently capture the cost of federal subsidy increases.

This Committee should consider augmenting and growing the Workforce Development Grant Program originally authorized by the FAA Reauthorization Act of 2018. The program authorized support for educational and development projects for pilots and maintenance technical workers. We believe Congress must authorize and ultimately appropriate more resources for the program to have a greater impact. Additionally, we are supportive of adding new workforce eligibilities, including an aviation manufacturing program mirroring the existing programs. Chair Duckworth and Ranking Member Moran deserve considerable credit for their dogged support for the program, increasing its visibility, and attempting to grow its impact.

Similarly, more must be done to increase female participation in aviation professions. ALPA was proud to not only fight for the Women in Aviation Advisory Board (WIAAB) as part of the last FAA bill, but also to serve on the Board. The findings in the WIAAB's report confirmed that women and men experience their careers in aviation differently—at all seniority levels—with barriers being largely systemic and no one entity or sector responsible for them or their resolution. The Board's report calls for unions, industry associations, government agencies, and Congress to share the responsibility of making changes to the industry in five areas: culture, recruitment, retention, advancement, and data. For these identified measures, we believe it is important to make the WIAAB permanent so it can focus on increasing and supporting female pilots and other aviation personnel. ALPA appreciates the ongoing contributions of the Committee, including Senators Peters and Fischer, for their engagement to make the Board permanent and increase support for women aviators and encourage more women in aviation fields.

We would also draw attention to the Report's many recommendations regarding scheduling, family leave, and accommodations for mothers, including the Nursing Mothers' Accommodations (#40) recommendation. It is long overdue that federal law stop discriminating against pilots and flight attendants regarding pumping by ending their exclusion from the Fair Labor Standards Act's (FLSA) provisions on break time and reasonable accommodations for nursing mothers when aboard aircraft. Congress passed the PUMP Act last year in order to remedy deficiencies in FLSA, but unfortunately industry lobbying killed provisions related to flight and cabin crew protections. Congress must end this gross inequity if it wishes to truly increase and support female growth and retention in the industry.

Protecting and Promoting the Rights of Workers

Any discussion of workforce development must consider the preservation of the core rights of workers. This includes both preserving the rights airline employees enjoy under state and local laws, as well as holding the Department of Transportation to account for its failure to exercise its authority to protect U.S. airline employees from domestic and foreign efforts to undermine their rights and working conditions. The long-term growth and prospects for the pilot profession and other aviation personnel is based on stability and dignity. This Committee should look to the FAA reauthorization to advance, rather than diminish, these core tenets.

ALPA opposes changes to the Airline Deregulation Act (ADA), in particular its scope of preemption of state law. In 1978 Congress limited ADA preemption so as not to foreclose state and local regulation of traditional areas of state concern regarding labor and employee issues as applied to aviation workers. By expressly tailoring preemption of state law only to circumstances where the states directly regulate customer-centric prices, routes, and airline service, Congress balanced the industry's need for uniformity in its relation to the traveling public while respecting the states' traditional ability to protect and support its citizens. Our members, like workers throughout the economy, avail themselves of the benefits provided by state and local governments to care for sick spouses, children, and to address medical concerns outside the protections provided by their collective bargaining agreements. These long-established protections should not be arbitrarily foreclosed.

As this Committee recently observed in the railroad industry, transportation workers care significantly about matters unrelated to pay, and the flexibility to provide and care for oneself and family is necessary for a stable industry. Attempts to expand the intent and statutory framework of ADA preemption to swallow up and preclude these important state law rights will negate this significant progress. In challenging state and local laws, the airlines have unsuccessfully litigated a series of cases which attempted to block labor, paid sick leave, meal and rest, and related laws, including recent denial of petitions of certiorari before the Supreme Court. The establishment of labor standards falls within the traditional police power of the State—a settled principle that applies with equal force to airlines—and the connection between the ADA and labor policy is extremely attenuated, as recognized by the courts. Any attempt to amend or otherwise undermine the accepted status of the ADA's preemption provisions, contrary to the courts' interpretation, in the pending FAA reauthorization or any other legislation will needlessly undermine long-existing rights of workers and will be strongly opposed by the American labor movement.

It is also long past time that Congress direct the Department of Transportation to consider all of the public interest factors related to the protection of U.S. airline workers in its statute. In 1980, Congress required the Department of Transportation to consider the effect its economic regulations have on U.S. aviation workers, including in airline licensing cases. Specifically, that the Department “encourag[e] fair wages and working conditions” for U.S. airline employees (49 U.S.C § 40101(a)(5)). However, since deregulation, the DOT has believed that Congress did not want employee matters to play a consequential role in DOT decision making, irrespective of the responsibility Congress gave to it to take these interests into account in the statute.

In recent decisions, the DOT has essentially disregarded Congress' interest regarding the protection of U.S. workers. In 2016, the DOT all but ignored the statutory public interest to grant a foreign air carrier permit to an airline –Norwegian Air International – that engaged in forum shopping to undermine labor standards. In July of 2022, the DOT granted a U.S. airline operating certificate to Waltzing Matilda

Aviation LLC without imposing any safeguards to prevent the airline from basing all of its employees abroad under foreign labor laws. By ignoring the public interest, this arrangement would open up the door for would-be investors to set up “nominal” U.S. carriers with otherwise no material ties to the U.S., U.S. employees, or U.S. labor law to operate airlines point-to-point in the U.S. Finally, the Department proactively removed an employee protective clause in the Delta Air Lines-LATAM Joint Venture that would have ensured U.S. employees a fair share of new flying rather than inequitably benefiting the foreign partner.

The Fair and Open Skies Act seeks to remedy some of these failures by (1) *restoring* and *requiring* the multifactor public interest test for foreign air carrier permits (49 USC 41302), (2) adding a new criterion regarding the undermining of labor standards, and (3) including labor standards language in the negotiating objectives for State and DOT to consider in bilateral negotiations to help prevent the U.S. from entering agreements without considering potential harm to workers and mitigations. We thank Senator Klobuchar for her long and enduring support for ensuring that U.S. airline employees are protected from arbitrage schemes and that the Department of Transportation do their part for aviation workers. We hope this provision will be included in the Committee’s FAA reauthorization legislation.

I appreciate the Committee’s thoughtful and thorough consideration of our industry’s workers and our contributions to the safest period in air transportation in history. The pilots of ALPA stand ready to assist this Committee with its important policy and oversight work.