



Testimony of

Keith D. Houk and Dion J. Flannery
President and President designate of PSA Airlines

Before the
House Committee on Transportation and Infrastructure
Subcommittee on Aviation

Hearing on

Air Service to Small and Rural Communities

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Chairman LoBiondo, Ranking member Larsen and members of the Subcommittee, thank you for considering our written testimony on the topic of Air Service to Small and Rural Communities.

My name is Keith Houk and I am the President and CEO of PSA Airlines, a regional carrier based in Dayton, Ohio. I am joined in testimony by Dion Flannery, PSA's President designate who will replace me upon my retirement on August 31, 2014. PSA is a wholly owned regional carrier of American Airlines Group currently operating 49 Bombardier (CRJ) regional jet aircraft providing US Airways Express service to 65 cities in the U.S. and the Caribbean. In 2013, PSA's 1,400 dedicated employees operated 118,000 departures and carried more than 5 million enplaned passengers, many to small- and medium-sized communities in the U.S. PSA is proud to have been recently selected to operate 30 additional 76-seat CRJ-900 next generation aircraft that will operate American Eagle service for the combined American and legacy US Airways network. We are preparing today for these new CRJ900s deliveries that will begin in June 2014 and conclude in May 2015.

PSA, like our wholly owned American Airlines Group sibling carriers Piedmont and Envoy, play a vitally important role in the operation of the network carriers we serve. The regional airline industry now collectively accounts for 50 percent of the scheduled daily departures in the domestic U.S. marketplace and often is the sole provider of air service in small, rural communities. That service affords these communities the connections they need to utilize the vast global networks of carriers like American. However, that safe, reliable and affordable service is now at risk as a direct result of the recently implemented First Officer Qualification (FOQ) rules by the Federal Aviation Administration (FAA) that require prospective airline pilots to accumulate at least 1,500 flight hours before they can serve as a First Officer on a commercial airline.

PSA has a long and successful track record at recruiting the brightest and most promising young aviators from respected universities and colleges that have accredited aviation education programs. Well prepared, these recruits have flourished in our highly professional training programs built in coordination with the FAA. However, things have recently changed and PSA is feeling the impact of the shrinking supply of interested young aviators.

The 1,500 hour requirement is delaying the start of prospective pilots' careers with PSA by making them seek out other means to accumulate the required minimum hours. Opportunities for such flying are more limited and more expensive to attain than ever before. In addition, rarely do those hours provide the same level of highly relevant, situation-based flying experience in the company of an experienced regional airline Captain. Worse still, fewer and fewer interested aviators are considering a pilot career given the new costs associated with certification. This is not a commercial issue that can be solved by simply paying prospective pilots more money as they begin their careers. The financial investment required to achieve the 1,500 hours exceeds the amount of compensation a regional carrier can pay without severely damaging the economic value of the regional aircraft service itself.

As a direct consequence of the regional industry's inability to recruit and train pilots some airlines have already begun to reduce service, park aircraft and suspend or terminate scheduled service to smaller communities. It is only a matter of time until more carriers and more

communities begin to feel the effects of an industry that is facing a structural impairment. Residents and employers in these communities rely on regional air transportation to grow and sustain their vital business interests as well as for their personal travel needs.

It is with our testimony above we respectfully request the Committee consider amending the current FOQ 1,500 hour requirement to give more consideration to the quality of education and training a prospective pilot has, rather than the number of flight hours he or she has accumulated. Please rest assured that PSA will never compromise its steadfast commitment to safety as our foremost priority. No pilot candidate will ever operate our aircraft in any capacity until he or she has completed PSA's rigorous First Officer training and has been thoroughly observed and signed off by both our line check airmen and the FAA. We simply request the Committee re-evaluate the definition of a qualified pilot, focusing not on hours for the sake of hours, but the quality of accumulated flight time and the training received.

Keith D. Houk

President,

PSA Airlines, Inc.

Dion J. Flannery

President designate,

PSA Airlines, Inc.