Growing Pilot Shortage Threatens Small Community Air Service Collapse

June 21, 2022

Regional Airline Association

Faye Malarkey Black
President & CEO
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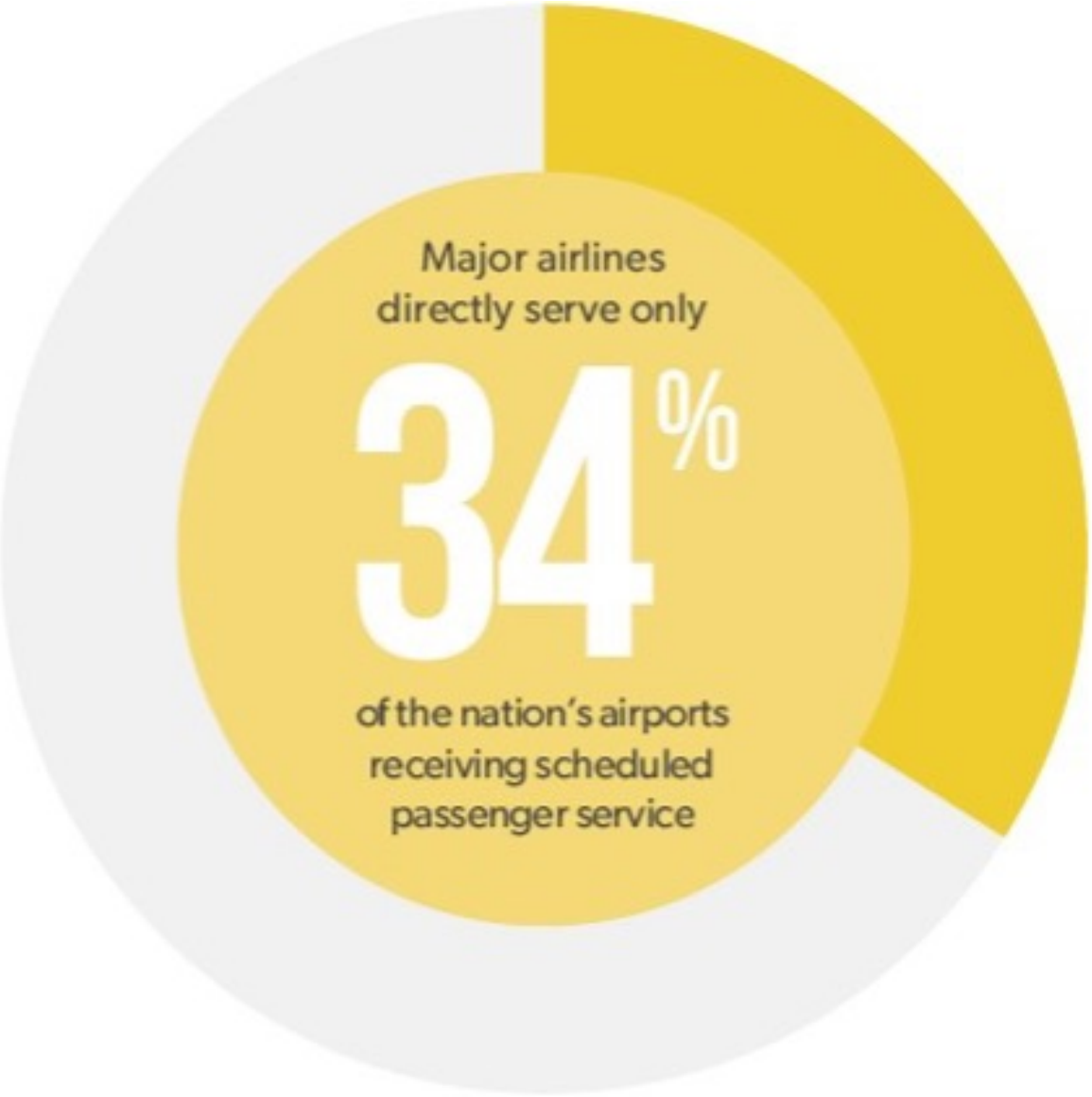
66%
of U.S. airports with scheduled passenger air service get their ONLY source of air service from regional airlines.


43%
of scheduled passenger departures were operated by U.S. regional airlines.



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Regional Airlines Provide Most of the Departures in 30 States

- Wyoming (68%)
- Wisconsin 67%)
- Nebraska (65%)
- Oregon (62%)
- South Carolina (61%)
- Michigan (60%)
- Indiana (59%)
- New Mexico (59%)
- Pennsylvania (58%)
- Virginia (57%)
- North Carolina (56%)
- Ohio (56%)
- Oklahoma (55%)
- Illinois (54%)
- Minnesota (51%)

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Regional Airlines Provide Most of the Departures in 30 States

- Mississippi (94%)
- West Virginia 93%)
- Vermont (92%)
- Alaska (87%)
- Maine (87%)
- North Dakota (87%)
- South Dakota (86%)
- Arkansas (85%)
- Alabama (81%)
- Iowa (81%)
- Kansas (80%)
- Montana (79%)
- Kentucky (76%)
- Idaho (74%)
- New Hampshire (73%)

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Headwinds for Regional Airports

- An existing pilot shortage, accelerated and amplified by pandemic forces, poses an existential threat to small community air service.
- US regional carriers must fight the hardest to attract talent given the variety of competition; this increases labor costs and worsens margins on lower density markets.
- Low revenue and higher cost environment reduces the ability for strong markets to help bring along weaker markets.
- **Decisions are more likely to turn on highest, best use.** Marginal markets are exposed to higher risk with faster consequences. Smaller aircraft are being parked.
- When industry shock forces network carriers to retract air service, small communities are hit first and worst.
- Hub airports with significant regional connections will lose departures.

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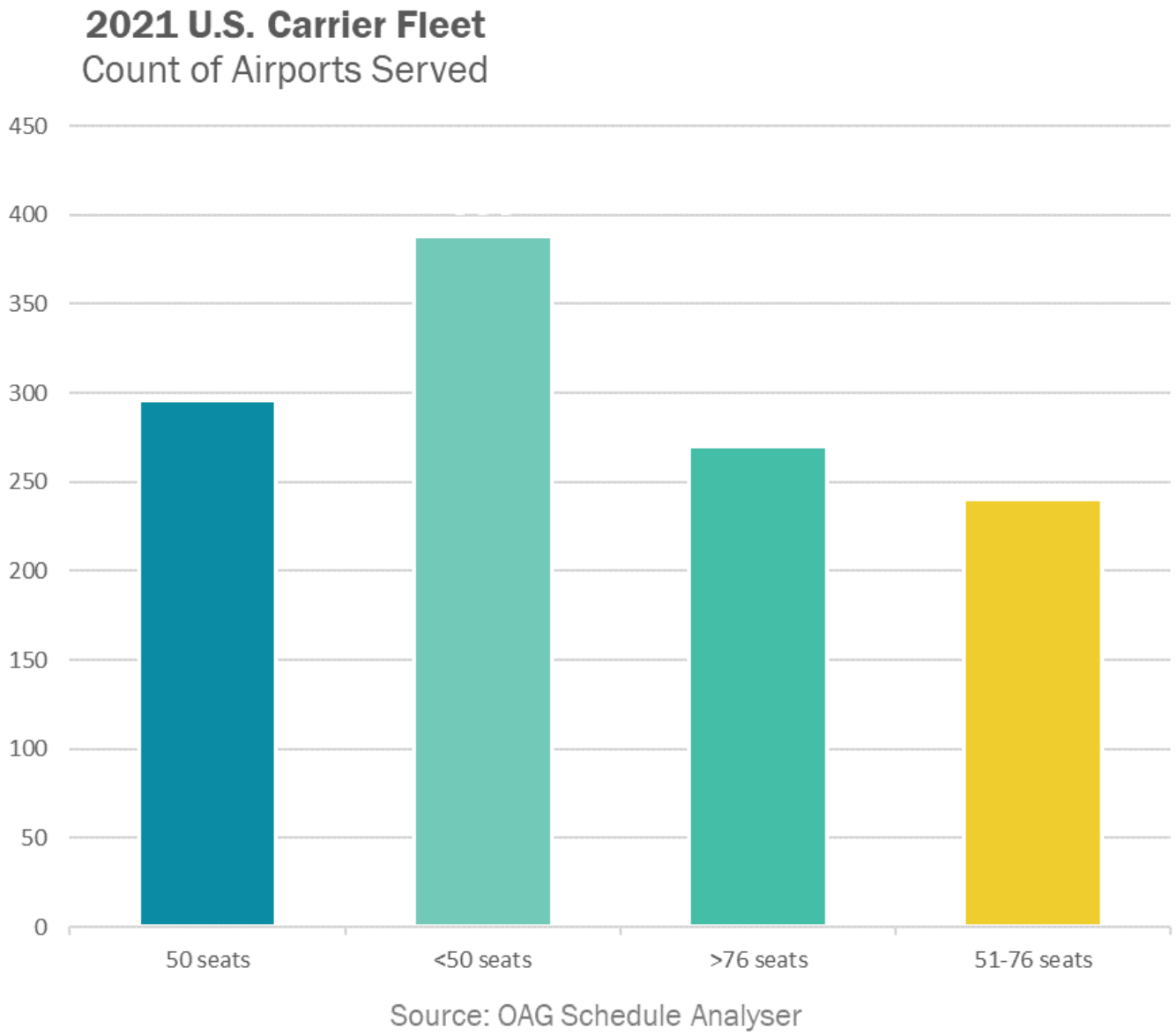
Small Aircraft Parked = Big Network Problem



"We don't have enough pilots to fly all the airplanes, so the 50-seaters are at the bottom of that pile, and markets that rely on 50-seaters are the ones that are going to lose service."

--UAL CEO Scott Kirby, Nov. 2021

- 56% of airports (371) were <u>only served</u> by aircraft with *50 seats or fewer* in 2021.
- 12% of airports were <u>only served</u> by 50 seat jets in 2021.

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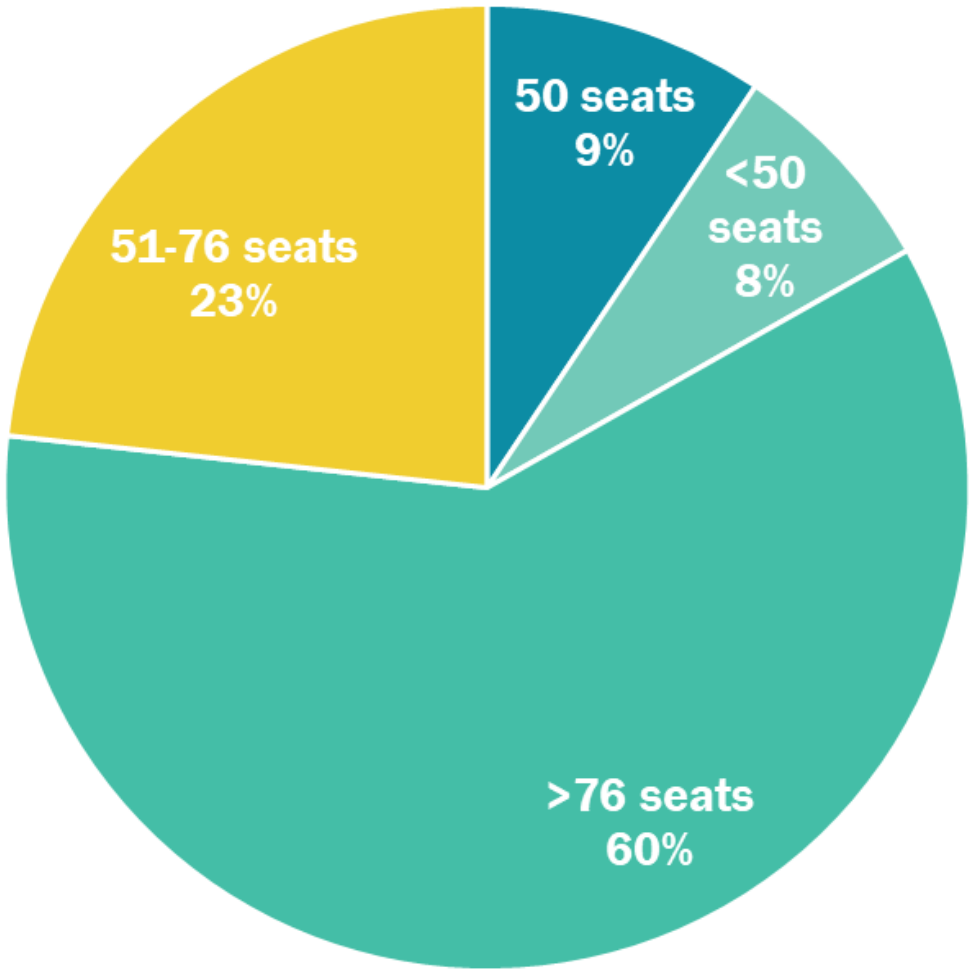
Small Aircraft, Big Network Presence



Source: OAG Schedule Analyser

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Small Community Departures are Important to the U.S. Aviation System

Regional airlines bring small community passengers through and beyond the hubs and operate **more than half** the departures at several large hub airports.

TOP 50 U.S. AIRPORTS FOR REGIONAL DEPARTURES

Ranked by total scheduled departures with regional aircraft in 2020

TOP 10

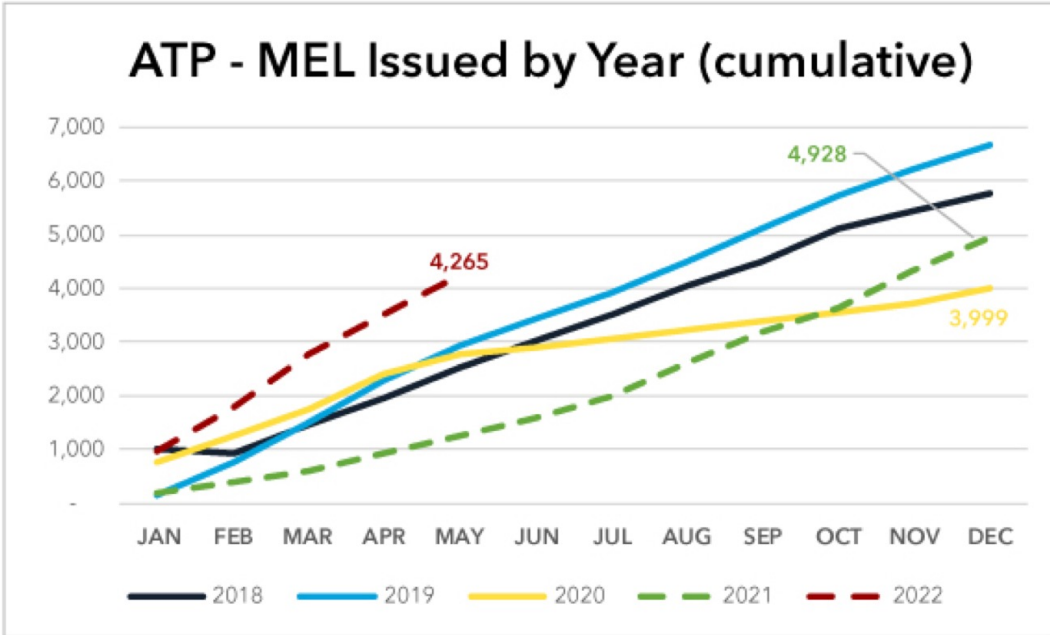
Rank	Airport	Airport Code	Regional Departures	Total Departures	Regional Share
1	**Chicago**	ORD	173,942	279,645	**62%**
2	**Dallas**	DFW	136,523	289,202	**47%**
3	**Charlotte**	CLT	109,727	194,734	**56%**
4	**Denver**	DEN	71,915	219,912	**33%**
5	**Houston**	IAH	69,074	126,278	**55%**
6	**Detroit**	DTW	63,471	117,745	**54%**
7	**Seattle**	SEA	62,690	155,114	**40%**
8	**Atlanta**	ATL	61,260	273,289	**22%**
9	**Minneapolis/ St Paul**	MSP	54,317	114,477	**47%**
10	**Philadelphia**	PHL	49,050	95,167	**52%**

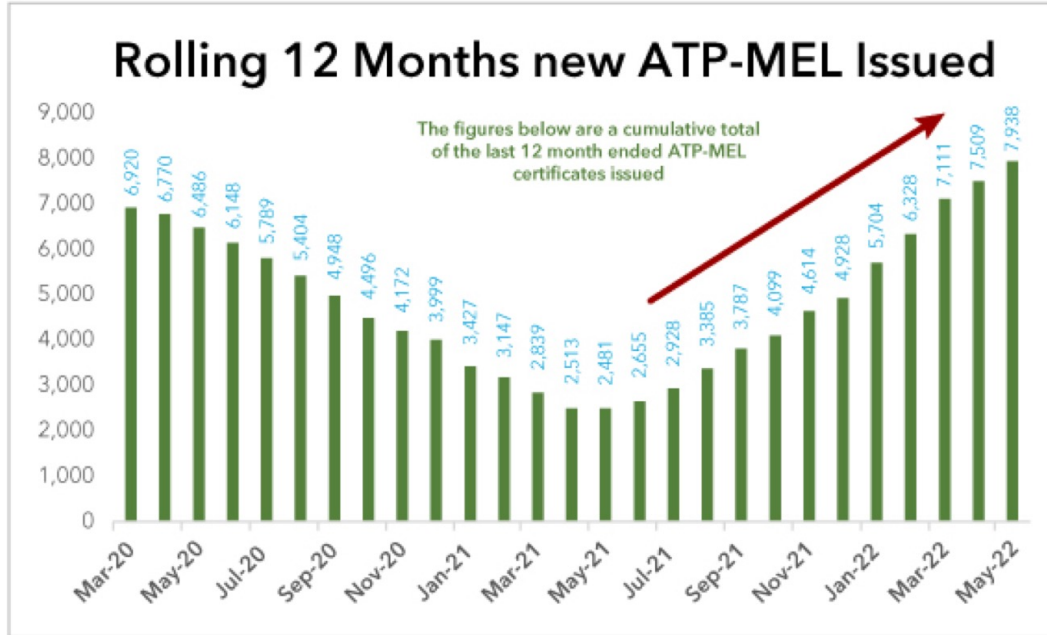
Source: Analysis of OAG Schedules Analyser data

MISLEADING

Data in the Chart Below was Sliced to Isolate an Upswing in certificate issuance from late 2021 to early 2022 that is ***related to backfilling an obvious pause in certificate issuances during Covid*** *without acknowledging that context.*

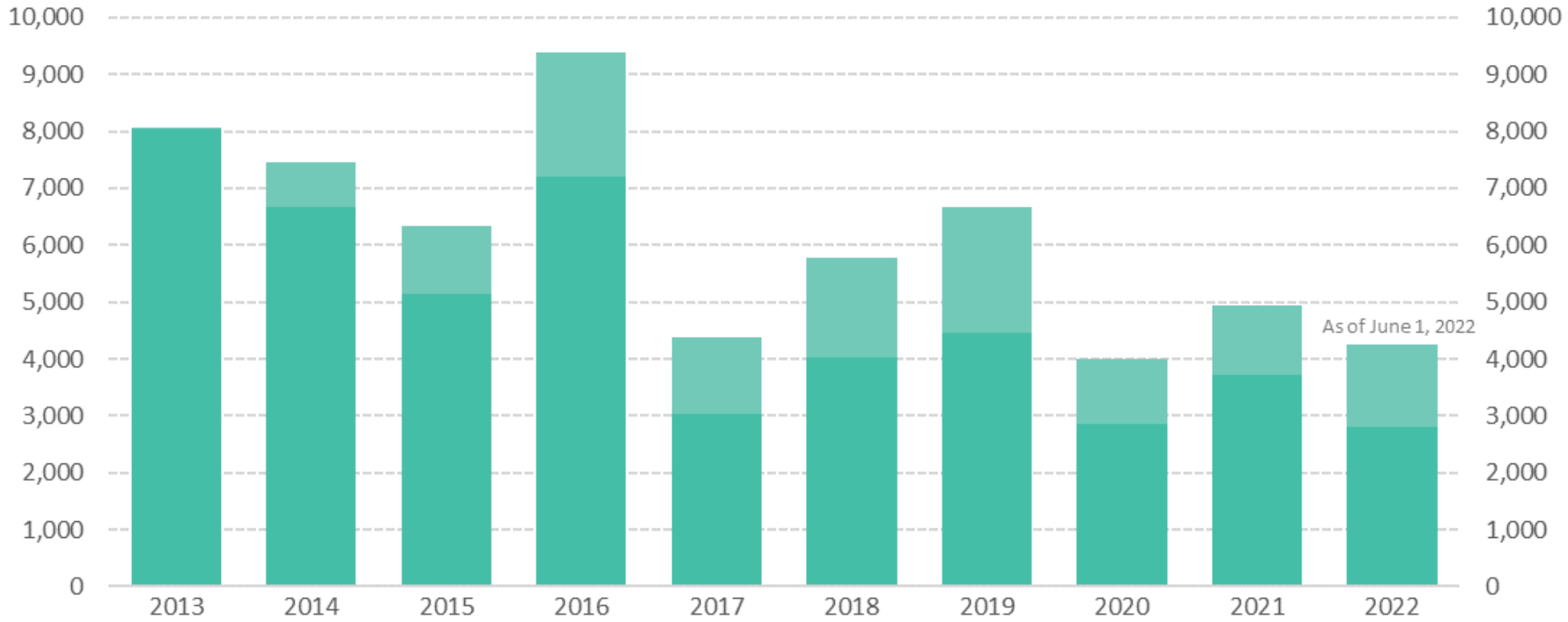
FACT: More Pilots Today Than Before COVID





COVID Dramatically Slowed Issuance of New Certificates

*2020 and 2021 show a **steep decline in issuances** associated with the acute COVID slowdown in training, which ticks back up in late 2021 into 2022 as backlog of Covid training slowdowns began to catch up and hiring resumed.* **An average of just 6,335 new ATP/RATP certificates per year have been issued since 2013.**



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
R-ATP AMEL	37	787	1,203	2,190	1,363	1,762	2,196	1,140	1,219	1,469
ATP-AMEL	8,029	6,658	5,146	7,197	3,027	4,026	4,468	2,859	3,709	2,796
TOTAL	8,066	7,445	6,349	9,387	4,390	5,788	6,664	3,999	4,928	4,265

Source: FAA's Registry Services and Information Management Branch, AFB-730

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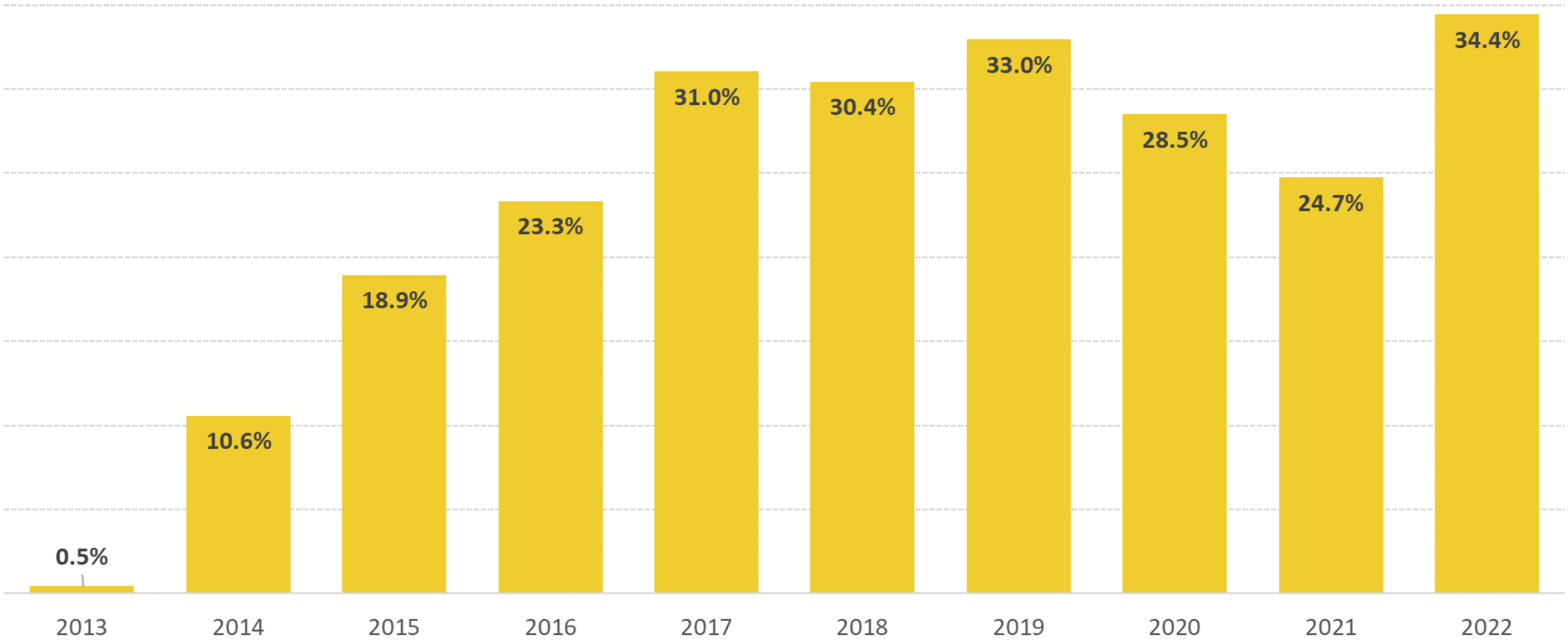
Structured Training Pathways Improve Proficiency and are Underutilized

Demand for R-ATP pathways is growing, but significant barriers to entry (financial inequity, geographical, collegiate/non-collegiate) place structured training pathways out of reach for many aspiring pilots. Data **shows these pathways produce the most highly-proficient pilots.**

2022 Uptick in the R-ATP is consistent with resumption of airline hiring.



Percentage of Original Issuance ATP AMEL with Restricted Privileges

Data Source: FAA's Registry Services and Information Management Branch, AFB-730

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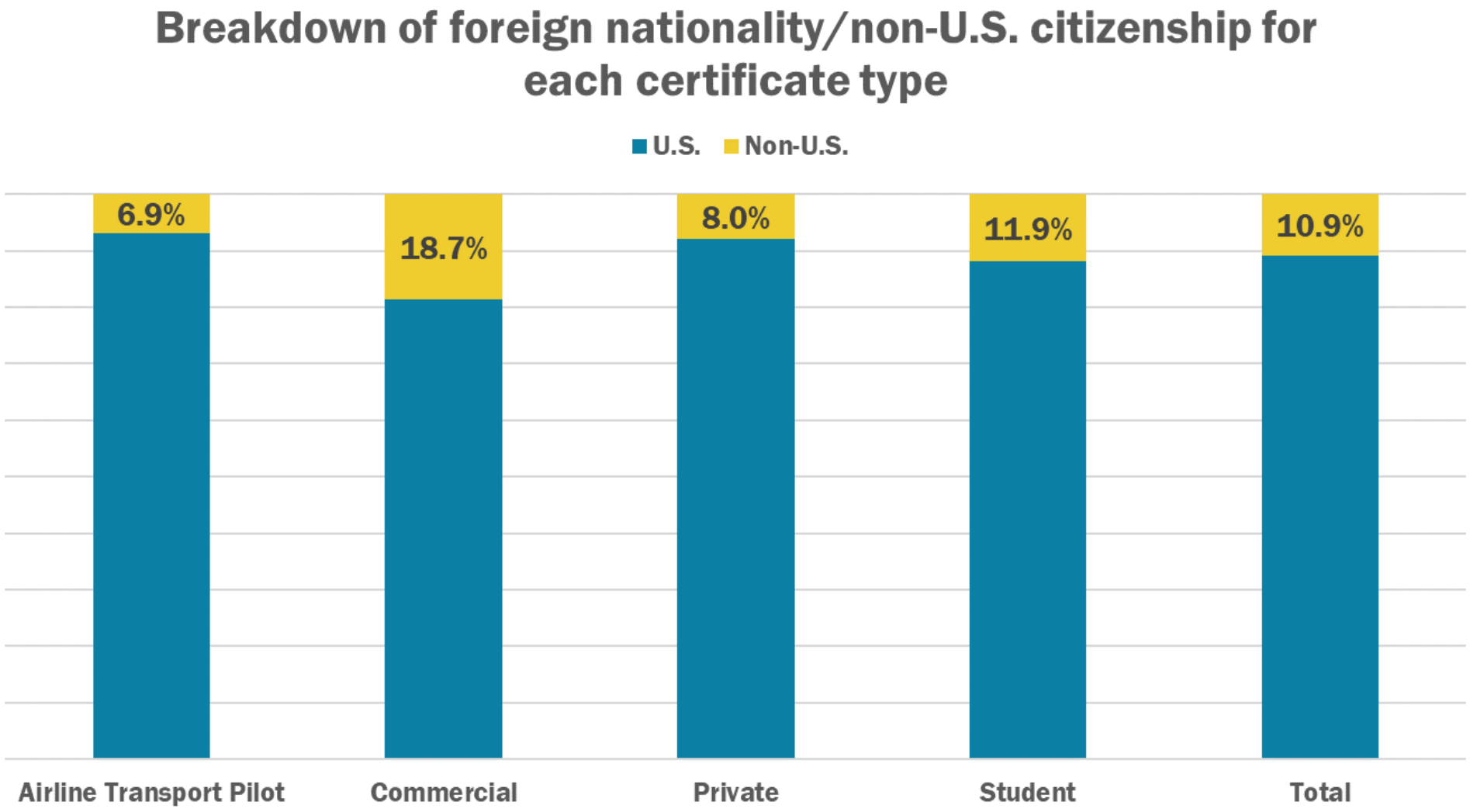
Nearly 1 in 5 commercial pilots is held by a non-U.S. citizen. We cannot use commercial certificates as a gauge for future ATPs as the ATP is not required in foreign countries.



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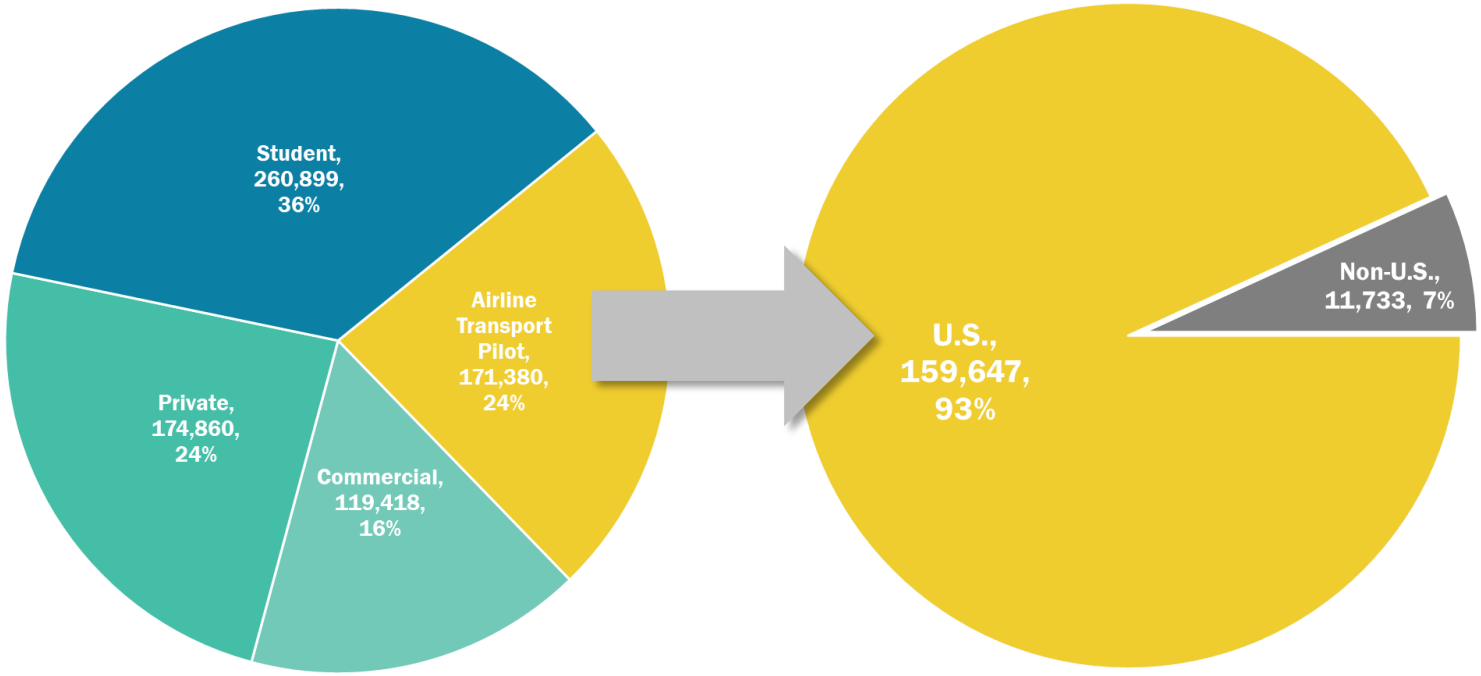
How many pilots are TRULY available?

Total count of Air Transport Pilots (ATPs) insufficient representation of supply



Of 171,380 ATP certificates, 11,733 are foreign nationality/non-U.S. citizenship (7% of ATPs)

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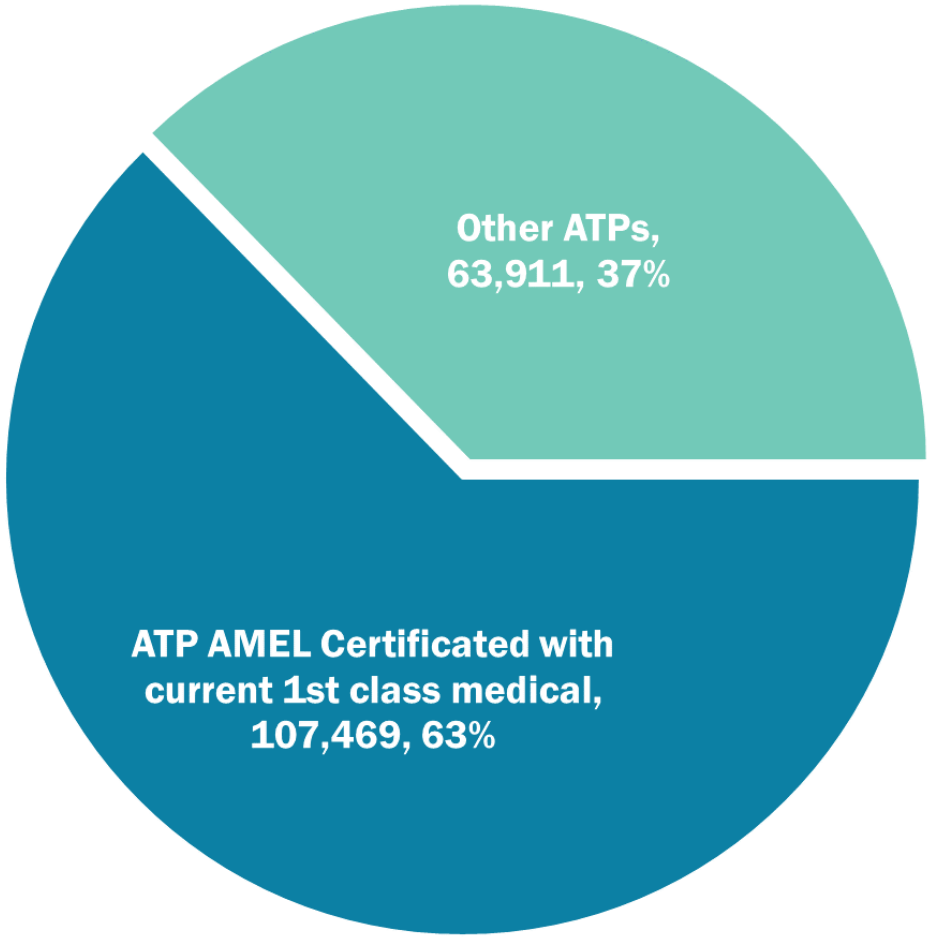
What's Inside the FAA's Certificated Airmen Database?



- Of remaining ATP-MEL pilots, just 107,469 ATP AMEL pilots hold current 1st class medicals *(required for hire)*
- **At minimum, 37% of total ATP certificates are *ineligible for hire***
- **Currently unquantifiable additional disqualifications:**
  - Piloting ability
  - Check-ride failures
  - Recency and type of experience
  - Instrument proficiency
  - Criminal record

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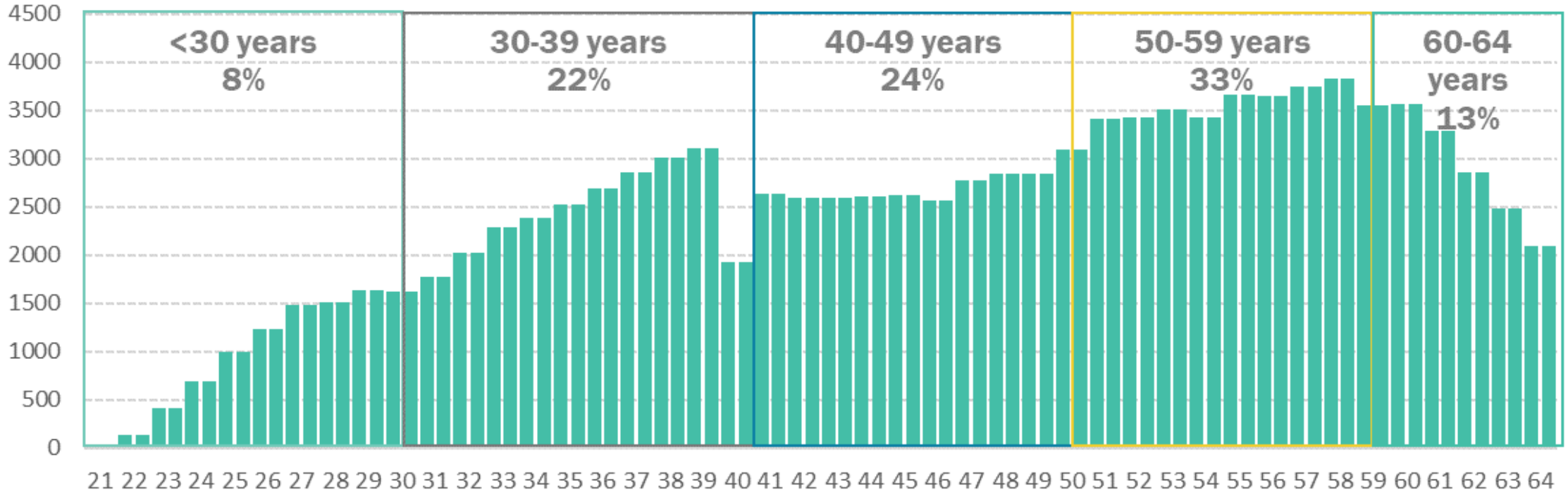
How many pilots are **TRULY** available?

- Seniority lists for the legacy, regional, low cost, national, and large cargo carriers total more than 97,000 pilots
- The number of ATP AMEL pilots potentially hirable is barely over 10,000

RAA Member Airlines	19,125
American	15,176
Delta	13,520
United	13,023
Southwest	9,122
FedEx	5,037
JetBlue	4,300
UPS	2,927
Alaska	3,113
Spirit	3,018
NetJets	2,328
Frontier	1,684
Allegiant	1,057
Hawaiian	847
Sun Country	462
Avelo	88
Breeze	85
Atlas	2,500
Total Pilots	97,412

With Fewer New Pilots than Needed to serve routes already, Nearly half of today's qualified Pilots are Approaching Mandatory Retirement



- 45.9% of all ATP AMEL airmen with valid 1st class medicals will reach mandatory retirement age within 15 years (49,541 airmen).
- 13.2% will reach mandatory retirement age within 5 years (14,270 airmen).
- Retirements are not the only attrition, and replacing retirements is not the only objective given growing passenger demand.

Data Source: FAA's Registry Services and Information Management Branch, AFB-730

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THE WORLD'S LARGEST PILOTS UNION | WWW.ALPA.ORG

June 14, 2022

Faye Malarkey Black
President and CEO
Regional Airline Association
1201 15th Street NW, Suite 430
Washington, DC 20005

Dear Faye,

I am writing to urge you to turn your attention away from lobbying to weaken critically important, lifesaving pilot training and experience rules and, instead, focus on helping your member airlines attract and retain the best and brightest aviators. The recent deals ALPA helped negotiate with two of your members—Envoy and Piedmont—offer a great starting point to seriously address the pilot supply challenges you say your members face.

Contrast that approach with the one pursued by Republic Air, another of your member airlines. Rather than address the pay, career progression, and work-rule issues faced by many regional pilots, Republic has asked the federal government for permission to cut safety training requirements in half as a way to attract and retain pilots, rather than addressing the underlying economic deficiencies of how the airline treats its workers.

It is particularly hypocritical that RAA affiliates squandered the opportunity to ready their operations and training programs for the post-pandemic surge in travel. After receiving billions in government subsidies to retain staff and prepare for recovery, they are again asking the government for relief—this time from the same rules that have made the United States the safest aviation system in the world. It was clear that, once we solved the public-health crisis, air travel would rebound, and passenger demand would return. The taxpayer support provided to airlines was predicated on this assumption, some airlines prepared for the recovery better than others. Some bet on a strong American recovery; others bet against it. For ALPA, there was never any doubt whether we'd come out of the pandemic strong, and my pilots are more than ready to meet this moment.

I respectfully urge you to reject this dangerous flight path and instead place your time, energy, and efforts into urging your members to come to the bargaining table ready to negotiate contracts that provide pilots with competitive compensation packages, career progression enhancements, and strengthened work rules. This approach is not only good business, but it will ensure the safety of our system—something we should all rally behind.

Sincerely,

Joseph G. DePete

Joseph G. DePete
President, Air Line Pilots Association, Int'l

Fact Check on ALPA Rhetoric:

- Flight time (aeronautical experience) is not training time, as ALPA knows.
- ALPA once supported the very structured training pathways they now say "weaken safety."
- FAA found low value in the flight time element of the rule and high value in the structured training element of the rule. RAA and its members do not wish to change the rule and are focused on expanding training pathways *allowed* by the law.
- ALPA attempts to distract from pilot shortage with allegations on PSP, which the union itself called "worker first." Airlines used PSP as Congress and U.S. Treasury Dept. intended. GAO has issued 10 reports, each showing high program compliance.
- ALPA opens and closes with a focus on its collective bargaining objectives, which is telling.
- See RAA's full response, with sourcing here.

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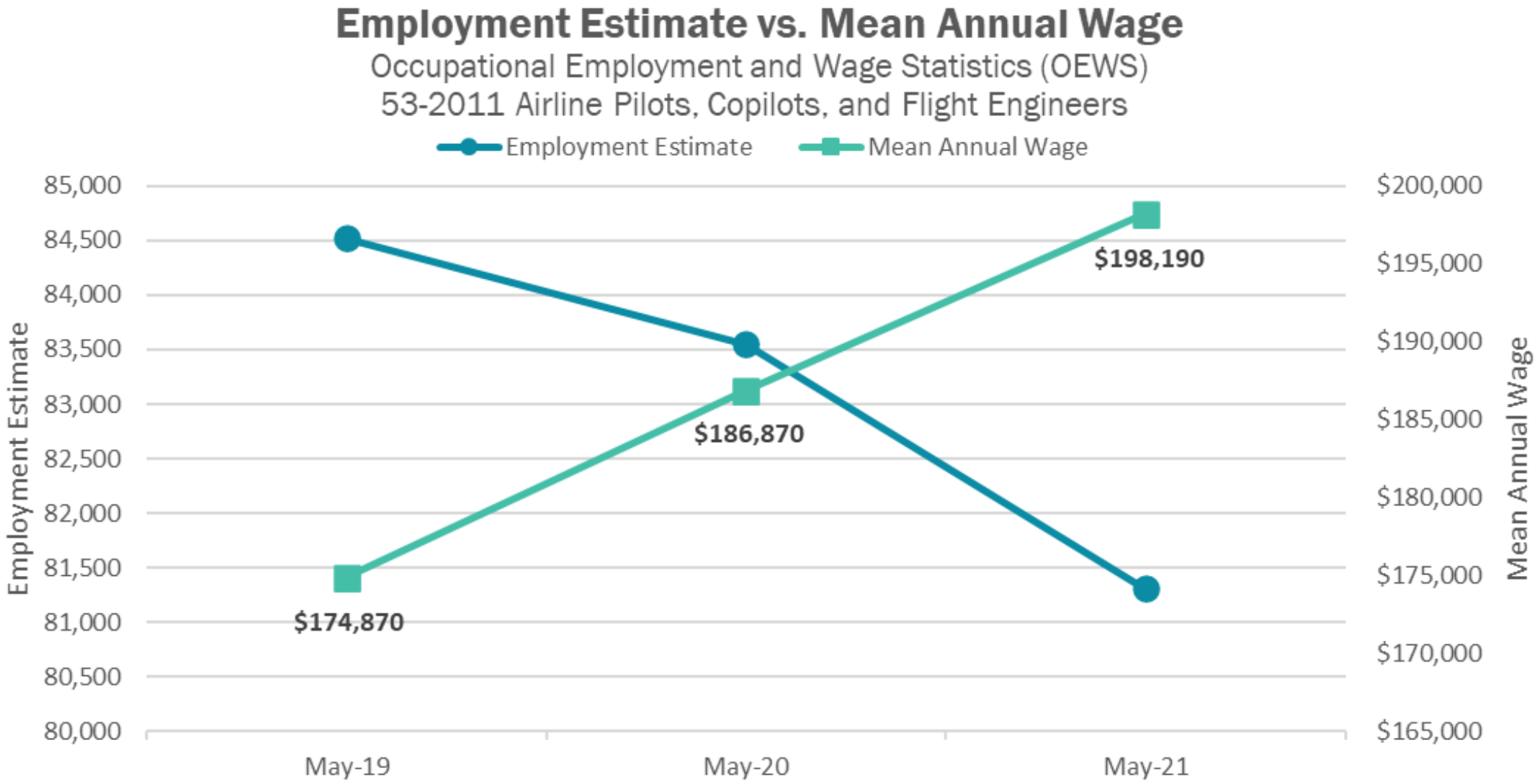
Pilot Workforce Shrinking Despite Pay Increases



https://www.bls.gov/oes/current/oes532011.htm#top

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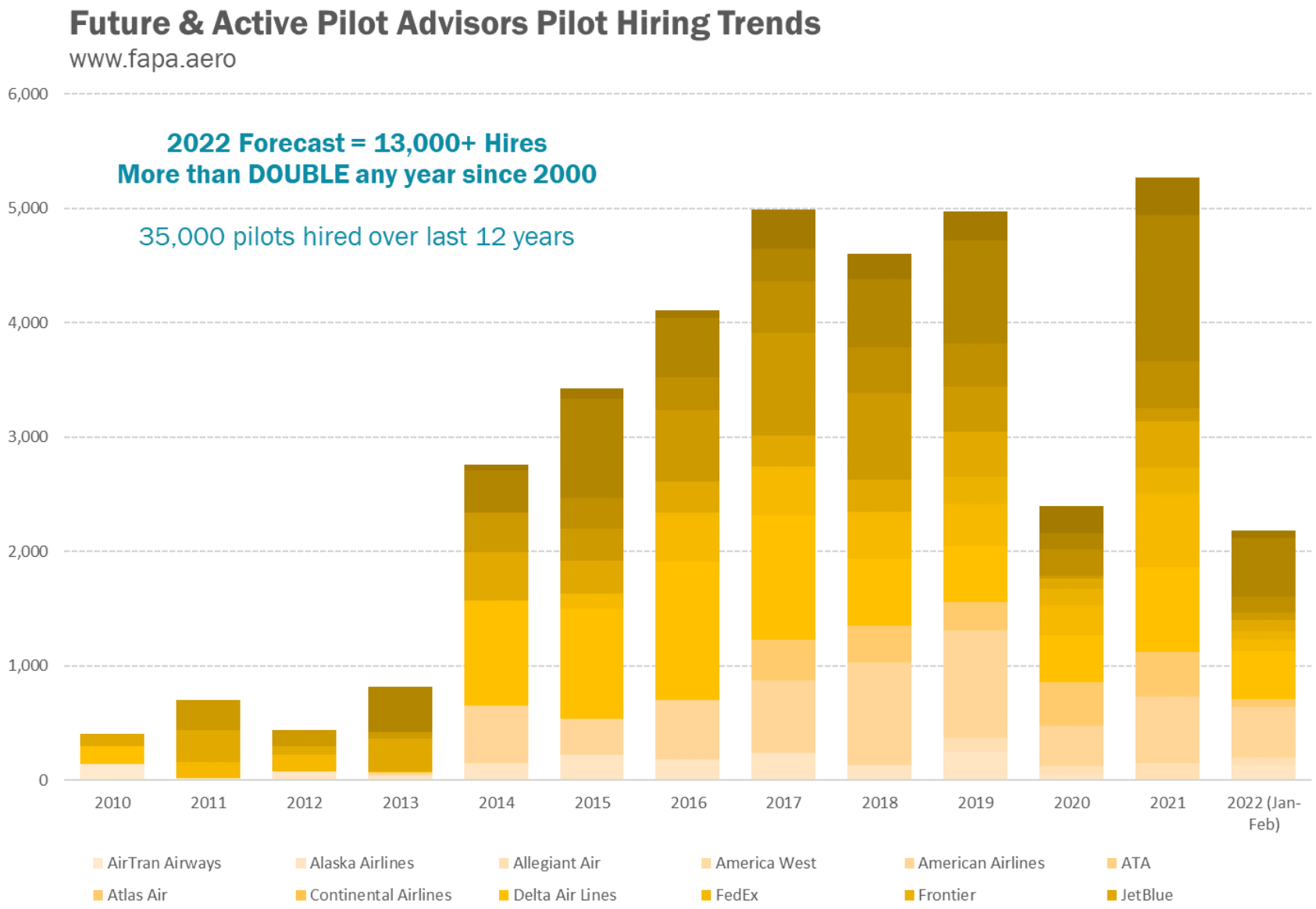
Pilot Demand at Majors Alone Already Outpacing Supply



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Pilot Shortage by the Numbers

BLS Estimated Average **Yearly** Airline Pilot Openings 2020-2030 = 14,500

FAA's Average **Yearly** ATP/R-ATP new certificate issuance 2013-2021 = 6,335

14,500 – 6,335 = (8,165) potential annual pilot shortfall

At 5 crews (10 pilots) per aircraft, a shortfall of 8,165 pilots could park 817 aircraft in a single year.

1,777

Total RAA member operated aircraft.

Capacity will also be drawn down through lower utilization of the remaining fleet.

- Actual annual 2022-2023 hiring vs. BLS forecast openings may vary; training and supply chain slowdowns could slow growth but would not obviate a shortage this vast.

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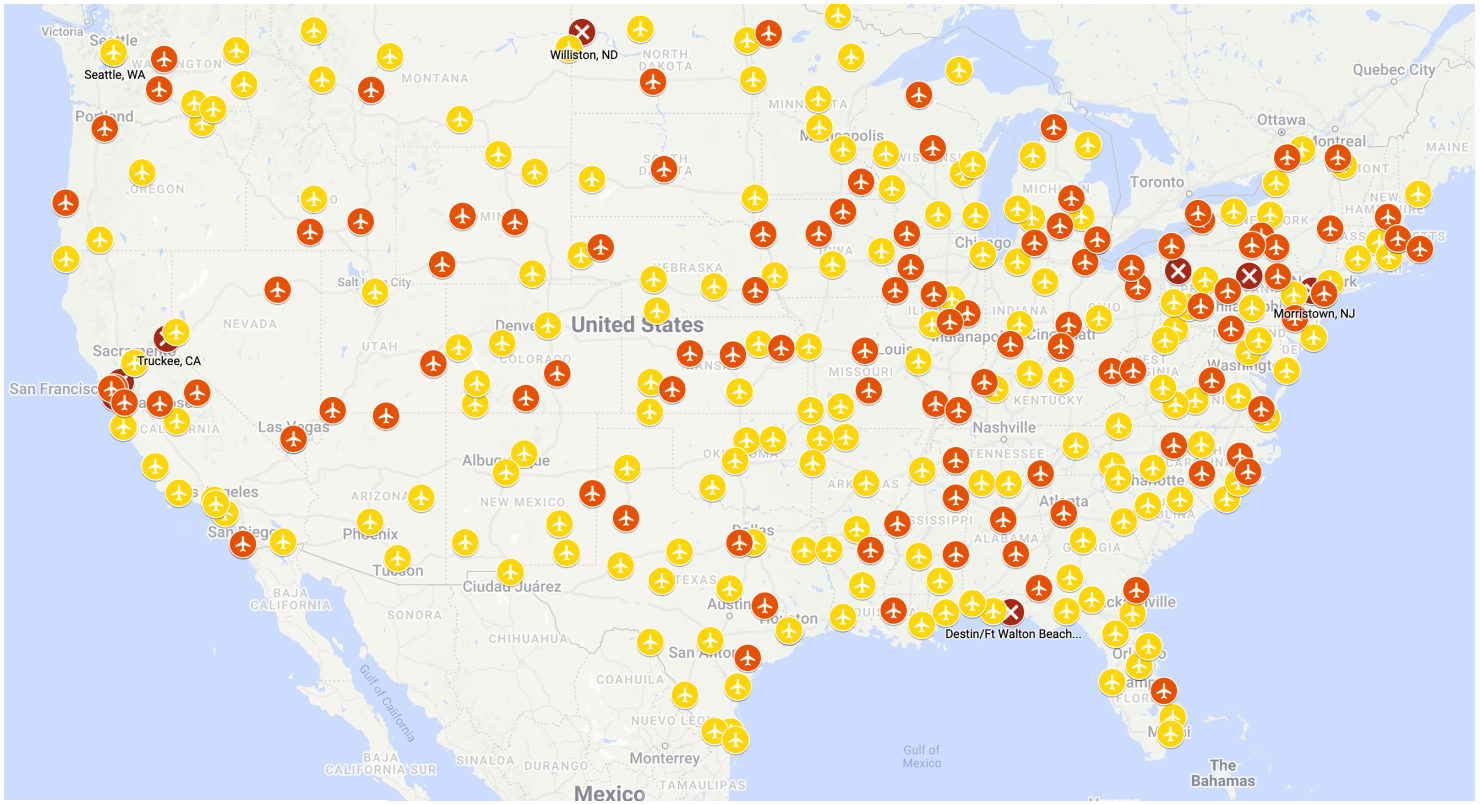
Dramatic Air Service Loss 1Q2019 vs. 1Q2022

303 (70%) airports experienced loss (loss of all service or reduced departures)

Communities losing service lost an average of 23.4% of their air service.

8 Airports lost all air service.



Source: OAG Schedules 1Q2019 vs. 1Q2022 (Analysis excludes Alaska)

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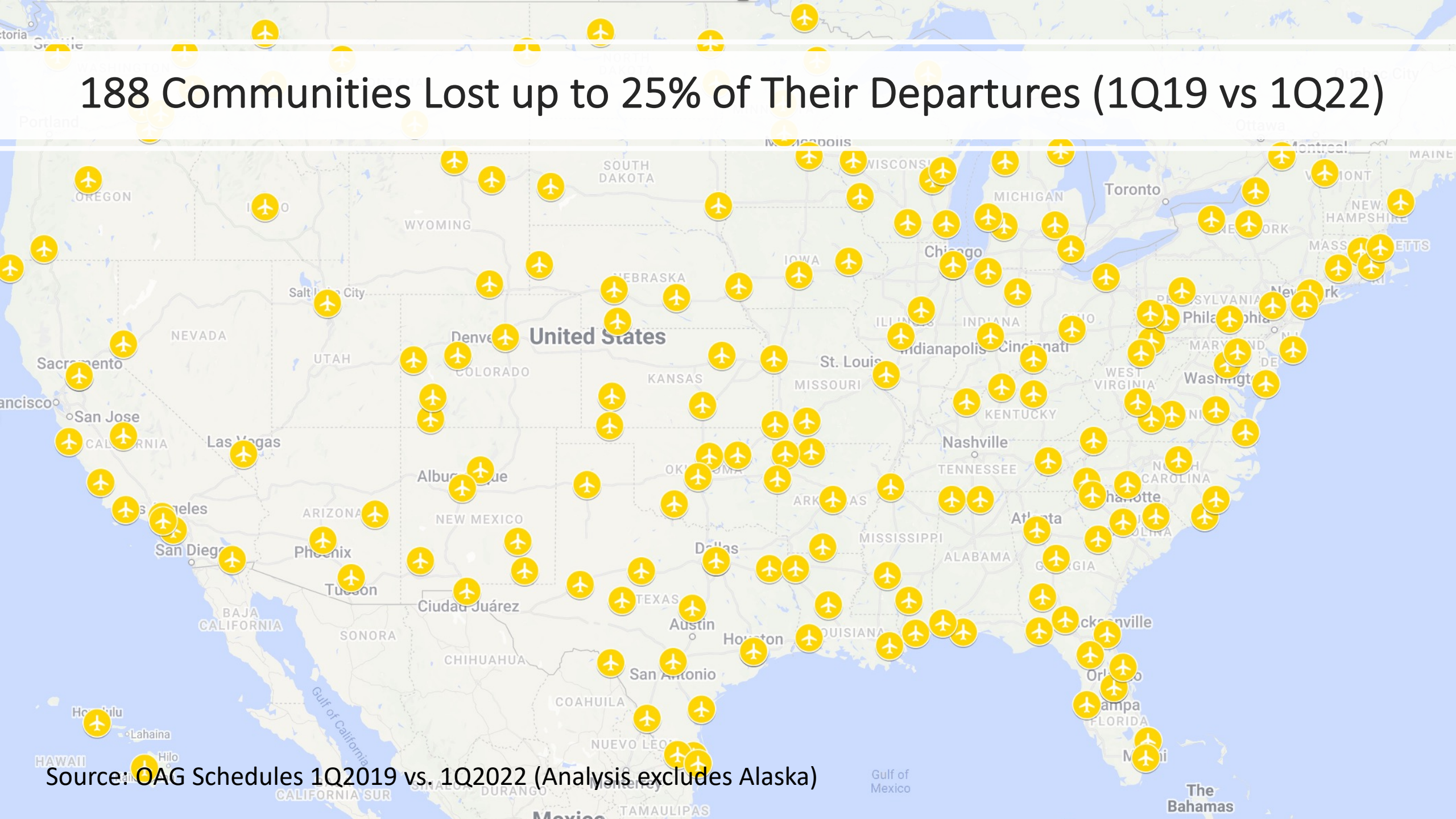
188 Communities Lost up to 25% of Their Departures (1Q19 vs 1Q22)



Source: OAG Schedules 1Q2019 vs. 1Q2022 (Analysis excludes Alaska)

106 Communities Lost Over 25% of Their Departures (1Q19 vs 1Q22)

Source: OAG Schedules 1Q2019 vs. 1Q2022 (Analysis excludes Alaska)

Steps for a Strong, Long-Term Pilot Supply

- In addition to investing in measures to attract and support pilots, **we must reduce substantial barriers of entry** blocking career access and equity.
- We must ensure students can finance flight training higher education: The cost of pilot training and education exceeds the limits on student loan dollars by about $80,000; making flight education unreachable for students without wealth or private financing. RAA backs the **Flight Education Access Act** to close this gap.
- We must create more and better FAA-approved structured training pathways. Proficiency-based structured pilot training pathways produce pilots with the highest proficiency; but schools are full and qualified candidates often lack financial access. **More and better FAA-approved qualification pathways** hold the key to **improving career access** and **raising the bar** on training safety standards.
- **We must ensure that all solutions continue to put safety first**: The *Airline Safety Act* specifically directed the FAA to allow academic training courses to be credited toward the total flight hours where it determines the courses will enhance safety. The intent of this provision is to incentivize airlines and flight training programs to continually improve and modernize academic training for pilots.
- We must give short term solutions, such as letting experienced pilots fly until 68 and streamlining visas approvals for experienced foreign pilots, due consideration. These will provide **short-term relief** while holistic solutions take hold.
- It is no longer simply about bringing new pilots to the industry. Solutions to **improve training also create opportunity and career access** for candidates traditionally blocked from the career.
- Diversifying the pilot career begins with meaningful **equity and inclusion in the training pipeline**.

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