

# PRESS RELEASE

For Immediate Release

## Beyond NTSB Hearings

*U.S. Requires National Air Transportation Policy*

**Single High Regulatory Standard for All Aviation Expected**

Washington, DC and Radnor, PA, May 18, 2009--The International Brotherhood of Teamsters Airline Division (IBT) and Business Travel Coalition (BTC) today published an industry analysis following the National Transportation Safety Board (NTSB) hearings last week into the Feb. 12 Colgan Air crash just outside Buffalo, N.Y. The analysis can be downloaded at <http://businesstravelcoalition.twi.bz/b>

"The NTSB hearings are a reminder that we need to continuously review and where appropriate, update the safety and security regulations that underlie our air transportation system," said David Bourne, IBT Airline Division Director. "In the aftermath of the Buffalo tragedy, it seems appropriate to raise some questions regarding whether our current policies are having an adverse impact on both near- and longer-term aviation competence."

IBT and BTC believe there is inherent conflict in a system that does not appropriately articulate public policy expectations regarding optimizing safety and minimizing cost. Finding the right balance requires the development of a coherent national air transportation policy that takes into account these and other issues and that provides an opportunity for the creation of a financially viable airline industry.

BTC Chairman Kevin Mitchell said: "Following the tragic crash near Buffalo, travelers, travel agents and corporate travel managers were taken aback by news reports that identified much larger differences in pilot compensation and experience between regional and major airlines than most observers were aware of. Taken in conjunction with revelations regarding pilot training, fatiguing commutes and other safety-related items that arose during the NTSB hearings, these facts have left many in both the public and Congress concerned about the regional airline business model.

Pilot-related issues are not the only area in which current practice seems incompatible with optimizing safety and assuring the continuing availability of appropriately trained personnel. IBT and BTC have previously urged that Congress take a careful look at the increasingly prevalent practice of outsourcing aircraft maintenance to offshore facilities. U.S. Department of Transportation Inspectors General have repeatedly warned Congress that there is woefully inadequate Federal Aviation Administration (FAA) oversight of aircraft maintenance outsourcing of both FAA-certificated and non-certificated foreign repair stations.

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### **About IBT**

Founded in 1903, the International Brotherhood of Teamsters represents more than 1.4 million hardworking men and women in the United States, Canada and Puerto Rico.

### **About BTC**

Founded in 1994, the mission of Business Travel Coalition is to bring transparency to industry and government policies and practices so that customers can influence issues of strategic importance to their organizations.



## **Beyond NTSB Hearings**

***U.S. Requires National Air Transportation Policy; Single High Regulatory Standard for All Aviation***

Published by International Brotherhood of Teamsters Airline Division and Business Travel Coalition

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The International Brotherhood of Teamsters Airline Division (IBT) and Business Travel Coalition (BTC) offer this summary analysis in the aftermath of the National Transportation Safety Board (NTSB) hearings the week of May 11 in Washington, DC. The hearings regarded the Colgan Air crash on February 12, 2009 just outside Buffalo, New York and are a reminder that we need to continuously review, and where appropriate, update the safety and security regulations that underlie our air transportation system.

The U.S. deregulated the airline industry in 1978 but in the aftermath of the intense Congressional debates about deregulation itself, has never had an inclusive, thoughtful public-policy debate about what ought to be the priorities of national policy with respect to air transportation. As a consequence, Congressional involvement in aviation policy has been somewhat limited to lurching from one crisis to the next, sometimes adding to a patchwork of disconnected policy prescriptions which fall far short of coherent aviation policy.

**In the aftermath of the Buffalo tragedy, it seems appropriate to raise some questions regarding whether our current policies are having an adverse impact on both near- and longer-term aviation competence.**

The regional airline industry is an increasingly important component of the national air transportation system. Regional carriers now operate more than half of all commercial aviation departures. Regional enplanements are expected to grow from 154 million in 2009 to 268 million in 2025. While most of the firms and professionals that work in this segment of the airline industry are doubtless executing their responsibilities in accordance with established standards, the model itself – which appears to be compelling participants to compete themselves inexorably towards the lowest possible cost – appears incompatible with optimum safety, security and customer service.

Following the tragic crash at Buffalo, travelers, travel agents and corporate travel managers were taken aback by news reports that itemized much larger differences in pilot compensation and experience between regional and major airlines than most observers were aware of. Taken in conjunction with revelations regarding pilot training, fatiguing commutes and other safety-related items that arose during the NTSB hearings, these facts have left many in both the public and Congress concerned about the regional airline business model.

This model, in which young, less experienced pilots sometimes pay for their own training, sometimes commute long distances from home to flight bases and are paid very little is analogous in many minds to the baseball farm-team system. While the analogy was once apt, the continuing financial difficulties of major airlines and the paucity of major airline pilot job opportunities has made the probability of moving up to the majors increasingly unlikely. It thus seems appropriate to inquire as to whether the compensation and working conditions offered by regional airlines are sufficient to attract and retain appropriately skilled personnel.

Hourly wages for a regional pilot start at \$12.50 per hour, according to Avjobs.com. The co-pilot of the Colgan Air regional aircraft that crashed in Buffalo made \$23 an hour, according to reports. That compares with an average hourly wage for New York City cab drivers of \$17, and \$20 for Atlanta bus drivers. However, these cab and bus drivers are not commuting across multiple time zones only to land from a “red eye” flight and operate their vehicles.

While pilots at major airlines are paid far more, they too have seen pensions disappear and wages plummet as airlines at every level engage in a seemingly endless competition to drive costs down to those of the lowest common denominator. As this has occurred, the depth and breadth of the pilot skill base has eroded. The industry has essentially eliminated pension protection for employees. Without a credible and sufficiently funded industry-wide airline retirement system the industry will not attract and retain a future generation of highly talented personnel.

While airlines must be cognizant of costs, and should seek to operate efficiently, IBT and BTC believe that the public has the right to expect that whether the aircraft is a Dash 8 approaching Buffalo in icy conditions or an Airbus 320 without power over the Hudson, it will be operated by reasonably paid, carefully trained, fully experienced and career-oriented pilots with the necessary resources of experience and intellect to make full use of the sophisticated technologies available to them.

New cockpit technologies have produced a generation of pilots that are good systems managers, but because of the lowered acceptable number of hours required to get hired, they lack the experience that only time in the cockpit can provide; you cannot teach experience. In decades past, young pilots were paired with and mentored by experienced pilots with many thousands of hours.

***Very importantly, no matter the area of aviation – crew training & experience – aircraft maintenance – air traffic control – travelers should accept nothing less than a single and high regulatory standard and a Federal Aviation Administration (FAA) willing to do its enforcement job.***

Not surprisingly, pilot-related issues are not the only area in which current practice seems incompatible with optimizing safety and assuring the continuing availability of appropriately trained personnel. IBT and BTC have previously urged that Congress take a careful look at the increasingly prevalent practice of outsourcing aircraft maintenance to offshore facilities.

U.S. Department of Transportation Inspectors General have repeatedly warned Congress that there is woefully inadequate FAA oversight of aircraft maintenance outsourcing of both FAA-certificated and non-certificated foreign repair stations. These facilities can reduce labor cost for major overhauls by forty percent. But the tradeoff is that these contractors are not subject to the same safety and security standards as domestic U.S. repair stations.

In particular, unlike domestic U.S. repair stations:

- FAA does not require FAA-certificated foreign repair stations to establish drug and alcohol testing programs for safety-sensitive employees, such as mechanics who perform work on air carrier aircraft or components.
- The Transportation Security Administration (TSA) does not mandate pre-employment background checks or restrict employees with access to air carrier aircraft at FAA-certificated foreign repair stations.
- FAA and TSA have failed to inspect and audit FAA-certificated foreign repair stations to the same extent as domestic repair stations.
- Foreign repair stations contract out work done on behalf of U.S. air carriers to other foreign companies that hold no FAA certification and are not regulated by the FAA or the TSA.

IBT and BTC believe there is inherent conflict in a system which does not appropriately articulate public policy expectations regarding optimizing safety and minimizing cost. In our view, finding the right balance requires the development of a coherent national air transportation policy that takes into account these and other issues and that provides an opportunity for the creation of a financially viable airline industry.

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